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Russia as Opportunist or Spoiler in the Middle East?

Pavel K. Baev

The severe and fast-evolving Ukraine crisis has required a great concentration of Russia's political efforts and is having a massive impact on Russian policymaking, including in the Middle East. This region provides the best opportunity for Moscow to reassert its status as a key player in the global arena, and the deep fall of oil prices makes Russia particularly attentive to regional conflict developments. One of the main motivations for Russia is the pronounced desire to demonstrate its capacity to thwart US policy, but another is to prove its value to China as a strategic partner. Russia's reach remains limited but it will continue to look for opportunities to make a difference.

Keywords: Middle East, Syria, Russia, security, conflict

In the impossibly complex interplay of violent conflicts, political intrigues and economic debacles that shapes the security situation in the greater Middle East at the start of 2015, one issue that remains puzzling is the role of Russia. Very often, it is just ignored in the assessments of key drivers, but sometimes too much is expected from this traditionally important actor – and Moscow certainly has aspirations for upholding this status. An evaluation of the real content of this role has to start, somewhat particularly, not with a take on Russia's interests in the region, but with a view of the disastrous 'hybrid war' unfolding in its immediate neighbourhood.

This article was finalised as Ukraine commemorated the first anniversary of the sudden downfall of President Viktor Yanukovich and his government under the pressure of public protests in Kiev, which started peacefully with the cheerful name of *EuroMaidan*, but soon turned violent and produced a series of painful spasms in

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the Ukrainian state and society. Russia and President Vladimir Putin personally have been deeply involved in this crisis from the outset, triggered by Yanukovich's failure, under heavy pressure from Moscow, to sign the long-prepared association agreement with the EU. It was the blatant and swift annexation of Crimea by Russia in March 2014 that turned this conflict into a major challenge to the European security system, and Russia's barely camouflaged intervention in Eastern Ukraine (escalating at the moment of this writing) has brought it into an increasingly dangerous confrontation with the West. This confrontation has many features similar to the Cold War but differs from it not only in the far lower level of military (im)balance, but also in the far greater fluidity of the key interactions.¹ The Ukraine crisis has grown into an absolutely crucial matter for the survival of Putin's deeply corrupt semi-authoritarian regime and thus has a profound impact on every aspect of Russia's domestic and foreign policy.

One point that is immediately obvious in analysing this impact on policymaking regarding the greater Middle East (which is not taken here to include a very particular conflict setting around Afghanistan and Pakistan) is that the concentration of Kremlin's political attention on Crimea and Donbass significantly reduces its ability to engage with Syria, Iran or even Turkey. Russia's capacity for projecting power and channelling resources towards the Middle East has been limited for a long time, so its policy was focused on identifying and exploiting opportunities for making a difference 'on the cheap'. Such an opportunistic policy requires attentive monitoring of the fast-changing political arena, particularly since the massive upheaval that still goes under the romantic name of 'Arab spring'.² As it becomes more difficult to grasp opportunities (if only because of a reduced attention span), Moscow is turning more toward the role of spoiler, which is often easier to perform, while the resonance could be even greater. What strongly increases the propensity to play such a role is the growing obsession with the confrontation with the United States, so that the urge to derail America's course increasingly prevails over the pragmatic calculation of risks and benefits.

The search for opportunities and the readiness to act as a spoiler are not necessarily in contradiction and could sometimes blend in one endeavour so that, for instance, the arms deal with Egypt serves both as an opportunity to return to the promising market (and earn some money for the defence industry) and as a means to spoil the US' decision to freeze cooperative ties following the military coup of

¹On the applicability of the old experiences, see Legvold, "Managing the New Cold War"; on the difference between this new confrontation and the Cold War pattern, see E. Conant, "Is the Cold War Back?", *National Geographic News*, 12 September 2014, <http://news.nationalgeographic.com/news/2014/09/140912-cold-war-geography-russia-ukraine-sanctions/>.

²An early analysis of Russia's position on the 'Arab spring' can be found in Baev, "Moscow Does Not Believe in Changes".

July 2013.³ Even more characteristic in this regard was Putin's initiative in Syria in September 2013, which exploited to the maximum an opportunity to play a positive role by ensuring the elimination of the stockpiles of Syrian chemical weapons (Foreign Minister Sergei Lavrov deserves credit for identifying that opportunity), and at the same time prevented a limited US missile strike on some military assets of Bashar al-Assad's regime.⁴ In retrospect, it is remarkable that Moscow's creeping intervention in Ukraine started just a couple of months after the striking success of that initiative. It may be that Putin took this smart tactical manoeuvre for a major strategic achievement that established Russia's role as an indispensable power in the global arena. Emboldened with this effective check on US interventionism and encouraged by the complete lack of unity in NATO and the EU regarding the Syrian civil war, the Russian leadership felt ready not only to derail the EU Eastern Partnership project, but also to go for such a major breach of international law as the annexation of Crimea.

