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RUSSIA AND THE MIDEAST VACUUM

by Ilan Berman

EDITOR'S INTRODUCTION

The mighty Soviet Union never got close to controlling the world oil market. Today's weak Russia is making a bid to do just that. Much like the man who set out to get cheese for a cheese sandwich while lacking the bread, today's Russia seeks to control the oil of the emergent Caspian Sea region to augment control of the oil of the Persian Gulf, which it also does not have – yet. And yet this improbable scheme is actually making progress. We may gauge that progress at the gas pump.

The scheme is made possible by the fact that the regimes of Saudi Arabia and the Gulf Emirates are politically and morally bankrupt, and that America is utterly unable and unwilling to rescue them. Hence in the future they will dance to tunes played in Baghdad, or Tehran, and perhaps written in Moscow. Indeed Saudi Arabia and Kuwait's willingness to accede to Iranian and Iraqi pressure to raise oil prices to a level painful for their American customers shows they have already begun to do so. America and the West have been counting on the entry into the market of oil from the Caspian Sea to hold down prices. But how is that oil to reach the market? If the pipelines go through Russia or Russian controlled or Russian allied lands, then its quantity and price will be in line with the prices desired by Iran, Iraq and Russia.

Thus, Russia has worked to hem in the newly (and hardly) independent states of the Caspian, and at the same time to build solid client relationships with Iran and Iraq. The relationship with Iran serves two purposes: A Russian-allied Iran makes it impossible for Azerbaijan (and other countries that might ship their oil through it) to pipe their product to the Persian Gulf outside Russian control. Also, a Russian-allied Iran is a powerful intimidator of Gulf oil producers as well as a major producer itself. Russian companies are buying up concessions in both Iran and Iraq while Russia's supply of the elements of weapons of mass destruction ensures these countries' anti-Western alignment.

In sum, Russian diplomacy has erected an anti-Western alliance in the Middle East that forestalls the independence of Central Asia and the Caucasus, threatens the interests of Turkey, Israel, and the American interests they represent, and bids to control the world price of oil.

Russia's successes are a tribute to its competent diplomacy and to the incompetence of American diplomacy.

No one has documented this as well as Ilan Berman in the pages that follow. Berman's work, however, is only the introduction to a vast story made up of pieces interesting in themselves. Not the least of these concerns the instruments by which Russian operatives have led Iranian Muslim nationalists to set aside both Iran's natural geopolitical interests and Islam in favor of anti-Americanism and personal interest. But that is the subject of another paper.

Angelo M. Codevilla

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Underestimating Russia

Practically unnoticed, Moscow is once again making a bid for international dominance. Since the Soviet Union's collapse, Western policymakers have tended to discount Moscow's ability to shape events in the Middle East. Gradually however, it is becoming clear that, driven by an increasingly assertive foreign policy, Moscow has expanded its sphere of influence beyond its "near abroad" and into the Gulf and Levant. There, it has worked to alter the regional balance of power and fill the vacuum left by American diplomacy.

By far the most conspicuous manifestation of Russia's involvement is its relationship with Tehran, which furthers Iran's quest for weapons of mass destruction, and complicates the West's access to Caspian basin energy. Likewise apparent are its efforts to undermine the international sanctions regime against Baghdad, and its attempts to supplant the United States as chief broker of the misnamed Middle East peace process. Moscow has also emerged as a major regional arms proliferator, re-establishing ties with a host of traditional client states through arms sales and technical assistance.

All of this affords Russia growing control of major sources of oil and natural gas. Thus, Iran remains dangerous; and Azerbaijan isolated. Iraq has emerged from its UN-imposed isolation; PLO belligerence reminiscent of the Cold War has overwhelmed the hopes of Israel's political class for peace. The Arab nations have become increasingly well armed, hostile and anti-Western. Russia has undone much of the regional primacy enjoyed by the United States after the Gulf War, and is bidding for the capacity to control the world price of oil. Our subject here is how it has gone about this, and why it has been succeeding.

What Drives Russian Policy?

Russian foreign policy is the sum of global ambition and domestic instability. Despite its economic and social crises, Russian policymakers view their country an

enormous landmass with a vast nuclear arsenal – *de facto* a great power.¹ This reflects consensus that Russia “cannot exist outside of its essence as an empire, by its geographical situation, historical path and fate of the state.”² Russian elites are well nigh unanimous that Russia will – indeed must – return to the world stage as a major player.

But since Russia’s international potency has been profoundly curtailed by economic crises and factional politics, its policymakers have aimed at the relatively modest goal of “a multi-polar system of international relations that reflects the diversity of the present-day world and its diverse interests in a real way.”³ The benefits of such a policy are clear:

For Russia, the transition to a multi-polar world will create the possibility of diversifying the directions of foreign policy and of developing constructive strategic relations immediately with some influential partners. This increases the possibility of a maneuver necessary for ensuring the country’s security under the conditions of a resource deficit and of the transition period in the development of our country, which is attended by difficulties.⁴

For Moscow, multipolarity means overcoming what it views as America’s post-Cold War hegemony. Thus, Russia seeks to identify itself with the “vast number of states” that object “to a world order dominated by one power,” and use this joint opposition “to play the part of a leading state on the international scene.”⁵ This quest for “a fair and multi-polar world,” touted by officials at the highest echelons of Russian government,⁶ has shaped Moscow’s approach to the Middle East.

¹ A good example of this conviction can be found in former President Boris Yeltsin’s January 1997 address. *Reuters*, January 19, 1997.

² Geostrategist Alexander Dugin, a member of Russia’s “new right” school of politics and a foreign policy adviser to a number of Russian parliamentarians, quoted in Charles Clover, “Will the Russian Bear Roar Again?” *Financial Times*, December 2, 2000.

³ Foreign Minister Igor Ivanov, cited in *Interfax*, June 10, 2000.

⁴ Yevgeny Primakov, “Russia and the Outside World,” *International Affairs* 3, 1998: 7-13.

⁵ Primakov, cited in Dimitri K. Simes, *After the Collapse: Russia Seeks its Place as a Great Power* (New York: Simon and Schuster, 1999), 217.

⁶ See, for example, then Defense Minister Igor Sergeyev, cited in *Interfax*, November 29, 2000.

