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A Difficult Balancing Act: Russia's Role in the Eastern Mediterranean

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+ CONTENTS

Summary	1
Introduction	3
The Eastern Mediterranean: Europe's Vulnerable Flank	5
Turkey—The Main Focus	6
Greece—Much Ado About Nothing?	8
Cyprus—A Money-Laundering Haven Not Fully in Moscow's Pocket	11
Conclusion	14
About the Author	16
About the Carnegie Endowment for International Peace	17
About the Russia Strategic Initiative	17
Notes	19

Summary

Russia's assertiveness in the Eastern Mediterranean is part of its broader strategy for undermining the cohesion of the North Atlantic Treaty Organization (NATO) and the European Union (EU) and thus complicating the Western alliance's ability to operate, plan, and formulate policy. The Kremlin's interests are geared toward enhancing dependencies on Russian gas and financial flows, cultivating governing elites, and stymieing the ability of NATO and, to a lesser extent, the EU to expand. While Moscow's efforts in the region after its 2015 intervention in Syria are often described as a means to reassert Russia's great power status, the Russian leadership more likely sees its actions there as part of a broader standoff with the West that stretches from the Atlantic to the Black Sea and from North Africa to the Arctic.

This is certainly the case in Turkey, Greece, and Cyprus—three of the most vulnerable countries to Russian influence operations in the region due to a mix of relative geographic proximity to Russia, common cultural and historic legacies, and elites that have looked to Moscow and beyond to balance their countries' foreign policies or gain leverage with transatlantic partners. While Europe today is generally thought of as more or less “unified,” this region is anything but. Economic turmoil, border and territorial disputes, migration flows, and a growing disenchantment with the EU and the United States have created numerous fissures within and between these three states, transforming them into receptive targets for Russia. They are also highly dependent on Russian hydrocarbons and keen to attract Russian investment and tourists.

Russia uses a narrative of shared cultural and religious heritage, along with existing anti-American or Euroskeptical sentiment to cultivate the region's populations, albeit not always successfully. Yet, its influence operations over the past decade have led to Turkey, Greece, and Cyprus being labeled as weak links in NATO or the EU, especially on key issues of concern to Moscow: expansion of Western political and security organizations, EU sanctions, and the promotion of democracy and good governance. However, while the behavior of some of these countries at times has proved troubling to Washington and Brussels, the Kremlin's engagement there has not led any of them to formally break with their Western partners, although tensions between the latter and Turkey continue to grow. Russia has been skillful and successful in seeking opportunities to engage the region, cultivating rising political, economic, religious, or cultural decisionmakers in all three countries. It now has a clear presence in the Eastern Mediterranean that cannot be ignored. Russia has been able to compartmentalize its differences with Turkey to develop a working, albeit often unhappy, accommodation in Syria and the South Caucasus, even as the two countries operate largely as competitors in Libya and Ukraine. Ankara's purchase of the Russian S-400 missile system exacerbated frictions with Washington, throwing NATO into an internal crisis and leading to Turkey's expulsion the F-35 and Patriot missile programs. For Russia, the sale was not only a symbolic win for its arms industry; it succeeded

in stoking fissures in the Western alliance and complicating its weapons development programs. Nonetheless, while the Russo-Turkish relationship might appear robust, it is neither deep nor wide, and it is largely dependent on the two countries' authoritarian leaders.

Russia's engagement with Greece has been less successful. Once described as Moscow's Trojan horse in Europe,¹ Athens pivoted back sharply toward its European and NATO partners after the 2018 exposure of Russian attempts to interfere in Greek politics and to upend its rapprochement with North Macedonia. Despite its promises of financial assistance, Moscow lacks the economic clout to help address Greece's decade-long financial crisis. President Vladimir Putin's successful cultivation of his Turkish counterpart also unnerves many Greeks. Greece is a clear case of Russian overreach, but Moscow still has tools—hydrocarbons and cultural links—that it can use in the country should future opportunities arise.

Like Greece, Cyprus remains wary of Russia's enhanced security relationship with Turkey, which has opened the door to greater military cooperation with the United States, France, and other Western allies. Nicosia hoped that Moscow could come to the rescue during its 2012–2013 banking crisis, but the latter lacked the financial clout to do so and was not a viable alternative to a harsh EU bailout. As an offshore financial center, Cyprus is dependent on Russian financial flows, not all of them legal, to help prop up its economy, giving Moscow leverage that has paved the way for limited security cooperation, particularly in the form of naval port calls. Russia has increased its cultural outreach to the country, but much of this is geared toward the growing Russian-speaking expatriate community.

