

## Russia in the Middle East and North Africa: Arms, Power Projection, and Nuclear Diplomacy

Amr Hamzawy, editor

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## Russia in the Middle East and North Africa—Disrupting Washington's Influence and Redefining Moscow's Global Role

Amr Hamzawy

Faced with various threats and conflicts ranging from the persistence of the Israeli-Palestinian conflict and the danger of a wider regional war to the rise of nonstate actors that systematically use violence in internal and external conflicts, today's Middle Eastern and North African (MENA) countries are drawing in China and Russia to compete with the United States over military presence, arms sales, energy and trade ties, and security roles. At the same time, most European Union (EU) member states have come to define their roles as allies of the United States and to focus their policies on trade and immigration questions. The resulting regional environment is characterized by greater agency for MENA states and nonstate actors.

On the one hand, the geostrategic and energy significance of the MENA region, the risks the region poses to global security, its economic opportunities, and young populations have drawn all great powers to its shores in search of political influence and trade and investment opportunities, as well as to protect security interests. Outcomes have varied across the Middle East and North Africa, creating a complex influence map that does not lend itself to sweeping generalizations. On the other hand, the agency of MENA states and nonstate actors and their multilayered interactions with the United States, China, Russia, and the EU have helped shape the complex outcomes of the great power competition. Analyzing the minutiae of those multilayered interactions and examining the nature and impact of regional agency are the core tasks of this research project. The United States, China, Russia, and the EU have core interests in the MENA region. The United States has always worked to safeguard Israel's security and to maintain a degree of regional stability. China has grown increasingly preoccupied with securing energy supplies coming from the Gulf while still freeriding on the U.S. role to ensure the flow of energy and trade out of the region and across it. Since the decline in its regional role following the 1991 collapse of the Soviet Union, Russia has been deeply invested in protecting its few remaining allies in the region and in disrupting the United States-led regional security arrangements. EU member states want to secure their trade and investment strongholds in the MENA region, as well as contain migration from the region to the northern shores of the Mediterranean.

In recent years, following much talk in U.S. policy circles about the pivot to Asia and the low return on America's continued involvement in the MENA region, conventional wisdom in Washington has often described recent U.S. Middle East posturing as signaling retreat or withdrawal, while still remaining wary of how China or Russia may take advantage of the "vacuum" left behind and of a declining EU role as a result. The 2023 Beijing-brokered détente between Iran and Saudi Arabia is often waved as sweeping evidence. However, realities on the ground, not only in the aftermath of the October 7, 2023, attacks on Israel and the ensuing Gaza War, reveal the need for a more nuanced analysis, as different engagement patterns and interactions between the great powers and MENA state and nonstate actors have emerged.

#### **Russia and Other Great Powers in the MENA Region**

During a one-year pilot project, the Middle East Program (MEP) at the Carnegie Endowment for International Peace produced an interactive database that tracks and analyzes how the United States, China, and Russia assert their influence in the realms of economy, security, and diplomacy in the MENA region. The data, provided on a country-by-country basis, are intended to shed light on broad trends and show how each of the great powers engages in the region. Within the database, we identify trade, foreign direct investment (FDI), arms exports, and military deployment as four indicators to show trends of engagement with each subregion. Despite the perception that U.S. power is declining in the Middle East and North Africa, the data show that is not the case: the reality is much more nuanced.

Our analysis revealed that American hegemony has been reinforced through a regional network of military bases, security guarantees, and widespread diplomatic and cultural influence. In a similar vein, China's global rise is also evident in the MENA region through their trade, technology, economic, and diplomatic ties. In recent years, the industrial and trade giant has advanced to become a big player in regional politics, leveraging its strong ties with most Arab countries, Israel, Türkiye, and Iran. Russia, traditionally an influential power in parts of the Middle East and North Africa, has made a geostrategic comeback in recent years. Although Russian trade, FDI, arms exports, and military deployments have remained relatively low in the MENA region compared to those of the United States and China, Russian policies have nonetheless shaped geostrategic realities, particularly in Syria, Libya, and more recently Sudan.

In this compilation, MEP scholars together with Carnegie experts from across its global institutions and external contributors delve deeper into Russian policies in the MENA region. Their pieces cover the historical evolution of Russia's foray to the region in the second half of the twentieth century, similarities and differences between past (Soviet) and present policies, and the role arms sales and trade relations play in shaping Russia's role in the Levant, the Gulf, Egypt, and North Africa. They also address the strategic framing of Russian policies in the MENA region and how they relate to Moscow's global competition with the United States and its quest for a great power role.

### **Forward Looking Research**

Moving forward, MEP scholars, in a series of papers slated to be published in 2025, will examine how the competition between the great powers in the MENA region is affecting the foreign policies of major regional states and the ways in which countries such as Saudi Arabia, Egypt, Israel, Iran, Türkiye, and the United Arab Emirates leverage their strategic assets to address their security and developmental needs in a geopolitical environment shaped by threats, risks, and opportunities.

In this new phase of our research, we will include the European Union (EU) as a great power alongside the United States, China, and Russia. Although its member states lack a unified policy towards the MENA region, the EU has been a key trade, security, and diplomatic partner for MENA countries and occasionally influenced the outcomes of regional conflicts and crises.

MEP scholars will investigate how interactions between the great powers and key regional states and nonstate actors are changing geopolitical realities in the region and facing existing security arrangements and conflict resolution schemes with new challenges that need to be understood, analyzed, and addressed. We believe that short of doing this, the fragile peace in some parts of the Middle East and North Africa will be difficult to preserve and ongoing conflicts in many parts may spiral more out of control.

We will ask how the great power competition is affecting the foreign policies of key regional states, how nonstate and substate actors are responding to the geopolitical shifts wrought by regional and global events such as the ongoing wars in Gaza and Ukraine, and how U.S., Chinese, Russian, and European policies are impacting societal views of the great powers

in the MENA region. We also address other key questions such as how regional states and nonstate actors are reconfiguring their policies to consider the great power competition, and how Middle Eastern and North African public opinion trends change vis-à-vis the great powers, and what impacts do these shifts and changes have on the soft power of the United States, China, Russia, and the EU.

Our goal is to increase knowledge of relevant security policy issues, including conventional, nonconventional, and hybrid threats and challenges, with a view toward improving inclusion, good governance, and bolstering the resilience of the MENA region's most vulnerable citizens. We aim to offer sound policy analyses and prescriptions that can help preempt geopolitical conflict and improve the quality of life of citizens.

### **CHAPTER 1**

## The Soviet Roots of Putin's Foreign Policy Toward the Middle East

Mark N. Katz

There are significant differences between the former Soviet Union's Middle East foreign policy and that of current Russian President Vladimir Putin. During the Soviet era, Moscow strongly supported revolutionary regimes at odds with pro-Western conservative ones in the region. But during the Putin era, Moscow has established good working relations with all governments in the Middle East, including those traditionally aligned with the West.

The two eras' policies also appear vastly different to those of the late Mikhail Gorbachev/ early Boris Yeltsin years, when Moscow's foreign policy toward the Middle East was pursued more in cooperation with the West than in opposition to it. Two of Moscow's leading Middle East experts, Yevgeny Primakov and Alexey Vasiliev, whose careers lasted from the Cold War into the Putin era, both criticized the ideological nature of Soviet foreign policy toward the Middle East. They believed that it undermined Moscow's influence in the region, and they regarded Putin's pragmatic policy of seeking good relations with all Middle Eastern governments, including those traditionally allied with the United States, as being far more successful.

Primakov was the head of the Russian Foreign Intelligence Service, then foreign minister, and then prime minister in the Yeltsin era. Putin also assigned him important tasks related to the Middle East before Primakov's death in 2015. Putin's own thinking on not just the Middle East but foreign policy more generally was said to be influenced by Primakov's ideas. In his 2009 memoir, Primakov wrote, "Although the Soviet leadership of the 1950s and 1960s was inclined to support the Arab countries' local communist parties, nothing could mask the reality that communism was a lost cause in the Middle East. . . . It took a while for this to be understood in Moscow, and the Kremlin was slow to show support for the Arab revolutionary nationalists."

Vasiliev, a senior Russian scholar who has also been involved in advising policymakers, wrote one of the most comprehensive accounts of Russian foreign policy toward the Middle East. In it, he criticized the "messianism" of Soviet policy toward the region, noting how "the Bolsheviks who took power in Russia neither knew nor understood the East. . . . Mired in incompetence and dogmatism they attempted to adjust the highly complex realities of the Asian and African countries to fit Marxist slogans and 'theories.'"<sup>2</sup>

While praise of Putin's Middle Eastern policy by these two as well as by other Russian scholars might be seen as a means to preserve their job security, it appears to reflect their actual assessment that Putin's policies have been more successful than Soviet era ones (and, of course, than the pro-Western interlude of the late Gorbachev and early Yeltsin eras).

Yet despite the clear dichotomy between Moscow's ideologically driven Soviet-era support for anti-Western regimes on the one hand and its more interest-driven Putin-era support for both pro- and anti-Western regimes on the other, there are several similarities between Soviet policy and Putin's more recent policy toward the region. Indeed, Putin's Middle East policy could even be said to be a continuation of several aspects of Soviet era policy.

This article discusses three such policy similarities, identifies the problems that the Soviets encountered in trying to pursue their policies toward the region, and explores whether or not Putin-era foreign policy is subject to similar problems.

### Pursuit of Good Relations Even With Pro-Western Governments

One key similarity between Soviet-era and Putin-era Middle East policies is that despite Soviet support for revolutionary regimes, the USSR also sought to have good relations with both revolutionary and nonrevolutionary regimes.

Even in the 1920s, Moscow established good working relations with monarchical governments in Iran, Hejaz (a kingdom first ruled by the Hashemites and then by the Saudis), and (North) Yemen—all of which shared some of Moscow's anti-British interests.<sup>3</sup> Moscow also had cooperative relations with the post-Ottoman Turkish republic during the 1920s and 1930s.<sup>4</sup> Soviet involvement in the Arab world attenuated in the late 1930s due to Joseph Stalin's purges (which also affected Soviet diplomats) and in the early 1940s due to Moscow's need to cooperate with Britain and the United States in World War II.<sup>5</sup>

The <u>Soviet Union voted in favor of the creation of the State of Israel</u> at the UN General Assembly in November 1947 and was one of the first states to recognize Israel's declaration of independence in May 1948. Prior to this, Moscow established relations with King Farouk of Egypt in 1943 and maintained friendly relations with him—much to the dismay of the Egyptian Communist Party—until his overthrow by the revolutionary Arab Nationalist Free Officers in 1952.<sup>6</sup> Indeed, the initial Soviet reaction to the coup that overthrew Farouk was negative.<sup>7</sup> The Soviet Union also succeeded in reviving its relations with the monarchical regime in North Yemen during the mid-1950s—relations that were maintained until its imam/king was ousted in a Nasserist coup in 1962.<sup>8</sup>

Moscow had very bad relations with both Iran and Türkiye shortly after the end of World War II, when both countries became early flashpoints in the emerging Cold War. However, Moscow was able to restore cooperative relations with both countries in subsequent years. The <u>Soviet Union provided economic assistance and even sold arms</u> to the Shah's government in Iran in the 1960s. And despite Türkiye's membership in the NATO alliance, Moscow provided economic assistance to Ankara. Soviet-Turkish trade relations grew stronger during the Cold War era.<sup>9</sup>

A 1986 <u>CIA report</u> noted that "Moscow has long sought . . . to cultivate ties with 'moderate' Arab regimes," and that the "Soviets have had their most success with" Jordan, Kuwait, Lebanon, Mauritania, Morocco, Sudan, and Tunisia.

Moscow's Soviet-era support for revolutionary regimes in the Arab world even had a pragmatic aspect in that Moscow usually looked the other way when anti-Western but also anticommunist Arab nationalist regimes suppressed Arab communist parties, as occurred in Egypt, Iraq, Syria, and elsewhere.<sup>10</sup> In an anomalous case, the Soviets supported Egyptian president Gamal Abdel Nasser's policy of backing the Arab nationalist opposition to British rule in South Yemen. Britain's military focus on this opposition group before departing the country in 1967 allowed the rival Marxist opposition to prevail (which Moscow, not surprisingly, began supporting soon after South Yemen's independence.)<sup>11</sup>

In short, Soviet foreign policy toward the Middle East during the Cold War (and before) was not always ideologically driven and was often opportunistic; Moscow sought to cooperate with "moderate" governments that worked closely with the United States but also had significant differences with it—especially over the Arab-Israeli conflict. As the <u>1986 CIA</u> report put it, "Although the Kremlin's long-term objective is developing Soviet influence in these countries, its more immediate and realistic goal is eroding US influence."

The Soviets, of course, generally welcomed anti-Western political transformations in the Middle East since these were seen as geopolitical losses for Washington and gains for Moscow. But even when Moscow gained influence with new anti-Western regimes, these political transformations also had a harmful effect on the Soviet effort to cooperate with some "moderate" regimes. Several Gulf Arab monarchies feared that the Soviets would welcome their overthrow—a fear that was exacerbated by varying degrees of <u>Soviet support for their internal opponents</u> (for example, the Popular Front for the Liberation of Oman, the Saudi Arabian Communist Party, and the Bahrain National Liberation Front). Even the leaders of anti-Western Middle Eastern governments sometimes feared that the Soviets were seeking to replace them with someone more pliant—including Egyptian president Anwar Sadat in 1971 before the Egyptian-American rapprochement, <u>Sudan's then anti-Western Arab nationalist regime</u> also in 1971, and Iraq's <u>Ba'ath regime</u> in 1978.

### Simultaneous Support for Opposing Sides

Another key similarity between Soviet-era and Putin-era policies toward the Middle East is that, like Putin's Russia, the Soviet Union often (though not always) sought to maintain good relations with opposing sides simultaneously in the Middle East's many conflicts. For instance, while the Soviet Union supported the Arab side in the Arab-Israeli conflicts, it tried to maintain good relations with both sides in many other disputes, including those between Algeria and Morocco,<sup>12</sup> North and South Yemen,<sup>13</sup> <u>Somalia and Ethiopia, Ba'athist</u> <u>Syria and Ba'athist Iraq, Iraq and the Islamic Republic of Iran</u>, and <u>Iraq and Kuwait</u> (even after Gorbachev gave his approval for the U.S.-led military effort to push Iraqi president Saddam Hussein's forces out of Kuwait).

This practice was often successful for the Soviets. While various Middle Eastern governments were not pleased by the fact that Moscow was aiding their adversaries, they often maintained cooperation with the Soviet Union anyway. Incentives for doing so (as Moscow was undoubtedly aware) included the fear that not cooperating with Moscow could result in more Soviet support for its adversary, the desire to continue or increase the support it was receiving from Moscow, and the fear or even conviction that the United States and its partners would not initiate or increase support even if they lost Soviet support.

The problem with this practice, though, was that even while it was successful for several years in some instances, sometimes one Soviet partner sought to alter the dynamics of the situation through launching a surprise attack on an adversary that was also a Soviet partner. Moscow's effort to maintain good relations would then experience a serious setback. In 1977, for example, one of Moscow's long-standing partners, Somali president Siad Barre's regime, invaded Ethiopia, where Moscow was courting a new Marxist regime. Moscow was unable to maintain good relations with both countries: while the Soviets firmed up their relationship with Marxist Ethiopia, Somalia became a U.S. partner.

In 1980, another long-standing partner of Moscow, Saddam Hussein's regime in Iraq, invaded Iran, where Moscow was seeking to improve ties with a new anti-Western government. Here again, <u>Moscow was unable to maintain good relations with both sides</u>: its strong support for Saddam after Iranian forces crossed into Iraqi territory confirmed the anti-Western Iranian revolutionary regime's anti-Soviet stance. In 1990, Saddam (again) invaded Kuwait, where Moscow's enduring cooperative relations with this Arab monarchy were held out as a model for what the Kremlin wanted to have with Saudi Arabia. <u>Gorbachev was unable</u> to capitalize on Moscow's hitherto good relations with Saddam to persuade him to withdraw from Kuwait and thus avert the U.S.-led intervention.

### **Advocacy of Ambitious Conflict Resolution Efforts**

A third similarity between the Soviet-era and Putin-era foreign policies toward the Middle East is that both the Soviets and Putin have advanced ambitious conflict resolution proposals—which, while unsuccessful at resolving conflict, were mainly intended to strengthen Moscow's diplomatic role in the Middle East as well as weaken or limit Washington's. <u>The</u> <u>Soviets touted a "comprehensive" settlement to the Arab-Israeli conflict</u> that would resolve all disputes, including the Israeli-Palestinian dispute, simultaneously. This differed from the piecemeal American approach, which sought to resolve those issues that could be resolved even if others—notably those relating to the Palestinians—were not.<sup>14</sup>

The Soviet approach to Arab-Israeli conflict resolution was viewed more favorably by Arab publics at large and revolutionary governments than the piecemeal American approach.<sup>15</sup> Indeed, the great utility of the comprehensive approach for Moscow was that the Soviets did not actually have to deliver on it to win widespread approval in the Arab world. However, once the Sadat government in Egypt decided that it could not defeat Israel (blaming insufficient military support from the Soviet Union), it then sought a diplomatic solution in order to reopen the revenue-generating Suez Canal and regain the Sinai Peninsula, which Israel had occupied following the 1967 war.<sup>16</sup> Ironically, when Moscow demonstrated its solidarity with the Arab world by breaking diplomatic relations with Israel just after the 1967 Arab-Israeli war, the Soviet Union became less useful to Sadat than the United States, which could talk with both Arabs and Israelis. Sadat's decision to prioritize Egypt's narrower interests over broader Arab as well as Palestinian aspirations vis-à-vis Israel also made his approach more compatible with the more piecemeal American approach to Arab-Israeli conflict resolution.<sup>17</sup>

### What the Soviet Experience Portends for Putin's Middle East Policy

Putin's policy toward the Middle East has avoided some of the problems experienced by the Soviets, but Russia still faces some of the same problems as well as several new ones.

Soviet support for revolutionary movements and regimes often undermined Soviet efforts to establish and maintain relations with conservative, pro-Western Middle Eastern governments. Even anti-Western Arab nationalist leaders sometimes thought that Moscow was trying to replace them with their more pro-Soviet internal adversaries. But this is a problem that Putin's policy does not suffer from. Putin has been successful at portraying his government as the defender of the status quo in the Middle East while portraying the United States and the West as the destabilizers of the status quo (with their emphasis on democracy and human rights). Remarkably, he has managed to maintain good relations not only with anti-Western Middle Eastern actors, such as Hezbollah, Hamas, Iran, and Syria, but also with all of America's traditional partners in the region, including Egypt, Jordan, Morocco,

Saudi Arabia, Türkiye, and even Israel (though Russian-Israeli ties have been strained ever since the October 7, 2023, Hamas attack on the Jewish state). Unlike in the Soviet era, traditionally pro-Western leaders and governments in the Middle East do not fear that Putin seeks their replacement or downfall.

Putin's ability to have good relations with both anti-Western and pro-Western actors in the Middle East has enhanced Moscow's ability to support opposing sides simultaneously. In fact, he may be more successful at this than the Soviets were. But just as in the Soviet era, Putin's attempts to simultaneously maintain good relations with opposing parties can be undermined by one party attempting to unilaterally alter the dynamics of the situation to the detriment of the other.

While Putin's degree of cooperation with Iran and Israel is not the same, his efforts to continue cooperating with both countries have been challenged by their trying to undermine each other in Syria and elsewhere. Should wide-scale conflict between Israel and Iranian-backed Hezbollah erupt, Moscow might be faced with the choice of either backing Iran and Hezbollah (thereby losing what influence it has with Israel) or keeping out of the conflict (thereby exacerbating its relations with Iran while not gaining influence with Israel). Indeed, Russia's criticism of Israeli actions in Gaza after the October 7 Hamas attack but not giving material support for Hamas has resulted in Russia's not being able to prevent Israel from severely damaging the military strength that Hamas has been building up over many years.

The weakening of Hamas might not have much impact on Russia, but a similar Israeli war against Hezbollah in Lebanon may result in Hezbollah redeploying its fighters from Syria, where they have been protecting President Bashar al-Assad's regime, to Lebanon in order to ensure survival in its home base. An Israel-Hezbollah war, then, could negatively impact the stability of the Assad regime, which Russia has worked with Iran and Hezbollah to uphold. How Putin would respond is not clear, but it is doubtful that he would be able to simultaneously maintain good relations with opposing sides under this scenario. Moscow's ability to take such an approach would also be seriously challenged by the eruption of a Saudi-Iranian or Emirati-Iranian conflict, especially considering Russia's dependence on Iran for drones and other weapons for Russia's war against Ukraine. Putin's policy of supporting opposing sides simultaneously, then, runs the same risks that the Soviets encountered in pursuing it during the Cold War.

Also like in the Soviet era, Putin's ambitious conflict resolution efforts do not actually resolve conflicts. By contrast, the ambitious 2021 <u>Russian Collective Security Concept for the Persian Gulf</u>, as Russia-Middle East analyst Nikolay Kozhanov observed, "<u>clearly does not appeal to Iran or the GCC</u> [Gulf Cooperation Council] (or anyone else)." Similarly, although the Russia-sponsored Astana process launched in 2017 was billed as bringing peace to Syria, it turned out, as <u>Faysal Abbas Mohamad</u> noted, to be "a mechanism for normal-izing the military presence of its sponsors, while minimizing interstate friction." This may

have met Putin's immediate goals of stabilizing the Assad regime, but because the Astana process did not actually bring about peace, the many conflicts taking place in Syria could reignite—especially if Hezbollah forces there return to Lebanon to fight Israel.

Putin's ambitious Middle East peace proposals thus face the same challenges that the Soviets' proposals faced: they do not gain traction with all parties concerned, do not achieve peace, and therefore leave the door open for America's more piecemeal approach of not trying to resolve all issues but just those that are more easily addressed.