Internal factors also drive Moscow's Mideast engagement. The rise of separatist hotspots – foremost among them the protracted Chechen conflict – has focused attention on the Middle East's growing ability to influence politics in Russia itself as well as in its "near abroad" – the Caucasus and southern Eurasia. So Russia engages Iran, in part to keep it from aggravating Moscow's escalating struggle with militant Islam in the Caucasus. The region's volatile politics also makes it a market for arms, vital to Russia's struggling military-industrial complex. This has led Moscow to resuscitate its Cold War patron-client relationships with countries like Syria and Libya. Finally, the convergent interests of official government policy with those of powerful domestic lobbies regarding oil and gas have also contributed to Moscow's involvement in the region.

Moscow Reemerges in the Middle East

Russia's return to the Middle East is neither surprising nor sudden. The collapse of the Soviet Union did not erase the region's significance for Russia. Indeed the Middle East became more significant because, given its new limitations, Moscow has naturally gravitated toward it as the one area where it still retains a measure of its superpower status.

The death of the Soviet Union loosened the client-state relationships constructed during the Cold War. By 1990, the Russian economy having all but collapsed of its own dead weight, Moscow had ceased being able to exert influence anywhere. Moreover, after the Soviet Union's disastrous experiences in Afghanistan, the Middle East seemed least inviting. After the final fragmentation of the Soviet Union in 1992, Russian President Boris Yeltsin appointed Andrei Kozyrev, a political liberal, to head the Russian Foreign Ministry. Kozyrev's Western-oriented foreign policy sought to strengthen ties with Europe and the U.S. and to return Russia to its historic role as a European power. This tracked closely with President Yeltsin's efforts to reinvigorate the Russian economy through market liberalization and large-scale privatization, IMF bailouts and American subsidies.

Starting in 1993, however, Russian policy began a partial reversion to (Soviet) type. The failure of the Yeltsin economic team's "shock therapy" approach dramatically shifted power to a new elite in Russian society:

...as the general population lost whatever resources were available for investment, privatization soon came to mean the rapid transfer of state property to Soviet-era economic managers and underground entrepreneurs with hidden reserves of hard currency, gold, and other valuables.⁷

This led to the rise of powerful oligarchs, interest groups and clan-style politics within the Russian political system. Similarly, the SVR (*Sluzhba Vneshnei Razvedki*, or External Intelligence Service), then emerging as a major element in foreign policy under the guidance of Yevgeny Primakov, began to promote a more aggressive, hegemonic approach toward foreign affairs.⁸

As the new elite assumed power, the consensus in Russian foreign policy shifted away from Kozyrev's Western-oriented diplomacy and resumed the active assertion of its imperial interests. The initial focus of this drive was central Eurasia, where Moscow strengthened its hold over Azerbaijan, Kazakhstan and Turkmenistan through the aggressive manipulation of oil development, production, and revenues. When, in April 1994, Moscow issued a public communiqué asserting its power over all oil projects in the Caspian Sea territory,⁹ it staked its claim to the status it had enjoyed and the role it had played in the Soviet-era.

With this came the growing perception of the Middle East as intrinsic to Russian national interests. Policymakers emphasized that "[t]he effects of what happens there are clearly felt in our political life, including our domestic life."¹⁰

⁷ Simes, *After the Collapse: Russia Seeks its Place as a Great Power*: 146-147.

⁸ J. Michael Waller, "Who is Making Foreign Policy?" *Perspective* 5, no. 3 (January-February 1995). Found online at <http://www.bu.edu/ISCIIP/vol5/WALLER.html>

⁹ Cited in *Financial Times*, May 31, 1994.

¹⁰ Then-Deputy Foreign Minister Victor Posuvalyuk, writing in *Al-Hayat*, November 13, 1994. Reprinted in Stephen Grummon, "Russian Ambitions in the Persian Gulf," *Middle East Quarterly* 2, no. 1 (March 1995): 88-90.

This shift in thinking quickly took concrete form. Taking advantage of Iranian demand for Russian arms, and seeking to head off Tehran's support for growing Islamic extremism in the Caucasus, Russia began in 1993 to strengthen its ties with Iran.¹¹ Likewise, an expansionist energy policy and growing anti-Americanism overcame vestiges of support for the U.S.-led Gulf War coalition. By 1993-1994 Moscow had commenced diplomatic and commercial efforts to counter the international sanctions regime against Baghdad. Russian arms sales to the region also began to rise sharply. By 1995, analysts were observing that Moscow saw its interests as the mirror image of America's.

President Boris Yeltsin's subsequent replacement of Kozyrev as foreign minister in January of 1996 with longtime KGB insider Yevgeny Primakov cemented Russia's new foreign policy direction. In an interview with the official *Rossiyskaya Gazeta* newspaper shortly after his selection, Primakov announced that:

Russia's foreign policy cannot be the foreign policy of a second-rate state. We must pursue the foreign policy of a great state.... The world is moving toward a multipolar system.... In these conditions we must pursue a diversified course oriented toward the development of relations with everyone, and at the same time, in my view, we should not align ourselves with any individual pole. Precisely because Russia itself will be one of the poles, the "leader-led" configuration is not acceptable to us.¹²

For Primakov and the Russian elite, rapprochement with the United States, and dependency on American and foreign aid, had diminished Russia. These ideas were consistent with the new political composition of the Duma (Russian parliament). Since 1992, parliamentary elections had gradually brought to power an increasingly hard-line political constituency, broadening the consensus for an assertive foreign policy.¹³

¹¹ Stephen Blank, "Russia and the Gulf," *Perceptions* 1, no. 4 (December-February 1996-97): 30-55.

¹² Interview with Foreign Minister Yevgeny Primakov, *Rossiyskaya Gazeta* (Moscow), December 17, 1996.

¹³ Robert O. Freedman, "Russia's Middle East Ambitions," *Middle East Quarterly* 5, no. 3 (September 1998): 33.

Primakov's elevation to the post of foreign minister also dramatically intensified the growing Russian focus on the Middle East. An Arabist with deep ties to the region,¹⁴ Primakov placed great value on promoting Moscow as an alternative to Washington in Mideast affairs. By mid-1997, under his guidance, the contours of Russia's current policy toward the region had clearly emerged.