In sum, Russia's capabilities in the Eastern Mediterranean are modest, based largely on symbolic diplomacy, energy, financial promises, and the ability to cultivate elites, some of which are quite eager to engage with Moscow for personal or political gain. That approach, however, does not resonate widely beyond the narrow Russia-friendly constituencies in each country. Furthermore, there is not much ballast to these relationships, all of which have proven to be volatile, as the 2015 freeze in Russo-Turkish relations over Turkey's downing of a Russian fighter or the post-2018 plummet in Greek-Russian relations illustrate.

But, if Russia's main goals are to stoke fissures within the West, to shore up vulnerabilities to NATO on its southern flank, and to be seen as a regional player, it has had success, especially considering its limited economic potential and the challenges it faces in balancing the competing interest of Turkey, Greece, and Cyprus. Russia also wants a seat at the table as a mediator in regional disputes, but that is mainly to preserve its own interests rather than to bring sustainable solutions. Moscow in fact is far more likely to take advantage of those challenges for economic or geopolitical gain than to try to remedy them.

To manage Russia's assertiveness in the Eastern Mediterranean, NATO and the EU should shift away from trying to combat every instance of Russian activity there, not all of which is malign. Instead, they should work to enhance local resilience and to stabilize countries in the wider Mediterranean such as Lebanon, Libya, and Syria. They should also help Turkey, Greece, and Cyprus address their economic, governance, political, and security challenges.

Introduction

Russia has enhanced its presence in the Mediterranean since its 2015 Syria intervention in a clear demonstration it once again can operate outside its immediate neighborhood. Moscow is intent on creating security dependencies in the region, cultivating governing elites, seeking economic opportunities, and trying to undermine the cohesion of the West. While its gambits in Syria and Libya are often described as vehicles through which it tries to assert its global status, Russia sees the region more as a key flank in its standoff with the West and a place where it can complicate NATO operations, planning, and decisionmaking. However, Russian influence in the Mediterranean is not new. Moscow has long had clout in the region, playing to common cultural, economic, or historic ties, or promoting leftist, nationalist, and anti-colonial agendas in places like Algeria, Egypt, Greece, Italy, Libya, Spain, and Syria. Its activities in the region today are essentially a return of the Soviet Union's approach to the region minus the ideological component.

This paper is the second in a series that examines Russia's approach to the Mediterranean. It focuses on Turkey, Greece, and Cyprus in the eastern part of the region, whose importance to Russia stems from a mix of their relative geographic proximity, their strategic location, and their long histories of complicated relations with Moscow. They also share complex histories with each other, while the recent discovery of gas reserves in the region has compounded existing disputes. This situation makes them high-opportunity targets for Russia, which has offered itself as a mediator in their disputes.

Russia has numerous reasons to cultivate these states. First, it sees them as potential avenues through which it can try to influence European policymaking, particularly on sanctions, NATO expansion, and democracy promotion. This is particularly true as Greece and Cyprus are EU member states, and Greece and Turkey are NATO allies. Russia sees the Eastern Mediterranean as a relatively easy place to exacerbate fissures and stymie consensus within the West. Second, Turkey, Greece, and Cyprus are less developed economically than other parts of Europe. Each has in recent years experienced economic turmoil that provided Moscow with opportunities to cultivate politicians, gain financial leverage, and pursue economic opportunities, particularly in the energy sector. Third, these countries have looked to Russia as economic and occasionally political partners amid regional tensions and periods of strain with their traditional allies in Europe. Finally, the Kremlin wants a seat at the table in regional discussions, in the style of the nineteenth century Concert of Europe, to make sure that Russian interests are preserved. Given the tensions between these states, the Eastern Mediterranean is a relatively easy place to try to achieve that.

The Eastern Mediterranean: Europe's Vulnerable Flank

One of Russia's long-standing goals, dating back to the Cold War, has been to keep Europe and the transatlantic alliance divided. In the Eastern Mediterranean, it finds a region split by ethnic, historic, and territorial disputes. Russia also finds receptive audiences in Turkey, Greece, and Cyprus for its newfound advocacy of traditional values among conservative Orthodox and pious Muslim populations. Finally, Moscow is keen to stop the full integration of all the neighboring countries of South-eastern Europe with both NATO and the EU. In essence, Russia sees its engagement with the three countries as a key flank in its standoff with NATO.

The Kremlin's efforts to assert influence in these three countries are based on the Soviet playbook. The Soviet Union tried to stoke problems in the region to undermine NATO cohesion. It supported the Communist Party and radical left in Greece.² It sent weapons to newly independent Cyprus in the 1960s to try to build a security dependency, to keep the country nonaligned, and to foster strains in intra-NATO relations.³ After the Turkish occupation of Northern Cyprus, the Soviet Union initially showed support for the Greek Cypriot cause, although the growth of economic ties with Ankara in the 1980s shifted Moscow to a more balanced approach. Russia's relations with Turkey have been volatile for centuries, and the country was firmly rooted in the Western alliance during the Cold War. While the Soviet Union and Turkey had developed a balanced trading relationship by the 1980s,⁴ Moscow had more limited success in cultivating the country on the cultural, political, and security fronts.