The road to Damascus – and to Donetsk

The swift deployment of special operations forces (nicknamed 'polite green men') to Crimea and even swifter execution of the high-risk political plan for its incorporation into the Russian Federation might seem to constitute a resolute departure from the 'principled' position on non-interference in internal affairs and the upholding of the principle of non-violability of state sovereignty that had been central to Russian foreign policy, particularly in the Middle East. Yet, there is a certain convoluted consistency in Russia's view of the transition to a multipolar world order, in which many violent conflicts are seen as manifestations of the desperate efforts of the United States to preserve its global dominance and re-assert control over the behaviour of 'emerging powers'. By staying the risky course of support to Assad's regime, Moscow has not just been sticking with an old client in distress, but performing a perceived mission of deterring US attempts to reconfigure its diminishing influence in the region.⁵ In the same vein, pulling Ukraine into the newly-constructed Eurasian Economic Union was seen as a countermeasure to the

³This deal was not finalised during Putin's visit to Cairo on 10 February 2015; for an informed view on its preparation, see D. Schenker and E. Trager, "Egypt's Arms Deals with Russia: Potential Strategic Costs", Washington Institute for Near East Policy, *Policywatch* 2218, 4 March 2014, <http://www.washingtoninstitute.org/policy-analysis/view/egypts-arms-deal-with-russia-potential-strategic-costs>.

⁴On the resonance of that initiative, see G. L. White, "Russia Gains Clout with Syria Initiative", *Wall Street Journal*, 15 September 2013, <http://online.wsj.com/articles/SB10001424127887324665604579077273744349170>; for the sober view of a prominent Russian expert, see Mirsky, "Lavrov Rescues Obama", (in Russian), *Moscow Echo*, 10 September 2013, http://echo.msk.ru/blog/georgy_mirsky/1154588-echo/.

⁵One thorough analysis of that course is in Allison, "Russia and Syria".

'hostile' attempt of the EU, weakened by the centrifugal forces of the financial crisis, to gain new vitality by expanding its periphery at Russia's expense.⁶

What underpinned these geopolitical perspectives was a deep and not entirely rational fear of mass uprisings, which is typical for most authoritarian regimes but has a particularly pronounced character in the Russian case. This threat perception informed the forceful political effort to stop the 'Orange Revolution' in Kiev in late 2004, and the resulting fiasco generated the desire to take a proactive counter-revolutionary stance, which became a very personal matter for Putin.⁷ The determination to deter and turn back the tide of revolutions was strongly reinforced by the chain of explosions of discontent in the Middle East that started in 2011, which was seen as a dangerous spreading of chaos. Of particular importance in this context was the dramatic escalation and messy resolution of the civil war in Libya, and the horrible murder of Muammar Qadhafi which, to all appearances, made such an imprint on Putin's psyche that he returns to this episode again and again in his speeches.⁸

The pivotal political goal of countering revolutions is supported by a strikingly simplistic and essentially flawed conceptualisation of their origins and driving forces. Contrary to the basic tenets of Marxism-Leninism, it is not domestic social contradictions (conceptualised as rooted in the misfit of the political superstructure to the economic foundation) that are seen as the generators of a revolutionary situation, but external interference and even conspiracy.⁹ From this perspective, the spread of violent turbulence in the Middle East is a direct result of the application by the US leadership of the 'controlled chaos' concept, which is allegedly aimed at reformatting and consolidating American control over the region, but is producing outcomes that are far from the desired ones.¹⁰ The EuroMaidan was accordingly initially appraised as a marginal political show sponsored by the EU, but the sudden collapse of the Yanukovich regime came as a shock that was explained away as the execution of a subversive plan of action controlled from Washington.¹¹ The annexation of Crimea then becomes not an opportunistic land grab, but part of a paramount political struggle aimed at deterring and defeating the US-manipulated 'colour revolution' in

⁶This train of thought is captured in F. Lukyanov, "State as a Weak Link", (in Russian), *Gazeta.ru*, 23 January 2014, <http://www.gazeta.ru/comments/column/lukyanov/5862833.shtml>.

⁷One of the best sources on Putin's ambitions and motivations is Hill and Gaddy, *Mr. Putin*.

⁸See Y. Latynina, "Vladimir Putin and his Associates seem to Live in the World Invented by their Technologists", *Novaya gazeta* (in Russian), 21 November 2012, <http://www.novayagazeta.ru/columns/55513.html>.

⁹See Baev, "A Matrix for Post-Soviet 'Color Revolutions'".