Russia's Diplomatic Offensive

While the early years of Yeltsin's presidency saw Russian alignment with American containment efforts, under Primakov Russia used its veto power in the United Nations Security Council to oppose the U.S. policy on Iraqi matters. Therefore, during the October 1997 crisis over arms inspections, Primakov spearheaded efforts to erode Chinese and French support for the sanctions against Baghdad. In the months that followed, Russian officials lobbied directly for an easing of sanctions and a conclusion to the UN's examination of Iraqi Weapons of Mass Destruction (WMD) programs. By mid-1999, Russia publicly increased its calls for an end to sanctions, arguing in May of that year that an end to sanctions was the only means by which to pull Iraq out of its socioeconomic crisis.¹⁵ Underlying all of this was the perception that:

For Russia Iraq, virtually, is a winning game, strike or no strike. It is a chance to make up, if partly, for previous defeats and to return to the world arena as a truly great power, a status many have stopped associating with the name of Russia. It may be the first time recently that we face the Americans in a game that we can win, let alone draw.¹⁶

Recently emboldened, Russia has escalated its efforts. Multiple reports have begun to appear alleging Russian transshipment of Iraqi oil in violation of international sanctions. Russian officials also have been revealed to have facilitated a \$90 million deal in early 2000 between Iraq and Belarus to modernize and fortify Baghdad's air defenses

¹⁴ During the Cold War, Primakov was instrumental in the formulation of Russian Middle East policy. Under his watch as Middle East expert for the Brezhnev government, Moscow expanded and deepened relations with Iraq, Libya and the PLO in the 1970s and 1980s, and sought to use these links to combat American influence in the region. See Ariel Cohen, "The Primakov Doctrine; Russia's Zero-Sum Game with the United States," Heritage Foundation *FYI* No. 167, December 15, 1997.

¹⁵ *Xinhua*, May 24, 1999.

¹⁶ Interview with Energy Minister Viktor Kalyuzhny, *Nezavisimaya Gazeta*, February 20, 1998.

with Soviet - Russian equipment.¹⁷ Finally, Moscow led the drive to reinstate commercial flights to Iraq in the fall of 2000, and the concomitant collapse of the UN sanctions regime. In response, Saddam Hussein has ordered the expansion of contacts with Moscow by bolstering the size of the Iraqi embassy and establishing a military-intelligence bureau headed by Iraqi Brigadier Saadi Mohammed Subhi.¹⁸

Russia's ambitions have also reached into the Middle East peace process. Though originally a co-sponsor of the 1991 Madrid Conference, Russia had abandoned its mediation of Arab-Israeli contacts in the early 1990s. In its absence, Washington brokered the now-famous 1993 Israeli-Palestinian handshake on the White House lawn and the signing of both Oslo Agreements. When Russia subsequently renewed interest in the region, it did so in opposition to U.S. efforts. As Primakov himself explained:

The process of political settlement has come to a point in time when the monopolization of peacemaking efforts by any single side does not create favorable conditions for progress.¹⁹

Primakov was in a position to easily outbid the U.S. for the Arab side's favor. During a November 1996 tour to the region, Primakov served as a middleman between Jerusalem and Damascus while simultaneously strengthening ties with both Palestinian leader Yasser Arafat and Jordan's late King Hussein.²⁰ Likewise, in a clear effort to seize the initiative from the U.S., Russia made offers to Israel, the Palestinians and a number of Arab nations in December 1996 for the convening of a summit under its auspices aimed at restarting multilateral negotiations.²¹ In response, Arab states began to call for Moscow to play a more active role in the negotiations. Since the U.S. did not denounce Moscow's role and make its exclusion a condition for its own continued brokerage, the result was

¹⁷ Con Coughlin, "Russia brokers arms deal to rebuild Iraq's air defences," *Electronic Telegraph*, April 16, 2000.

¹⁸ Jessica Berry, "Iraqis step up secret Russian weapons trade," *Electronic Telegraph*, February 25, 2001.

¹⁹ *Itar-TASS* (Moscow), October 21, 1997.

²⁰ Vladimir Abarinov, "Russia Has all the 'Dimensions of a Great Power, the Military Dimension Included,' to Act as an Intermediary in the Middle East," *Sevodnya*, November 5, 1996.

²¹ Shai Feldman, "The Return of the Russian Bear?" *Strategic Assessment* 1, no. 1 (March 1998): 1.

that Arab positions hardened, Russia's regional leverage increased, and prospects for peace dimmed even further.

In December of 1997, Russia's diplomatic efforts intensified dramatically with Primakov's appointment of Deputy Foreign Minister Viktor Posuvalyuk as official Middle East envoy. By the end of 1998, as Russian Foreign Ministry spokesman Vladimir Rakhmanin noted, Moscow was increasingly "playing a considerable role in the boost of the Mideastern settlement and the peace process in the Middle East."²²

All of this also weakened Turkey – always an important strategic objective for Russia. Turkey's geopolitical weight in the region's Northern Tier makes it Russia's natural rival for influence in the Caucasus and southern Eurasia. This inherent competition has been compounded by Russian fears that Ankara – buffeted by internal struggles with Islamism – might itself become a sponsor of instability within Turkic elements of the Federation proper.²³ Now, by supporting Arabs and undercutting Israeli power, Russia has diminished the weight of Ankara's burgeoning strategic relationship with Jerusalem and given Ankara worries on its southern flank.

Together, these efforts have paved the way for the central element of Moscow's policy in the region – the so-called "Great Game" for Caspian energy.

Moscow's Energy Politics

Perhaps more than any other issue, Moscow's concerted quest for domination of the Caspian Basin, and its machinations to this end in the Persian Gulf, illustrate the degree of importance it attaches to the Middle East. Russia's Caspian policy is clear: to project its power over the oil-rich nations of the Caucasus (most centrally Azerbaijan, Georgia and Kazakhstan); to exclude any strategic American presence there; and to

²² *Itar-TASS* (Moscow), September 29, 1998.