Russia has enhanced its leverage over Turkey through economic and geopolitical means, namely gas sales and its military activities in Syria. President Vladimir Putin actively cultivates President Recep Tayyip Erdoğan's skepticism of the West, which helped facilitate the sale and delivery of the Russian S-400 missile system to Turkey. This provoked a crisis in U.S.-Turkish relations and resulted in Turkey's expulsion from the F-35 fighter and Patriot missile programs. In Greece, Russia has employed cultural and religious affinities, tried to take advantage of the country's economic problems, and bolstered Russia-friendly politicians. In Cyprus, it has tried to chip away at the EU through corruption and illicit financial flows while continuing to engage on the security front. Yet, Moscow continues to struggle to balance the Northern Cyprus question; its new security ties with Turkey have raised concern in both Athens and Nicosia, pushing the former much closer to Washington and the latter to hedge by seeking greater cooperation with several NATO partners. Nonetheless, Russia's engagement with all three countries has stoked questions about their respective political trajectories, undermined cohesion in the transatlantic community, and complicated NATO operations and planning in the Eastern Mediterranean.

Turkey—The Main Focus

Turkey today is the essential partner for Russia in the Eastern Mediterranean, although their relationship is volatile and lacks strategic depth. Turkey's importance is based on a geographic location that makes it into a vital transit country for Russian hydrocarbons. For centuries, Turkey was a potential chokehold on Russia's access to the Mediterranean and its ability to move exports out of the Black Sea. Today, pipelines via Turkey allow Russia gas deliveries to Southeastern Europe to skirt Ukraine. Yet, Turkey complicates Russia's ability to maintain a buffer zone and its strategic position in Eurasia. That is because Turkey, as a NATO member, helps extend the Alliance's role in the Black Sea. Turkic populations in Central Asia and the Caucasus also look toward Ankara, which is keen to promote its Turkic Council and regional connectivity projects in the region.

The Blue Stream and Turkstream gas pipelines have created energy dependencies between the two countries that have helped stabilize ties, including after the Turkish military downed a Russian fighter jet in 2015. That incident led to a nine-month downward spiral in relations with Russia banning produce imports from Turkey and curtailing tourist travel to the country, a key revenue source for Ankara.⁵ Yet, the energy relationship remained largely unscathed, given its importance to Russian energy companies, all of which are close to the Putin regime, and to Moscow's aspirations to expand its gas market share in Southern Europe. Nonetheless, Russia may not have a permanent lock on the Turkish energy industry. Turkey's imports of Russian pipeline gas are falling,⁶ a trend that will likely continue as Ankara looks more toward liquefied natural gas (LNG), solar, wind, and other renewables.⁷ The country now imports LNG from the United States, Qatar, Algeria, Nigeria, and other countries—a development that could reduce Gazprom's leverage in price negotiations.⁸

Although shifting markets likely will lessen Turkey's dependence on Russian gas, it is becoming more dependent on the Russian state nuclear energy company Rosatom, which is building the Akkuyu nuclear power plant in the country under a high-profile 2010 agreement. The first unit of the four-unit facility will open in 2023 to mark the Turkish republic's hundredth anniversary, a highly symbolic gesture highlighting the historic rapprochement between the two traditional rivals. However, Rosatom will own, operate, and supply the facility, giving it a long-term and monopolistic presence in the Turkish nuclear energy sector.⁹

The Putin-Erdoğan Rapport

Putin sees a like-minded counterpart in Erdoğan. Their affection seems unlikely given Putin's communist past and opportunistic embrace of Orthodox Christianity and Erdoğan's deep belief in a conservative brand of Islam. They share a resentment of the West's power in global affairs, though. Russia's grievances are well documented, but Turkey has been a NATO member for years and was once on track to join the EU. However, Ankara's EU candidacy is in limbo, the result of expansion

fatigue in Brussels, domestic democratic decline, European concerns about admitting a large and poor Muslim state, and Turkish citizens' disenchantment with the EU.

Turkey's alienation from the EU coincided with a similar process with the United States. Erdoğan resents U.S. criticism of his human rights record and Washington's perceived failure to provide adequate support to Turkey in Syria, where it alone among NATO allies faces direct spillover, including from potential attacks by Kurdish radicals and increased migration flows. The 2016 failed coup against Erdoğan, which the government claims had been inspired from abroad, further dampened relations. The U.S. refusal to extradite the exiled Turkish cleric Fetullah Gülen is a particular point of tension.