One problem not experienced by Putin's predecessors is that Russian mediation is no longer the only serious alternative to American mediation. Middle Eastern states can now turn to Beijing—and they have already begun doing so. In early 2023, Saudi Arabia and Iran turned to China for mediating an <u>agreement to restore Saudi-Iranian diplomatic relations</u>. As <u>Samuel Ramani observed</u>, "The notion that China infringed on Russia's traditional turf and outmaneuvered the Kremlin features in Russian media outlets." But while Moscow regularly criticizes what it sees as the defects of American conflict resolution efforts, Russia's growing economic dependence on China since the outbreak of the Ukraine war in 2022 has meant that Putin is not in a position to complain about China's involvement.

In sum, not supporting revolution like the Soviets did, or were feared that they might do, has helped Putin's foreign policy toward the Middle East avoid some of the problems that his Soviet predecessors encountered. However, Putin still faces a host of other problems, both old and new.

### **CHAPTER 2**

# Russia's Balancing Act in the Levant

Maha Yahya and Mohanad Hage Ali

Russia's role in the Levant and its involvement in the region's power politics have undergone a significant shift over the past decade, mainly because of opportunities created by geopolitical and regional developments, including, most critically, the pivoting of U.S. foreign policy away from the Middle East and forever wars. These developments opened the door in 2015 to a more active Russian role in reshaping a region that was in the throes of societal upheavals and expanding conflicts. The United States' growing disengagement became especially evident following the failure of U.S. former president Barack Obama's famous red line in preventing Syrian President Bashar al-Assad from launching chemical weapons attacks against Syrian citizens in 2013. This created an opportune moment for Russia to launch a new strategic and somewhat pragmatic foreign policy in the Levant, through which it sought to carve out a space for itself in a changing order. Since then, Moscow has acted as a broker of sorts between different actors involved in the Syrian conflict, while balancing out its relationship with each actor in favor of its own national interests. In the process, it has sought to redefine a regional security architecture more amenable to these interests.

Syria provided the opening for Moscow to demonstrate its revamped foreign policy. In 2013, President Vladimir Putin's regime launched a major diplomatic initiative to disarm the Assad regime's chemical arsenal, two years before its first direct military intervention in Syria in 2015 and two years after the death of Libya's Muammar Gaddafi sent <u>shockwaves</u> in the Kremlin. Moscow's military engagement in particular marked a more visibly interventionist approach to the region that was in line with a more globally assertive and expansionist Russian foreign policy, as was evident in its occupation of Georgian and Ukrainian territories in 2008 and 2014, respectively.

Despite limitations in Russia's ability to address the region's most pressing issues, including the recurrent Israel-Palestine conflict in Gaza, Moscow's military intervention guaranteed a seat at the table in shaping future political settlements and security frameworks in Syria and possibly Lebanon. This was most apparent during the Astana process, created by Russia to address the Syria crisis—a process that undermined the UN-led Syria peace process where the United States and the EU were perceived by Moscow to have an outsized influence.

The military intervention in Syria also allowed the Kremlin to project its power and influence across the region, although this effect waned over time given the limitations in Moscow's political sway and economic capacities. Consequently, Moscow adopted a much more opportunistic and pragmatic foreign policy in the Levant. This meant that Moscow maintained a relationship with all the regional players involved in Syria, favoring a transactional approach with each one in a compartmentalized manner. It strove to capitalize on its role in balancing out Iran's presence in Syria, while leveraging its interests with the Gulf region and Israel.

However, this initial pragmatic and nonideological approach yielded mixed results, given its far more limited margin of maneuver as compared to that of the United States and its network of global partners. To some extent, Russia's policy was defined by its political and economic inability to fully dictate a pathway to its desired outcomes. While Moscow succeeded militarily in helping the Assad regime restore control over large swaths of Syrian territory lost to rebel forces in the first few years of the conflict, it was unable to restore peace or support the reconstitution of the Syrian state. Moscow also failed to convince Arab and Western countries to buy into its Syria initiatives, including its reconstruction plans. Ultimately, if Moscow is interested in the long-term recovery of the Syrian state, containing Iran's presence will be key, specifically for Arab players who can fund the country's reconstruction. Russia's current policy of acting in an equidistant manner to Iran and its foes is reliant on the current status quo in Syria.

Following the onset of the war in Ukraine, Russia reframed its strategic approach to the region in response to perceived transformations in the global order. Due to isolation from the West, Moscow responded by deepening its relationship with chief regional actors such as Iran, Saudi Arabia, the United Arab Emirates, and other Gulf countries—but to various degrees of success.

### A Diplomatic and Military Broker

During the height of the Syria crisis, Russia's pragmatic and flexible foreign policy in the region was unencumbered by either international blowback or domestic constraints. Tactically, Russia sought to position itself as a broker of sorts between the different warring factions—some of whom are off limits to Western powers, such as the regime's allied <u>militias</u>—as well as between the regional and international actors that had become involved in the country's conflict. At the same time, it sought to leverage its role in Syria to expand its economic footprint and to forge wider strategic relations with Gulf countries (and to a lesser extent China). It did not seek to replace the United States in the region, but rather to transform Syria into a launchpad for a wider regional presence and role.

To achieve those aims, Russia pursued a low-cost intervention in September 2015, with the goal of tipping the ongoing conflict in favor of the Syrian regime at minimal cost to the Russian treasury or to Russian lives. At great cost to Syrian lives, Moscow provided airpower and military support to the Syrian regime, allowing the government to retake territories lost to various opposition groups in preceding years. However, the Kremlin refrained from placing a significant number of Russian boots on the ground (beyond the <u>deployment of Wagner Group</u> mercenaries and some Russian military police).

Although initially framed as a counterterrorism <u>campaign</u> against the self-proclaimed Islamic State, Russia's intervention in Syria gave Moscow valuable leverage in reshaping parts of the region's security architecture. In particular, the establishment of the <u>Astana</u> framework in January 2017 undermined the UN-led process that sought an end to the Syrian conflict. This framework reflected Russian-Turkish agreements and influence in northwestern Syria and Iran's key role in supporting the Syrian regime, and it included a <u>minor role</u> for some Syrian nonstate actors. It also demonstrated Russia's desire to manage Iranian ambitions in Syria by building its own networks within the regime, pursuing an Arab role to <u>balance</u> Tehran's, and coordinating with Israel over its attacks. The Russian role in shaping Syria's multiple security and political arrangements also helped it play off regional actors against each other. Examples include replacing Turkey with Egypt as a guarantor of <u>the local</u> <u>deal</u> in Homs, Syria.

As part of this framework, Russia helped establish <u>four de-escalation</u> zones: <u>in</u> Idlib and parts of the Latakia province, northern Homs, eastern Ghouta, and southern Syria (especially Deraa and Quneitra). With Russia, Iran, and Turkey acting as guarantors, different military actors agreed to a halt in fighting, as negotiations to end the conflict took place. In the process, Moscow negotiated so-called local <u>reconciliation</u> deals, meant to bring back Syrian rule over territories still controlled by rebel forces, particularly around Damascus and in southern Syria. These deals, <u>brokered</u> at the local level, would often follow a pattern of combined ground offensives, aerial bombardments, and sieges to bring about the capitulation of local rebels and return these territories to Assad's control.

Its military activity in Syria also bolstered Russian arms sales in the region. While this role was limited compared to that of the United States, the Syrian conflict boosted Moscow's military standing and presence in the Levant following a dormant two and a half decades. For the Russian state, the Syrian intervention demonstrated the efficacy of Russian weaponry with 210 <u>new weapons</u> tested in Syria in 2018, according to the Russian defense minister at the time. Subsequently, Russia's weapons sales witnessed a <u>surge</u>. Moscow also attempted to widen its military cooperation with countries dependent on U.S. military aid, such as <u>Egypt</u>, Iraq, and Jordan.

### Limitations in Russia's Role

Yet translating these military achievements into diplomatic and economic wins was another matter. Even though the Syrian regime managed to recapture territories it had lost to rebel forces, the local reconciliation deals often <u>failed</u> to instate peace, particularly in southern Syria. Meanwhile, the Astana process became more of a coordination mechanism between the competing agendas of Iran, Russia, and Turkey than a diplomatic initiative that could end the Syrian conflict and restore the Syrian state.

The clearest indication of the limits of Russia's role and capacity was the failed reconstruction and refugee return initiative that it launched in 2018. The effort failed in part because Russia could not secure buy-in from other major actors, including regional powers and the EU. Through this initiative, Moscow linked the refugee crisis in the Middle East and Europe to a favorable solution in Syria that would keep Assad in power. As part of this plan, Russia would help secure the return of millions of refugees if the EU agreed to fund reconstruction and ease restrictions on the Assad regime. Putin openly called for an EU role in <u>funding</u> reconstruction in Syria in order to facilitate the return of millions of Syrian refugees from Europe and the Middle East. While this call was muted in Europe, during a state visit to Moscow, Lebanese president Michel Aoun <u>sought</u> Russia's cooperation in the country's effort to return hundreds of thousands of refugees to Syria. However, Russia's ability to deliver on its promises proved limited.

Subsequently, despite Lebanon's support for the refugee initiative, Moscow's attempts to seek economic and political gain in the country did not materialize. Although Russian companies <u>Rosneft</u> and <u>Novatek</u> won contracts related to Lebanon's prospective offshore gas fields, Western sanctions in the wake of the Ukraine war <u>forced</u> Novatek out of the consortium and its role was taken over by QatarEnergy in 2023. Russian plans for <u>investment</u> and a <u>deposit</u> in Lebanon's failing Central Bank did not see the light either.

Moscow had hoped to <u>influence</u> Lebanese decisionmakers and carve out a space for itself in the country's political and military spheres as well. The Kremlin flexed its muscles as early as November 2015, requesting the <u>closure</u> of Lebanese airspace, citing Russian military drills. Following this <u>episode</u>, Russia's overtures to Lebanon included proposals for closer military and economic ties and an initiative to recruit Lebanese citizens to <u>guard</u> the Lebanese-Syrian borders. The military cooperation <u>agreement</u>, which failed to <u>materialize</u> following U.S. and European <u>pressure</u>, would have provided Moscow with <u>access</u> to Lebanese military bases. Russia's Lebanon ambitions were short-lived, although its military presence in nearby Syria and the potential of Arab support for reconstruction might revive these prospects. Meanwhile, a 2021 Russian deal with Syria to explore offshore gas <u>covers</u> a disputed region with Lebanon's maritime borders, granting Moscow a de facto role in demarcation negotiations between Syria and Lebanon, on par with the U.S. role in negotiating a maritime deal between Lebanon and Israel.

The limit of Russia's outreach was also evident in its use of a long-standing instrument of Russian foreign policy: the Orthodox Church. The church has <u>historically</u> played an important role in leveraging Russia's political position across the Levant. Imperial Russia had claimed the mission of <u>preserving</u> Orthodox Christianity in the Levant in the 1800s, mostly competing with similar imperial European roles against an ailing Ottoman empire. Russian patronage of Orthodox Christians was largely symbolic, and Putin drew on this heritage in framing his country's intervention in Syria. Syria is home to the largest Orthodox community in Levant, followed by Lebanon, Jordan, and the Palestinian territories, with a majority following the Antiochian Church.

Prior to 2015, Moscow utilized the Orthodox Church and its symbols to justify its military intervention in Syria to domestic and international audiences. It highlighted the plight of Syrian Christians amid the rise of violent Islamist groups in the country and <u>indicated</u> that about 50,000 Syrian Christians had applied for Russian citizenship. During the war, Russian Orthodox priests <u>blessed</u> fighter jets and other weapons, according to photos that reverberated across the country. Yet the religious symbolism deployed by Moscow and the assertions of the Russian Orthodox Church were <u>contested</u> by the Antiochian Church leadership. Russia's Orthodox Church <u>called</u> its intervention in Syria a holy one, while the Antioch Patriarch John X and his clergy emphasized the need for peace to <u>safeguard</u> Eastern Christians whose presence may be threatened amid polarizing conflicts.

Similarly, Russia's intervention in Orthodox affairs within Syria were fraught with tensions. On the one hand, the Orthodox Church leadership came out in <u>support</u> of the Assad regime, seeing it as a way to safeguard Syrian Christians in a conflict they had little sway over. The Russian Orthodox Church also provided financial and material support to the Syrian Orthodox Church, including food and medicine. On the other hand, the participation of Russian priests in local religious ceremonies <u>generated</u> unease among the Syrian Orthodox Church.

In Lebanon, divisions were also apparent among the Orthodox Christian leadership over the Russian intervention in Syria. Elias Audi, Beirut's Greek Orthodox Bishop, was the most vocal critic of the war and the Russian Orthodox Church's stance in Syria. In 2015, he <u>rejected</u> the church's justifications and blessings of the war. "The Church does not bless wars and does not call them holy. This is why we're Orthodox, especially here in Antioch," he said. Similarly, John X <u>echoed</u> the position that "in Christianity, there is no holy war." Following the <u>decision</u> by the Ecumenical Patriarchate of Constantinople in favor of the separation of the Ukrainian Orthodox Church from the canonical jurisdiction of the Russian Orthodox Church, these divisions became even more acute. Criticism of Russia's policy even triggered calls for <u>separating</u> Lebanon's Orthodox Church from that of Syria's; and within the Orthodox leadership, political differences over Russia's role in Syria persisted. Religious symbolism and the Orthodox Church were just two policy instruments used by Russia in support of its war effort. Moscow also <u>deployed</u> Muslim troops, as part of its so-called population centric approach, to guarantee local reconciliation agreements between rebels and the Syrian regime, given the lack of confidence in the latter's commitment to any deal. These Muslim troops proved effective in enforcing the agreements and were <u>briefly</u> <u>deployed</u> near the Lebanese-Syrian borders (to Iran and Hezbollah's dismay).

### A Balancing Act

Moscow's limited capacity to impose its writ and self-imposed role of a broker in the Syrian conflict propelled Russia to navigate a complex diplomatic terrain. It had to balance its ties with Israel, its partnership with Iran, its engagement with Turkey, and its expanding relations with Saudi Arabia and the UAE. Moscow strove to remain equidistant to each regional actor, abandoning an actor only when protecting its own interest.

The coordination between Russia and Iran in the context of the Syrian conflict has been more tactical (rather than ideological) in nature. In the aftermath of Russia's military intervention in Syria, the two states sought to compete for influence and cooperate on policies ensuring the survival of the Assad regime. While both countries continue to support the regime, their approaches differ considerably. For Russia, restoration of the Assad regime is about bolstering the Syrian state and its institutions. While Iran has expanded its support for nonstate actors in Syria, Russia has created a fifth division within the Syrian army, which includes a panoply of former rebels and has ensured continued Russian influence in the army. Although Russia's Ukraine conflict has shifted its focus and resources elsewhere, the Kremlin continues to yield influence in Syria, as evidenced by recent appointments of pro-Moscow generals within Syria's powerful air force intelligence. At the same time, the strategic and military cooperation between the two countries increased significantly, with Iran providing drones and weapons to the Russian army. However, this did not have implications elsewhere, as both actors continue to compartmentalize their regional roles. Moscow's recent support of the UAE's claims over three disputed islands with Iran, to Tehran's dismay, demonstrates that Russia's balancing act remains in place. In Sudan, Russia and Iran are on opposite sides. As per multiple media reports, Iran and Ukraine support the Sudanese military led by Sudan's de facto leader Abdel Fatah al Burhan, while Russia and the UAE back its adversaries, the paramilitary Rapid Support Forces (RSF), led by General Mohamad Degalo (aka Hemedti). This approach is driven in part by the goal of greater access to <u>natural resources</u> and maritime ports.

This expanding military and political partnership with Iran has also not limited Russia's direct collaboration with Israel. Rather, it has shaped Israel's response to the Ukraine conflict and highlighted some of their shared interests in the region. Since its military intervention, Russia has coordinated with Israel over strikes on Iranian targets, as well as Tehran-backed groups—the most recent of which were the April 1, 2024, <u>bombing</u> of Iran's consulate in Damascus and the <u>targeting of an Iraqi militia's base</u> in southern Damascus on May 9. This

coordination is influenced by a number of factors such as the strong demographic connections between the two countries, whereby some <u>15 percent</u> of Israelis speak Russian. Putin has <u>stated</u> that "Israel is a Russian-speaking country," while Israel continues to provide a residence and tax haven to Russian oligarchs. Moreover, both countries share an interest in maintaining a relatively weakened Iranian presence in Syria. Unsurprisingly, a deal to <u>sell</u> Russian planes to Iran fell through because of Israeli and American pressure, while Israel <u>blocked</u> the sale of Iron Dome missile defense technology to Ukraine and refrained from imposing sanctions on Russia following its invasion of Ukraine.

This balancing act between the different players is also evident in Russia's approach to the most recent conflict in Gaza. While Russia failed to clearly condemn Hamas's attack on Israel on October 7 (in spite of the death of sixteen of its own citizens), releasing Russian hostages quickly became the center of Moscow's interaction with the militant organization. The Russian effort resulted in the release of three Russian-Israeli hostages. Moscow also hosted Palestinian reconciliation talks in March 2024, but they were more beneficial in highlighting Russia's role than in yielding actual results.

Finally, Russia has also sought to balance its support for the Assad regime with its tenuous but tactical cooperation with Turkey, which has deepened in the aftermath of the Ukraine invasion. Initial tensions regarding Russia's military involvement in Syria in 2015, particularly in support of the Assad regime—a target for removal by Ankara—eased with the creation of the Astana framework. This framework provided a platform for both countries to coordinate and engage in mutual interests. This included <u>deconfliction</u> over Turkey's military operations in northeastern Syria by countering U.S. support for Syrian Kurds and undermining the semi-autonomous entity that has emerged from the rubble of the Syrian state.

### Conclusion

Russia's military intervention in Syria in 2015 reflected a more assertive foreign policy and demonstrated an interest in a wider regional role. It allowed Moscow to reserve a seat among other players who seek to design a new regional security architecture. However, Russia's ability to expand its influence to Lebanon and beyond has been restricted. Although Russia maintains military prowess in Syria and key relationships with involved stakeholders such as Israel, Iran, and Turkey, as well as nonstate actors Hezbollah and Hamas, it remains unable to play an effective role in impacting broader regional challenges, such as the ongoing Gaza conflict. Russia only managed to secure the release <u>three</u> of its citizens from the Gaza strip, even though Moscow received a Hamas <u>delegation</u> after the October 7 attack. Similarly, despite its clout as the world's largest and most powerful Orthodox nation, Russia has not gained greater influence in shaping church politics.

Similarly, Russia's ambitions and its Syrian "success" remains incomplete given the continued failure of the Syrian state to reinforce its authority or achieve serious political reconciliation with its domestic adversaries. A wider collapse of the Syrian state would seriously hinder Moscow's ambitions and taint its image as an important actor in the region.

Consequently, while Russia managed to leverage its Syria intervention to bolster its arm sales and relations with the Gulf region, the return of Syria to the Arab League has yet to trigger postconflict relief and reconstruction support, contrary to Russia's hopes. Moscow's ambitions for a wider influence in the region will most likely resume once the Ukraine conflict ends. Until then, Russia's approach in Syria and the broader Levant will remain a delicate balancing act.

### **CHAPTER 3**

## Soviet and Russian Policies Toward Egypt: Two Snapshots

Amr Hamzawy and Rain Ji

Russia has always seen Egypt as a major regional player in the Middle East and North Africa. Its strategy towards the most populous Arab country and the region since 2014 exhibits several parallels when compared to the Soviet Union's approach between 1955 and 1967. The Soviet Union leveraged Egypt as a strategic entry point into the region, capitalizing on Egypt's need to cover the military and developmental aid denied by the West in times of regime crises. Years later, Russia adopted this approach once again, using Egypt as a key foothold in the Middle East and North Africa.

Between 1955 and 1967, military and economic ties between Moscow and Cairo rose against the backdrop of ongoing tensions between Egypt and the United States. After Washington turned down Cairo's request for military and economic aid in 1955, Egypt turned to the Soviet Union and secured a major arms deal with Czechoslovakia and developmental aid from the Eastern Bloc. Similarly, in 2014, when Egypt's president Abdel Fattah al-Sisi assumed power and faced a deterioration in Egyptian-American bilateral relations, Cairo once again leaned on Moscow for military and developmental aid and intensified their collaboration in an unmatched manner since former presidents, Anwar al-Sadat and Hosni Mubarak firmly placed Egypt as a strategic ally of the United States.

### Egypt-Soviet Relations Under Nasser

Gamal Abdel Nasser came to power in July 1952 after leading a coup with a group of Free Officers against the Egyptian monarchy. By the spring of 1954, he had deposed then head of state General Muhammad Naguib; outlawed political parties and imprisoned communists; and made himself the prime minister. But Egypt soon faced significant crises, both domestically and internationally.

Despite the armistice agreement signed by Israel and Egypt in 1949, clashes between the two countries' military troops persisted. In February 1955, Israeli forces, following a series of minor clashes, raided Gaza and killed thirty-six Egyptian soldiers and two civilians. Moreover, twenty-nine military personnel and two civilians were wounded. The outcry in Egypt was deafening. Nasser's legitimacy was questioned within the army and by the wider public space. To salvage a declared objective of the 1952 coup (the creation of a strong national army) and to deliver on the promise of his government to never tolerate Israeli incursions and humiliations, Nasser reached out to the United States for arms. But at that time, the administration of U.S. president Dwight Eisenhower was wanting Egypt to reconsider its opposition to the proposed U.S.-backed Middle East Defense Organization (MEDO); Egypt was dissatisfied with the <u>conditions</u> that America was placing on military aid and feared foreign influence. Other Western capitals were also dissatisfied with Cairo's nonaligned foreign policies. The United States and its European allies were pushing for the building of military alliances in the region to combat the spread of communism and Soviet influence. Yet Nasser's Egypt rejected this U.S. push for alliances and even refused to join the Baghdad Pact announced in February 1955 by Türkiye, Iraq, and Iran—likely because the pact included aspects of the vision for MEDO. Instead, Egypt participated in the Bandung Conference in Indonesia in April 1955, helping articulate the basic principles of nonalignment toward either the Western or Eastern Blocs. Along with the governments of Ghana, India, Indonesia, and former Yugoslavia, the Egyptian government played a key role in establishing the Non-Aligned Movement, which was initially joined by Global South countries and sought to take a neutral stance between the two opposing superpowers, the United States and the Soviet Union. In this context, Western capitals were dissatisfied with Cairo's foreign policies and did not offer military aid.