²³ On this issue, see Stephen Blank, "The Spirit of Eternal Negation: Russia's Hour in the Middle East," in Stephen J. Blank, ed. *Mediterranean Security into the Coming Millennium* (Carlisle, PA: U.S. Army War College, 1999), 449-450.

impose its own security environment over the area.²⁴ This explains Russia's major, multifaceted campaign of opposition to the U.S.-backed Baku-Ceyhan pipeline, which could loosen CIS dependence on Moscow, and its repeated efforts to promote an alternate route that would provide it with control over Caspian oil. This has involved a wide range of diplomatic and economic pressures on the littoral states of the Caspian:

- Over the last year, Russia has ratcheted up pressure on Azerbaijan, threatening to hold it accountable for supporting the Chechen insurgency and to impose a crippling visa regime that would limit entry into Russia for the large percentage of its population that works there, devastating the Azeri economy. In response, President Heidar Aliev has softened his opposition to Azerbaijan's return to the Moscow-dominated CIS grouping and, in early 2001, signed the Baku Declaration, officially marking Azerbaijan's acquiescence to Russian hegemony on major foreign policy issues, including claims on Caspian territory;²⁵
- With regard to Georgia, which continues to rely heavily on Russian energy while lacking the financial means to provide adequate compensation, Moscow has threatened to cut energy supplies due to nonpayment in late 2000, during one of the coldest winters on record.²⁶ As a result, Tbilisi has increasingly broken away from Europe and the U.S. on regional security and larger diplomatic issues;
- Through *Itera*, a brokerage entity connected to the Russian *Gazprom* oil monopoly, Moscow has successfully gained control of a large portion of the cash-poor Armenian and Georgian energy infrastructures.²⁷ This has heightened these states' dependency on Russia, and made it capable of exerting significant pressure on Europe in the near future, as natural gas reserves from the North Sea and the Middle East dwindle;

²⁴ For an excellent examination of this strategy, see Paul Michael Wihbey, "The Southern Eurasian Great Game," *IASPS Research Papers in Strategy* 8, The Institute for Advanced Strategic & Political Studies (April 1999).

²⁵ Fariz Ismailzade, "Russia Cracks the Whip," Institute for War and Peace Reporting *Caucasus Reporting Service* No. 62, December 15, 2000.

²⁶ "Russia and its Neighbours: Frost and Friction," *The Economist*, September 30-October 6, 2000.

²⁷ Catherine Belton with Dan Carney, "Russia's Shadowy Giant," *Business Week*, April 2, 2001; Jan H. Kalicki, "High stakes hinge on Russia's energy choices," *Oil and Gas Journal*, March 19, 2001.

- Russia has also lobbied heavily for Kazakhstan's cooperation, publicly opposing Astana's participation in the Baku-Ceyhan project and instead proposing a cooperative transit policy and a "unified energy balance" with Moscow that would make participation in the U.S.-backed pipeline unnecessary;²⁸ and
- Through Iran, Moscow has also begun to align Turkmenistan with its regional policies, undermining European plans for a Trans-Caspian pipeline that would skirt Russian control over Caspian oil (discussed in more detail below).

The logic is clear. If exploited to anywhere near its projected potential, additional volumes from the Caspian could put Russia and its CIS allies on a par with the Persian Gulf in terms of oil wealth,²⁹ perhaps making it the setter of the marginal world price of oil. Not even the Soviet Union at the height of its power came close to that.

Iran, given its relation to the Caspian and its prime position as a possible export route for Caspian oil, figures heavily in Moscow's calculations. The emerging consensus in the West holds that a pipeline from the Caspian through Iran to the Gulf – though currently dormant as a result of Iran's anti-Western tilt – is a viable alternative to the Baku-Ceyhan route currently championed by the U.S.³⁰ Moscow knows this. That is why it has ensured Tehran's strategic alignment through its ever-deepening cooperation and by fostering enmity between Iran and the West. As we will see below, Tehran's increasing support for Moscow's positions on Caspian Sea resources, and in its conflicts with the Caspian's littoral states, is nothing other than the result of much intelligent Russian commitment.

²⁸ *Interfax* (Moscow), March 6, 2001.

²⁹ Andrew Borowiec, "Black gold fuels Caspian competition," *Washington Times*, March 28, 2001; Interview with oil specialist, Washington, D.C., April 12, 2001.

³⁰ Robert McFarlane, "Fueling a Revival," *Washington Post*, April 10, 2001.

But Moscow's energy policy is not localized to the Caspian. Instead, Russia has increasingly tried to reach into the Persian Gulf and consolidate its hold over energy there.

Moscow has therefore invested deeply in Iran's energy sector, which supplies roughly 5 percent of the global oil market. In early 1998, the Russian *Gazprom* oil conglomerate (along with France's *Total* and Malaysia's *Petronas*) became a party to a major international contract for the development of the Iranian South Pars gas field.³¹ Subsequently, in April of 1999, the two countries signed an accord on, among other issues, the scientific and technical exploration of gas fields, including the establishment of joint energy firms.³² Later the same year, Iranian Ambassador to Moscow Mehdi Safari held extensive official discussions with Deputy Prime Minister Ilya Klebakov and Fuel and Energy Minister Victor Kalyuzhny regarding the further expansion of cooperation in gas and oil.³³ And most recently, Russian oil companies have sought to participate in the development of recently discovered oil deposits in Iran's Khuzestan region.

Iraq is also logically a central player in Moscow's Gulf energy interests. With at minimum 112 billion barrels of oil and 110 trillion cubic feet of gas in reserves, it is the world's second largest producer of oil, and a major regional source of natural gas.³⁴ In light of this potential, Russia's powerful conglomerates have lobbied heavily – and successfully – for prospective rights to Iraqi oil, above and beyond the current UN-imposed oil-for-food program, over the last several years. Russia is currently the single largest consumer of Iraqi crude, with its companies in control of concessions estimated in the billions of dollars.³⁵ Since oil, like cash, is fungible, and Russia exports energy, every

³¹ Total unveils novel scheme for South Pars," *Oil & Gas Journal*, February 9, 1998.

³² "Iran, Russia sign cooperation accord," *worldtribune.com*, April 16, 1999. Found online at <http://www.worldtribune.com/x39.html>.

³³ *IRNA* (Tehran), December 29, 1999.

³⁴ Statistics obtained from the Department of Energy, Energy Information Administration, found online at <http://www.eia.doe.gov>.

³⁵ *Interfax* (Moscow), January 23, 2001; Interview with Russia specialist, April 12, 2001.

barrel of Iraqi oil that Russia uses is one more bit of the world energy market that it controls.