¹⁰For a typical elaboration of this blend of geopolitics with conspiracy theory, see A. Bartosh, "Aims and Mechanisms of the Controlled Chaos Model", (in Russian), *Nezavisimoe voennoe obozrenie*, 27 September 2013, http://nvo.ng.ru/concepts/2013-09-27/6_chaos.html.

¹¹Such a simplistic explanation can only serve the purpose of underpinning Putin's complete inability to acknowledge his blunders in managing the crisis; as one of the Kremlin's embittered insiders observes: "Putin certainly feels deep, even physiological disgust towards revolutions." See G. Pavlovsky, "Putin in the days of the great Russian-Ukrainian revolution" (in Russian), *Gefter.ru*, 14 March 2014, <http://gefeter.ru/archive/11640>.

Kiev, logically leading to the next step – supporting an armed uprising in Donbass and deploying Russian military forces to prevent the defeat of this just cause.

Despite the intense preoccupation with the Ukraine crisis, Moscow is sustaining the counter-revolutionary course in the Middle East and continues to provide direct and vital support to the Assad regime, seen as the central bastion against the revolutionary chaos, thereby demonstrating the futility of US efforts at ‘regime change’. In comparison with the seriously confused policy of the Obama administration, which cannot begin to sort out the violent mess in Libya and has to concentrate on the struggle with the Islamic State of Iraq and Syria (ISIS), putting aside the proposition of supporting democratic transformations, the Russian stance appears remarkably consistent. Sticking to this line, Putin had no doubts whatsoever about embracing the military coup in Egypt and welcomed Field Marshal Abdul Fattah al-Sisi’s visit to Moscow in February 2014 and President al-Sisi’s visit to Sochi in August 2014.¹² The Kremlin found great satisfaction in defying the US’ half-hearted disapproval of that breakdown of democratic process – and also found much common ground with Saudi Arabia.¹³ The Riyadh court agreed to bankroll large-scale contracts for the sale of Russian arms to Egypt, but the contracts’ financial content remains undisclosed and their implementation inevitably dubious.

The Syrian conundrum – and the Turkish connection

The stagnant but evolving civil war in Syria remains a focal point in Russia’s policy in the Middle East, and Putin tends to see its course as validating his anti-revolutionary stance, which two years ago appeared to be a misguided association with the losing party.¹⁴ The assumption that Bashar al-Assad would be able to defeat the rebels and restore control over the whole country remains far-fetched, and support for this beleaguered dictator has generated problems for Russia’s relations with many Arab states. At the same time, there is certainly nothing resembling isolation for Russia in the region, and seven telephone conversations between

¹²On the first meeting, see J. Marcus, “Sisi in Russia: Moscow’s Egyptian Gambit”, *BBC Middle East News*, 13 February 2014, <http://www.bbc.com/news/world-middle-east-26177792>. On the second meeting, see A. Kolesnikov, “Food has Come from an Unexpected Source”, *Kommersant* (in Russian), 13 August 2014, <http://kommersant.ru/doc/2544023?isSearch=True>. On the profile of new ties with Egypt, see I. Mokhova, “Al-Sisi strives to turn Egypt into a Leading Power in the Arab World”, (in Russian), *Nezavisimaya gazeta*, 27 October 2014, http://www.ng.ru/dipkurer/2014-10-27/10_egypt.html.

¹³Putin tried to consolidate this ground by expressing great admiration for late King Abdullah bin Abdulaziz, declaring him a “wise and consistent statesman and politician” and sending Prime Minister Dmitri Medvedev to his funeral; see on this N. Kozhanov, “Russia and Saudi Arabia: Friends or Foes?”, *Eurasia Outlook*, 3 February 2015, <http://carnegie.ru/eurasiaoutlook/?fa=58920>.

¹⁴For an evaluation of the hidden strength of that stance, see P. K. Baev, “Not Everything is Wrong with Russia’s Syria Strategy”, *PONARS Eurasia Memo* 248, April 2013, <http://www.ponarseurasia.org/memo/not-everything-wrong-russias-syria-strategy>.

Putin and Israel's Prime Minister Benjamin Netanyahu during the last 12 months indicate that Moscow is recognised as an important player in the complex game of manipulating overlapping conflicts.