In response, Nasser turned to the Eastern Bloc, and Soviet leaders decided to sell arms to Egypt indirectly. In September 1955, the government of former Czechoslovakia agreed to sell Soviet weaponry to Egypt. The sale of jetfighters, tanks, artillery, and other heavy equipment was estimated to be worth <u>\$80 million</u>. The "Czechoslovak Arms Deal," as it came to be known in Egyptian writings about Nasser's policies in the 1950s, was a groundbreaking development in Soviet engagement with Egypt. It also marked the Soviet Union's entry into the foray of great-power competition in the Middle East and North Africa.

The arms deal marked the <u>first sale</u> of Soviet weaponry systems in the region, and it was made to a key Arab country that was becoming increasingly opposed to American and European foreign policies. Egypt and its Arab allies perceived this development as illustrating the Soviet and Eastern Block's backing of Nasser's decision to (1) reject U.S. promoted military alliances in the Middle East, (2) defend national sovereignty and security without compromising independent foreign policy, and (3) avoid submitting to American and European conditions that support for Egypt be tied to its signing of peace agreements with Israel. The arms deal pushed the regional gates wide open for Soviet involvement, especially with those Arab governments that embraced Nasser's policies of rejecting Western military domination, upholding nonalignment as a foreign policy doctrine, and promoting national independence movements—exemplified by Egypt's support for the <u>Algerian</u> independence movement in North Africa and various independence <u>movements</u> across the African continent. Moreover, Arab governments that followed the Egyptian path of nonalignment and independence also refused to forge peace with Israel without a just settlement for the Palestinian people and their national aspirations.

The Soviet's indirect arms sale to Egypt ultimately set a precedent for similar sales and direct deals with the governments of <u>Syria</u> (starting the 1950s), <u>Iraq</u> (following the abolition of the monarchy in 1958), <u>Algeria</u> (in the 1960s), <u>Libya</u> (post-1969), <u>Sudan</u> (after 1967), and <u>North and South Yemen</u> (in the 1970s and 1980s). The Soviet Union established its influence as a great power competing with the United States in the Middle East and North Africa through the sale of arms and <u>stationing</u> of Soviet military <u>advisers</u> in some Arab countries.

The advent of Soviet military influence paved the way for Moscow to develop deeper economic ties with the Middle East and North Africa, again using Nasser's Egypt as a port of entry. The combination of outright rejections and humiliating conditions that Western governments imposed on Egypt pushed Cairo to seek alternative sources of aid and funding.

To promote his government's economic ambitions, Nasser placed high hopes on the building of dams on the Nile River to generate badly needed electricity for industrialization plans and wide-scale cultivation of desert land. Nasser aimed to control water resources and river flooding in order to transform the desert into arable land and enhance agricultural productivity. The High Dam project in Aswan captured his imagination, and his government requested technical and financial support from the International Bank for Reconstruction and Development (lending arm of the World Bank) and from Western countries. Initially, in mid-December 1955, the World Bank agreed to loan Egypt up to \$200 million. In the same month, the United States and Britain also pledged <u>\$70 million</u> in aid to the High Dam project.

Western governments attempted to leverage this financial assistance to <u>convince</u> Egypt to cancel the 1955 arms deal with the Soviets, but Nasser did not give up on the deal. Moreover, he cemented Egypt's position as a neutral force as <u>Radio Cairo</u> called on Arab populations to <u>protest</u> the Baghdad Pact. As a result, the United States and Britain later backtracked their commitment and canceled the pledged financing for the project. In a 1957 State Department <u>memo</u>, then secretary of state John Foster Dulles wrote that "through its arms arrangement with the Soviet bloc, Egypt was increasing its dependence on the Soviets and had mortgaged a considerable part of its foreseeable income." Additionally, Dulles <u>cited</u> Egypt's political actions such as "recognition of Communist China, its anti-Western propaganda and determination to enter into arrangements with the Soviet bloc." as "disturbing in view of our announced willingness to assist on what was understood to be Egypt's major project."

Nasser responded with the nationalization of the Suez Canal in July 1956. This action was a key demand of the Egyptian national independence movement, which Nasser aimed to embody. By taking this bold step, he aimed to solidify his reputation as a nationalist hero in Egypt and beyond. However, Britain and France—the former colonial powers in the Middle East and North Africa and the primary shareholders of the Suez Canal Corporation before its nationalization—used this event as a pretext to launch a military attack on Egypt a few months later. On October 29, 1956, joined by Israel, the three countries launched the Tripartite Aggression, invading the Sinai Peninsula and the Suez Canal region.

The rapid military advancements of the Tripartite troops came to a halt when the United Nations (UN) issued in <u>November 1956</u> a resolution stipulating an immediate cessation of hostilities. The UN consensus swiftly received more diplomatic power when the Soviet Union issued a <u>series of letters</u> warning the aggressors to withdraw or otherwise face direct Soviet interference in the war. Similarly, the United States also demanded an immediate ceasefire and the <u>withdrawal</u> of British, French, and Israeli troops. <u>On November 7, 1956, hostilities stopped</u>. In December 1956, British and French troops withdrew from the Suez Canal region, whereas Israeli troops did not complete their withdrawal from Sinai until March <u>1957</u>.

The Tripartite Aggression sealed the demise of the regional influence of the two old colonial powers, Britain and France. Moreover, the Soviet Union proved its strategic commitment to anti-Western governments in the Middle East and North Africa and was widely perceived as an ally by Arab independence movements. Nasser advanced to become the charismatic and uncontested hero of Egyptian and Arab nationalism and a regional leader of immense appeal. His strategic collaboration with the Soviet Union for national independence purposes was confirmed, and his anti-imperial policies were approved by <u>popular sentiments</u> that swept the region.

Meanwhile, the High Dam project stagnated for years until Moscow decided to fill the vacuum in 1958. It offered Cairo technical and financial assistance to build the dam. Nikita Khrushchev, then premier of the Soviet Union, offered <u>\$100 million</u> for the project, and from this point, economic and trade relations between the two countries expanded, shaping Egyptian societal realities throughout the 1960s. Cairo became the capital of Arab socialism as much as it was the capital of Soviet-supported state-led modernization. The High Dam project became the symbol of Soviet-Egyptian strategic collaboration for developmental purposes, just as the successive arms deals with the Egyptian army were the symbol of the Soviet's endorsement of Nasser's independent policies in the Middle East and North Africa. In 1964, Khrushchev visited Egypt to celebrate the <u>end</u> of the first stage of dam construction.

The Soviet Union emerged as Egypt's foremost international partner. For example, Khrushchev provided crucial military aid for Egypt's intervention in Yemen in 1962; he wrote in his <u>memoirs</u>, "Nasser wished to transport several military units from the UAR to Yemen, but he did not have airplanes. We sold the UAR [United Arab Republic, or Egypt] several Antonov military transports." According to U.S. government <u>estimates</u>, between 1955 and 1966, the Soviet Union delivered military equipment worth \$1.16 billion to Egypt, including Tu-16 jet medium bombers and Su-7 fighter bombers. Beyond the High Dam project, the Soviet Union extended <u>development</u> aid for the <u>Helwan</u> Steel Mill and other factories.

In conclusion, out of necessity, Egypt leaned on the Soviet Union for support in realizing its national independence goals and ambitious developmental plans. Each time Egypt's demands for arms and economic and trade ties were declined by the United States and European countries or subjected to conditions regarding its foreign policy choices in the Middle East and North Africa, Nasser's government moved closer to the Soviets. The Soviet Union, in turn, used its engagement with Egypt to establish a foothold in the region, politically, geostrategically, and economically.

### **Egypt-Russia Relations Since Sisi**

Currently, Russia employs a comparable tactic of filling Western vacuums to make inroads in the Middle East and North Africa, particularly with respect to Egypt. Likewise, facing internal economic difficulties and rocky relations with the United States, Egypt has leveraged support from Russia to accomplish its own goals.

From a bird's-eye view, both countries see each other as important powers in their foreign policy strategies. Since 2014, current Egyptian President Abdel Fattah al-Sisi has allowed Russia to position itself as an alternative source of economic and military collaboration; the approach fits right into his strategy of balancing Egypt's relationships with Russia and the West.

In 2014, when Sisi visited Russia for the first time in <u>Sochi</u>, Russian President Vladimir Putin promised that his country would increase bilateral trade, especially with regard to agricultural products. Through promoting other relationships in addition to its collaboration with the United States and European countries, Egypt began to develop closer relations with Russia and China. In a similar vein, as evident from Russia's latest foreign policy concept and as Putin enters his fifth term, Russia's foreign policy approach to the region has been informed by a few key interests, ranging from economic development, to anti-terrorism, to political balancing. In the latest <u>foreign policy concept</u> published in 2023, Russia outlines Egypt, Iran, Saudi Arabia, Syria, and Türkiye as key states in the Islamic world to develop relations with; and Russia intends to "deepen the multifaceted mutually beneficial partnership."

In terms of military collaboration, Egypt has inched closer to Russia amid fluctuating U.S. aid policies. In a strategic recalibration, Egypt has pivoted toward Russia to diversify its foreign military aid sources, actively broadening its military alliances beyond the established partnership with the United States, albeit to a limited degree. Sisi's ambition to further military capabilities propelled Egypt to become the third-largest arms importer between 2017 and 2021. Between 2016 and 2021, Russia replaced the United States as the largest

arms exporter to Egypt, reaching a peak in 2017. The orders included, for example, surfaceto-air missile (SAM) systems, anti-ship missiles, and combat aircraft. The Egyptian ambition to procure Russia's most advanced combat jetfighter, the <u>Su-35</u>, was a thorny issue between Egypt and the United States up until the <u>procurement came to a halt</u>.

Evidently, Egypt leverages its relationship with Russia whenever suitable and without risking a protracted crisis with the United States and European countries. Concurrently, Russia harnesses its relationship with Egypt, the region's most populous country, to regain and reinforce its influence in the Middle East and North Africa. And in doing so, Russia has challenged the established influence of the United States. Military cooperation and aid have been traditional <u>Russian</u> tools in this regard. In speaking about bilateral relations with Egypt, Russia's foreign minister <u>said</u>, "We continue to expand our strategic partnership in all areas, including the economy, trade, and the investment sector. . . . Military and military-technical ties occupy a very important place."

It is important to contextualize Russian-Egyptian military cooperation against the backdrop of unsteady U.S. assistance to Egypt. In 2013, the administration of U.S. president Barack Obama <u>suspended</u> military aid to Egypt, but then changed its policy in 2015 and sent twelve F-16 fighter jets, twenty missiles, and up to 125 tank kits to Egypt. (While U.S. aid was suspended, Russia and Egypt <u>signed</u> a preliminary arms deal in September 2014, worth \$3.5 billion.) Similarly, in August 2017, the administration of U.S. president Donald Trump withheld about \$195 million and denied \$100 million aid to Egypt, citing human rights concerns. A year later, however, Washington authorized <u>\$1.2 billion</u> military aid for Egypt, including the amounts previously withheld. The administration of President Joe Biden allowed most of the allocated U.S. military aid to go through for Egypt in <u>2023</u>, withholding only about \$85 million.

In its FY2024 budget, the Biden administration proposed a bilateral aid package for Egypt totaling <u>\$1.4 billion</u>, mirroring the amount allocated by Congress in the preceding year. For the United States, military cooperation with Egypt enables unhindered access to the Suez Canal and a vital role in larger regional security, especially in the Israeli-Palestinian conflict. Meanwhile, Egypt continues to leverage its relationship with Russia to secure arms sales and to pressure the United States into maintaining its aid commitments. Russia, on other hand, is aware that it will not replace the United States but takes advantages of arms sales for economic benefits and to disrupt American influence in the region.

Regarding expanding economic ties, in 2022, Russia was the sixth-largest source of Egyptian imports, a position that has remained relatively stable since 2014. Since the Russian invasion of Ukraine, Russia's <u>share</u> of total Egyptian wheat imports has increased, rising from 50 percent in 2021 to 57 percent in 2022. Russian foreign direct investment (FDI) inflows in Egypt between 2014 and 2022 were insignificant compared to American and European FDI in Egypt, according to <u>data</u> from the Egyptian central bank. Between 2021 and 2022, Russian FDI net flow was \$34 million, just shy of Jordanian FDI in Egypt

during the same period, for example; and while the Russian FDI net flow increased to \$122.6 million in 2023, this was less than one-tenth of the European Union's FDI net flow (\$1857.2 million) that year.

Beyond trade, the two nations' most significant collaboration has been over the construction of a nuclear power plant. Long before the El Dabaa project, Egypt has been interested in purchasing a power reactor from the United States. In 1974, Egyptian president Anwar al-Sadat struck a deal with the United States for eight reactors. However, the deal never came to fruition <u>because</u> "the United States introduced new conditions in the late 1970s that Egypt found unacceptable." Russia offered to help Egypt bring its nuclear power plant ambitions to life after a decade of <u>uncertainty</u>. In 2008, under Egyptian president Hosni Mubarak, Egypt and the American company Bechtel <u>signed</u> a \$180 million, ten-year contract for designing and consulting on the country's first nuclear power plant. But as talks stalled between the two sides, Egypt eventually <u>dropped</u> Bechtel as a partner. In 2017, Sisi and Putin signed a deal on Egypt's first nuclear plant, with a loan from Russia. The El Dabaa project aligns perfectly with the Egyptian government's hope to expand power generation capacity. The nuclear power plant also marks the largest economic cooperation effort between the two countries since the Aswan High Dam.

Russia agreed to provide funding for <u>85 percent</u>, or <u>\$25 billion</u>, of the total construction cost, at a time when Egypt was recovering from acute foreign exchange shortage and <u>few</u> foreign countries indicated interest in providing entire power plants. Moscow also agreed to supply nuclear fuel for the plant for <u>sixty</u> years and to handle the transfer and storage of depleted nuclear fuel from the reactors, further tying the two countries together. Most recently, Egypt has <u>confirmed</u> that the trial operation will begin by late 2027, and the plant will provide 7.2 to 7.7 billion cubic meters of natural gas each year at its full capacity. The El Dabaa will <u>include</u> four light-water reactors for electricity production, each with a 1,200-megawatt output.

For Russia, the nuclear power plant in Egypt is yet another example of the success of its nuclear exports' schemes. These exports agreements not only generate revenues for Moscow but also lead to deep diplomatic engagement in the long term because construction of nuclear power plants requires a prolonged Russian presence. In <u>Türkiye</u>, Russia has been constructing a 4,800-megawatt facility in Akkuyu since 2010, and when completed, it will be the first nuclear power plant in the country. In <u>2012</u>, the United Arab Emirates and Russia signed a civil nuclear cooperation agreement, potentially opening the door for future contracts with Russian companies to provide nuclear technology or construct reactors. In <u>2015</u>, Russia signed a nuclear cooperation agreement with Saudi Arabia, although no significant developments have resulted from it. Recently, in March 2024, Russia's Rosatom state-run energy corporation and Algeria's Ministry of Energy and Mining agreed on a <u>road</u> map to collaborate on peaceful nuclear energy applications in Sochi, Russia.

These examples and others illustrate Russia's contemporary strategy of leveraging Egypt as an entry point into the Middle East and North Africa. But the strategy is not all together new: it mirrors the Soviet Union's historical approach, which capitalized on Egypt's internal challenges and strained relations with the United States. Like before, the contemporary dynamic has also fostered a mutually beneficial and highly opportunistic relationship for Egypt, which seeks to balance its foreign relations and diversify its military and economic partnerships. Faced with fluctuating U.S. aid policies, Egypt has, once again, turned to Russia for military cooperation and economic support.

### Soviet and Russian Continuities

In conclusion, under Nasser, especially between 1955 and 1967, the constant rejection of Egyptian demands for military and development aid by Western powers pushed Cairo closer to the Soviet Union. When faced with instability at the Egypt-Israel borders and domestic economic conundrums, Nasser's government sought to leverage Soviet aid to fulfill its ambitious military and industrial plans. For Nasser, these plans were integral to meeting the country's national independence aspirations, such as the strengthening of military capabilities and the construction of the Aswan High Dam. The Soviet Union, filling the vacuum left by Western powers, increased its influence in the Middle East and North Africa through military, economic, and developmental support for Egypt. This alliance not only provided Egypt with much-needed resources, but also enabled the Soviet Union to establish a significant geopolitical presence in the region and gain entry to other Middle Eastern and North African nations.

In taking a different policy approach, Sadat and Mubarak pursued several significant deals with the United States during their presidencies. But these deals did not come to fruition and eventually prompted Cairo to once more turn to Moscow. Since 2014, Sisi has aimed to diversify his country's military and economic alliances by hedging its bets between different superpowers.

Russia, seizing the opportunity to fill another vacuum, has adopted the Soviet Union's historical tactics to expand economic ties and influence in the region. Amid inconsistent U.S. aid, Egypt has increasingly relied on Russia for military support and economic investment, exemplified by the pivotal El Dabaa nuclear power plant project.

Examining the historical and contemporary dynamics of the Russian-Egyptian relationship is essential, as it reveals how regional players leverage great power rivalries to their benefit, thereby influencing the larger geopolitical environment. Egypt's strategic use of its relationship with the Soviet Union in the 1950s and 1960s served to leverage its national independence and developmental goals in a difficult regional and international environment. Today, Russian-Egyptian collaboration represents a prime example of how a traditional U.S. ally can navigate and exploit competition between major powers to secure military and economic advantages. By aligning with Russia occasionally, Egypt not only mitigates the impact of fluctuating U.S. support but also extracts concessions and benefits from both the United States and Russia.

### **CHAPTER 4**

## A Mixed Balance Sheet: Russia's Uneven Influence in the Maghreb

**Frederic Wehrey** 

The Arab-majority states of the Maghreb—Algeria, Libya, Morocco, and Tunisia—have become an <u>increasing focus</u> of Russian engagement and influence. Moscow is demonstrating a growing appreciation of their strategic value, especially in the domains of arms sales, energy, and, since the 2022 invasion of Ukraine, trade (largely to compensate for market shares lost to Western sanctions). Geographically, these countries are part of Africa and are members of the African Union and therefore serve as important elements in Russia's growing power projection on the African continent. They are also situated on the Mediterranean basin, offering Moscow potential points of leverage on the flow of oil and natural gas and irregular migration into the southern flank of NATO-dominated Europe, as well as potential warm water ports for its navy. Further, linguistically, culturally, and politically, the Maghreb is part of the Arab world and plays a role in Russia's broader "return" to the Middle East and its increased strategic focus on issues such as counterterrorism, the Palestinian-Israeli conflict, the Iranian nuclear issue, and Syria.

Russia's outreach to the Maghreb region has been met with successes and failures. It has successfully exploited regional regimes' frustrations with conditional or limited Western security assistance and, since the eruption of wars in Ukraine and Gaza, the popular backlash in the region against the West's perceived double standards and hypocrisy. However, with limitations in capacity, Russia has encountered difficulties in navigating the region's complex relations and rivalries.

More importantly, the Kremlin's ambitions have run up against the obstacle of local agency. With the exception of Libya, where Russia has arguably established an eastern-based militia commander as its client, <u>Maghreb leaders exert far more influence</u> in determining the extent of Russian penetration in the region than is commonly acknowledged. Leery of picking sides, governments in Algeria, Morocco, and Tunisia have long preferred to keep their options open. They continue to hedge and diversify their relations with the many other powers on the scene, including the United States and European countries, despite their frustrations, and more recent arrivals such as China, Turkey, and the United Arab Emirates.

Russia's engagement in the Maghreb is centered on two anchors in the region, Algeria and Libya. Regarding Algeria, Russia has for the past two decades tried to reboot its Cold War–era ties through state-to-state diplomacy. Its efforts have focused on securing hydrocarbon deals and boosting exports of Russian arms, which currently comprise an estimated <u>70 percent</u> of the Algerian inventory. Despite these efforts, Russia has been unable to move the relationship with this famously nonaligned power from a purely transactional one to a deeper strategic partnership that would yield long-term military access and substantive joint energy ventures. In the wake of the Ukraine invasion, however, relations have warmed. Moscow has been using trade with the North African country to circumvent Western efforts to isolate Russia, and Algeria has continued to <u>purchase Russian arms</u> and hold military <u>exercises with</u> Russian forces, to the chagrin of the West and to the Western-allied Morocco. That said, Algeria is continuing its careful balancing act of maintaining a diversified foreign policy and avoiding excessive dependence on Russia.

Meanwhile, in the weaker and politically fragmented state of Libya, Russia's approach has been more multifaceted and more successful. This relative success stems largely from the military endeavor now dubbed <u>Africa Corps</u>, which encompasses much of the mercenary force formerly known as the Wagner Group as well as an overt deployment of the Russian Armed Forces. In Libya, Moscow's main host, facilitator, and donor is not the country's UN-recognized government, but rather the eastern-based warlord Khalifa Haftar. As a result of that gambit, Russian forces, whose numbers are rapidly increasing, have secured access to major oil fields and smuggling networks, as well as control over key air bases and ports, giving Moscow a dependable logistics hub for its growing security footprint in the Sahel and Sudan. Complementing this armed mission is Russia's growing diplomatic presence, including in the Libyan capital. The nonmilitary effort is multiplying Moscow's sway in the economic, energy, and political realms.