These frictions between Turkey and its traditional Western partners have made it more receptive to Moscow's overtures. Russia's military presence in Syria makes it an essential interlocutor, particularly given Turkish concerns about U.S. support to Syrian Kurds and the challenging security situation in and around northern Syria where Turkish forces are deployed. Eager to highlight narratives of Western-sponsored regime change, the Kremlin quickly backed Erdoğan's claim of an externally sponsored coup. It remained silent as Turkey purged the military and government, which led to a weakening of pro-Western sentiment in senior ranks. The two countries are aligned on the primacy of state sovereignty, pushing back against any perception of Western interference in their domestic affairs. Anti-Western grievance today binds Russia and Turkey, but primarily at the leadership level. Beyond this, there is little they share when it comes to values or culture. Furthermore, Moscow's primary focus is cultivating Turkish elites and decisionmakers, as opposed to broader institutional or people-to-people engagement. The two countries' relationship looks stronger than ever, but it does not appear deep or well institutionalized. There remain plenty of Turkish civil servants who prefer to see their country's future tied to the West. Furthermore, the Turkish people generally do not look toward Moscow as a cultural or religious partner. The deeply conservative base that supports Erdoğan resents Russia's past military targeting of Muslims in the North Caucasus and carpet bombing of Sunni civilians in Syria. Roughly 55 percent of respondents said they viewed Russia as a threat in 2017 and 2019 polls.¹⁰

A Tool to Unnerve NATO

The budding relationship with Russia has helped Erdoğan rebalance Turkey's foreign policy in a way that unnerves its allies. Moscow's sale of the S-400 missile system is the clearest example of its efforts to grow security and economic relations with Ankara. It highlights Russia's ability to take advantage of and exacerbate internal frictions in the West, having led to U.S. sanctions on Turkish officials in late 2020. U.S. President Joe Biden's administration appears willing to offer Turkey alternatives to break the current impasse.¹¹ In June 2021, Ankara responded by announcing all Russian technicians working on the system would be sent home, perhaps a first step in reaching some sort of accommodation with Washington.¹²

Russia and Turkey remain on opposite sides of several regional conflicts, and their engagement often is a means to deconflict. In the words of Dimitar Bechev, their relationship is neither a partnership nor an alliance but a form of “strategic rivalry.”¹³ They bracket off their differences and cooperate in areas of mutual need. For example, Turkey backed Azerbaijan and Russia supported Armenia while trying to balance between both sides in last year’s Nagorno-Karabakh war. They avoided any direct confrontation, but Moscow saw the efficacy of Turkish drones that Azerbaijan used to defeat Armenia, and it now must deal with a small Turkish military presence in the South Caucasus. Russia and Turkey find themselves on opposite sides of the Ukraine conflict too. Ankara refuses to recognize Russia’s annexation of Crimea, advocates for the rights of Crimean Tatars, and provides diplomatic and military support to Ukraine, as seen in Erdoğan’s high-profile meeting with Ukraine’s president in Istanbul in April and the sale of Turkish drones for use in eastern Ukraine against Russia’s proxies. Ankara and Kyiv held Black Sea naval exercises in 2021.¹⁴

In Libya, Russia has lost the initiative in large part as a result of Turkey’s military support to the Tripoli-based Government of National Accord. Turkish-backed deployments of armed drones and Syrian mercenaries in late 2019 helped turn back a military offensive by the Libyan National Army, which has long enjoyed support from Russia, the United Arab Emirates, Egypt, and France.¹⁵ The overt nature of the Turkish intervention suggested that Erdoğan was not afraid to contest Russian efforts directly in a region that is arguably of secondary importance to both countries. The fact that Putin-Erdoğan relationship remained intact despite the losses inflicted on Russian-backed proxies is also notable.

In Syria, the two countries now accommodate each other, although their interests collide. Moscow’s long-term goal has been to preserve the regime, while Ankara shifted its aim from ousting Bashar al-Assad to weakening Kurdish control in northern Syria. Through bilateral and multilateral cooperation, Turkey received Russia’s green light to conduct military operations in Kurdish-controlled areas to create buffer zones to prevent spillover into the country.¹⁶ The two sides continue to have different objectives and have occasionally clashed, including in February 2020 when Russian and Syrian forces targeted Turkish troops in Idlib.¹⁷ The situation remains volatile with Russia not fully in control of the Assad regime and Turkey struggling to safeguard border regions in the north. Syria is a place where compartmentalization broke down in 2015 and 2020. Maintaining it could prove challenging again in the future.

Greece—Much Ado About Nothing?