As of early 2015, the interplay of these conflicts has indeed reached a new level of complexity with respect to late 2013, when the execution of Putin's initiative secured Assad's regime an extended lease on life.¹⁵ The rise of ISIS and its swift advance from Northern Syria to the suburbs of Baghdad took US strategic planners by surprise, but Moscow was quick to react with the delivery of heavy weapons, including attack helicopters, to Iraqi government forces.¹⁶ Russia was, nevertheless, resolutely reluctant to join a US-led coalition for fighting against ISIS and even made a serious diplomatic blunder, condemning the US air strikes that stopped the ISIS assault on Kobani while even Assad found it opportune to approve of them.¹⁷ Russia certainly has serious reasons to worry about the rise of Islamic extremism, particularly since hundreds of volunteers from the North Caucasus have joined the ranks of ISIS.¹⁸ It is, nevertheless, far more important for Putin to define extremism in terms of condemning colour revolutions, as he did at the meeting of his Security Council on 20 November 2014, bringing back even such a loaded term as "anti-national thinking".¹⁹ In comparison, he was highly reluctant to condemn the terrorist attack on the *Charlie Hebdo* journal in Paris in January 2015.²⁰

While Russia can afford to take a wait-and-see stance towards the US-led multi-lateral struggle against ISIS with the expectation of a deadlock, Putin is certainly looking for an opportunity to launch another initiative that would make a difference in the (mis)management of the crises without committing Russia to too costly an effort (for that matter, Russia hardly made any material contribution to the implementation of Putin's initiative on the elimination of Syria's chemical weapons). The best chance for such an opportunity might be found in joining forces in

¹⁵For a sharp assessment of conflict dynamics from that period, see A. Malashenko, "Syrian Thread of the Middle Eastern Tangle" (in Russian), *Vedomosti*, 19 November 2013, <http://www.vedomosti.ru/opinion/news/18926471/blizhnevostochnyj-klubok?full#cut.>; for a more current take, see V. Naumkin, "Russia Holds Firm on Syria", *Al Monitor*, 3 November 2014, <http://www.al-monitor.com/pulse/originals/2014/11/russia-no-change-position-syria-isis.html#>.

¹⁶A useful overview of Russian manoeuvring can be found in Ozerten, "Russia's Position in the Struggle".

¹⁷Moscow has, nevertheless, found it necessary to persist with these condemnations; see A. Bratersky, "Assad Benefits" (in Russian), *Gazeta.ru*, 26 September 2014, http://www.gazeta.ru/politics/2014/09/25_a_6235725.shtml.

¹⁸See "Forceful Measures give no Result, but there is no Political Solution", interview with Alexei Malashenko (in Russian), *Novaya gazeta*, 30 September 2014, <http://www.novayagazeta.ru/politics/65501.html>.

¹⁹See on this A. Makarkin, "Vladimir Putin Defined the Main Threats to his Power" (in Russian), *Ezbed-nevny zhurnal*, 21 November 2014, <http://ej.ru/?a=note&id=26530>.

²⁰There was no response from the Kremlin to the huge rally in Grozny decrying French "blasphemists"; see M. Khodarkovsky, "Chechnya and Charlie Hebdo", *New York Times*, 22 January 2015, http://www.nytimes.com/2015/01/23/opinion/chechnya-and-charlie-hebdo.html?_r=0.

some proactive move with Turkey, which is in a vital position *vis-à-vis* the zone of conflict from Aleppo to Mosul, but refuses to subscribe to the US plan of action.²¹ The chances for such a joint action are slim because differences in Russian and Turkish views on the legitimacy of the Assad regime go deep, but Putin values his personal ties with Recep Tayyip Erdogan and made a new effort at cultivating them during the state visit to Ankara in December 2014. Elaborating on this particular chemistry during the dialogue, Putin characterised Erdogan as “*krepyy muzhik*” at his annual press conference (the official translation “strong character” does not convey the rich machismo of this reference).²² Russia remains very cautious regarding the break-up of Iraq and the establishment of Kurdistan as an independent state, but would probably be ready to side with Turkey if Erdogan opts for a proactive redrawing of the post-Ottoman borders.²³ Dismemberment of Iraq could be presented as a consequence and the ultimate proof of the failure of the US interventionist ‘project’.

Making friends with Israel – and building bridges to Iran

Cultivating political and security ties with Israel and Iran might appear to be two mutually exclusive aims, but in Russian policy they coexist quite peacefully, if not that fruitfully. Moscow seeks to turn its historic, geographic and social connections with the two key players in the Middle Eastern arena of conflicts into useful assets, but is unable to develop sufficient skill in political manoeuvring to overcome the fundamental clash of security interests between them.

Discarding the old Soviet antagonism, Russia has been trying for years to utilise its deep human connections to establish a solid basis for relations with Israel. For Putin’s newly revisionist policy, however, the existence of a million-strong Russian-speaking community in Israel is not necessarily an asset, particularly as the so-called ‘Russian spring’ (inaugurated with the annexation of Crimea) has an explicit nationalist character and implicitly contains a nasty dose of anti-Semitism.²⁴ What plays into Putin’s hands is the disappointment the Israeli leadership has accumulated regarding the direction (or lack of thereof) of US strategy in the Middle East, accentuated by the notoriously bad personal relations between Barack Obama and

²¹One informed view on Turkey’s role is A. Glazova, “Turkey’s Middle Eastern Dilemma” (in Russian), *Nezavisimaya gazeta*, 13 October 2014, http://www.ng.ru/dipkurer/2014-10-13/10_turkey.html; see also Baev, “Russia and Turkey: Reforming the Partnership”.