Morocco and Tunisia are of secondary importance for Russian strategy. Although ambivalent with regard to the Ukraine war, Rabat remains squarely in the U.S. security orbit and remains suspicious of the Kremlin's closeness to its rival, Algeria—though Morocco enjoys significant trade ties with Russia and is trying to steer a middle ground amid Western pressure since the start of the Ukraine war. Russian relations with Tunisia are even more limited, with Moscow letting Algeria manage its own relationship toward Tunisia. Yet the country's authoritarian turn under Tunisian President Kais Saied and its attendant fraying of relations with the West could pave the way for more substantive economic and security cooperation with Russia.

# Algeria

The near concurrent election in 1999 of Abdelaziz Bouteflika in Algeria and Vladimir Putin in Russia heralded a reboot of the two countries' robust relations during the Cold War. The Soviet Union was among the first countries to recognize Algeria's formal independence from France in 1962 and served as a major arms supplier. Their relations started diminishing shortly before the fall of the Berlin Wall and deteriorated further during the chaos of the post-Soviet period and the turmoil of Algeria's brutal civil war in the 1990s. In the following years, cooperation quickly expanded, with Russia and Algeria <u>signing a "strategic partnership" agreement in 2001</u>—Moscow's first such agreement with any Arab country—followed in 2005-2006 by a <u>military assistance and modernization package</u>, which <u>reportedly con-</u> <u>stituted</u> Russia's largest arms deal with any country since the breakup of the Soviet Union. Additionally, some agreements on oil and gas have been inked between the two countries' state-owned energy companies, which some analysts framed as a bid by Moscow to prevent any lessening of EU dependence on Russian energy flows. Moscow also agreed to write off Algeria's external debt in exchange for a promise of arms purchases and signed additional deals on automobile manufacturing and <u>atomic energy</u>.

But in the decade since this flurry of agreements, the record of actual cooperation has been mixed. According to Russian officials and media reports, results from the strategic agreements of the early 2000s have been disappointing. Issues have included <u>late arms deliveries</u> and vague or nonbinding terms in signed documents on hydrocarbons. Russia's and Algeria's respective state-owned energy companies, Gazprom and Sonatrach, have certainly collaborated on pipeline and exploration projects, but they have also maintained strong incentives to compete, especially on the export of gas to Europe; Algeria has shown little willingness to join a Russia-led gas cartel. Moreover, the volume of Algerian trade with Europe continues to vastly outweigh potential benefits from any cooperation with Moscow. Strategically, Russian <u>officials have been disappointed by Algeria's repeated refusal</u> to grant Moscow permission to build a sought-after naval base at the Algerian port city of Oran.

In tandem, the complexities of international diplomacy and regional rivalries—magnified by Algeria's adherence to the principle of noninterference and neutrality—have complicated Russian inroads. At the height of the regional and international opposition to Russia's intervention in Syria, <u>Moscow welcomed Algeria's diplomatic blessing and maintenance of ties</u> with the Syrian regime of Bashar al-Assad. But on Libya, the two states found themselves on opposite sides of the factional divide. On the Western Sahara issue, meanwhile, Moscow has tried to position itself as a mediator between Morocco and Algeria but has met with little success. Beyond the Middle East, Algeria <u>was one of the first countries to recognize</u> <u>Ukrainian independence in 1991</u> and <u>voted in favor of a UN resolution condemning Russia's</u> <u>invasion of Ukraine</u>, drawing Moscow's ire. Nevertheless, the period since the coming to power of Algerian President Abdelmadjid Tebboune in 2019, and especially since the Russian invasion of Ukraine, has witnessed a warming of bilateral relations between the two countries, particularly as Algeria has defied Western pressure to isolate Moscow. In conjunction with a plan in late 2022 to double its defense budget, Algeria signaled its intention to sign an arms deal with Moscow estimated at <u>\$12-\$17 billion</u>, which would reportedly include fifth-generation fighters and bombers, submarines, and air defense systems. The announcement, unsurprisingly, elicited strong bi-partisan opposition from members of the U.S. Congress, who demanded that U.S. sanctions be applied against Algeria. Added to this, Moscow and Algiers conducted joint military maneuvers, including naval exercises and a provocative antiterrorism exercise near the Moroccan border involving Russian special forces and Algerian infantry. Agriculture has also anchored the relationship, with Algeria becoming increasingly dependent on Russian grain, nearly quadrupling its imports of wheat from 2021 to 2022 and displacing France's market share. Diplomatically, at the United Nations, Algeria has repeatedly abstained from condemning Russia's aggression and has voted against a General Assembly resolution to expel Russia from the UN Human Rights Council. And in the wake of the ongoing Israel-Hamas war in Gaza, the two countries find themselves adopting similar positions regarding calls for a ceasefire and efforts to reconcile Palestinian factions.

As in the past, however, it would be a mistake to read such ties and alignments as evidence of Russia forming a truly political and strategic partnership with Algeria: despite the appearance of a more pro-Russian foreign policy, Algiers is continuing to chart an autonomous path that avoids becoming too closely dependent upon any one patron. On the issue of arms exports, for example, Algeria is taking steps to compensate for <u>disruptions in the transfer</u> of <u>Russian-made systems</u>—resulting from the corrosive impact of the Ukraine war on the Russian defense industrial base—by turning to other suppliers, including <u>China</u>, <u>Germany</u>, <u>Italy</u>, and Türkiye.

And for all the hype, <u>there is no evidence</u> yet that Algeria has received Russia's most advanced jets, including the Su-34 fighter-bomber and especially the stealthy multi-role Su-57, which Algiers has long sought, but whose production has been <u>plagued</u> by delays. Moreover, at the United Nations, the country's record of voting <u>cannot be lumped</u> with the coterie of reflexively pro-Russian states, including Belarus, Eritrea, North Korea, and Syria, who have defended Moscow's actions during the Ukraine war. Algiers continues to maintain security ties to the West <u>in the form of participation in NATO's Mediterranean Dialogue</u>. And in late 2023, it applied for membership in the so-called BRICS forum, originally comprised of Brazil, Russia, India, China, and South Africa; although Russia welcomed the (unsuccessful) bid as yet another blow to the U.S.-led order, Algeria framed it as an effort to <u>maintain its</u> <u>equidistant</u> position from competing great powers and, <u>in the words of its president</u>, protect itself from "friction between the two poles."

### Libya

Russia's ties to Libya are also historic and deeply rooted in the Cold War period, when Libyan dictator Muammar Gaddafi started importing large quantities of Soviet weaponry and hosting thousands of Soviet advisers in the early and mid-1970s. By 2008, Russia had <u>forgiven Libya's substantial debt</u> in return for deals on energy, weapons, and transportation infrastructure. Yet, as in the case of Algeria, these security-centric ties did not convert Libya into a reliable Russia client, and the never-implemented announcement of a Russian naval port in Benghazi was in fact a stratagem deployed by Gaddafi to gain leverage over Russia and the West.

Following Gaddafi's ouster, the dysfunction and fragmentation of Libya largely dissuaded Russia from reestablishing a presence. But when a nationwide civil war erupted in early 2014, a multitude of Libya political actors drew in competing regional and international powers, particularly Russia. In the years since, Russia's goals can be broadly described as the following: to recoup and exceed the economic benefits it enjoyed under the Gaddafi era through infrastructure and energy deals; to obstruct and undermine European diplomacy on Libya through aggressive initiatives unencumbered by human rights; to establish military bases and logistical hubs for its power projection into the Sahelian states to the south and along the Mediterranean's littoral, where it can threaten NATO's southern flank; and, since the start of the Ukraine war, to get cash through illicit smuggling. Its strategy in pursuing these objectives has been flexible, opportunistic, scalable, and, since a good portion of it has been conducted through private military companies, nominally deniable. It has also been geared toward a diverse range of Libyan actors: Gaddafi loyalists; a local militia controlling oil facilities; the internationally recognized government in Tripoli; and especially the eastern-based military leader Khalifa Haftar, whose rise to prominence was due in no small part to Russian assistance, along with support from the United Arab Emirates and Egypt.

Working in conjunction with these Arab powers, Russia sent spare parts and medical care to Haftar's self-styled Libyan Arab Armed Forces, as well as to technicians, logisticians, advisers, and intelligence personnel. It also printed banknotes for the Haftar-aligned, unrecognized Central Bank in eastern Libya and launched a propaganda campaign on behalf of the militia chief, using official state media and clandestine channels. When Haftar launched his military campaign to topple the internationally-recognized government in the Libyan capital, mercenaries from the Wagner Group acted as artillery spotters and snipers and in some cases directed battlefield maneuvers. Though ultimately unsuccessful due to a Turkish military intervention on behalf of the Tripoli government in early 2020, the resulting battlefield stalemate and frozen conflict has been adroitly exploited by Moscow to reap strategic dividends. Russian paramilitary and regular forces currently maintain access to key oil facilities and occupy major air bases in central and southern Libya. From these bases, they have been ferrying weapons, supplies, and personnel to fragile and conflict-wracked states to the south, including Sudan, where Russia has backed the Rapid Support Forces, as well as Burkina Faso, the Central African Republic, Chad, Mali, and Niger. Moscow is also using its air bases in Libya to profit from the transregional smuggling of gold, fuel, and

narcotics—especially <u>Captagon pills from Syria</u>. More recently, in the wake of the tragic flooding in Libya's coastal town Derna in September 2023, Russia has <u>solidified its relations</u> with Haftar through the dispatch of doctors and medical aid and through high-level visits. This support was followed by a massive uptick in military materiel, such as <u>air defense systems</u> and <u>armored vehicles</u>, flowing into Libya's eastern port of Tobruk, which the <u>Kremlin hopes to eventually convert into a more permanent basing arrangement</u>.

While much of this Russian activity takes place on territory nominally controlled by Haftar, <u>Moscow is in no sense beholden</u> to the warlord, but rather acts autonomously. Moreover, Russia is increasing its outreach to the Tripoli government and its patron Türkiye on economic and energy matters, while bolstering its soft power in the form of a <u>polished</u>, <u>Arabic-speaking Russian ambassador</u>, an <u>Arabic-language satellite channel</u>, and <u>engagement</u> <u>on Libyan education</u>—all of which contrasts with the absence of a permanent diplomatic presence by the United States. American efforts to erode Russia's foothold in the country and to affect the departure of foreign military forces more broadly through a democratically elected executive have <u>been stymied</u> by the obstinacy of Libya elites and militia bosses, who are benefiting economically and politically from the status quo and from Washington's unwillingness to significantly sanction or pressure two of its closest Arab allies in the region, the United Arab Emirates and Egypt, whose policies have directly enabled Russia's growing influence. And unlike in the battle against the Islamic State, the United States cannot call upon Libyan proxy militias to pressure or confront Russian forces in the country.

While the question of a post-Haftar transition looms over Libyan politics, Russia will almost certainly adapt to and benefit from his successor, which will most likely be <u>his more power-ful son Saddam</u> or the more discreet Russian-trained son Khaled. Over the near and midterm, then, it seems likely that Libya will continue to serve as Russia's most significant point of entry into the Maghreb and its most successful intervention on the African continent, which now serves as a launching pad for Moscow's growing footprint in the south through its Africa Corps.

### Morocco

Morocco does not factor significantly into Russia's strategy to gain influence in the Maghreb, given Rabat's enduring security ties with the United States and Europe. Along with Tunisia, Morocco enjoys the status of being a major non-NATO ally, and it routinely participates in U.S.-sponsored military exercises in the region. It was also the first Maghreb country to send military aid to Ukraine, in the form of twenty renovated T-72B main battle tanks. That said, Morocco has <u>substantial economic relations</u> with Russia. <u>Trade grew by 42 percent in 2021</u> alone, and the country depends on Russian imports of key agricultural products such as ammonia and fertilizer to sustain its farming sector, which <u>employs an estimated 45 percent of the Moroccan workforce and contributes to 15 percent of its GDP</u>. Coal, petroleum, fishing, and nuclear energy <u>are other areas</u> of substantial cooperation. As a result, Morocco has tried to <u>steer a middle course</u> amid growing Western pressure on Russia

since the start of the Ukraine war, exemplified by it <u>refraining</u> from casting a vote against Russian aggression during an early 2023 UN General Assembly meeting. Rabat also reportedly seeks to preserve Russia's position of qualified neutrality on the Western Sahara dispute. Despite Moscow's declared support for Sahrawi self-determination and <u>backing of the</u> <u>insurgent Polisario Front</u>, some analysts have argued that Morocco has <u>been encouraged</u> by the Kremlin's voting record at the United Nations and reportedly believes Russian officials can exert a moderating influence on Algeria's belligerency on the issue.

## Tunisia

As in the case of Morocco, Russian inroads in Tunisia have been offset by the country's historically strong security relations with the United States, which have endured and grown despite the tumult and authoritarian turn of the post-2011 transition. That said, Tunisia has long depended on Russian wheat supplies and has remained a "significant customer for Russian gas and oil exports during the post-Ukraine EU embargo." More recently, the two countries' educational and cultural ties have grown, with the Russian state press hailing Tunisia as the first country in North Africa "to officially recognize Russian as a supplemental language in secondary education." Moreover, since his 2021 "self-coup" and in the face of growing Western pressure, President Saied is seeking to diversify the country's external relations, which includes cultivating closer ties with Russia. And, already, Tunisia is following its neighbor Algeria's example of applying for membership to the BRICS. For its part, Moscow is trying to capitalize on Tunisia's chilling of relations with the West to exert greater influence, using the multifaceted approach it has pursued elsewhere in the region. It is unlikely, however, that Tunisia will become a full-fledged Russian client, given the liabilities it could create for Moscow as an economically troubled and politically unstable state, as well as Saied's predilection for hedging through continued ties with other countries, including China, Europe, the Gulf states, Iran, and the United States.

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# Autocrats United: How Russia and Iran Defy the U.S.-Led Global Order

Nicole Grajewski and Karim Sadjadpour

Few geopolitical alignments are more consequential to global security and world order than the Russia-Iran partnership of defiance. Tehran and Moscow are co-belligerents in two of the world's deadliest conflicts—in Ukraine and Syria—and play an outsized role in myriad challenges including nuclear proliferation, cybersecurity, authoritarian resurgence, disinformation campaigns, human rights violations, illicit finance, and the weaponization of energy resources. Together they <u>control</u> nearly 40 percent of the world's proven natural gas reserves and 20 percent of the world's proven oil reserves.

Connected geographically by the Caspian Sea, Russia and Iran are historical geopolitical rivals with competing national interests and centuries of mutual mistrust. Yet, throughout history, they have occasionally united against common adversaries, including the Ottoman Empire, the British Empire, and now the United States. Perceived U.S. efforts to encircle them militarily and subvert them internally are one basis for their partnership. Wars in Syria and Ukraine have further deepened their military, economic, and diplomatic links.

Both countries are ruled by embattled autocrats—eighty-five-year-old Ayatollah Ali Khamenei in Iran and seventy-one-year-old Vladimir Putin in Russia—who have collectively been in power for over five decades. The two men are united in their opposition to the United States and the liberal international order, in particular eastward NATO expansion and America's political, military, and cultural influence in the Middle East. As Anne Applebaum writes in *Autocracy Inc.*, Putin and Khamenei also share, like many of their autocratic peers, "a determination to deprive their citizens of any real influence or public voice, to push back against all forms of transparency or accountability, and to repress anyone, at home or abroad, who challenge[s] them." Despite their competitive national interests and lingering mistrust, the modern-day bond between Moscow and Tehran will not be broken easily. Notwithstanding America's military and economic superiority, both countries believe the U.S.-led world order is vulnerable and ripe to be challenged. They also perceive America as afflicted with grave political polarization, which they've sought to accentuate. U.S. intelligence <u>believes</u> that Moscow has actively sought to help get Donald Trump reelected, while Tehran has actively <u>plotted</u> Trump's assassination. Perhaps most importantly, both governments currently view their partnership as critical to their internal survival.

So long as Khamenei and Putin remain in power and continue to view the U.S.-led world order as both threatening and vulnerable, their partnership will likely endure. This partnership of defiance and mutual survival poses a significant challenge to global stability and Western influence.

### Putin and Khamenei: United by Insecurity

Perhaps more than any other factor, Russian and Iranian concerns about their internal stability, and perceived U.S. attempts to undermine it, have cemented their modern partnership. Both Putin and Khamenei harbor deep-seated fears of color revolutions and have repeatedly resorted to violence to crush the numerous popular uprisings that have threatened their rule. The Arab Spring protests—which began in Tunisia in late 2010 and spread across the Middle East—initially elicited mixed responses from Russia and Iran. Moscow viewed the uprisings as an internal matter, while Tehran self-servingly framed them as an "Islamic Awakening" against Western-backed autocracies. Yet it reinforced the views of both regimes that U.S. advocacy for human rights and democracy promotion were pretexts to interfere in their internal affairs.

The aftermath of the 2011 NATO-led intervention in Libya profoundly influenced both Russian and Iranian foreign policy. NATO was perceived to have exceeded its mandate, leading to Qaddafi's overthrow and death. This outcome solidified Russian and Iranian concerns about Western-led interventions under humanitarian pretexts. It also significantly influenced their subsequent approach to Syria, where both countries became staunch defenders of Bashar al-Assad's regime against what they viewed as Western attempts at regime change. Less than a year after the Arab Spring erupted, Russia experienced domestic political upheaval, with anti-government protests following the 2011–2012 Duma elections. Russia drew parallels between these protests, the Arab Spring, and earlier color revolutions, framing them all as examples of Western attempts at regime change.

Putin's May 2012 return to the presidency was accompanied by a more assertive foreign policy stance, emphasizing Russian sovereignty and resistance to Western influence. Putin's return also saw a renewed effort to strengthen ties with Iran. This included revisiting military-technical cooperation, with Putin in 2015 reversing his predecessor Dmitry Medvedev's decision to ban the S-300 missile system as part of the reset with Washington. Moreover, Russia and Iran would increasingly become codependents, reliant on each another for external security and internal survival.

The ripples of the Arab Spring demonstrated the foundation of this partnership: resistance to Western pressure and perceived attempts to impose Western-style democracy. Experiences of domestic unrest, such as the 2011–2012 protests in Russia and the Green Movement in Iran, underscored the vulnerability of both regimes to mass upheaval. The Iranian regime's repressive capacities have been aided in part by Russian moral support and, more importantly, Russian <u>surveillance</u> technology, including eavesdropping devices, advanced photography devices, lie detectors, and advanced software. "Death to Russia" has been a popular slogan heard at Iranian anti-government protests since 2009.

Concerns about domestic upheaval have been formalized through key agreements that facilitate the exchange of expertise and methods for suppressing public opposition and controlling information flows. In 2014, the two countries' Ministries of Interior signed an <u>agreement</u>. While ostensibly focused on maintaining public order, the agreement's broad scope and emphasis on countering "unrest" has effectively created a framework for sharing tactics to quell dissent. This cooperation further expanded into the cyber domain with a 2020 <u>agreement</u> on information security. Though officially aimed at countering cyber threats, the agreement's expansive definition of these threats has been used by both regimes to justify cracking down on free speech and opposition voices.

Through their collaborative efforts, Russia and Iran have effectively created a system that legitimizes repressive practices under the guise of maintaining public order and national security. Russia and Iran view each other as valuable partners in countering U.S. influence in the Middle East and defending the principle of state sovereignty against external intervention.

# Saving Assad

When Arab popular protests in 2011 threatened the stability of the Assad regime in Syria— Tehran's only enduring regional ally and its bridge to Lebanese Hezbollah—Iran viewed it as an existential threat. "Syria is the 35th province [of Iran]," <u>said</u> Mehdi Taeb, a close adviser to Khamenei. "If we lose Syria, we won't be able to hold Tehran." Russia also had significant stakes in the survival of the Assad regime. Syria hosted Russia's only naval base in the Mediterranean at Tartus, and Moscow viewed Damascus as a key partner in the Middle East.

Initially, Russian and Iranian support took different forms. Iran provided extensive military and financial assistance to bolster Assad's forces on the ground, deploying Islamic Revolutionary Guard Corps (IRGC) advisers and mobilizing Shia militias from Afghanistan, Iraq, and Lebanon (Hezbollah). Russia, on the other hand, wielded its diplomatic clout to shield Assad from international pressure, using its United Nations (UN) Security Council veto to block resolutions targeting Damascus. The Barack Obama administration's failure to enforce its chemical weapons redline in 2013 signaled to Russia and Iran that the United States had no plans to militarily confront the Assad regime.

In the spring of 2014, when opposition forces gained ground in Syria and the Assad regime's hold on power appeared tenuous, Russia and Iran heightened their coordination. High-level meetings between Russian and Iranian officials laid the groundwork for a joint military campaign to ensure the survival of the Assad regime. In the summer of 2015, IRGC commander Qassem Soleimani traveled to Russia—in contravention of UN sanctions—to plan a joint military campaign.

Several months later, a combination of Russian airstrikes and Iranian-led ground offensives enabled the Assad regime to reclaim key territories from rebel forces and reassert its control. In August 2016, Tehran even <u>granted</u> Russia access to a military base inside Iran to launch airstrikes in Syria, an unprecedented move for an Iranian government whose constitution prohibits foreign military bases on its territory. Although their collaboration in Syria was fraught with recriminations and mistrust, Russia and Iran achieved their goal of preserving Assad's rule in Damascus.

What's more, the Syrian Civil War spawned the establishment of a Russia-Iran joint military commission that institutionalized routine high-level engagements between the countries' general staffs. It facilitated not only yearly visits among deputies of general staff and operational commanders but also exchanges involving military academies, headquarters, and visits to various military facilities. Many of these networks would prove crucial several years later in helping Russia in its war against Ukraine.