With the bulk of Iraqi concessions monopolized by Russian firms, Russian fortunes are expected to skyrocket when Iraq breaks free of sanctions once and for all. Beginning in 1995, an agreement on economic cooperation between Moscow and Baghdad paved the way for extensive coordination, embodied by multiple accords over Iraqi oil. By the close of 1997, Russian firms had already signed contracts for the development of Iraqi fields worth upwards of \$3.5 billion.³⁶ And with the effective collapse of sanctions in late 2000, Moscow has stepped up coordination with Baghdad. On December 21, 2000, Iraqi Oil Ministry Undersecretary Fa'iz al-Shahin and Russian Energy Minister Yuri Gavrin signed a memorandum of cooperation affirming relations between the two countries and their mutual intent to pursue joint cooperation products.³⁷ This in turn has led to an upsurge in diplomatic contacts between Moscow and Baghdad, including high-level meetings and public declarations of Russia's unwavering support for Iraq. Significantly, these diplomatic efforts dovetail with Moscow's continued interest in Iraq's ability to repay its Cold War era debt, which stands at upwards of \$7 billion.

For its part, Baghdad has attempted to manipulate Russian involvement for its own ends. By providing lucrative concessions to Russian companies, Saddam Hussein has made access to Iraqi oil (and thus the lifting of sanctions) a crucial domestic Russian interest. The sheer scope of Russian investment in Iraq has created serious internal pressure on Moscow to escalate its brokerage of Iraq's release from UN restrictions. Hence Russian Energy Minister Viktor Kalyuzhny's declaration in 1999 that "our task is to prevent the ousting of LUKOIL from the Iraqi market and to keep the Russian positions in Iraq strong."³⁸ Russian perceptions that the United States and its sanctions

³⁶ *Itar-TASS* (Moscow), January 31, 2001.

³⁷ *INA* (Baghdad), December 21, 2000.

³⁸ *Interfax*, October 4, 1999.

policy are capable of accomplishing just that have led the Kremlin to view Western sanctions efforts, and its support of Saddam, in distinctly geopolitical terms.³⁹

Through investment, development, diplomacy, and military cooperation, Moscow has come a long way toward bringing both Baghdad and Tehran into its orbit. These maneuvers have placed Moscow within reach of controlling at least one-third of the region's estimated 650 billion barrels of oil, and one-half or more of the area's approximately 1,800 trillion cubic feet of natural gas.⁴⁰ With this kind of control, it could virtually dictate energy terms not only to the CIS and Europe, but to Washington as well.

Arms Sales Diplomacy

In its quest to strengthen its regional position, Moscow has sought to re-engage traditional allies through military sales and cooperation. Since the Middle East remains a lucrative market for arms, this renewed interest fits well with Russia's strategy of support for anti-Western states.

Domestic factors have influenced Russia's arms diplomacy. Since the collapse of the Soviet Union the Russian armed forces, crippled by economic turmoil, have reduced training, force modernization, and military readiness. Consequently, Moscow's active foreign arms sales program in part reflects its efforts to alleviate the growing crisis within its unreformed, aging military and draw down its unwieldy surplus of military hardware.⁴¹ Above all, however, defense industry and government officials believe that

³⁹ As one Russian newspaper put it:

"All that hullabaloo over Iraq's chemical and bacteriological weapons only serves to make out that country as a monster threatening the whole world. The UNSCOM has long since completed its mission and, whether its members like it or not, is now being turned into a cat's paw for the United States to bring pressure to bear on Iraq. The Americans would like to control that oil-rich region in order to secure their own economic and political interests." Oleg Vladykin, "Baghdad Hardly Has Weapons of Retaliation," *Obschaya Gazeta* (Moscow) 7, February 19, 1998.

⁴⁰ Estimate based on figures provided by *Oil & Gas Journal* and *World Oil*. Available online at www.eia.doe.gov; Interview with oil specialist, Washington, D.C., April 12, 2001.

⁴¹ Between 1995 and 1997, Russian military and defense-related exports rose by over 80 percent, from \$1.7 to \$3.1 billion (65 percent) in 1995 and from \$3.1 to \$3.6 billion (another 18 percent) the following year. Ruslan Pukhov, "We Sell a Lot. But What Do We Get Out of It? Arms Exports: The Experience of an Independent Assessment," *Rossiyskaya Gazeta* (Moscow), September 16, 1997.

“the active promotion of Russian armaments” is leading to “a new balance of power... in which the United States will no longer play the decisive role.”⁴²

The effects of Russia’s regional arms efforts are most clearly seen in the gradual deepening of the Syrian-Russian relationship. Whereas massive Syrian debt to Moscow for military expenditures during the 1980s – totaling nearly \$11 billion – kept military trade to minimal levels throughout the early 1990s,⁴³ Russia assumed a more flexible position on Syrian debt beginning in 1997. In June of that year, Victor Gogitidze, the Russian Ambassador to Syria, publicly announced that Syrian debt “would not be an obstacle to boosting cooperation between the two countries in the various fields.”⁴⁴ That fall, Russia and Syria negotiated an additional \$3 billion arms purchase. Concurrently, Russia’s Ministry of Atomic Energy (MINATOM) began high-level contacts with the Syrian Atomic Energy Commission.

Syria’s drive for military modernization in the 21st century is based entirely on the assumption of long-term Russian cooperation. Between 1980 and 1991, Soviet military supplies to Damascus had surpassed \$26 billion, consisting of massive quantities of tactical missile systems, warships, tanks, and aircraft.⁴⁵ The Syrian military has remained overwhelmingly reliant on this weaponry, with Soviet T-72, T-64, T-62 and T-55 tanks making up the bulk of its armored force, and MiG-class fighter aircraft dominating its air force. Likewise, with approximately 1,000 SS-1 Scud B’s and close to 500 shorter-range SS-21 Scarab ballistic missiles supplied by Russia, Damascus’ ballistic missile arsenal is built around Russian arms as well. In total, Soviet arms account for 90 percent of Syria’s military equipment, a large portion of which is in need of upgrading and maintenance.⁴⁶

⁴² *Krasnaya Zvezda*, July 2, 1996, as cited in Stephen Blank, “Russia’s Clearance Sale,” *Jane’s Intelligence Review*, November 1, 1997, 517-518.