²²The official translation is on the presidential website (<http://eng.kremlin.ru/news/23406>); on the results of Putin’s visit, see D. Tsilurik, “Moscow and Ankara are Drawn Together by External Isolation” (in Russian), *Nezavisimaya gazeta*, 2 December 2014, http://www.ng.ru/world/2014-12-02/7_ankara.html.

²³See A. Odinet, “Iraq is Barely Visible” (in Russian), *Kommersant-Vlast*, 14 July 2014, <http://www.kommersant.ru/doc/2519620>.

²⁴The trend is more pronounced at the grassroots level of newly-mobilised ‘patriotism’; see A. Bayer, “Why Putin’s Russia will turn anti-Semitic”, *Jerusalem Post*, 28 April 2014, <http://www.jpost.com/Opinion/Columnists/Why-Putins-Russia-will-turn-anti-Semitic-350610>.

Benjamin Netanyahu.²⁵ This discord fits well with Moscow's relentless propaganda attacks on US 'hegemonism' and misguided support for colour revolutions. For that matter, Israel, while fully in favour of coalition efforts at defeating ISIS, is far from enthusiastic about the 'Free Syrian Army' and would perhaps rather prefer Bashar al-Assad to reassert control over the war-ravaged Syria, much in accord with the Russian position.²⁶ What matters more for Moscow though is that Israel has never even contemplated the possibility of joining the sanctions regime against Russia and has in fact used the opportunity for expanding its exports, above all of food products, but also of military technologies.²⁷

This rapprochement is, nevertheless, curtailed by grave suspicions in Israel regarding Russia's sustained efforts to develop 'good-neighbourly' relations with Iran and sabotage the US-led attempt to isolate this 'rogue state' internationally. The trajectory of Russian-Iranian relations has by no means been straightforward, but Moscow may in principle be content with the protracted deadlock around the problem of reducing the Iranian nuclear programme to an acceptable minimum. Avoiding any serious violations of the sanctions regime (partly legitimised by UN Security Council resolutions and partly enforced by US and EU policies), Moscow has been able to play the role of Iran's 'best friend' by making various deals that have marginally reduced the incentives for Tehran to accept rigid international control over its nuclear programme.²⁸ It has played a moderately constructive role in the six-party Geneva talks on the Iranian problem (confirming readiness to store the Iranian stock of low-enriched uranium), but was not at all upset when these talks failed to produce an agreement by the deadline of 24 November 2014 and had to be extended indefinitely.²⁹ The semi-official Russian International Affairs Council saw no reason for postponing its conference with the telling name "Development of a strategic partnership between Russia and Iran".³⁰ What was

²⁵See for instance, J. Reed, "Obama-Netanyahu Relationship Hits a New Low", *Financial Times*, 29 October 2014, <http://www.ft.com/cms/s/0/860e2760-5f94-11e4-8c27-00144feabdc0.html#axzz3KNLhR4Eb>.

²⁶See H. Keinon, "Israel Prefers Assad over Islamists in Syria", *Jerusalem Post*, 11 December 2013, <http://www.jpost.com/Defense/Ex-army-chief-Halutz-Israel-prefers-Assad-over-Islamists-in-Syria-334644>.

²⁷Visiting Moscow amidst a recent escalation of hostilities in Donbass, Foreign Minister Avigdor Liberman offered to act as a mediator with Kiev; see T. Lazaroff, "Liberman Ready to Mediate between Russia, Ukraine", *Jerusalem Post*, 27 January 2015, <http://www.jpost.com/International/Liberman-ready-to-mediate-between-Russia-Ukraine-389063>; on the new ties, see E. Satanovsky, "Israeli-Russian Relations: An Interesting Dynamic", *Eurasia Outlook*, 23 September 2014, <http://carnegie.ru/eurasiaoutlook/?fa=56704&reloadFlag=1>.

²⁸A new package of such deals was approved in September 2014, when Iran's Foreign Minister Mohammad Javad Zarif visited Moscow; see V. Skosyrev, "Russia will Help Iran to go Around Western Boycott" (in Russian), *Nezavisimaya gazeta*, 1 September 2014, http://www.ng.ru/world/2014-09-01/1_iran.html.

²⁹One concise evaluation is E. Geranmayeh, "Prospects for the Iranian Nuclear Talks", *ECFR Commentary*, 13 November 2014, http://www.ecfr.eu/article/commentary_prospects_for_the_iranian_nuclear_talks349.