### Leveling the Partnership: Ukraine and Drones

Vladimir Putin's February 2022 full-scale invasion of Ukraine altered the nature of the Russia-Iran partnership. As Moscow sought to sustain its "special military operation," it turned to Tehran for critical military support, particularly in the form of drones and ammunition. Putin's July 2022 visit to Iran marked his first trip to a foreign country outside the former Soviet Union since the start of the war in Ukraine. Khamenei voiced his solidarity with Putin, calling NATO a "dangerous creature" and saying, "had you [Putin] not taken the initiative, the other side would have taken the initiative and caused the war."

Historically Russia held the dominant position in this partnership, especially in the arms trade, serving as Iran's primary supplier of military equipment. The prolonged conflict in Ukraine and Western sanctions, however, have impaired Russia's ability to replenish certain weapons reliant on Western components. This new reality compelled Moscow to seek assistance from Tehran, effectively reversing the usual flow of military technology between the two countries.

Leveraging existing networks, procurement channels, and weapons from Syria, Iran was able to provide Russia with much-needed drones to support its campaign. Iran supplied a <u>diverse array</u> of unmanned aerial vehicles (UAVs) to Russia, including the Mohajer-6, the Shahed-131, and the Shahed-136. These UAVs enhanced Russia's capabilities in suppressing Ukrainian air defenses and executing long-range strikes. Iranian personnel were even deployed to Crimea to train and assist the Russian military in operating these weapons.

Tehran also assisted Moscow in establishing domestic production lines for these drones within Russia, though Iran's assistance was not limited to drones. The country made substantial contributions to Russia's ground operations by <u>supplying</u> over 300,000 artillery shells, 1 million rounds of ammunition, various types of artillery rockets, and other military equipment. More recently, U.S. Secretary of State Anthony Blinken <u>confirmed</u> that Iran has delivered hundreds of short-range ballistic missiles to Russia in defiance of numerous warnings from U.S. and European officials towards Iran.

The provision of Iranian drones and, more recently, missiles to Russia for its campaign in Ukraine marked a significant evolution in the Russia-Iran relationship. In part, the war itself served as an accelerant to the already burgeoning Russia-Iran ties, propelling their cooperation to new heights. After Russia's invasion, the frequency of high-level political and commercial delegations traveling between Moscow and Tehran increased dramatically. In return for Iran's support, Russia has bolstered Iran's military capabilities in several areas. Iran has made notable progress in acquiring advanced conventional weaponry from Russia, allowing it to achieve some of its defense officials' long-standing goals. In November 2023, Tehran secured deals for Su-35 fighter jets, Yak-130 training aircraft, and Mi-28 attack helicopters, though only the Yak-130s have been delivered so far.

The ongoing war in Ukraine has provided Iran with invaluable technical and operational insights, particularly regarding the deployment of missiles and UAVs against modern air defense systems. Iranian-made UAVs have been extensively used in Ukraine against Western surface-to-air missile systems and electronic warfare capabilities. In essence, Ukraine has served as a real-world testing ground, which has allowed Iran to assess and refine its drone technologies against some of the most advanced defensive systems currently in use.

The war in Ukraine has strengthened Putin's and Khamenei's determination to realize a long-standing goal: a multipolar world order that challenges Western dominance. This alignment has been further strengthened by the ongoing conflict in Ukraine, which both nations view as a catalyst for reshaping global power dynamics. Moscow and Tehran see the Ukraine war as a pivotal moment to rally non-Western countries around their alternative vision of international relations.

### In Pursuit of a Post-American World

Both Russian and Iranian leadership have made clear their aspirations for a post-American world, one in which U.S. political, economic, and military power has been significantly diminished. "One of the areas where the two parties can cooperate includes containing the U.S.," Khamenei told Putin in a 2018 meeting in Tehran, "because the U.S. poses a threat to the humanity, and it is possible to contain it." Putin similarly views Iran as important to the "formation of a more equitable multipolar world order." Although the two countries have often successfully defied U.S. censures and challenged global norms with impunity, they have had very limited traction building an alternative political and economic order.

Economically, their shared experiences of Western sanctions—Russia and Iran are two of the <u>most sanctioned</u> nations in the world—has fostered a sense of solidarity, driving them to try to develop alternative financial systems that would allow them to evade economic restrictions. Both countries view sanctions as a tool of U.S. unilateralism, designed to pressure them into compliance with Washington's diktats. Especially after the war in Ukraine, this shared grievance has motivated them to seek ways to circumvent sanctions, including through the development of alternative financial mechanisms and the pursuit of closer economic ties with each other and other non-Western partners.

Since the escalation of the war in Ukraine, Russia has increasingly adopted tactics from Iran's playbook for sanctions evasion in the oil trade. These methods include disabling ship tracking systems, engaging in ship-to-ship transfers in international waters, and using a network of shell companies to obscure the origin of the oil. Despite the economic boycott from the United States and Europe, both countries have remained among the world's <u>top ten</u> oil producers.

The main beneficiary of discounted Russian and Iranian oil has been China, the world's largest importer of crude oil and an indispensable strategic partner to both nations. More than <u>40 percent</u> of Russian oil and as much as 90 percent of Iranian oil is bound for China. Beijing has also consistently diluted or opposed international resolutions against both Moscow and Tehran and supported them with military, cyber, and surveillance technology.

Russia and Iran have also collaborated to build alliances with developing and middle-income nations in Asia, Africa, and Latin America—the so-called Global South—by exploiting their grievances against the current international order and providing them energy, arms, and repressive capacity. In addition to their efforts to buttress global pariahs like North Korea, Belarus, and Syria, Tehran and Moscow have played a critical role in helping preserve the rule of another energy power by providing critical military and financial <u>support</u>: Nicolás Maduro's government in Venezuela.

This strategic outreach is complemented by their increasing involvement in multilateral organizations that seek to establish a counterbalance to Western dominance on the global stage. Both countries have come to prioritize involvement in multilateral organizations that exclude or minimize Western influence, such as the BRICS+ group of emerging economies, the Shanghai Cooperation Organization (SCO), and the Eurasian Economic Union. In 2022 Iran became a full-blown member of the SCO, and its <u>anticipated inclusion</u> in BRICS+ from 2024 signals its growing importance in this non-Western alliance.

Russia sees Iran as a pivotal state that can serve as a bridge between Central Asia and the Caucasus, the Middle East, and South Asia, enhancing the connectivity and reach of the greater Eurasian project. The International North-South Transport Corridor (INSTC) is a significant geoeconomic initiative championed by Russia and Iran to create a diverse transportation network connecting Eurasia to the Persian Gulf and South Asia. Formalized in 2002 through an agreement between Russia, India, and Iran, the INSTC envisions a complex web of maritime and land routes designed to enhance regional connectivity and trade. Yet a combination of factors—including economic constraints, lack of political will, and international pressures—has <u>stalled</u> the realization of the project.

In their efforts to challenge the U.S.-led global order, Russia and Iran have not only sought to undermine America's influence abroad but have also actively worked to weaken the United States from within. Both countries are believed to have engaged in actions aimed at exacerbating internal divisions in the United States, mirroring what they perceive as similar tactics used against them. U.S. intelligence agencies have accused these nations of meddling in elections, orchestrating disinformation campaigns, amplifying social unrest, and launching cyber attacks on critical American infrastructure. Furthermore, in response to the detention of their spies and sanctions violators, Moscow and Tehran have increasingly weaponized hostage-taking, detaining U.S. nationals as bargaining chips to secure the release of their own citizens or to extract financial concessions.

## **Sources of Disagreement**

Russia and Iran are inextricably linked by geography, frequently divided by history, and currently united in defiance. Russia has benefited from an Iran isolated from the West, dependent on Russian nuclear technology and weapons sales, hostile to the United States, and unable to exploit its vast energy resources. The Islamic Republic serves these Russian interests. One of Russia's most frequent commentators on Iran, Rajab Safarov, put it <u>bluntly</u>: "A Western-allied Iran is more dangerous for Russia than a nuclear-armed Iran. . . and would lead to Russia's collapse." Khamenei has echoed these views, <u>saying</u>, "The Russians know very well that if a government that supports America had come to power in Iran, what would have happened to them." Their opposition to the United States and their mutual fight for survival currently binds them, but the future of their partnership cannot be safely predicted beyond the lifespans of their autocratic leaders.

While the war in Ukraine has brought Russia and Iran closer, it has not erased the deep-seated frictions that have long riddled the countries' ties. At times, this rivalry has spread to the Middle East, where Moscow has maintained ties with many of Iran's

adversaries, even to the detriment of Iran. Though Moscow and Tehran both want to see a diminished U.S. presence in the Middle East, their interests are not identical. While Russia has been increasingly critical of Israel's war in Gaza, it does not share Tehran's fierce opposition to Israel's existence. Before the war in Ukraine, Russia had been accused of looking the other way when Israel bombed Iranian outposts in Syria. Though Russia's ties to Israel have progressively deteriorated since the war in Ukraine and the Hamas attack of October 7, 2024, the Iranian elite still remain wary of Russia's ties to Israel. Russia also has trade relations with Israel and with Tehran's Gulf Arab rivals—including Saudi Arabia and the United Arab Emirates, whose leaders see Putin as a strategic partner and personal friend.

International sanctions have inadvertently thrust Russia and Iran into direct competition within the shadowy world of illicit oil trade. As legitimate export channels narrow because of sanctions, both countries have been forced to rely increasingly on clandestine markets to sell their oil. Historically, Iran has been a dominant player in markets east of Suez, particularly in China and India. However, Russia's recent entry into these clandestine markets, where it offers discounted prices to attract buyers, has directly challenged Iran's position. This competition threatens Iran's ability to maintain its market share, as Russia's aggressive pricing strategies lure away traditional customers of Iran. The Iranian government has recognized the difficulties posed by Russia's involvement in the black market as the two nations vie for the same limited opportunities.

Russia and Iran's common cause has created a bond that transcends their historical rivalries and competing interests. This bond is further strengthened by a shared sense of vulnerability to external interference and potential regime change, fostering a siege mentality that drives their continued cooperation despite underlying tensions. While Russia and Iran have skillfully challenged the U.S.-led global order and circumvented sanctions, their vision for an alternative world order is characterized by a selective application of sovereignty, human rights abuses, and economic instability. This model may attract other autocrats seeking to consolidate power, but it offers little to their own populations, who bear the brunt of repression and financial distress. Ultimately, their approach fosters a world defined more by division and conflict than by the equitable multipolarity they claim to champion.

The relationship was not born through a deliberate strategy or a pure alignment of interests, but as a defensive mechanism against what both regimes perceived as existential threats to their survival. Unlike alliances rooted in shared values and mutual interests, the partnership between theocratic Iran and anti-Islamist Russia is defined by their contrasting values and often conflicting national interests. For the foreseeable future their relationship is held together by the strongest bond of all: a shared enemy.

### **CHAPTER 6**

# China and Russia in the Gulf: A Cacophony of Influence and Interest

Robert Mogielnicki

In recent years, some Gulf countries have joined the <u>BRICS+</u> group of nations and <u>the</u> <u>Shanghai Cooperation Organization (SCO)</u>, signaling the evolving nature of Chinese and Russian influence in the region through multilateral organizations. Yet it is primarily through bilateral engagements that Chinese and Russian actors exercise influence and exert power in the region. Areas such as energy cooperation, trade and investment, finance, and tourism are highly visible and largely uncontroversial spheres of engagement for China and Russia. But their collaboration with Gulf countries in the military, technology, and other noneconomic domains have unsettled many American and European officials.

In the latter half of the twentieth century, the Middle East and North Africa (MENA) region was a sphere of rivalry between China and the Soviet Union. Today, Beijing and Moscow seek to project cautious alignment in their regional roles through joint military drills and policy stances toward crises and conflicts. Chinese President Xi Jinping <u>told</u> Russian President Vladimir Putin in March 2023 that "right now there are changes—the likes of which we haven't seen for 100 years—and we are the ones driving these changes together." Indeed, the Israel-Hamas war that began in October 2023 and the subsequent related Yemeni Houthi rebels' attacks on commercial ships in the Red Sea presented the Chinese and Russian governments with various opportunities to showcase their leadership and amplify the perceived strategic foreign policy failures of the United States throughout the broader region.

An exploration of the key dimensions and interplay of Chinese and Russian interests and influence in Gulf countries, namely the Gulf Cooperation Council (GCC) countries, Iran, and Iraq, reveals whether and where China and Russia regional engagement actually results

in strategic collaboration or competition. Three main manifestations of Chinese and Russian engagement in the region involve economics, multilateral groupings, and conflict diplomacy. The countries' intersecting interests and influence in these domains, combined with their uneven levels of engagement across the region, has created a complex geopolitical arena wherein these two powers must navigate conflicting and overlapping interests.

### Levels of Interest and Influence

MENA-focused scholars are often keen to proclaim the strategic significance of the region to every global power in the world. However, MENA does not represent a core strategic region for either Beijing or Moscow. It is more accurate to view the region—and, by extension, the Gulf subregion—as being third or fourth in order of significance for Chinese and Russian government officials. Domestic stability, frontiers, and relations with neighboring countries consume the immediate attention of policymakers in China and Russia. China's economic challenges and Russia's invasion of Ukraine highlight the strategic interests attached to developments unfolding closer to home than those in Gulf countries.

However, this reality does not necessarily mean that Chinese and Russian engagement in the Gulf lacks important regional implications. A close look at the relatively stable, wealthy GCC countries, as well as Iraq and Iran, indicates that Chinese and Russian influence is deep and multifaceted. It also illustrates that both Chinese and Russian influence is uneven within each Gulf country and between the economic and noneconomic domains; moreover, the two powers' footprints are different and uneven across the region. Below, their various levels of engagement are discussed in three key areas: economics, multilateral groupings, and conflict diplomacy.

### **Economic Engagement**

The economic domain is a logical starting point for assessing Chinese and Russian engagement with Gulf countries. Energy considerations occupy a priority position on China and Russia's economic agendas, especially as broader trade and investment flows reveal a strong energy dimension. As the world's largest importer of crude oil, China relies heavily on Gulf countries to meet its energy needs, which <u>increased</u> by 10 percent up to 11.3 million barrels per day of crude oil from 2022 to 2023. Saudi Arabia, Iraq, Iran (though many Iranian imports are assumed to be relabeled), the United Arab Emirates (UAE), and Oman served as top sources of China's crude oil imports in 2023. Meanwhile, Qatar secured multiple long-term liquified natural gas (LNG) supply <u>deals</u> with Chinese customers between 2021 and 2023.

Chinese energy customers rely on a steady supply of affordable commodities imported from Gulf countries. But despite this heavy reliance, Beijing's approach to energy security involves a variety of global energy partners and a flexible energy mix. China aims to ensure a <u>balanced portfolio of imports</u>, and it is rare that a single country supplies more than 10–15 percent of total imports for a given energy commodity. However, these thresholds can sometimes shift for opportunistic reasons, such as the availability of discounted Russian crude oil after the invasion of Ukraine. China can likewise draw upon various energy forms—coal, crude oil, natural gas, hydrogen, and nuclear—to manage supply disruptions.

Chinese-Gulf energy partnerships are a two-way economic street. In 2022, Saudi Aramco made a <u>final investment decision</u> to develop a multibillion-dollar refinery and petrochemical complex in northeast China after an initial agreement on project plans emerged in 2019. Qatar Energy signed a \$6 billion <u>agreement</u> with China State Shipbuilding Corporation in April 2024 to build eighteen LNG carriers, following a similar <u>deal</u> in 2021 worth \$762 million.

Russia's position in the energy supply-demand equation is distinct from that of China's with the Gulf countries. Russia simultaneously competes with some Gulf producers insomuch as it represents a major energy supplier to China and collaborates with major Gulf producers to manage global oil prices. For example, Russia served as China's largest supplier of crude oil in 2023 (at <u>19 percent</u> of Chinese crude oil imports). Meanwhile, Russian energy officials continue to work alongside Gulf counterparts on oil supply policy within the Organization of the Petroleum Exporting Countries (OPEC) and allies led by Russia, known as OPEC+ (though disagreements have led to previous breakdowns in the alliance). In April 2024, OPEC+ members <u>extended</u> voluntary oil supply cuts through June 2024 in a bid to keep the global market tight and prices elevated. The group subsequently agreed to <u>extend</u> production curbs into 2025, though the agreement included considerable room for adjustments.

The influence of Chinese foreign direct investment (FDI) in the Gulf, both in terms of annual inflows and stocks, far outweighs that of Russia. Saudi Arabia is a major hub for foreign investment in the region and serves as a good case to illustrate the marked difference between China's and Russia's investment trends. According to Saudi Arabia's <u>Ministry of Investment</u>, annual Chinese inward FDI flows ranged from \$135.7 million to \$1.2 billion during the period 2020–2022, while Russian inward FDI remained essentially nonexistent during this period. In 2019, Russian FDI inflow figures registered disinvestments amounting to \$20.3 million, whereas Chinese FDI inflow in that year reached \$719.2 million. FDI stocks reveal a similar story: cumulative FDI from China stood at \$5.4 billion in 2022, while that of Russia registered a mere \$27.5 million. It is worthwhile mentioning that FDI from the United States, in terms of annual inflows and total stocks, far exceeded that of both China and Russia during the period 2019–2022.

Chinese firms—and to a lesser degree Russian ones—see attractive investment opportunities in various sectors across the Gulf, including renewables, construction, electric vehicles, and technology. However, U.S. influence in the region has impacted economic collaboration, especially in the technology sector. The Abu Dhabi-based technology group G42 <u>divested</u> from Chinese companies and formed a strategic investment <u>partnership</u> with Microsoft. The chief executive officer of Alat, the new company backed by the Saudi Public Investment

Fund (PIF) and charged with making Saudi Arabia a global hub for electronics and advanced industries, <u>indicated</u> that the company would make similar divestment decisions if needed to maintain U.S. partnerships.

Meanwhile, China and Russia seek to expand investment linkages with Gulf countries' sovereign wealth funds (SWFs). While Gulf SWFs' exposure to Chinese and Russian assets is limited when compared to fund investments in the United States, the United Kingdom, European Union countries, and other Middle Eastern countries, this exposure may be increasing, albeit slowly. Various Gulf SWF officials have <u>indicated</u> plans to increase Asian assets, particularly by focusing on China, including through its gateway of Hong Kong—underscoring the potential for significant strategic shifts. In April 2024, Investcorp, a Bahrain-based investment firm, and the China Investment Corporation launched a <u>platform</u> to invest in high-growth companies across the Gulf and China.

Regarding Russia's linkages with SWFs, the Saudi PIF and the Russian Direct Investment Fund (RDIF) formed a partnership in 2015; the two funds <u>agreed</u> to "identify and act on promising investment opportunities in Russia" in 2017. The RDIF continues to occupy a position in the international investments of the PIF's portfolio. Abu Dhabi's Mubadala SWF entered the Russian market in 2013 with plans to be a "<u>long-term investor</u>," but following the invasion of Ukraine, Mubadala's chief executive officer said in March 2022 that the fund would <u>pause</u> investments. It appears that Gulf SWFs have refrained from initiating major investments in Russia since the invasion.

In terms of trade, China's bilateral trade partnerships with Gulf countries are much larger and more complementary than those of Russia. The UAE is a useful case study, as it is a top regional trade partner for both China and Russia. In 2022, the UAE's exports to China reached \$32.5 billion, while China's exports to the UAE totaled \$57.7 billion, according to OEC data. Meanwhile, that same year, the UAE's <u>exports</u> to Russia only amounted to \$2.47 billion, and Russia's exports to the UAE only registered \$8.1 billion (gold and diamonds accounted for 66.4 percent and 20.3 percent, respectively, of the total value of exports).

China's outsized influence in the Gulf region's trade flows compared to Russia's theoretically indicates a greater degree of geoeconomic power. In practice, China's bilateral trade partnerships with Gulf countries involve a complex web of commercial actors, complicating any broad classification of China's regional trade ties as concerted collaboration or direct competition with Russia. Yet Beijing is likely to continue <u>pursuing</u> a China-GCC free trade agreement, as the Chinese government views such agreements with major economic blocs as prestige projects. Meanwhile, Russia has made recent progress on trade agreements with Iran, establishing a <u>free trade agreement</u> between the Russia-led Eurasian Economic Union and Iran in December 2023.

# **Multilateral Groupings**

Gulf states are becoming increasingly visible participants in multilateral organizations and country groupings where China and Russia possess significant influence, such as the economics-oriented BRICS+ and security-focused SCO. For their part, <u>Gulf Arab states</u> seek greater economic and political clout through participation in these multilateral groupings; however, their governments still want to maintain established partnerships with the United States and Europe. China, Iran, and Russia likewise view BRICS+ and the SCO as multilateral paths toward more economic and political clout in the international system, though these countries' priorities and relative positions in the global order differ.

In 2023, BRICS extended formal invitations for several new countries to join an expanded bloc. Among the Gulf invitees, the UAE and Iran accepted the invitation and became official BRICS members in early 2024, while Saudi Arabia has <u>neither</u> formally accepted nor declined the invitation. Saudi Arabia is managing a delicate balancing act of foreign relations. Negotiations on a megadeal involving the normalization of Israel-Saudi relations as well as on a potential <u>U.S.-Saudi defense treaty</u> are much higher priorities for Saudi officials than formalizing BRICS membership.

For China and Russia, who each possess clear interests in tapping deep pools of Gulf capital, membership in country groupings and their affiliated entities can offer avenues of cooperation. Indeed, previous Gulf engagement with BRICS includes the UAE's <u>membership</u> in the BRICS lender, the New Development Bank. This multilateral bank is part of a broader set of <u>de-dollarization initiatives</u>.