Greece’s attractiveness to Russia arises from its geographic location, historic relations, religious ties, and a traditionally strong leftist movement. Lingering anti-U.S. sentiment, which dates back to

Washington's support to the anti-communist junta that ruled Greece from 1967 to 1974, has loomed over Greek-U.S. relations ever since with Moscow eager to play on those resentments.¹⁸ Athens and Moscow developed positive ties in the late 1990s, an overall high point in European-Russian cooperation. Gazprom sent gas to Greece for the first time in 1996, signing long-term supply contracts.¹⁹ Athens and Moscow tried developing pipelines across the Black Sea that bypassed Turkey, a chokehold for Russia and rival for Greece. The Burgas-Alexandroupolis oil pipeline was to transport Russian oil from the Bulgarian Black Sea coast to the Aegean, but this project floundered when Bulgaria pulled out in 2011.²⁰ The South Stream gas pipeline project was to cross Bulgaria into Greece, but violated the EU Third Energy Package and was canceled in 2014.²¹ Despite their failure, Greece remains an important market for Russian energy exports, which has created a stark trade imbalance.²² Russia accounts for just about 1 percent of total Greek exports.²³ However, Greece is now hedging, seeking alternative sources of energy from Azerbaijan, Egypt, Iraq, the Levant, and beyond.²⁴ With the advent of LNG, the discovery of new resources in the Mediterranean, and EU mandates on green energy, Russia will face increased competition.

Russia was eager to expand security ties with Greece, aware of the latter's arms race with Turkey in the 1990s as well as of the imprimatur of a NATO member buying Russian arms.²⁵ Greece purchased surplus Soviet-era arms, much of it from East Germany at the end of the Cold War.²⁶ Those acquisitions were followed by the steady delivery of Russian arms between 1998 and 2005.²⁷ Greece also possesses the S-300 system, initially purchased by Cyprus and transferred to the country in 1998 in a deal to reduce tension between Ankara and Nicosia.²⁸ It tests that system periodically, usually heightening tensions with Turkey.

Greece agreed to buy 415 Russian BMP-3 infantry combat vehicles in 2009, but it then cancelled the order amid a growing debt crisis and subsequent decline in defense acquisitions.²⁹ Despite the downturn in EU-Russian relations after the Ukraine crisis, the Russia-friendly Syriza coalition government showed receptivity to continued cooperation, reportedly negotiating the purchase of additional S-300 batteries and maintenance contracts, among other plans. None of those deals materialized.³⁰

Taking Advantage of Greece's Troubles

In recent years, financial and migration crises destabilized Greece's politics. The economic downturn in Europe after the global financial crisis pushed it to the brink of default in 2010. Over the following years, Greece and the EU negotiated a series of bailouts with harsh austerity measures and mandates to privatize state assets. These proved unpopular, leading to a spike in Euroskepticism that opened doors for Russian financial diplomacy.³¹ Athens showed eagerness to engage with Moscow on this front. Greece has also faced the brunt of the European refugee crisis as thousands of migrants sought escape from the Syrian conflict and other parts of the Middle East or North Africa. It is on

the front line of migration flows into Europe, adding strain to its economy, exacerbating domestic discontent, and boosting populist politicians.

After the 2015 elections, a coalition government of the left-of-center Syriza and the far-right Independent Greeks parties played to that anti-EU sentiment, threatening an outright pivot toward Moscow should Brussels and Athens fail to agree on bailout terms.³² It deployed officials to discuss alternative deals with Russia.³³ Gazprom expressed interest in acquiring Greece's state-controlled natural gas company DEPA that was put forward for privatization.³⁴ Then prime minister Alexis Tsipras held a referendum in 2015 on whether to accept another bailout or move to leave the eurozone. Over 60 percent voted against the bailout,³⁵ yet he did not push "Grexit" any further, signing a deal with Brussels instead.³⁶ Contrary to expectations, Gazprom's bid for DEPA never materialized.³⁷ As Thanos Dokos, now the country's national security adviser, noted at the time, a pivot to Russia was never really in the cards as Russia was "unwilling and incapable of providing financial assistance to Greece at the necessary scale."³⁸ Russia's financial constraints allowed it to offer only symbolic, not actual, alternatives.

Friendship Until the Prespa Controversy

While Tsipras's courting of Russia likely was a negotiation tactic, Moscow made inroads during his tenure. It continued robust public diplomacy to play up cultural and historic ties, deploying a narrative of Orthodox brotherhood to fortify relationships with politicians, church officials, and civil society. Russian Orthodox Patriarch Kirill was a high-profile interlocutor, visiting in 2013 Greece's Mount Athos, one of Orthodoxy's holiest sites. Putin visited in 2005 and 2015, with clear displays of his efforts to promote Russia as a benefactor of conservative Orthodox values.³⁹ It is a message that works well with older and conservative Greeks, but has limited traction with younger ones, most of whom are more secular than their parents.