⁴³ For 1996-1997, recent Russian estimates tally total Russo-Syrian military trade at only \$2.3 million. Vadim Kozyulin, “Russia-Syria: Military Technical Bargaining,” *Yadernyy Kontrol*, April 14, 2000: 66-70.

⁴⁴ Cited in Feldman, “The Return of the Russian Bear?”

⁴⁵ Oksana Antonenko, “Russia’s Military Involvement in the Middle East,” *Middle East Review of International Affairs* 5, no. 1, (March 2001): 38.

⁴⁶ *Kommersant* (Moscow), February 4, 1999; *Interfax*, November 18, 1998; *Russia Journal*, April 12, 1999; Centre for Defence and International Security Studies, <http://www.cdiss.org/btablea2.htm>.

This has made Syria Moscow's most reliable client state. In early 1998, the two countries agreed to a major \$3 billion deal for the bolstering of Syrian air power and the modernization of armor brigades. This was followed by the visit of an official Russian delegation to Syria in November of the same year, which expanded dialogue on military modernization and affirmed Syria's position as a "strategic partner" for Russia in the region. And in January of 2000, stressing the continued importance of Russia's engagement in the Middle East arms market, Russian Deputy Foreign Minister Vassili Cerdin affirmed Moscow's intentions to heighten military cooperation with Damascus still further.⁴⁷

For its part, Damascus views this cooperation as essential to Syrian strategy. Internally weak and threatened by the Israeli-Turkish strategic relationship, Syria sees Russia as a "welcome partner in a counter alliance to preserve the balance of power in the region."⁴⁸

Moscow has also become a major military supplier to Baghdad. In January 1999, an Iraqi delegation led by Transportation and Communications Minister (and former Iraqi biological warfare program head) Ahmed Murtada Ahmed Khalil visited Russia, leading to arms deals in excess of £100 million (\$160 million) for the reinforcement of Iraqi air defenses.⁴⁹ In the spring of 1999, *The New Yorker* magazine detailed secret 1997 negotiations between Primakov and Iraqi Deputy Prime Minister Tariq Aziz regarding the Russian provision of nuclear-related materials and know-how to Iraq. This has led Rolf Ekeus, the first head of the United Nations Special Commission (UNSCOM) in Iraq, to conclude that:

⁴⁷ For details on each of these events, see *Jerusalem Post*, May 18, 1998, *Nezavisimaya Gazeta* (Moscow), November 14, 1998, and *Al Hayat* (London), January 28, 2000 respectively.

⁴⁸ Galal Nassar, "Bolstering Syrian-Russian Ties," *Al-Ahram Weekly*, June 3-9, 1999.

⁴⁹ Significantly, this agreement showcased the degree of convergence that has emerged between official Russian Mideast policy and the divergent interests of Russia's defense industry. In the aftermath of this deal, typical of others, technical specialists were dispatched to train Iraqi technicians in assembly and maintenance procedures, and further negotiations commenced between the Iraqi Military Industrial Commission and the Russian military conglomerate *Rosvooruzheniye*. Con Coughlin, "Revealed: Russia's Secret Deal to Re-Arm Iraq," *Sunday Telegraph*, February 14, 1999.

It is clear that Russia is making a serious effort to control events. Saddam will get a bomb, because these materials are floating in. Every day, they are more advanced.⁵⁰

Countries outside the old Soviet Union's traditional orbit are also being drawn into Moscow's growing arms clientele. In November of 1998, Russian officials formally unveiled their readiness to begin "repairing and modernizing the weapons with which the Egyptian armed forces are equipped."⁵¹ Since its armed forces have substantial stocks of Soviet equipment from the 1960s and 1970s, this aid has given Egypt greater independence from U.S. technical assistance. The two countries have also engaged in heated – albeit so far incomplete – negotiations over Cairo's purchase of the S-300 missile defense system from Moscow, and Russia has supplied Egypt with tactical helicopters and commenced upgrades of Russian surface-to-air missile systems.⁵²

Contacts with Libya have also increased. Movements toward reconciliation between Moscow and Tripoli began in 1996, when the two countries commenced negotiations regarding Libyan Cold War debts to Russia. Under Primakov they accelerated, with the foreign minister officially forgiving fully one half of the estimated \$16 billion as a gesture of goodwill shortly after his assumption of power.⁵³ This has led to expanding dialogue between the two countries on arms sales and military cooperation, despite the continued presence of international restrictions on aid to Libya. In late July of 2000, Russian Deputy Prime Minister Ilya Klebanov publicly declared Moscow's willingness to modernize Libya's army, and revealed that discussions between the two countries were underway regarding the resumption of arms supplies to Tripoli.⁵⁴

In fact, in the last two years, Russian arms sales to the region accounted for over 15 percent of total Russian exports. According to Russian military estimates, arms sales

⁵⁰ Seymour Hersh, "Saddam's Best Friend," *The New Yorker*, April 5, 1999, 32.

⁵¹ *Interfax*, November 16, 1998.

⁵² Galal Nassar, "On the Military Front," *Al-Ahram Weekly*, November 19-25, 1998; Antonenko, "Russia's Military Involvement in the Middle East," 43.

⁵³ J. Michael Waller, "Primakov's Imperial Line," *Perspective* 7, no. 3 (January-February 1997). Found online at <http://www.bu.edu/ISCIP/vol7/Waller.html>.

⁵⁴ "Moscow offers to revamp Libyan army," *Jane's Defence Weekly*, August 9, 2000.

to the region are anticipated to top \$5 billion over the next two to three years.⁵⁵ At this rate, sales to the Middle East could make up a quarter of total Russian global arms exports by 2004. Make no mistake – all this is as much about efforts to oust American influence as it is about money. Russia sees arms sales as part of diplomacy “aimed at repealing sanctions, imposed on countries with which Russia has contacts in military and technical cooperation” as well as “a policy to consolidate Russia’s current and future presence in the world arms market, including countries not to the U.S. liking.”⁵⁶

The Tilt Toward Tehran

Far and away the most conspicuous, troubling, and intellectually interesting element of Russia’s engagement, however, is its strategic alignment with Tehran. On the surface, this relationship is counterintuitive, given Iran’s inherent hostility toward a secularist Russia that opposes Islam and the obvious fact that Russia is the only possible threat to Iran’s independence. For its part, Moscow has reason to fear the spread of Iranian-style Islamic Republicanism to its Muslim minorities. Let us see how, nevertheless, the Russian and Iranian governments have found common ground.