Russian influence and interests are easier to discern where the Gulf region and global security fronts intersect. The security-oriented SCO, of which China and Russia serve as founding members, has increased its exposure to the Gulf over recent years. In 2023, Iran <u>became</u> a full member of the SCO, and the Gulf countries of Bahrain, Kuwait, Qatar, Saudi Arabia, and the UAE serve as dialogue partners. The Emirati Minister of Foreign Affairs and International Cooperation <u>linked</u> the significance of this SCO engagement with his country being "an engaged member of the international community with an unwavering commitment to multilateralism."

There are also smaller country groupings focused on defense and security cooperation. In March 2024, China, Russia, and Iran <u>held</u> joint naval exercises in the Gulf of Oman. (The countries have staged similar drills several times in past years.) Gulf Arab countries, such as <u>Saudi Arabia</u> and the <u>UAE</u>, have engaged in joint military exercises, often with Chinese counterparts. Indeed, Gulf countries represent <u>lucrative markets</u> for Russian and Chinese arms exports. However, beyond Iran, it is the United States that serves as the key Gulf partner for defense and security cooperation as well as for arms exports.

### **Conflict Diplomacy**

Middle Eastern conflicts pose both risks and opportunities for Beijing and Moscow and their associated businesses. Before examining Chinese and Russian interests and influence in regional conflicts, it's important to first understand the Gulf's stance on these events. GCC states have largely avoided direct involvement in major regional conflicts—excluding the 2017–2021 Qatar-Gulf crisis—but nevertheless remain very concerned about the impact of escalating tensions and conflict, especially stemming from the Israel-Hamas war and related Houthi attacks in the Red Sea. Following the COVID-19 pandemic's severe economic impact, GCC governments have largely pursued a dual strategy of advancing regional de-escalation and refocusing on domestic priorities. Through these adjusted stances, they have sought to better align foreign policy with economic and business interests; for instance, the Saudi-Iranian rapprochement that led to a resuming of diplomatic relations in 2023 reflects this trend.

Chinese strategic interests are more closely aligned with a stable, rather than conflict-ridden, MENA region. While regional conflicts often offer the Chinese government openings to promote perceived U.S. foreign policy failures or ineffectiveness, and echo Russian government statements in this regard, such official rhetoric is opportunistic rather than reflective of any distinct foreign policy preference toward the region. Advancing a "zero-enemy policy" in the Gulf is more difficult amid conflicts involving the region's state actors, as evidenced by the Qatar-Gulf crisis. Beijing scaled back cooperation with Qatar during this period to avoid jeopardizing ties with Saudi Arabia and the UAE. The Israel-Hamas war has likewise placed Beijing in an uncomfortable position concerning its long-standing ties with both Israelis and Palestinians.

The trajectory of regional conflicts rarely presents amenable conditions for the win-win cooperation and development-focused engagement promoted by Beijing. Many concerns about Chinese actors jumping into regional power vacuums and eagerly embedding themselves in postconflict stabilization and reconstruction processes have proved exaggerated. Tensions that have direct commercial implications, such as the Houthi attacks in the Red Sea, have <u>raised</u> costs for shipping and insurance at a time when Chinese companies seek to generate more revenues from overseas markets. Thus, Chinese government and business actors seem to prefer lower-risk, higher-reward engagement with wealthy, stable countries like Saudi Arabia or the UAE.

In contrast, Russian actors generally have less to lose and more to gain through engagement in conflict zones. Russian interventions in <u>Libya</u> and Syria have provided regional leverage and access to economic opportunities. This form of regional engagement reveals a highrisk tolerance. On a broad level, the recent outbreak of major conflicts in the Middle East, such as the Israel-Hamas war and prospects for a wider escalation of the conflict involving Hezbollah or Iran, has shifted some global attention—and associated criticism—away from the battlefield in Ukraine. Yet the Russian invasion of Ukraine and ongoing armed conflict ultimately impose constraints on Moscow's capacity for active involvement in and exploitation of regional conflicts.

In some limited instances, Russian involvement in Middle Eastern conflicts overlaps with specific Gulf interests in North Africa and the Levant. Yet this dimension of Russia's role in the region largely clashes with the foreign policy approaches and longer-term interests of Beijing and other key regional actors. China's long-standing policy of nonintervention is at odds with Russian behavior in Ukraine and the Middle East and thus requires a <u>strategic</u> framing to reconcile continued Chinese support for Russia in these domains. Chinese economic ties with wealthy, stable countries have flourished, whereas those with poor, conflict-ridden countries have not. Persistent regional conflicts and tensions ultimately pose longer-term challenges to the ambitious economic diversification and development processes underway in Gulf Arab countries.

Yet conflict mediation efforts present opportunities for both Chinese and Russian governments to flex their diplomatic muscles. The Beijing-brokered agreement between Saudi Arabia and Iran in March 2023 served as a major diplomatic triumph for China. According to China's <u>Ministry of Foreign Affairs</u>, "in-depth communication" from Xi and "strong support from China" led not only to one agreement but to a "'wave of reconciliation' across the Middle East."

In zero-sum thinking, the Chinese diplomatic win through brokering the Saudi-Iranian agreement represents a loss for Russia's mediation ambitions. The Russian president's <u>spokes-person</u> said in October 2023 that "Russia can and will play a role in the resolution [of the Israel-Hamas conflict]," suggesting an opportunistic approach to mediating other Middle East conflicts beyond the Gulf. So far, however, it is Gulf countries that have played a more active role in mediating Russia's conflicts than the other way around. For example, Riyadh hosted <u>peace talks</u> on Ukraine in August 2023 but did not invite Russian delegates. Earlier in August, Saudi Arabia and Türkiye led <u>negotiations</u> between Ukraine and Russia on prisoner swaps and maritime agreements. <u>Mediation</u> efforts by the UAE also led to a large prisoner of war exchange in early 2024. In this sense, the Russian invasion of Ukraine has enabled Gulf governments to increase their international profile as conflict mediators.

# **Different Trajectories**

Across the Gulf region, China and Russia have uneven levels of influence, various strategic interests, and different capabilities to achieve these interests. The region, which itself represents a diverse array of state actors, does not occupy a top-tier position in the foreign policy priorities of either Beijing or Moscow. Yet it would be a mistake to think that Chinese and Russian engagement—in its multifaceted forms—does not possess significant implications for Gulf countries. China and Russia maintain and seek key economic ties with various countries, participate in region-focused multilateral groupings, and pursue conflict-related diplomacy.

The purpose of this article was not to take a comprehensive, in-depth look at China and Russia relations in the Gulf, but rather to highlight and assess some clear indicators of their interests and influence and provide a frame for understanding their evolving relationships. For example, large flows of Chinese and Russian tourists and high-net-worth individuals into the Gulf are certainly visible indicators of influence. However, beyond government mechanisms like China's Approved Destination Status scheme for tourists, these people flows are driven largely by meso- and micro-level considerations and are therefore difficult to link directly to the state-led pursuit of strategic interests. While Chinese and Russian officials surely want to promote more robust corridors between their countries and the region, it is decidedly not in their interests to see large outflows of human and financial capital finding a long-term home in the Gulf.

There are few clear examples of active cooperation between Beijing and Moscow in the Gulf—thus resonating with findings from other <u>comparative analyses</u> on the approaches adopted by China and Russia to raise their regional profile. Both governments possess overarching, overlapping interests linked to fostering a broad coalition of Global South countries, and deeper ties with Gulf countries can advance these interests. China enjoys a stronger economic foundation in the region, generally has more to offer Gulf countries through multilateral groupings (though Beijing is cautious about defense and security cooperation), and is gradually expanding its noneconomic influence through diplomatic wins such as the Saudi Arabia-Iran deal in 2023. Russia operates upon a weaker economic foundation in the Gulf, generally has less to offer Gulf countries through multilateral groupings (though is more inclined to intervene in MENA conflicts), and somewhat ironically has provided a platform for Gulf countries to enhance their mediation credentials.

Ultimately, China and Russia face different future trajectories in the Gulf. Driven by the motivations of government, economic, and other actors, China has a more significant and expansive role to play across the region should the country's key actors decide to fill. By comparison, Russian actors will likely continue to be confined to a narrower, limited role. These positions and trajectories will be shaped by the prevailing interplay of strategic interests and influence, which continue to evolve and can also shift abruptly. The two countries' dynamic set of relations will therefore require continual monitoring and constant reassessment—especially for government officials in Washington interested in either bolstering U.S. leadership in the region or managing its decline.

### **CHAPTER 7**

# Türkiye and Russia: An Unequal Partnership

### Sinan Ulgen

Türkiye's relationship with Russia has evolved significantly over the last several decades: it has shifted from one primarily based on competition to one that aims to balance competition with a strategic, nuanced partnership of cooperation. To fully understand this shift and what the future may hold, it's useful to take a holistic view of Turkish-Russian relations by examining the relationship's historical roots and current dynamics and exploring prospects for the countries' complex partnership.

## **Overall Strategy and the Political Dimension**

In the post–World War II era, Türkiye perceived the Soviet Union as a threat and preferred to be a part of the Western security structure. Unsurprisingly, the Soviet Union therefore saw Türkiye as a threat as well and was always suspicious of Ankara's political, military, and economic engagement with the Western world. However, the nature of the two countries' relationship started to change with the end of the Cold War, and eventually, a formal agreement called the Joint Action Plan for Cooperation in Eurasia: From Bilateral Cooperation to Multidimensional Partnership was signed on November 16, 2001. For the first time, the two sides declared the region a shared strategic priority and not just an arena for competition, but also for cooperation. The early Eurasianist discourse hence came to reflect this alternative approach.

When Türkiye's Justice and Development Party (AKP) came to power in 2002, the Turkish leadership began to view Russia more as an economic and diplomatic partner than a security threat. The disappointments the Ankara-Moscow duo experienced over the years in their engagement with the Western world essentially provided the catalyst for their rapprochement. The West often viewed AKP-dominated political leadership in Türkiye with skepticism, pushing the country closer to a Russia that was set on challenging the Western geopolitical

order. The two neighbors eventually began to launch and nurture exclusive diplomatic partnerships designed to address emerging regional crises. The first significant partnership in 2015 focused on the Astana process, which aimed to resolve the conflict in <u>Syria</u> (Astana also included Iran as a third stakeholder). Russia and Türkiye then sought to replicate this diplomatic paradigm in other geographic areas, including in <u>Libya</u> and the <u>Karabakh</u> region in Azerbaijan in 2020. No Western diplomatic actor was invited to take part in these Turkish-Russian efforts.

Russia has become an increasingly useful counterpart in Ankara's diplomatic efforts to balance the country's frequently fraught relations with the West and particularly the United States. Türkiye's relationship with the West has historically been a decisive factor in shaping its ties with Russia. When its Western partnerships faltered, Ankara often pivoted toward Moscow to bolster political ties and rejuvenate economic relations. The rapprochement with the Soviet Union that occurred during the <u>1974 Cyprus crisis</u>, especially following the U.S. arms embargo, is a telling example. A more recent episode is Türkiye's acquisition of the S-400 air defense missile system from Russia, which triggered U.S. sanctions against Türkiye and resulted in the country's <u>exit</u> from the United States' F-35 Joint Strike Fighter program. Ankara's goal, however, has not been to replace relations with the West or to redefine Moscow as its main strategic partner. Rather, it aims to use ties with Russia to strengthen its hand in resolving issues and disputes with the West.

Thus, despite the evident benefits of closer Türkiye-Russia relations, their relationship remains inherently unstable due to lasting divergences on foreign and security policy outlooks and an asymmetry in the countries' power. The two capitals look at regional political developments (for example, in the Black Sea, the Caucasus, Central Asia, and the Middle East) from different perspectives. In particular, Türkiye's NATO membership is a complicating factor for Russia. It cannot be said that Ankara and Moscow have a common vision to shape their immediate surroundings or to establish peace and stability there. Their policies and their political discourses in response to events can differ considerably.

For instance, Türkiye immediately denounced the Russian invasion of Ukraine, has <u>reiterat</u>ed its support for Ukraine's territorial integrity, and has continued to provide military assistance to Ukraine. It has even blocked the Turkish straits under the Montreux Convention, thus preventing Russian warships from entering the Black Sea and diminishing the threat to Ukraine, particularly to its port city Odessa.

Yet Türkiye-Russia ties have remained resilient against the backdrop of regional geopolitical upheavals, including the Russia-Ukraine war. As part of its balancing act, Ankara <u>refuses</u> to be officially part of the Western sanctions against Russia and continues to trade and cooperate with Moscow, while it simultaneously tries to curb and mitigate Russia's sanctions evasion so as to not cross the red lines set by NATO partners. The <u>withdrawal</u> of Turkish banks from the Russian Mir card payment system toward the end of 2022 serves as a prime example. Similarly, since 2023, the Turkish government strengthened trade <u>measures</u> to

curtail the reexport of dual-use goods that could materially help the Russian war effort. As a result, there has been a significant <u>decrease</u> in the export of these dual-use items and machinery exports.

### **The Economic Dimension**

The real impact of this balancing act is best observed in the deepening of Türkiye-Russia economic ties, evidenced by several strategic economic agreements as well as responses to geopolitical shifts. These ties have largely driven their broader bilateral relationship, but they have also further highlighted the asymmetric nature of the countries' interdependence.

### Trade and Investment

Trade and economic cooperation between Türkiye and Russia gained momentum in the 2000s in parallel with the rise of Türkiye as a trading state and with the rapprochement that began in the 1990s. The financial crisis of 2008–09 shook the West's hegemony on the world stage, highlighting the value of new partnerships. Since the 2010s, with cooling relations and increasing tensions with the West, bilateral trade and economic ties between Türkiye and Russia have strengthened. There was a brief decline in trade after Russia imposed sanctions following the downing of a Russian jet in Syria in 2015, and after the 2016 coup attempt in Türkiye, but trade between the two countries quickly increased back to pre-2015 levels and has been on an upward trajectory since then. Yet, although intensive economic relations are generally considered a positive development for a mutually sustainable and strategic partnership, there are several reasons why the Türkiye-Russia economic relationship has further contributed to their power asymmetry rather than interdependence in the classical sense. Trade relations are heavily skewed in Russia's favor. According to Turkish Statistical Institute (TUIK) data, Türkiye exported \$10.9 billion to Russia in 2023, while importing \$45.6 billion, resulting in a trade deficit of around \$35 billion.

It is possible to observe a similar dynamic in investment ties. While Russian investments in Türkiye are <u>concentrated</u> in more strategic and higher value-added sectors—such as energy, metallurgy, banking, and automotive—Turkish investments in Russia are concentrated in construction, alcoholic beverages, and chemicals. While Turkish private enterprises that entered the Russian market early on have made substantial investments and hold to this day a significant market share in Russia, Türkiye's once notable edge—its deeper, more mature market economy experience—has <u>weakened</u> over time as Russia's private sector has grown and developed. The Organisation for Economic Co-operation and Development <u>reports</u> that Turkish investments in Russia rose from \$31 million to \$47 million annually between 2017 and 2021, while Russian investments in Türkiye amounted to \$30 million in the same period. For the 2017–23 period, the total inflow of Russian FDI in Türkiye increased to \$423 million.

Undoubtedly, since Russia's invasion of Ukraine, the nature of their economic dependence has altered. But the war has not reversed the underlying power asymmetry. The war has increased Russia's reliance on Türkiye as a partner, and so the costs of exiting the relationship have also increased significantly. In February 2022, Russia's trade with the West began to decline sharply, leaving it isolated from most developed economies and searching for new trade partners. This reality has led to a steep increase in trade with Türkiye. According to TUIK data, Türkiye's exports to Russia rose from \$5.7 billion in 2021 to \$9.3 billion in 2022 and \$10.9 billion in 2023, essentially signaling a doubling of Turkish exports within two years. The Russian leadership's attempts to find alternative suppliers to mitigate the negative impact of Western sanctions have certainly been a factor. But other market-driven economic realities have also contributed, such as Turkish companies' replacing Western companies that have cut trade with Russia or left Russia.

### Energy

Energy is a determining factor that shapes relations and cooperation between the two countries. While Türkiye has gained a reliable partner that can provide the energy its growing economy needs, Russia has gained a rapidly growing market and a reliable customer. This situation has fostered a long-term relationship of interdependence in bilateral relations. Within the framework of this partnership, various joint projects have been implemented over the years and their scope has expanded over time.

#### Natural Gas

Türkiye began importing natural gas from Russia through Romania and Bulgaria via the Trans-Balkan pipeline in <u>1988</u>. The Blue Stream pipeline established a direct <u>link</u> between Russia and Türkiye in 1997 for the supply of natural gas. The TurkStream pipeline—which directly supplies Türkiye and is transported to southeastern and central Europe—serves different purposes for Ankara and Moscow. For Ankara, it meets its long-term growing demand for natural gas and strengthens Türkiye's position as an energy hub. For Moscow, TurkStream, with its direct connection to Türkiye, allows Russia to bypass Ukraine to reach the European market. Moreover, as a result of becoming an alternative route, Türkiye has gained additional <u>importance</u> in Türkiye-Russia relations.

Until recently, Russian policymakers had long resisted Ankara's demands to become a trading hub for imported Russian natural gas. Their position changed with the onset of the Russia-Ukraine war, given the obvious difficulties faced by Russia in exporting gas to Europe. At the Astana Summit in October 2022, Russian President Vladimir Putin proposed the creation of a natural gas hub in Türkiye, following the sabotage of the Nord Stream pipeline. He asserted that this hub would allow the two countries to jointly regulate gas prices at the market level, avoiding politicization. Since the summit, Türkiye and Russia have been actively working to initiate the hub project. The two countries reported

in November 2023 that Gazprom and Türkiye's state-owned energy company Botaş were working on a road map and that an <u>agreement</u> on practical implementation would be reached soon.

In Türkiye's view, this gas hub project will increase the country's function as a bridge between East and West, strengthening its hand economically and geopolitically. In Russia's view, the project is an important breakthrough that will enable Moscow to recover the natural gas trade volume it lost due to the invasion of Ukraine and to reach European markets. There are, however, lingering questions over the <u>viability</u> of a Türkiye-centered gas hub given the EU's commitment to reduce its dependence on Russian gas.

### Nuclear Energy

The Akkuyu Nuclear Power Plant (NPP) in Türkiye, backed by an intergovernmental agreement signed in 2010 and officially inaugurated in 2023, is another critical dimension of Türkiye-Russia energy relations. With a total capacity of 4.8 gigawatts, the plant is slated to meet around 10 percent of the needs of the Turkish electricity grid. The Akkuyu NPP has a special significance for Turkish-Russian relations. First, the nuclear agreement between Türkiye and Russia will have a long-term function of linking Türkiye and Russia in the field of energy, as the project is being implemented using a build-own-operate model: Russia's State Atomic Energy Corporation (ROSATOM) must bear the cost of both the construction and maintenance of the plant, and in return, Türkiye has to purchase 70 percent of the electricity generated by the plant for fifteen years at a fixed rate of \$0.1235 per kilowatt-hour. Türkiye pursued this project as a way to increase Türkiye's energy independence, but critics have said that the operating model will actually increase Türkiye's dependence on Russia. Indeed, with the commissioning of the nuclear power plant, Türkiye will be dependent not only on Russian natural gas supplied by Gazprom but also on ROSATOM for almost every stage of nuclear power generation. More recently, ROSATOM announced that the company was in discussions with the Turkish government for the construction of a second NPP in Türkiye, also based on a build-own-operate investment scheme. The nuclear energy partnership therefore has the potential to further cement Russia's role as a critical player in Türkiye's energy infrastructure.

### Tourism

The tourism sector is another area that reflects uneven relations between Türkiye and Russia. As one of Türkiye's most important economic sectors, tourism makes significant contributions by bringing in foreign currency and generating employment opportunities. Türkiye was the <u>fourth-most visited country</u> in the world in 2022, with 50.5 million tourists. In the same year, it ranked <u>sixth in international tourism receipts</u>, raking in \$41.2 billion. Russia is of particular importance for Türkiye's tourism sector and every year ranks as either the top or second country sending tourists to Türkiye (alternating with Germany). According to TUIK data, 6.3 million of the 56 million tourists who visited Türkiye in 2023 came from Russia. In return only around 100 thousand Turkish citizens travelled to Russia for tourism in the same year. The dependence on Russian tourists represents an asymmetry in the countries' bilateral relations. For example, evidenced by the rapid and sharp decline in the number of tourists visiting Türkiye in the period following the downing of the Russian jet in 2015 in Syria, Moscow has the ability to control and influence people-to-people relations between the two countries, especially in the tourism sector. In 2016, after the jet incident, the number of Russian tourists, which fluctuated between 3.5 and 4.5 million in previous years, fell to around 800,000. In 2017, with the warming and revival of Ankara-Moscow relations, this number increased to 4.7 million in 2017 and 6 million in <u>2018</u>. But as <u>Turkish scholar</u> Seçkin Köstem argues, not being able to attract large groups of tourists from other countries instead of Russia is one of the factors that underscore the asymmetry between Türkiye and the Kremlin.

### Asymmetry and Its Consequences

The nuanced and multifaceted nature of Turkish-Russian relations is deeply tied to Türkiye's changing relations with the West and its strategic maneuvers for greater autonomy amid ever-evolving geopolitical tides. Viewed through an analytical lens, it is clear Türkiye's relationship with Russia reflects a complex balancing act rather than a move away from the West. This balancing act, however, has not markedly reduced the asymmetric interdependence that characterizes Turkish-Russian relations (which traditionally has favored Russia and constrained Turkish decisionmaking).