Russian oligarchs and others with ties to extreme Russian nationalism have been accused of reaching out to Greece's far right on the Kremlin's behalf. One notable example is Konstantin Malofeev's interactions with Greek elites, including Panos Kammenos, the head of the Independent Greeks party and defense minister from 2015 to 2019. Malofeev has been linked to the initial efforts to destabilize eastern Ukraine in 2014 and the 2016 Montenegro coup.⁴⁰ Ivan Savvidis—an ethnic Greek-Russian oligarch, former Russian Duma member, and purported Kammenos associate⁴¹—spearheaded and helped finance opposition to the 2018 Prespa agreement between Athens and Skopje on the naming of North Macedonia.⁴² The dispute stymied for years North Macedonia's NATO membership—which Russia has long wanted to thwart. Efforts to upend the agreement included allegedly bribing Greek Orthodox clergy and government officials, and stoking nationalist fervor against it via social and traditional media controlled by Savvidis. He purportedly also provided support to far-right protesters and soccer hooligans to mount demonstrations, some violent.⁴³ These



Russian President Vladimir Putin rings a bell during his first visit to the Greek Orthodox monastery of Karies on Mount Athos in 2005. (STF/AFP via Getty Images)

efforts coincided with Russian diplomatic and intelligence initiatives to thwart the deal.⁴⁴ Kammenos, a fierce opponent of the agreement, resigned once it became clear the campaign had failed and that Greece and North Macedonia would ratify it.⁴⁵

Efforts to thwart the Prespa agreement led the Greek government to expel four Russians in July 2018 and to detail the evidence behind these malign Russian influence operations.⁴⁶ Greece swiftly pivoted back toward the EU and the United States, leading to intensified military ties with the

latter including the expansion of U.S. military facilities in the country.⁴⁷ The budding Turkish-Russian relationship likely also played a part in Athens's reorientation back toward Washington.⁴⁸

Greece's Russia-friendly parties have fared poorly since. In the 2019 elections, Syriza lost fifty-nine seats and moved into the opposition, the Independent Greeks did not run at all, and the neo-Nazi Golden Dawn lost all of its seats. In 2020, a court declared Golden Dawn a criminal organization and sentenced the party's founder and several others to prison terms for involvement in hate crimes and other misdeeds.⁴⁹ Russia's overreach with the Greek far right led to a downward spiral in relations.

Cyprus—A Money-Laundering Haven Not Fully in Moscow's Pocket

Russia's influence efforts in Cyprus follow similar patterns to those in Greece, through political ties that date back to Soviet support for the Cypriot communist party, common religious links, and the country's reliance on Russian energy. In a slight twist, Moscow also uses anti-colonial rhetoric against the United Kingdom, which once ruled the island and still operates air bases there. The attractiveness of Cyprus to Moscow is based on its role as an offshore financial center, its nonaligned status, and the possibility it could serve as a logistics center for Russian naval operations.

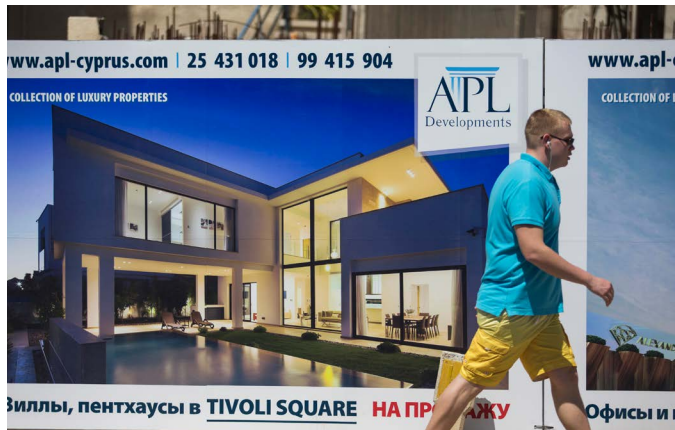
In the last years of the Cold War, in an effort to slow the arms race in the Eastern Mediterranean, the United States imposed an arms embargo on Cyprus in 1987. This gave Moscow an opening to cultivate closer security and military links in the post-Soviet era. Cyprus has been a consistent buyer of Russian arms since the 1990s. These ties facilitated a 2015 agreement allowing limited port calls

for Russian naval ships, a point of friction with Washington. EU sanctions against Russia, however, have begun to alter that dependency, with a stark decline in weapons agreements and deliveries in recent years.⁵⁰ A push by Cyprus to diversify its arms suppliers to include France, Israel, and the United States, which partially lifted its weapons ban in 2020, appears to be a sign that the country is hedging, possibly also out of concern about the Russo-Turkish relationship. It is also receptive to greater security cooperation with NATO.⁵¹ Yet, Cyprus has not acceded to Western pressure to refuse Russian port calls despite the lifting of the weapons ban and promises of greater security ties with the United States.⁵²