Between 1992-1994, Kozyrev’s liberal foreign policy aligned Russia with U.S. hostility toward Iran. Moreover, more and more concerned with rising Islamic radicalism in its heartland, Moscow viewed Tehran – an active broker of international terrorism – as a potential threat to its own security and stability. Indeed, Russian officials publicly voiced concern that Iran might take advantage of the political vacuum in central Eurasia to export its particular brand of Islamism there, to Russia’s detriment.⁵⁷

From this initial hostility, however, Moscow’s strategic thinking underwent a metamorphosis. Russian officials began to view cooperation with Tehran as a strategy to

⁵⁵ *Vedemosti*, January 22, 2001; *Interfax*, December 26, 2000.

⁵⁶ *Itar-TASS* (Moscow), February 3, 1999.

⁵⁷ This argument was articulated by Andranik Migranian, an adviser to then-President Boris Yeltsin, in a January 14th article in the *Nezavisimaya Gazeta* newspaper. Cited in Talal Nizameddin, *Russia and the Middle East: Towards a New Foreign Policy* (New York: St. Martin’s, 1999), 4.

keep Iran on the sidelines of Moscow's struggle with central Asian Islamism. Policymakers began to stress that:

Iran can have both a stabilizing and a destabilizing role on the Muslim regions of Russia. We need a broad spectrum of co-operation with Tehran. The broader the co-operation, the narrower is the possibility of anti-Russian actions from extremist forces in Iran.⁵⁸

Iran, for its part, seemed willing to play the role that Russia expected of it. Far from backing the emerging Taliban movement in neighboring Afghanistan, Tehran opposed it, mirroring Russian concerns.⁵⁹ And Iran, still struggling to rebuild its military might in the wake of its ruinous war with Iraq, quickly seized upon Russia's potential as a major arms supplier.

This cooperation quickly took concrete form. Russian arms had already begun to flow into Iran, and by 1995 Russia had developed a virtual monopoly on arms sales to Tehran, averaging \$500 million yearly.⁶⁰ The scope of this intensifying relationship reflected Iran's growing weight as a strategic partner for Russia, as well as Moscow's efforts to retain Tehran's alignment on the issue of radical Islam in the Caucasus. To this end, Russian and Iranian officials held intensive discussions regarding the mounting conflicts taking place in Afghanistan and Tajikistan and the mutual security concerns involved for the two countries. Close cooperation was furthered by a growing Russian domestic consensus for engagement, which was reflected in the State Duma's unanimous October 1998 resolution to expand cooperation with Tehran. The resolution, significant for its explicit linkage of Russo-Iranian ties and radical Islam, officially called upon the "partnership" between the two countries "to play a major role in stabilizing the situation in Tajikistan."⁶¹

⁵⁸ David Hearst, "Russia sees Rich Reward in Iranian Links," *The Guardian*, May 31, 1995.

⁵⁹ Eugene Rumer, *Dangerous Drift: Russia's Middle East Policy* (Washington: Washington Institute for Near East Policy, 2000), 56-57.

⁶⁰ Blank, "Russia and the Gulf."

⁶¹ *Interfax* (Moscow), October 21, 1998.

Moscow's continued engagement in Chechnya has underscored the importance of retaining alignment with Tehran. Reports of Saudi cooperation with, and assistance to, Chechen militants have made Russian fears of Islamic radicalism more acute, placing growing emphasis on Tehran's influence over Muslim politics in the region.⁶² As Russian Ambassador to Tehran Konstantin Schuvalov explains:

...Iran is an important country in the region. With the special policy it pursues, Iran can also play a distinct role in the Islamic world... whatever country talks with Iran about regional issues, it is negotiating with the whole Islamic world. That is why, when we negotiate with Iran, we are always interested in conveying our message and views to the Islamic world.⁶³

In addition to ongoing conventional arms sales, while publicly opposing proliferation, Moscow has provided Tehran with help in building WMD and ballistic missiles, in violation of both the Missile Technology Control Regime (to which Moscow had become a party in 1995) and a bilateral 1995 U.S.-Russian understanding under which President Yeltsin committed to desist from signing new contracts for the provision of nuclear technology to Iran. In February 1996, over international objections, the two countries began construction of the Bushehr nuclear reactor, complete with large-scale Russian technical assistance and oversight for the nearly \$800 million project. This cooperation was increased in November of 1998 with the signing of an official agreement accelerating work on the reactor and giving Moscow effective operational control over the plant.⁶⁴ Western intelligence agencies have publicly voiced concerns over the possibility that the resulting "civilian" fissile material could substantially further Iran's nuclear program.

Since 1995, Moscow has also become one of the principal suppliers of ballistic missile technology to Tehran. A number of Russian firms and scientific centers – among them the Bauman Institute, Polyus Science and Research Institute, INOR Scientific

⁶² See, for example, "Caucasus Knot: Al-Haramayn Funds Chechen Bandits," *Rossiyskaya Gazeta* (Moscow), May 20, 2000.

⁶³ Quoted in *Abrar* (Tehran), November 23, 2000.

⁶⁴ "Iran and Russia Sign Nuclear Cooperation Agreement," *Europe Energy*, November 27, 1998.

Center, NPO Trud, and others – have been directly implicated in the provision of critical missile components.⁶⁵ This assistance was instrumental to Iran’s successful test of its Shahab-3 ICBM in July of 1999. Russia is likewise deeply involved in the provision of WMD and ballistic missile training and expertise to Iran, with extensive exchanges of scientific personnel and ongoing training for Iranian specialists provided at a number of Russian institutions. It has also become a serious secondary proliferant of missile technology to Tehran, since ballistic missile components and technology from military sales to countries like China have begun to find their way into the Gulf.⁶⁶

The impact of this interaction on internal Iranian politics has been profound. By successfully capitalizing on Iran’s own political ambitions and internal concerns, Russia has added impetus to hard-line elements within Iranian society opposed to an economic and political rapprochement with the U.S. Interestingly, many of Iran’s hardest hard-liners were trained in the Soviet Union, and gained prominence with Soviet help (indeed, Iran’s spiritual leader, the Ayatollah Ali Khamenei, was himself a graduate of the USSR’s training academy for third world anti-Americans, Patrice Lumumba University). It is remarkable, however, that the legacy of Soviet economics, social controls, power politics and anti-Americanism is strong enough among these hard-line nationalists so that they seem not to notice that Russia itself is the only conceivable threat to Iran’s independence. The mullahs deep-seated enmity toward the West goes a long way toward explaining all this. But clearly, so does Moscow’s support for the hard-liners in their struggles with their internal political enemies, who now represent the majority of the population. In sum, sheer competence has allowed Russian diplomats to identify the personal interests and prejudices of the mullahs with those of Moscow so that Iran’s ruling class has come to view cooperation with Russia as the main prop for its own self definition – less love of Islam than hate of America.⁶⁷

⁶⁵ Kenneth Timmerman, “Major Suppliers of the Shahab-3 Program,” *The Iran Brief*, May 4, 1998; Cohen and Phillips, “Russia’s Dangerous Missile Game in Iran.”