The dynamics of the Türkiye-Russia relationship have certainly changed since Russia's war against Ukraine began and have even increased Russia's dependence on Türkiye, giving Ankara a position and degree of influence that was previously unattainable. But this shift has not significantly altered the countries' underlying asymmetry or resulted in a new equal partnership; it rather marks a subtle recalibration of interdependencies. Inequalities in the levels of economic, strategic, and geopolitical leverage that Türkiye and Russia have remained. The recent nuanced changes observed, while increasing Türkiye's strategic options and autonomy, have not fundamentally transformed the broader dynamics of their relationship.

As a result, the complexity of Turkish-Russian economic relations—shaped by historical legacies, strategic concerns, and changing global dynamics—will continue to play an important role in the region's geopolitical landscape.

The subtle recalibration of interdependencies in the midst of the Russia-Ukraine war offers new insights into the potential aspects of the two countries' relationship. The fundamental question for Turkish policymakers is whether Ankara can sustain this difficult balancing act with Russia. The answer will depend a great deal on the terms of a Russia-Ukraine settlement. Already, under Putin, Russia has become a real and imminent threat for many NATO nations. The nature of the long-term response to this threat by the transatlantic partnership will essentially determine the scope of Ankara's autonomy and its ability to consolidate its relations with Russia. Should a relatively more unified Western effort to contain and isolate Russia over the long term materialize after the U.S. presidential elections in November 2024—with more sanctions and more investments in defense and deterrence—Ankara will find itself under increased pressure to unravel its deepening ties with Moscow. Such a scenario will present a strategic dilemma for Turkish policymakers given the asymmetry in the Türkiye-Russia relationship and the many negative consequences that a real break with Moscow could entail.

### **CHAPTER 8**

# **Russia's Enduring Presence in the Middle East**

Eugene Rumer and Andrew S. Weiss

For centuries, the Middle East has been an arena of competition between Russia and the other major powers of the day—the Ottoman Empire, other major European powers, and most recently the United States. Such competition is largely a by-product of what Russia's leaders and elites believe are the country's enduring interests and the threats posed to them by other major powers. These interests have ranged from the security of the homeland to the protection of trade routes connecting Russia to global markets to cultural and religious ties to fellow Orthodox Christians and Slavs.

These enduring interests continue to drive Russian policy in the region even in the wake of the October 7, 2023, Hamas attack on Israel. However, the intensity of competition has surged due to the renewal of the confrontation between Russia and the West following Moscow's full-scale invasion of Ukraine in early 2022 and the Kremlin's increased <u>dependence</u> on Iran for a variety of weapons. The war in Ukraine is now a structural factor that is dramatically reordering the Kremlin's relationships around the world. Arguably, no region outside of Europe has experienced the consequences of this reordering more than the greater Middle East.

## A Long Record of Engagement in the Middle East

Russian involvement in the Middle East has been ongoing for centuries, beginning either in the ninth century <u>assault</u> on Constantinople by the Rus or in the reign of Russia's first tsar, Ivan the Terrible, after the army of the Crimean Khanate sacked the Moscow Kremlin in <u>1571</u>. In the seventeenth, eighteenth, and nineteenth centuries, in a series of wars with the Ottoman Empire, Russia gained a warmwater port and a secure outlet for its exports. It also captured the lands that are now part of Ukraine along the Black Sea coast, some presently occupied by Russian invaders.

With the onset of the twentieth-century Cold War, the Middle East emerged second only to Europe on the list of Soviet foreign policy priorities. The Soviet Union, in the <u>words</u> of senior U.S. diplomats in the mid-1950s, was "constantly maneuvering" in an effort "to bring the Middle East behind the Iron Curtain." Over time, Soviet leaders established close <u>relationships</u> with counterparts in several countries— Algeria, Egypt, Iraq, Libya, and Syria. To a varying degree, these countries became Soviet clients, receiving development assistance, arms, and high-level attention. The <u>Soviet Navy</u> became a permanent presence in the Mediterranean. The Middle East occupied a prominent place at or near the top of the Kremlin's agenda.

But when faced with domestic turmoil and economic difficulties, the Soviet Union in its tumultuous final days drastically cut back overseas engagements, moved to repair relations with the West, and eventually dissolved itself peacefully. After 1991 Russia had little ability or appetite for foreign entanglements as it struggled with a series of crises, and it largely withdrew from the Middle East as a major geopolitical actor.

Still, Russia maintained three important relationships during that era: with Syria, where Russia had a legacy relationship and kept a naval <u>facility</u>; with Iran, where in <u>1994</u> Russia contracted to build a nuclear power plant at Bushehr; and with Türkiye, where a robust economic partnership was rapidly developing despite its complicated geopolitical dimension. Yet none of these relationships provided Russia with enough leverage to claim a major geopolitical role in the Middle East.

Throughout the <u>1990s</u>, Russia continued to sell arms to customers in the Middle East and North Africa. These sales, however, were a means of survival for Russian defense industries that were struggling without domestic orders, rather than an instrument for projecting influence in the region.

Russia's withdrawal from the region after the Cold War was underscored by the dominant role the United States had assumed in the region. Russia's absence from the Middle East became the new normal. But the legacy remained, which gave Moscow a latent capability to ramp up the rivalry with the West.

### Looking for Friends Old and New

Russia began its comeback in the Middle East on President Vladimir Putin's watch. He energized Russian-Israeli relations by building personal ties with Israel's then prime minister Ariel Sharon. Putin portrayed a bloody counterinsurgency campaign in the North Caucasus as Russia's struggle against terrorism and militant Islam, a shared cause with Israel. Russia joined the <u>Middle East Quartet</u> alongside the UN, the EU, and the United States. In the decade following his 2005 visit to Israel and the Palestinian Authority, Putin traveled extensively throughout the Middle East (including visits to Algeria, Egypt, Iran, Jordan, Libya, Qatar, and Saudi Arabia).

Russia's return to the Middle East took place against the backdrop of deteriorating relations between Russia and the United States and the West in general. The 2003–2011 Iraq War provided Russia with opportunities to criticize the United States for a foreign policy blunder whose negative reverberations are still felt throughout the region.

In a symbolic but important action, in 2005 the Russian government forgave Syria nearly \$10 billion in debts that had little chance of being repaid. Later, Russia restored its permanent naval presence to the Mediterranean, moved to <u>upgrade</u> the naval facility in the Syrian port city Tartus, and established its Mediterranean squadron in 2013. All along, it continued to sell arms to long-time customers like Algeria, despite occasional <u>quality problems</u>.

The 2011 Arab Spring presented Russia with another opportunity to boost its reputation with the region's authoritarian rulers, who were furious over U.S. claims that the Arab Spring represented a "<u>new beginning between the United States and Muslims around the world</u>" and the Barack Obama administration's decision not to back its long-standing partner, Egyptian president Hosni Mubarak. Long opposed to so-called color revolutions in various parts of the former Soviet Union and suspicious of pro-democracy uprisings, the Kremlin portrayed itself as a steadfast partner to Middle Eastern autocrats.

# The Syrian Breakthrough

As Syria plunged into civil war in 2011, Russia stepped up its support for Bashar al-Assad's regime. Aside from providing Damascus with diplomatic cover at the United Nations Security Council and shielding it from international sanctions, Russia extended financial assistance, sent military equipment, and <u>shared intelligence</u>.

Russia's response to the U.S.-led intervention in Libya was initially <u>tempered</u> by the thaw in U.S.-Russian relations during the interim presidency of Dmitry Medvedev. For his part, Putin, then the prime minister of Russia, <u>criticized</u> the intervention harshly, and in the years since, Russian propaganda has highlighted Libya as an example of irresponsible U.S. interventionism and failed regime change policies.

The pivotal moment in Russian reengagement in the Middle East came in 2015 with the country's military deployment to Syria, in close <u>coordination</u> with Iran, as the Assad regime teetered on the brink of collapse. It was the first Russian military deployment to a war zone outside the territory of the former Soviet Union since Soviet troops withdrew from Afghanistan in 1989. It was widely predicted to fail and result in a "<u>quagmire</u>." But it proved successful.

The bold action accomplished several major goals. Among other things, Moscow:

- saved the Assad regime, thereby proving that it stood by its friends;
- positioned Russia as a military player in the Middle East whose presence the United States could no longer ignore;
- halted U.S. efforts to promote a political transition in Syria;
- assured Russia a long-term presence in the Eastern Mediterranean that it could leverage against two major regional actors— Türkiye and Israel—and use as a springboard to project military power into places like Libya and beyond to the African continent;
- reinforced the long-standing partnership with Iran, a fellow ally of the Assad regime; and
- forced the hand of the Gulf Arab states to deal with Russia as a regional power broker.

The Kremlin also leveraged its economic, military, and diplomatic tools to boost anemic relationships with the Arab states in the Gulf, most importantly Saudi Arabia. In 2016, Russia and the Organization of the Petroleum Exporting Countries agreed to form <u>OPEC+</u>, creating the framework for coordinating their oil price and production strategies. In 2017, Saudi King Salman bin Abdulaziz arrived in Moscow for talks with Putin about oil markets and the war in <u>Syria</u>—the first visit by a Saudi king.

Another key aspect of Russian policy during this period was the blossoming of Russian-Israeli relations. For Russia, Israel was the most powerful Middle Eastern military power, a center of technological innovation of global importance, home to hundreds of thousands of former Soviet and Russian citizens, and a geopolitical actor with influence far in excess of its small size. Russia's military deployment to Syria made it Israel's de facto neighbor and an important factor in Israel's calculations about Iran's military and nuclear ambitions. The importance of the Russian-Israeli relationship was underscored by the fact that it was managed personally by Putin and Israeli Prime Minister Benjamin Netanyahu.

Russian policy was a balancing act that called for managing multiple competing interests: military support for Syria in coordination with Iran; rapprochement with Israel and several Gulf Arab states; and active participation in talks about limiting Iran's nuclear program, which led to the signing of the Iran nuclear deal. Russia's reemergence in the Middle East's power politics was a dramatic reversal of its post–Cold War absence from the region and a direct rebuttal to wishful thinking in the West about a military quagmire in Syria. Putin's move positioned Russia at the center of a complicated web of relationships, which also included arms sales to <u>Algeria</u>, <u>Egypt</u>, and <u>Iraq</u> and the undisguised desire of the Gulf monarchies to hedge their bets as the United States tried to scale back its role in the region.

The defining feature of Russian policy in the Middle East has been a lack of ambition to move beyond posturing when it comes to the region's many problems, let alone deploy meaningful capabilities and resources. Unlike the Soviet Union, Russia offers no meaningful framework for tackling economic development, promoting an attractive political ideology, or bolstering regional security. Russia's political leaders, diplomats, and military commanders may be frequent visitors, but they do not aspire to play a decisive role in defusing regional crises.

Russia's intervention in Syria offers a valuable case in point. It was aimed primarily at propping up the Assad regime, countering U.S. influence in the region, and securing Russia's foothold in the Eastern Mediterranean, rather than seeking a long-term solution to the country's divisions, which had led to the civil war. Russia played a useful role in negotiation of the Iran nuclear deal, but it fretted over the possibility that Tehran was primarily interested in resetting relations with the United States and Europe. It has never been Russia's goal to become the hegemon of the Middle East nor to supplant the United States as the security provider and choreographer of regional diplomacy—with all the attendant burdens, responsibilities, and risks. Rather, Moscow aimed to have a seat at the table (with a vote and, if possible, a veto), to advance its own interests, and to thwart U.S. dominance in the region (which, seen from Moscow, is inherently hostile to Russian interests).

Overall, Russia opted for a careful posture in the Middle East. Its military involvement in Syria consisted largely of an air campaign conducted against Syrian opposition factions that had neither an air force nor air defenses. The Assad regime relied on Iran and Hezbollah, not Russia, to provide boots on the ground. A deadly confrontation with U.S. troops in Deir al-Zour in 2018, which resulted in as many as 300 Russian casualties, involved Wagner Group mercenaries deemed <u>expendable</u>, not regular troops. Russian involvement in Libya was similarly carried out mostly by <u>mercenaries</u>. Even Russia's financial support for the Assad regime was at least in part structured as <u>payments</u> to Russian companies with murky pedigrees or financing for weapons or <u>other</u> goods and services.

Russia complemented this careful posture with an openness to deal with any and all parties to the region's conflicts and rivalries. Moscow has both maintained a close and growing partnership with Iran and cooperated with Saudi Arabia on setting the parameters for global oil prices and production targets. It conducted a robust trade relationship with Türkiye and coordinated activities with Iran and <u>Hezbollah</u> in Syria yet turned a blind eye when Israel <u>bombed</u> Iranian and Hezbollah targets inside the country with virtual impunity. All the while Putin and Netanyahu conducted personal diplomacy, and the Russian elite sought deeper engagement with counterparts in Saudi Arabia and the rest of the Gulf Cooperation Council countries.

Among these relationships, three stand out for their importance: Saudi Arabia, Iran, and Türkiye. Saudi Arabia is a key ally for Russia, given the role of hydrocarbons as the lifeblood of the Russian economy and Saudi Arabia's outsized global and regional reach. Iran is a major regional power whose actions have far-ranging consequences and whose influence Moscow has long sought to hem in across the post-Soviet space. Türkiye is a more complicated story. On the one hand, it is an important economic partner and a workaround to bypass Western sanctions. On the other, it is a geopolitical frenemy that provides weapons to Ukraine while also serving as a critical conduit among Russia, Ukraine, and the West in the diplomatic sphere.

### A Three-Legged Stool

With the full-scale war in Ukraine well into its third year, Russia's return to the Middle East is paying off. The caution, the limited objectives, and the modest investments are delivering disproportionate results. All three strategic relationships in the region—with Saudi Arabia, Iran, and Türkiye —have paid off.

The <u>relationship</u> with Saudi Arabia is vitally important for Russia. The two countries' shared interest in <u>oil</u> makes them natural allies. It keeps their economies afloat but also serves as a key instrument of statecraft. They have a vital stake in safeguarding oil's critical role in the global economy and slowing down the green transition to address climate change. To underscore the importance of this relationship, Putin traveled to Saudi Arabia in 2019, when Saudi leaders were the target of international criticism for the 2018 <u>murder</u> of journalist Jamal Khashoggi. Putin traveled to <u>Saudi Arabia</u> again in late 2023, at a time when he himself was widely ostracized over the war in Ukraine.

Russia's partnership with Iran has grown ever closer since the start of the Ukraine war. Often a difficult partner whose interests have <u>diverged</u> from Russia's, Iran has become indispensable to Moscow's war effort as a <u>weapons</u> supplier and geopolitical ally. The two countries may not have a formal alliance, but Russia has provided diplomatic <u>cover</u> and other forms of support to Iran and its proxies following Hamas's surprise attack on Israel on October 7, 2023.

The Russian-Turkish relationship has been reinforced by the shared preference between Putin and Turkish President Recep Tayyip Erdoğan for autocratic governance and the latter's pursuit of a foreign policy course independent of its NATO allies. While <u>condemning</u> the Russian land grab in Ukraine and <u>supplying</u> weapons to Ukraine, Türkiye did not impose sanctions on Russia and emerged as a key element in Russia's efforts to bypass Western sanctions and export controls. It has <u>facilitated</u> negotiations between Russia and Ukraine and has exploited its ties to all parties to position itself as a potential power broker. Further afield in Libya, Putin and Erdoğan have built a condominium that <u>entrenches</u> each country's influence.

#### **Russia and Israel: A Broken Bromance**

The Russian-Israeli relationship has been seriously altered by the October 7 Hamas terrorist attack and Russia's deepening dependence on Iran. Before October 7, the Israeli government had navigated a careful line that entailed not providing lethal military support to Ukraine, avoiding antagonizing Washington by refusing to provide a sanctuary for high-profile members of the Putin regime targeted by Western sanctions, and safeguarding relations with the Russian military to preserve the Israeli Air Force's freedom of action over Syria.

Russia's response to the October 7 Hamas terrorist attack placed significant strains on the relationship that persist as of this writing. Putin had remained initially silent and did not offer condolences to Netanyahu until <u>October 16</u>. On October 26, Russia hosted a high-level <u>Hamas</u> delegation in Moscow, adding to the shock of Israeli society. In an apparent, deliberate attempt to legitimize Hamas, shortly after the attack, the Russian <u>ambassador</u> to Israel noted that Hamas remained a "political force" in most of Palestine and committed to maintaining contacts with it. A short while later, Russia's ambassador to the United Nations denied Israel's right to self-defense as an "<u>occupying state</u>." In February 2024, Russia hosted an "<u>intra-Palestinian</u>" meeting in Moscow with representatives from the Palestine Liberation Organization, Hamas, and Islamic Jihad.

Amid U.S.-led efforts to prevent the conflict from spreading beyond Gaza in the weeks and months following October 7, the Kremlin's actions appeared, at best, cynical and self-serving and, at worst, disruptive. Russian state propaganda was quick to scorn Israeli military activity and to whitewash Hamas's responsibility for savage attacks on Israeli citizens and the seizure of 251 hostages. The Kremlin's propaganda blitz sought to denigrate the Joe Biden administration in the eyes of the Global South and to exploit the alleged double standard between U.S. and European support for Ukraine and the Western endorsement of Israel's right to self-defense.

Russian narratives about Gaza also embraced a version that appeared to suit the Kremlin. For example, on October 9, 2023, Medvedev <u>claimed</u> that Western-supplied weapons had been smuggled from Ukraine to Israel's enemies in the Middle East. Less than a week after October 7, Putin <u>warned</u> against Israeli siege tactics in the Gaza Strip, comparing such moves to the Nazi siege of Leningrad during World War Two. Russian news <u>outlets doled</u> out antisemitic tropes, and Russian government officials and media representatives <u>accused</u> Israel of war crimes and genocide in an attempt to <u>diminish</u> the significance of Russian atrocities in Ukraine.

In January 2024, Russia hosted a Yemeni delegation from Ansar Allah (commonly known as the Houthis) to discuss how to "pressure" the United States and Israel to end the war in Gaza. In subsequent discussions, the Kremlin was <u>reportedly offered</u> safe passage for its ships in the Red Sea. In summer 2024, Putin <u>pointedly threatened</u> to send long-range weapons to various parts of the world to hurt the countries backing Ukraine, an announcement that was soon followed by reports that Russia was poised to ship weapons to the <u>Houthis</u>. The *Wall Street Journal* <u>reported</u> In October 2024 that Russia had worked with Iran to supply satellite targeting data to the Houthis in connection with their attacks on Western shipping in the Red Sea.

The burgeoning arms trade between Moscow and Tehran has been a major concern for Israel, as Russia has committed to supply advanced air defense <u>systems</u> to Iran in exchange for Iranian deliveries of drones and artillery shells for the Russian war effort in Ukraine. Following Iran's unprecedented long-range missile strikes against Israel in <u>April 2024</u>, the Israeli Air Force knocked out parts of Iran's vaunt-ed Russian <u>S-300</u> vaunted air defense system. A follow-on series of strikes in October 2024 reportedly did <u>additional damage</u> to Russian-supplied air defense systems at sensitive locations.

A wider war between Iran and Israel would be an unwelcome prospect for <u>Russia</u>. It would highlight Russia's lack of capabilities to even credibly threaten to intervene on behalf of Iran, in contrast to the United States' military presence in the region and record of unprecedented support for Israel.

Still, Russia has <u>reportedly</u> continued to meet the key Israeli requirement for their bilateral relationship—the ability for the Israeli Air Force to operate over Syrian airspace and conduct strikes against Hezbollah and Iranian targets without interference. An S-300 missile was fired at Israeli jets over Syria in July 2022, presumably by Russian personnel, without hitting any Israeli aircraft. The launch may have been a <u>deliberate</u> warning to Israel. In October 2022, Russia <u>withdrew</u> its S-300 from Syria as part of the drawdown intended to bolster Russian capabilities in Ukraine. Israel, for its part, continues to refrain from active criticism of Russia.

#### **Beyond the Big Three**

Besides the relationships with Saudi Arabia, Iran, and Türkiye, Russia's investment in contacts throughout the Middle East is paying off. Qatar provides a useful diplomatic outlet for Russia at a time of its estrangement from the West. The UAE, in addition to providing Russia an opportunity to avoid Western economic sanctions and diplomatic isolation, also serves as a partner for Russia to expand its reach in various geopolitical hot spots such as Libya and, more recently, Sudan. Both the UAE and Qatar have access to the highest levels of policymaking in Washington, key European capitals, and Ukraine. Those relationships are useful for Russia's leaders to keep in reserve. They also have been tapped for issues such as the Black Sea grain deal, prisoner-of-war exchanges, the return of Ukrainian children kidnapped during the war, and an abortive effort to limit strikes on critical infrastructure and energy facilities in Ukraine and Russia.

The sanctions the United States and its allies and partners have imposed on Russia have triggered an unparalleled reordering of Russian trading relationships. Largely banned

from Western capitals and financial centers, Russia has redirected some of that business to Gulf Arab capitals and implemented these changes at remarkable scale, scope, and speed. Russian officials and business leaders have <u>cultivated</u> mutually lucrative arrangements and relationships in the Gulf for some time, and since 2022 they have encountered a warm welcome. These Gulf Arab states have also emerged as an alternative destination for Russia's pleasure-seeking elites after their money was no longer welcome in the West. However, U.S. officials have steadily ratcheted up pressure on Emirati rulers to curb circumvention of Western financial sanctions and transshipments of dual-use items, including through the use of targeted financial sanctions and warnings about the application of secondary <u>sanctions</u>.

The Russian military intervention in Syria has proved consequential as a laboratory for testing new tools for power projection, such as mercenaries or private miliary contractors. The most notorious of these has been the Wagner Group, which has long been involved in Ukraine and Syria. Outside of Syria and Ukraine, Wagner units—rebranded in 2023 as the <u>Africa Corps</u> after the failed rebellion led by their founder, <u>Yevgeny Prigozhin</u> (known by the moniker "Putin's chef")—have been <u>deployed</u> in Libya on the side of the Libyan National Army (LNA).