Cyprus is a playground for Russians—whether wealthy and with more limited means—to park their money in the relative safety of an EU country in a bank account, real estate, or other investments. The country's low tax rate, double-taxation treaty with Russia, lightly regulated banking system, and warm climate have transformed it into a popular destination for Russian money and tourists.⁵³ The island is a major recipient of Russian foreign direct investment (FDI).⁵⁴ In 2019, it received roughly 50 percent of all Russian investment globally, although much of this money likely was funneled through Cyprus to other destinations.⁵⁵ Not all of these flows are legitimate; Cyprus is a proven venue for laundering money originating from Eurasia.⁵⁶

Some of the Russian money flowing to Cyprus is capital flight as oligarchs, along with average citizens, seek places to park their money away from the arms of the Russian state. Yet, Cyprus is also a main source of FDI into Russia, and financial flows are circular. Russian corporations and wealthy individuals often expatriate their assets to Cyprus only to repatriate them at a later date.⁵⁷ Several other EU states also serve similar functions, including Bulgaria, Greece, and Malta. Offshore banking centers like Cyprus are prime vehicles through which Russia's elites siphon off their country's wealth and protect their money from raids or shakedowns by Russian security services or others.⁵⁸ Therefore, while money laundering in Cyprus is a problem for the EU, the financial flows concerned also contribute to the hollowing out of the Russian state. This money may provide Moscow with leverage in Nicosia, but it simultaneously signals Russians' lack of faith in their country.

The Cypriot banking industry had grown dependent on inflows of Russian individual and corporate wealth. At the time of the country's 2012–2013 financial crisis, its banks held \$32 billion in Russian cash, a figure that surpassed the country's annual gross domestic product at the time.⁵⁹ That crisis, however, pushed the banking system toward collapse. Russia, which had provided Cyprus with a €2.5 billion five-year loan in 2011, appeared as a possible alternative to a harsh €10 billion EU bailout of the financial system, which the Cypriot parliament initially rejected. The bailout mandated Cypriot banks transfer uninsured depositor savings above €100,000 to creditors, a move that would hit the country's depositors and undermine its status as offshore banking center.⁶⁰ As it negotiated with the EU and other international creditors, the Cypriot government turned to Moscow to gain a



A tourist passes a Russian-language billboard advertising luxury property for sale in Limassol, the center of the Russian expatriate community in Cyprus.” (Andrew Caballero-Reynolds/Bloomberg via Getty Images)

two-year extension on its 2011 loan.⁶¹ Gazprom then offered an alternative bailout plan in which the Russian company would take control of part of the banking system in return for lucrative gas exploration rights. In the end, these Russian offers came to naught.⁶² Cyprus, like Greece, accepted harsh EU bailout terms, which caused wealthy Russian depositors to lose significant amounts of money. The bailout also mandated structural reform to clean up the financial system, which has led to improved transparency and the closure of some Russian bank accounts believed to be involved in money laundering, sanctions evasion, and other illicit activities.⁶³

Cyprus still remains attractive to wealthy Russians who continue to visit the island and buy property and spend money there. In an attempt to boost its flagging economy, the country created a “golden passport” scheme to provide Cypriot and thus EU citizenship to wealthy foreigners who invested €2 million in real estate. Cyprus is not the only EU country to have offered such a program, but it was one of the few that provided immediate citizenship to investors. Well-connected Russian oligarchs, including those under U.S. sanctions, used the program to gain an EU passport following limited due diligence from Cypriot authorities.⁶⁴

The scheme further boosted the Russian expatriate population in Cyprus, although not all Russians who own property or have citizenship actually reside there. For many it is simply a vacation spot or a potential escape route should they fall foul of the Russian authorities. However, Russian-speaking Cypriots now have their own political party, there is a budding Russian-language media with a Kremlin-friendly outlook, and the country hosts a variety of Russian compatriot organizations and a Russian cultural center. Some of these groups reportedly have financial connections to Moscow, yet they seem to have limited influence thus far in the country. Cyprus’s independent media appears eager to investigate questionable connections between Cypriot and Russian entities.⁶⁵

Russia’s inroads into Cyprus have not yet led to a formal break by Nicosia from the rest of the EU when it comes to the renewal of sanctions, although Moscow appears eager to continue to chip away at this unity and to use financial levers to do so. Cyprus also has responded to EU and U.S. concerns about money laundering and began to clean up its act. Last October, the government ended the

golden passport scheme after corruption allegations came to light, announcing a review of those who received citizenship under the scheme. At least nine Russians reportedly have had their passports revoked.⁶⁶ Yet, keenly aware of the importance of Russian financial flows, Cyprus is hedging between Russia and the West.