³⁰See "Russia-Iran Strategic Partnership: Trust Building and Common Response to Regional and Global Challenges", RIAC, 25 November 2014, http://russiancouncil.ru/en/inner/?id_4=4830#top.

upsetting for the Russian leadership was the non-transparent functioning of several bilateral US-Iranian channels, so that the 'P5+1' format became, for all intents and purposes, no more than a forum for providing legitimacy for particular deals reached between Washington and Tehran. In order to break this pattern and to make the Iranian leadership generally less interested in striking a compromise in Geneva, Moscow moved forward with the large-scale deal on constructing eight nuclear power units (including two at the Bushehr nuclear plant launched after much controversy in 2013).³¹ The feasibility of this deal is pretty low (for once, Iran must pay cash for the work and the country is not going to have it), but it is the political resonance that matters.

No oil business as usual

For the United States, the geostrategic importance of the Middle East may have gone down significantly as the long-desired energy independence has suddenly arrived but, for Russia, the situation in the global energy markets has made this turbulent and troublesome region more important than ever. As the 'modernisation' advocated by 'quasi-president' Dmitry Medvedev duly failed, the country has fallen into deeper dependency on the petro-revenues than, for instance, in the mid-2000s, when the discourse on 'Russia the energy superpower' was proudly advanced. The 50 percent drop in oil prices from the USD 120-110 per barrel plateau, where they had stayed from mid-2009 despite the profound changes in energy production and technologies, came as a painful shock because even in 2013, the Russian leadership was still inclined to see the 'shale gas and oil revolution' developing in the US as a 'bubble'.³²

This price drop could hardly have come at a worse moment because the slowdown of the Russian economy, underway since at least mid-2013, has been significantly aggravated by the impact of Western sanctions.³³ In addition, the costs of the Ukrainian conflict keep rising and the contraction of revenues has already turned the 2015 state budget (approved in November 2014 on the premise of the oil price at USD 100 per barrel) into a nonsensical document. A sequence of financial spasms could make the situation of political control over economic processes desperate already during the winter of 2014-2015, even if the spectacular

³¹The deal is examined in N. Kozhanov, "Nuclear Spring in Russian-Iranian Relations", *Eurasia Outlook*, 21 November 2014, <http://carnegie.ru/eurasiaoutlook/?fa=57287>.

³²For an analysis of the shortcomings of Russian energy policy, see Baev, "Russia Gambles on Resource Scarcity".

³³According to former finance minister Alexei Kudrin, the sanctions have determined the devaluation of the rouble as much as has the drop in oil price; see A. Kudrin, "How to Restore Trust between the Authorities, the Society and Business" (in Russian), *Vedomosti*, November 2014, <http://www.vedomosti.ru/opinion/news/36287891/kak-vernut-doverie>.

collapse of the rouble in the second week of December 2014 was mitigated by the emergency expenditure of still-deep currency reserves.³⁴

Russian policymakers are aware that for many oil-producing countries (particularly Venezuela and Iran) the new plateau of prices at USD 50-60 per barrel (if it is indeed established) is as impossible as it is for Russia from the point of view of sustaining state expenditures. They tried therefore to coordinate some price-upholding measures with OPEC and indicated readiness to cut down their own production by some 300,000 barrels a day (about 3 percent of the normal level).³⁵ Igor Sechin, head of the state-owned *Rosneft* and Putin's loyal lieutenant travelled to Vienna to impress upon the oil cartel the seriousness of Russia's commitment to abandon its traditional policy of 'free-rider' – but to no avail.³⁶ Saudi Arabia, which remains the 'decider' in OPEC, knows from experience that production cuts have very little impact on price dynamics and assumes that the best mid-term plan for low-cost producers is to push prices down to the level where non-conventional production becomes unsustainable.³⁷ The problem for Russia is that it does not have time to wait out the 'temporary irregularities' of the global oil market.

In Kremlin corridors, all sorts of opinions on these fluctuations are spinning, from sober calculations of the fundamentals to the weirdest conspiracy theories, for instance regarding an 'offer' from Saudi Arabia to increase the price of oil in exchange for a stop to support for the Assad regime.³⁸ The bottom line, however, is that only a major upheaval in the Middle East can propel the oil price up to a level that is comfortable for Russia. An important reference point here is *Gazprom's* struggle to keep its share of the EU gas market; this share went down significantly in 2012, but then recovered to a new high in 2013 because of the violent unrest in Libya (and the terrorist attack that disrupted operations on the Tigantourine gas facility in Algeria) that derailed plans in Brussels for achieving diversification of supplies.³⁹

³⁴One update and concise economic assessment is in A. Mikhailov, "Welcome 2015 – or 1998?" (in Russian), *Slon.ru*, 21 November 2014, http://slon.ru/economics/zdravstvuy_2015_y_ili_1998_y-1186611.xhtml.