Wagner's presence in Libya, dating from 2018, is driven by multiple Russian objectives: ensuring access to the oil-rich country, exploiting Libya's strategic location for challenging the U.S./NATO naval presence in the Mediterranean Sea, and securing a springboard into Africa, where Russia seeks to expand its web of relationships, counter the West's influence, and distract the West from the war in Ukraine. Indirectly, the deployment reinforces Russia's relationships with Saudi Arabia and the UAE, who also have <u>supported</u> the LNA. The <u>UAE</u> and possibly <u>Saudi Arabia</u> have reportedly financed Wagner's operations in Libya.

Wagner's involvement in Libya has been a boon to Russia's relationship with Egypt. Cairo has warmed toward Russia since the 2013 coup that overthrew the democratically elected government of Mohamed Morsi. Putin has embraced Abdel Fattah el-Sisi as Egypt's new leader. The two leaders have maintained close relations since then, resulting in a 2014 deal for Egypt to purchase <u>\$2 billion</u> in Russian arms and a 2015 agreement for Russia to build a nuclear power plant in Egypt, a project reportedly worth <u>\$30 billion</u>, mostly financed by Russia. With a life cycle of many decades, this project is poised to anchor the Russian-Egyptian relationship for a long time.

#### What Next?

Russia's foreign policy is unburdened by ethical considerations or moral principles. Its national security apparatus remains nimble and opportunistic, notwithstanding the demands of the war in Ukraine. Moscow is well positioned to sustain and, whenever possible, to expand a web of relationships throughout the Middle East. Russia has turned to the Middle East when its relationship with the West imploded in the wake of its aggression against Ukraine. Political leaders in the Middle East—where authoritarian governance is

the norm—have been largely indifferent to the plight of Ukraine and accepted Russia as a convenient partner devoid of reservations or scruples.

For Russia and its partners, this turn of events has been a win-win, as rewards come in the form of upgraded security relationships, geopolitical gains, influence over the direction of the global economy and energy markets, and the creation of new supply chains and financial flows free from the constraints of U.S.- and European-led sanctions and export controls. But is this a permanent shift in Russian foreign policy? How long will it last? After all, the importance of the Middle East to Russia since 2022 has grown mostly as a by-product of the breakdown in relations with the West, which promises to last well beyond Putin's time at the helm.

Russia's new or renewed relationships established since its return to the region in the early 2000s have served it well, and the possibility of repairing ties with the West does not preclude a continued, robust engagement with the Middle East. If one were to imagine a reversal in Russia's position in the Middle East, it is more likely to be due to changes in the region itself than to Russia severing its ties there.

Russia remains a well-resourced economy with a powerful military and defense-industrial base, despite the setbacks suffered during the war in Ukraine. The Kremlin retains the ambition to act on the world stage and to project power and influence beyond its periphery. That, combined with its rivalry with the West, will translate into a continuing and influential presence in the Middle East.

For the foreseeable future, Russia's expanded presence in the Middle East presents a nagging problem for the West. Moscow has disregarded and cast aside the few remaining guardrails and global norms. By acting as a rogue power with a global reach, today's Russia feels comfortable flouting its nonproliferation commitments and supporting rebel groups such as Hamas and the Houthis. At the same time, it is necessary to recognize that Russia is not the author of the enormous security problems facing Israel and other U.S. partners in the region. Nor is it driving Iran's nuclear ambitions; it is only facilitating them. Nor is it the reason behind Houthi attacks on shipping in the Red Sea.

Any Western détente with Russia will do little to address the root causes of those problems. Unfortunately, the United States and its allies will find it difficult to choke off disruptive Russian behavior or to curb its growing alignment with countries like Iran. In the meantime, the Kremlin will be eager to identify new tools and sources of leverage against the United States in the period of confrontation and testing that lies ahead. Thwarting such efforts and minimizing the headaches that a belligerent Russia seeks to capitalize upon in various parts of a restive Middle East will remain a preoccupation for Western policymakers for a long time to come.

# **Russia's Great Energy Game** in the Middle East

Sergey Vakulenko

Russia's 2022 invasion of Ukraine has not only resurrected the specters of the Korean War in the 1950s and the Cuban Missile Crisis in the 1960s but has also driven a large wedge between Russia and Western nations, creating a rift deeper than any witnessed in recent history. Concurrently, Russia has been forging increasingly strong ties with other nations, including those in the Middle East.

As Russian-American and Russian-European relations continue to be dissected in numerous scholarly works, another narrative unfolds—one that concerns Russia's evolving alliances with the Arab world and a significant pivot in its foreign policy approach. Post-Soviet Russia has largely inherited Soviet foreign policy toward the Middle East. In analyzing the contemporary dynamics of Russian-Arab cooperation, it is essential to understand the historical roots of this engagement and the implications for global geopolitics.

### Early Post-Soviet Period: Calls for Cooperation and Empty Promises

After World War II, the Soviet Union was establishing and nurturing ties with the "progressive" and socialist-leaning regimes in Algeria, Egypt, Iraq, Libya, South Yemen, and Syria, while opposing "reactionary" Gulf monarchies. The Soviet invasion of Afghanistan in 1979 brought the image of the Soviet Union in Arab eyes to a low, especially in countries such as Saudi Arabia that were supporting anti-Soviet guerilla fighters during the Soviet–Afghan War. At the same time, the Soviet Union was connected to oil-producing countries in the Arab world in complex ways; Soviet-Arab relations alternated between collaboration and competition while being significantly influenced by oil-production strategies. Since Saudi Arabia was playing a leading role in the Organization of the Petroleum Exporting Countries (OPEC) and was a crucial oil producer, Russia-Saudi relations often saw intervals of friendliness and alienations.

After the Soviet Union's dissolution in 1991, Russia inherited its complex relationships with OPEC countries, including Saudi Arabia, but lacked a clear strategy for engagement. In addition, Russian oil production was in a free fall as a result of economic crises, organizational upheaval, and years of underinvestment and overproduction during the late Soviet period. Therefore, there was less interest on the Saudi side to woo Russia into cooperation with OPEC. The beginning of the First Chechen War in 1994 also contributed to the mutual wariness. The Russians suspected Saudis of supporting the Chechen rebels and instigating separatism, and indeed, some Saudis were fighting on the side of the rebels, while Saudibased charities were collecting funds for Chechen causes (both charitable and military). At the same time, the stories of <u>atrocities</u> committed by Russian troops during the cleanup operations in Chechen villages were causing an uproar in the Muslim world and diminishing the goodwill that post-Soviet Russia might have had.

The late 1990s and early 2000s saw oil price drops and economic crises, prompting Saudi Arabia to repeatedly reach out to Russia for cooperation on oil-production cuts. However, Russia struggled to enforce these cuts due to the privatization of its oil industry, weak government, and the unique sensitivities of Russian oil companies to production levels rather than price due to the design of the Russian tax system. The situation put further strain on Moscow's reputation with OPEC.

By the early 2010s, both Russia and Saudi Arabia had come to recognize each other's significant roles in the global oil market. Despite the tensions—particularly related to Russia's direct support for President Bashar al-Assad's government in the Syrian conflict—Saudi Arabia was open to Russian membership in OPEC. But Russia, seeing itself as a rising power as a member of the G8, the World Trade Organization, and possibly the Organization for Economic Development, was unwilling to cede influence or align its policies with those of others. It preferred to maintain a degree of independence while benefiting from the market conditions shaped by OPEC. But soon, its position would change due to increased geopolitical tensions.

#### Creation of OPEC+: A New Era for the Saudi-Russian Relationship

The period between 2014 and 2020 marked a notable shift in global oil dynamics, with increased cooperation between OPEC and non-OPEC members, particularly between Saudi Arabia and Russia. Evolving strategic political and economic interests largely drove this shift.

Russia's annexation of Crimea in the spring of 2014, followed by the conflict in Donbas, led to its expulsion from <u>the G8</u> and ignited a prolonged confrontation with Western nations. As a result, Moscow found itself increasingly isolated and compelled to seek new alliances.

Meanwhile, the United States experienced a surge in oil production due to the "<u>shale gale</u>," which significantly boosted U.S. oil output, <u>adding 3 million barrels per day</u> (equivalent to 9 percent of OPEC's production at the time) in the three years leading up to July 2014.

This increase contributed directly to a dramatic shift in the global oil market dynamics. The market responded to this surge in supply with a sharp decline in oil prices, from the average of \$108.93 per barrel of Brent in the first half of 2014 to \$55.27 per barrel by the year's end. Unlike in 1998, 2001, or 2008, this drop was not caused by a demand shock due to an economic crisis but rather by a major technological breakthrough. Therefore, the price could not be expected to recover alongside economic improvement. Additionally, it became evident that OPEC, with its diminishing market share, no longer had the capacity to single-handed-ly stabilize the market.

In January 2015, Salman bin Abdulaziz became the new king of Saud Arabia, after the death of his father King Abdullah. This was also the start of the meteoric rise of Prince Mohammed bin Salman. The young prince was not as pro-American as the traditional Saudi establishment and was looking for diplomatic breakthroughs that would differentiate him in a race to become the successor of the throne. In his view, establishing a working relationship with Russia might look like a strong win. Russia was <u>positioning itself</u> as a power broker in Yemen, without getting too close to any of the factions. In March 2015, just a month after Mohammed bin Salman was appointed the defense minister, Saudi Arabia started a military operation against the Houthis. Having an understanding with Russia on Yemen was important for the developing relationship and in June 2015 the prince visited the St. Petersburg International Economic Forum, where he <u>met</u> Russian President Vladimir Putin and then energy minister Alexander Novak.

This shift in the political calculation likely catalyzed discussions about a potential overarching deal between Russia and OPEC. But it took another year and a half and a change of the energy minister in Saudi Arabia before <u>an agreement</u> was signed.

Russian and Saudi officials <u>started their discussions</u> almost immediately. The shift toward a collaborative framework occurred after Ali al-Naimi, longtime Saudi oil minister with strong memories of the earlier failed attempt of cooperation with Russia stepped down for Khalid al-Falih, who took a pragmatic approach and was prepared to start from a clean slate. Al-Falih and Novak managed to build a strong <u>personal</u> relationship and trust, which led to a breakthrough. In late 2016, OPEC <u>signed a declaration of cooperation</u> with ten additional countries and, most importantly, Russia.

Initially, this agreement was seen as a temporary measure and to this day there are no documents committing any non-OPEC members to long-term cooperation. Production management has also been done mostly on a six-month basis. In practice, in the eight years since signing the agreement, the group has worked with little distinction between the OPEC and non-OPEC members. Effectively, Saudi Arabia and Russia hold veto power in the discussions. The United Arab Emirates (UAE) also holds a strong, albeit secondary, voice. Looking at the history of production swings, these three countries have the most influence on OPEC+ production levels, while other members have more symbolic roles. Some members consistently produce below their allocated quotas due to technical challenges, while others exceed their quotas, which is often tolerated because the impact is not significant.

Since 2014, and particularly since 2022, OPEC+ has been one of the few international organizations in which Russia is viewed as an important member with a decisive voice. The Russian Ministry of Energy has implemented measures to monitor and control oil production on a weekly basis, ensuring its production is reasonably close to OPEC+ agreed levels. Technically, the government cannot give orders to private businesses and even government-owned oil companies, comprising the Russian oil sector; they voluntarily agree to participate in the cuts and the government plays a coordinating role. Since the beginning of Putin's era, the balance of power in Russia was shifting from the oligarchs and oil companies towards the state and, unlike in 1998 or 2008, from 2017 onward the suggestions from government were taken much more seriously by private sector companies

The close relationship between Putin and Igor Sechin, the chief executive officer of the largest Russian oil company <u>Rosneft</u>, illustrates the importance of the OPEC+ agreement for Putin. Widely considered one of the closest lieutenants of Putin, Sechin manages to secure many favors from the president. Sechin has been a <u>vocal critic</u> of the OPEC+ agreement, as it impedes his empire-building ambitions and makes it more difficult to justify multi-billion-dollar investments in new megaprojects funded through tax cuts. Unlike many of his other "policy recommendations," Sechin's appeal to Putin in 2019 to leave OPEC+ was ignored.

From 2016 until late 2019 the OPEC+ agreement worked well as oil prices stabilized and increased. After the <u>oil price plunge</u> of 2014, global investment in the oil industry <u>shrunk</u> by 45 percent, falling below natural production decline replacement levels. By the end of the decade, overcapacity created before 2014 was already absorbed. Russian-Saudi agreements in the energy sector were facilitated by strong personal relationships between the two energy ministers and their aides. Both sides attempted to establish wider cooperation between Saudi Aramco and Russian oil companies, but they were not too successful. There were no chances for Russian oil companies to participate in projects in Saudi Arabia, and Saudi Aramco did not need any projects in Russia.

#### The Oil Price War of 2020

The Saudi-Russian relationship was tested during the oil price war of 2020. From 2016 to 2019 OPEC+ focused on stabilizing the oil market. Their strategy aimed to manage market expectations, eliminate excess supply, and compensate for shortages caused by accidents, without pushing prices above sustainable levels or encouraging competition through higher prices.

During the fall of 2019, the Saudis in OPEC+ started to advocate a return to the old policies, which meant giving up market share in the hopes that higher prices would compensate for volume loss. This change in policy was the result of changed leadership. In September 2019, the Saudi oil industry veteran al-Falih was replaced by Prince Abdulaziz bin Salman, Mohammed bin Salman's half-brother and the first royal to become an energy minister of Saudi Arabia. The Crown Prince had laid down ambitious plans for the kingdom and was looking for additional revenue to fund them. His brother, Abdulaziz bin-Salman, thought he knew how to increase revenues: cutting oil production to trigger higher prices. Initially, Saudi Arabia tried to convince its OPEC+ partners by demonstrating leadership and unilaterally and voluntarily reducing its production, hoping that others, Russia in particular, would see the light and reduce their production as well.

For the Russians, however, following this approach proved difficult; Novak was constantly battling Sechin's calls to abandon OPEC+ altogether. The rest of the Russian oil industry was also wary that production cuts would result in an encore of the 1980s, when Saudi production cuts were more than compensated by production growth in the North Sea and the Gulf of Mexico. The relationship between Novak and Abdulaziz was strictly formal and lacked the rapport that was established between Novak and al-Falih.

In December 2019, OPEC+ agreed on the smallest possible collective production <u>cut</u> of 500,000 barrels per day, while Saudi Arabia <u>pledged</u> to reduce its production by an additional 400,000 barrels per day. In January and February 2020, amid recovering U.S. shale production, there was mounting pressure to make deeper and more extended cuts to create a sense of lasting shortage in the market. However, Russia opposed this strategy, <u>arguing</u> that it would effectively guarantee a price floor for U.S. shale producers, encouraging them to increase investment and production. This, in turn, would likely necessitate further production cuts from OPEC+ in the future, escalating a cycle of reductions.

In early March 2020, the disagreement turned into a conflict. Abdulaziz had to prove his effectiveness in his new role and establish his authority. He argued that the COVID-19 pandemic, then spreading in China, could <u>decrease</u> Chinese demand for oil. But the Russians argued that it would be better to wait for a clear picture and make cuts based on firm data rather than conflicting forecasts. For the Russians, Abdulaziz's argument seemed like a pretense to push Saudi Arabia's agenda, so Russia suggested abstaining from preemptive cuts, keeping the quotas for a quarter, tolerating a price drop of \$5–\$8 per barrel of crude oil if needed, monitoring the coronavirus situation, and taking action when and if circumstances demanded it. Saudi Arabia went on to advocate a collective cut of 1.5 million barrels per day for at least a year. When Russia refused to agree to deeper production cuts, the Saudis responded by warning that this stance would lead to the absence of any agreement on production limits, effectively signaling the onset of a price war. Despite this, the Russians remained firm in their decision and did not relent.

In anticipation of this outcome, the Saudis accumulated a large stock of oil in storage in the run-up to the potentially contentious meeting with Russia and chartered additional tankers to be able to immediately dump additional volumes of oil into the market. The next day, Saudi Arabia <u>announced deep discounts</u> to its posted prices for April 2020 and suggested that it could produce up to 12.5 million barrels per day, or 3 million barrels per day more than it was producing in February.

Every other oil nation followed suit and started to produce at the top of its capacity. This increase in production coincided with a drastic reduction in global oil demand due to the widespread COVID-19 lockdowns, causing a significant mismatch between supply and demand in the global oil market.

The standoff lasted for a month, with the United States acting as a broker between Saudi Arabia and Russia. Washington had to <u>threaten</u> to retract any military support from Saudi Arabia to push the Saudis back to the negotiation table and a deal was ultimately struck. OPEC+ agreed to unprecedented cuts, reducing their output by almost a quarter from the February 2020 levels, but it took more than a year to clear the surplus created during the price war. The COVID-19-induced price drop and inventory buildup would have happened even if the Russians had accepted Saudi Arabia's proposed OPEC+ agreement and additional cuts likely would have been necessary, but they probably would not have been as significant or impactful.

The price war was costly. From an external perspective, it might have been a reputational loss for both Russia and Saudi Arabia, but each of them most likely counted it as a reputational win, with each country demonstrating a willingness to tolerate substantial levels of pain and not bending under pressure.

#### The Energy Transition: A Common Threat?

Russia and Saudi Arabia have a similar approach to the energy transition: both acknowledge that global decarbonization is necessary and that oil might become a less dominant energy source, but they believe in a gradual instead of rapid divestment from fossil fuels. This belief was particularly evident during discussions leading up to the 2021 UN Climate Change Conference (COP 26) in Glasgow, Scotland, where both <u>Russia</u> and <u>Saudi Arabia</u> expressed views that the energy transition would occur more slowly than many anticipated. Russia and Saudi Arabia indicated their readiness to continue supplying oil during the transition period to countries that might find themselves prematurely reducing dependence on fossil fuels. Both countries continue to water down international declarations calling for abandoning fossil fuels by postponing the target date and they are keen to explore technology solutions such as Carbon Capture, Utilization, and Storage, which would mitigate the environmental impact of fossil fuels while still enabling continued use. In this context, Russia and Saudi Arabia have positioned themselves as natural allies in sustaining the oil era.

#### After Russia's Invasion of Ukraine

When Russia invaded Ukraine in 2022, countries of the Gulf Cooperation Council resisted U.S. pressure to condemn the invasion. While they did eventually <u>vote for</u> the UN resolution that condemned the war, this action was largely symbolic and did not signify a substantial commitment. For the Gulf nations, the Russia-Ukraine conflict is viewed as a distant issue, and they appear to prefer to remain neutral rather than take sides.

But their position on the issue does not mean they have no interest in its impacts. The conflict has sparked a trade war in the energy sector, as the West has had to look for alternative sources to replace embargoed Russian oil.

Western nations were contemplating embargoing Russian oil, but it would have to be replaced with oil from other sources. Despite numerous calls to Saudi Arabia, it refused to promise any additional production to alleviate potential shortages. The price cap mechanism introduced by EU and G7 countries to curb Russian oil income was also seen as a threat by Saudi Arabia and the UAE. If successful, a similar mechanism might be applied to other oil exporters, for example, under the auspices of another incarnation of the <u>No Oil Producing</u> and <u>Exporting Cartels Act</u> (NOPEC).

The UAE has emerged as an important nexus in the Russian oil trade. The country has become a base for numerous <u>newly established oil traders</u> who manage a shadow fleet and facilitate transactions involving oil traded above the price cap and settled in dirhams (the UAE's currency). In recent years, the UAE has also become the <u>residence</u> of many rich Russians, serving as a safe haven for their luxury yachts and wealth. Dubai in particular has turned into a major transit hub for <u>Russian travelers</u>. Despite these developments, recent U.S. pressure has prompted the UAE to begin <u>tightening</u> regulations concerning the flow of Russian-related money and goods. Nevertheless, the past two years have proven extremely lucrative for the country, highlighting its strategic and economic adaptability in the face of shifting global dynamics.

### **Changing Camps?**

In August 2023, Saudi Arabia and the UAE were among six countries that received <u>invi-</u> <u>tations</u> to join the intergovernmental BRICS organization, transforming what began as a seemingly arbitrary grouping of emerging markets—coined by an investment banker—into a potential counterbalance to the G7. Moscow is pushing the expansion and concept, as Russia needs to create a sphere of legitimacy and break out of its pariah state status. While the Gulf countries may not necessarily embrace this concept, they are looking for opportunities to hedge their roles as junior partners of the United States.

For decades, the Persian Gulf has been a strategic focus for the United States, partly due to America's reliance on oil imports from the region. But in recent years, the United States has transitioned from being an oil importer to being the <u>world's largest exporter of liquefied</u> <u>natural gas</u>, positioning itself as a formidable competitor to the Gulf countries in the global energy market. As discussed earlier in this analysis, the shift underscores a broader realignment in global energy politics that will increasingly have profound influence on the geopolitical choices of Gulf countries and Russia.

At the same time, China's energy imports continue to grow, despite China's leadership in wind, solar, and EVs. One might argue that China is becoming a more important partner to the Gulf countries than the United States. Saudi Arabia is linking its Vision 2030 with China's Belt and Road Initiative (BRI). Saudia Arabia has lately <u>become the largest recipient</u> of <u>BRI investments</u> in the region.

At the same time, Russia is becoming increasingly dependent on China as the main buyer of its natural resources and the main supplier of Russia's imports.

Currently, Russia and Saudi Arabia are in mutually beneficial cooperation mode, but this cooperation is built around a narrow agenda of the oil market stability, which may be a shaky foundation for a long-lasting relationship.

The two countries have been getting closer related to anti-Western sentiment and a desire for a multi-polar world. Both countries also seem natural players in China's geopolitical camp— ambitious but waning regional powers with global aspirations, but limited chances to realize them. China may be most interested in luring these countries to its side and may be best positioned to placate the egos of Russian and Saudi Arabian leaders, while extracting the real benefits for Chinese national interest.

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