Conclusion

Russia's efforts to expand its influence in Turkey, Greece, and Cyprus have borne some fruit, helping it project power into Europe and the Middle East. The three countries are major importers of Russian energy, which has created long-term relationships that require engaging Moscow and stabilizing relations. Yet, there is far more that divides Russia from these countries than unites them. Its approach is largely opportunistic, taking advantage of local problems and instability. It wants a seat at any discussion of regional issues, but it is not necessarily able to bring solutions.

Russia is not eager to go head-to-head with NATO or the EU in the Eastern Mediterranean; it instead wants to complicate the West's ability to dominate the region, serve as its sole arbiter, or promote liberal democratic values there. Engagement with Turkey, Greece, and Cyprus has been relatively successful given Moscow's limited financial resources. All three countries have been described as weak links in the West, but Russia has offered them little and their strategic interests diverge. The relationships are tactical, not strategic.

In Greece, where its efforts to sabotage the Prespa agreement led to a crisis in relations, Russia overreached. Greek-Turkish tensions in 2020 likely facilitated the rebalancing by Athens as well. The same seems to be happening in Cyprus, whose security ties with the United States are growing while its purchases of Russian arms have declined. While Russian financial flows keep Nicosia friendly and open to security cooperation, Russian depositors were among the hardest hit in the country's financial crisis. When it comes to regional security, Cyprus officially remains nonaligned, as it did in the Cold War, although it enjoys robust bilateral security relations with Greece and hosts British bases.⁶⁷ Russian cultural soft power has had limited success at best. The Russian-cultivated far right collapsed in Greece. Younger Greeks moved away from Russian-friendly far-right and far-left parties in recent national and European parliamentary elections, helping the center-right New Democracy party take power in 2019.⁶⁸ Furthermore, while cultivating Orthodox populations has opened doors for Moscow, this has been geared toward a narrow and aging segment of the population. The schism between the Russian Orthodox Church (ROC) and the Ukrainian Orthodox Church (UOC) also complicates this outreach. The Greek Church backed the Constantinople patriarch in recognizing the independence of the UOC, leading to a public spat between the heads of the ROC and the Greek Orthodox

Church in 2019.⁶⁹ Despite ROC outreach, the Cypriot Church also recognized the independence of the UOC a year later. It also has been at loggerheads with the ROC over Russian priests using Cypriot churches in the Turkish-occupied parts of the island for Russian-language services. Russia's use of the narrative of Orthodox brotherhood has proven to be remarkably lacking in impact.⁷⁰

Russia has been most successful in engaging Turkey, although that relationship too is transactional and lacks institutional heft. The Kremlin focuses on cultivating Erdoğan, as opposed to the Turkish people who are divided on Russia. The two governments are partners on some issues—pushing back against Western human rights criticism and their growing energy dependency—but rivals on others—Ukraine, the Caucasus, Syria, and North Africa. For the most part they compartmentalize their differences; yet both aspire to be regional hegemons in the same regions. Nonetheless, Russian-Turkish security cooperation has complicated NATO operations, planning, and weapons development.⁷¹

Turkey's trajectory is the most worrying for the United States. Yet, Ankara can still do some heavy lifting for Washington, as it has done in Syria and Libya. It is also a security and diplomatic partner to Ukraine. It is keen to promoting connectivity and regional cooperation in Central Asia and the Caucasus—all of which complements U.S. policy toward that region. Erdoğan's authoritarian bent makes him a difficult interlocutor for the Biden administration, but Turkey is not Belarus or Uzbekistan. Isolating and ostracizing it will do little to bring it back in the fold, nor will it likely stem its democratic decline. Compartmentalizing the United States' differences with Turkey, as Russia does, and working to find a mutually acceptable and face-saving way out of the S-400 crisis could help reduce Moscow's leverage in the country.

Overall, Russia's capabilities in the Eastern Mediterranean are modest, and based largely on symbolic diplomacy and energy and financial flows. The region's dependence on Russian energy is declining, and the Kremlin has yet to fulfill most of its lofty promises of investment or debt relief, offering mainly symbolic alternatives. Russia's main goal is to stoke fissures and problems in the West, and to be seen as a regional player. It has done this effectively. The Eastern Mediterranean faces numerous economic, political, and security challenges, and Moscow seeks to take advantage of them. Instead of simply pushing back at every instance of Russian assertiveness (not all of which are malign), the United States, the EU, and NATO should focus on addressing some of these challenges.

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