³⁵The futility of that attempt is described in A. Lawler and R. el Gamal, "Saudi, Russia pre-OPEC Talks Yield no Oil Output cut", *Reuters*, 25 November 2014, <http://www.reuters.com/article/2014/11/25/us-opec-meeting-idUSKCN0J90VC20141125>.

³⁶Russia has never cooperated with OPEC on production quotas and has always sought to expand its share on the oil market when other producers reduced their output in order to push prices up. On the agenda of that OPEC meeting, see S. Khestanov, "Oil zugzwang: Why OPEC is Set to Lose" (in Russian), *Slon.ru*, 26 November 2014, http://slon.ru/economics/neftyanoy_tsugtsvang_pochemu_opek_proigraet_v_lyubom_sluchae-1188624.xhtml.

³⁷One informed critique is V. Milov, "Why the OPEC States would not cut down Production" (in Russian), *Forbes.ru*, 28 November 2014, <http://www.forbes.ru/mneniya-column/konkurentsija/274437-pochemu-strany-opek-ne-stali-snizhat-dobychu>.

³⁸See A. Kuznetsov, "Riyadh made an Offer to Moscow: Better Oil Price in Exchange for no Support to al-Assad", *RBC.ru*, 3 February 2015, <http://top.rbc.ru/politics/03/02/2015/54d0f86b9a794700f7dec315>.

³⁹See "Paying the Piper: Gazprom and European Gas Markets", *The Economist*, 4 January 2014, <http://www.economist.com/news/business/21592639-european-efforts-reduce-russian-state-owned-companys-sway-over-gas-prices-have-been>. On the Algerian attack, see the very useful article, "In Amenas Hostage Crisis", *Wikipedia*, http://en.wikipedia.org/wiki/In_Amenas_hostage_crisis.

Thus, the country that is crucially important for the near-term prospects of supply in the global oil market is Iraq, which is identified by the International Energy Agency (IEA) as a source with huge potential for quick returns on already planned investments.⁴⁰ Russian energy champions, particularly *Lukoil* and *Gazpromneft*, have major stakes in several projects in Iraq and so have first-hand data on the immediate prospects for expanding production in both Southern Iraq and Iraqi Kurdistan, which possess significantly greater reserves of easily extractable conventional oil than Russia.⁴¹ While the escalation of civil war in Iraq with the successful summer offensive of ISIS forces in 2014 has disrupted many oil-related activities and has convinced the IEA to scale down its forecasts for production expansion, this has not had any noticeable impact on the downward slide of oil prices.⁴² What influences the mood of traders of oil futures is the increasing availability of free capacity – and the prospect of gradually lifting sanctions on Iran, which would bring this potentially major producer in from the cold.

Finding few opportunities – and experimenting at somebody else’s expense

Russia has stakes – but not at the level of vital national interests – exposed to the conflicts in the wider Middle East and is not compelled to implement a proactive strategy in this war-torn region. It is, nevertheless, the only area beyond the immediate vicinity of Russia’s borders where it can, and has a track record of making a difference, thus asserting its status as a global and not just regional (or rather multiregional) power. Russian leadership also has reasons to believe that there is demand in the Middle East for more active involvement of Russia in managing the various conflicts (as confirmed, for instance, during King Abdullah II of Jordan’s two visits to Moscow in April and October 2014). One obstacle to such involvement is that Russia has shown little appetite for paying for its initiative and is going to have even less money for engaging with regional partners. The obvious exception here is Syria, which provides some payments for Russian arms but still remains a net cost for Russian policy.⁴³ Another obstacle is the decline of the

⁴⁰Iraq was given priority attention in the IEA yearbook for 2012; see “Iraq Energy Outlook”.

⁴¹On the development of these projects, see C. Helman, “Amid Chaos, Russian Billionaire Launches Giant Iraqi Oilfield”, *Forbes*, 3 May 2014, <http://www.forbes.com/sites/christopherhelman/2014/05/03/amid-chaos-russian-billionaire-launches-giant-iraqi-oilfield/>.

⁴²For the IEA re-evaluations, see E. Crooks and B. Daragahi, “ISIS Threatens Future Oil Supplies, Warns IEA”, *Financial Times*, 26 November 2014, <http://www.ft.com/intl/cms/s/0/2b6df86e-7559-11e4-a1a9-00144feabdc0.html#axzz3KNLhR4Eb>.

⁴³On the obscure financial matters in propping up the Assad regime, see T. Grove, “Insight: Syria Pays for Russian Weapons to Boost Ties with Moscow”, *Reuters*, 29 August 2013, <http://www.reuters.com/article/2013/08/29/us-syria-crisis-russia-arms-insight-idUSBRE97S0WW20130829>.

Russian academic school of Middle Eastern studies and the dismissively low demand for scientific expertise from policymakers, which makes it all but impossible to untangle the web of intrigues connecting convoluted conflicts.⁴⁴

The Russian leadership does not have the time or the competences to figure out the consequences of possible moves in the Middle East (it has also shown little taste for such an exercise even in Ukraine), but it has two strong motivations for engaging in low-cost experimenting. The first one is the pronounced desire to thwart US strategy, above all its interventionism aimed at supporting prodemocracy movements and revolutions, but basically any US political manoeuvre. The Obama administration's policy in the region is seen as misguided and confused, and every chance to add to the sum total of its failures appears attractive as an easy way not only to boost Russia's anti-American profile, but also to divert US attention and resources from the Ukrainian 'theatre' (for instance, toward the fight with ISIS).

The second motivation is to prove Russia's value as a strategic partner to China by contributing to protecting its growing interests in the Middle East. Beijing was as upset as Moscow by the execution and outcome of the NATO-led intervention in Libya, and has taken an 'anti-regime change' position in Syria, leaving to Russia the unenviable task of supporting Assad's grasp on power. There is, however, no accentuated anti-US drive in the Chinese course as President Xi Jinping is seeking to build a "new type of great-power relations" with the US, from which Russia is effectively cut out.⁴⁵ Fundamentally, China is interested in greater stability in the Middle East that would secure the steadily growing flow of oil at the lowest possible prices, and this inevitably is at cross-purposes with Russia's petro-interests.

Reconciling these two motivations is not an easy task, as the first tempts Moscow to play the role of spoiler, while the second makes it look for opportunities to make a difference, which are few and far between. Embracing the counter-revolutionary regime in Egypt was a useful move, but its effect is already exhausted. It is becoming apparent that for Sisi showing interest in buying Russian arms was merely a means of impressing upon Washington the need to resume the temporarily frozen US military aid programme. The proposal for moving the deadlocked negotiations between the Assad government and the opposition from Geneva to Moscow has yielded zero dividend.⁴⁶ One tiny chance of accomplishing a limited but high-resonance mission in Syria could be a joint military operation

⁴⁴A useful analysis from a veteran of this school is Mirsky, "The Arab Spring: Fog and Fears".

⁴⁵See "China's Lesson to Putin in how to do Diplomacy", *Financial Times*, 14 November 2014, <http://www.ft.com/intl/cms/s/0/61e97622-6bf7-11e4-b1e6-00144feabdc0.html#axzz3KNLhR4Eb>; one acrimonious view from Moscow is Y. Latynina, "The Birth of a Super-power" (in Russian), *Novaya gazeta*, 21 November 2014, <http://www.novayagazeta.ru/columns/66172.html>.

⁴⁶On the background of these talks, see A. Lund, "Russia Fails to Sway the Syrian Opposition", *Syria in Crisis*, CEIP, 15 January 2015, <http://carnegieendowment.org/syriaincrisis/?fa=57727>.

with Turkey aimed at expelling the ISIS forces from Syrian Kurdistan. Ankara certainly does not want to engage in combat operations on this ground on its own and is deeply frustrated with the US zigzags without commitment. Yet its firm position on removing the Assad regime clashes too directly with Russia's stance, and no amount of personal chemistry between Putin and Erdogan is going to override this clash. Russia could play a role in the establishment of Iraqi Kurdistan as an independent state, but the main prerequisite for such a solution of the long-maturing problem would have to be a breakthrough deal between Turkey and Iran, so this role could only be secondarily supportive.

Overall, Russia's influence in and engagement with the wider Middle East remains limited and under-resourced; nevertheless, they have not been significantly compromised or undermined by its conduct in the Ukraine crisis. Moscow's readiness to enter into a tough confrontation with the West has even impressed many in the Arab world (as well as in Turkey), where anti-Americanism has by no means been diminished by President Obama's efforts at building an anti-ISIS coalition. With all the principled importance of the counter-revolutionary stance, it is the shocking fall of oil prices that is presently of pivotal importance for Russian interests (in essence, for Putin's regime survival). As a result, petro-political considerations could become the key factor in further experiments at exploiting opportunities or acting as a spoiler in Middle Eastern conflict manipulation. In pursuing this opportunistic/spoiler agenda, Moscow must be increasingly wary of inflicting damage on Chinese interests, which are increasing to a level where Beijing could see a need to assume heavier responsibilities for preserving and reconfiguring the traditional balance of power in the Persian Gulf area.

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