⁶⁶ Interview with Russian proliferation expert, Washington, DC, April 18, 2001.

⁶⁷ Iranian writings on this point stress the positive geopolitical impact of Russo-Iranian ties on the regional balance of power. See, for example, Hamid Safari, “Iran-Russia, areas and horizons for defense cooperation,” *Jam-e Jam* (Tehran), December 31, 2000.

By its alignment with hard-liners within Iran, Russia has also effectively squelched Iran's tendencies toward troublemaking in the Caucasus, since only these hard-liners have the capacity to suppress calls for solidarity with the Muslim insurgency in central Asia. As a result, Moscow has – at least for the time being – successfully undercut official Iranian support for Chechen separatism. Finally, Tehran's alignment with Russian policy on Caspian issues reflects both Iran's own desires for continued military cooperation with Moscow and its domestic interest in reducing Azerbaijan's regional power and preempting possible irridentist tendencies among the sizeable Azeri population in its North.

It is no surprise therefore, that Tehran has become an active broker of Moscow's Eurasian policies. In late 1999, for example, Iranian Foreign Minister Kamal Kharrazi, on a one-day visit to Armenia, floated the issue of enhanced bilateral relations between Tehran and Yerevan in the context of a Russia-led anti-NATO strategic grouping.⁶⁸ Since then, Iran has also attempted to broker an alliance with Turkmenistan on Caspian issues. Its success on this front was visible in Turkmen President Saparmyrat Niyazov's recent insistence that Iran be involved as a transit route for Turkmeni oil, undermining plans by the Organization for Security & Cooperation in Europe's (OSCE) plans for a Trans-Caspian pipeline from Turkmenistan through Baku to Turkey.⁶⁹ Subsequently, in November of 2000, both Iranian Deputy Foreign Minister Ali Ahani and Armenian President Robert Kocharyan held consultations with Niyazov, marking the revival of a Tehran-Yerevan-Ashkabad axis, much to Azerbaijan's dismay.⁷⁰ And in the Middle East, Iran has assumed an increasingly belligerent, anti-Western posture, encouraged by Russia's deepening involvement in breaking the Israeli-American "monopoly" on Middle Eastern policy and arms.⁷¹ All of this, of course, is conducted under Moscow's aegis, and tracks closely with the Kremlin's plans for Eurasia.

⁶⁸ *Snark* (Yerevan), August 10, 1999.

⁶⁹ *IRNA* (Tehran), September 22, 2000.

⁷⁰ *Zerkalo* (Baku), November 30, 2000.

⁷¹ Safari, "Iran-Russia, areas and horizons for defense cooperation;" Yusef Mohsenpur, "Behind the visit of the Russian Defense Minister," *Mashhad Qods* (Tehran), December 31, 2000.

A deepening of ties with Tehran has followed Russia's November 2000 withdrawal from the 1995 Gore-Chernomyrdin agreement, under which Moscow agreed to curtail nuclear-related exports to Iran. Contacts between the two countries have increased steadily in the first half of 2001, punctuated by high-level visits and deepening strategic dialogue. For its part, Tehran has moved into even closer alignment with Moscow, placing growing emphasis on cooperation. To this end, Mehdi Safari, the Iranian Ambassador to Moscow, declared publicly in February of 2001 that:

Russia and Iran are two strong states and I believe that consolidation of our cooperation will continue regardless of influence of any third country, especially the United States.⁷²

In line with this declaration, estimates indicate that Iran is willing to purchase up to \$7 billion in Russian armaments and technical aid over the next several years, far higher than previously anticipated.⁷³ Iranian President Mohammed Khatami's landmark March 2001 trip to Moscow yielded an agreement for cooperation on a broad range of military issues, ranging from Russia's participation in Iran's ongoing 25-year military modernization program to heightened contacts in the nuclear arena – a strategic coup for Tehran.

While this deepening entente has engendered some domestic opposition,⁷⁴ the Russian leadership clearly views cooperation with Iran as an effective – and lucrative – strategy by which to increase its influence in the Middle East and diminish American power there. Therefore, Moscow has conveniently discounted Washington's increasingly vocal worries about the relationship to simply be the result of the United States' hegemonic interest toward the Middle East – a “relic of American imperialist ambitions.”⁷⁵ And while at some point Iran's proximity to sustained nuclear capability may sever the partnership, since Moscow clearly views Tehran's nuclearization as a

⁷² *Middle East Newslines*, February 25, 2001.

⁷³ *Middle East Newslines*, February 23, 2001.

⁷⁴ For example, in response to the March 2001 Russo-Iranian accord, Duma Defense Committee Deputy Chairman Alexei Arbatov publicly opposed cooperation as inimical to long-term Russian national security interests. *Middle East Newslines*, March 14, 2001.

threat,⁷⁶ the two countries are likely to retain significant alignment in the near term. Quite simply, while eliminating the one real way Tehran can threaten Moscow – through its support of Islamist separatism – military and diplomatic cooperation ensures Iran remains nothing more than a Russian puppet.

Iran's military buildup poses no real threat to Russia. The weapons that Russia has sold to Iran or has helped Iran acquire are insufficient for any serious action against Russia. Moreover, should they ever be pointed northward, Moscow is both willing and able to take preemptive measures to neutralize them. In the meantime, cooperation accomplishes much for Russia, both internally (with regard to the lingering Chechen crisis) and on an international level (offsetting American interests and – potentially – laying the groundwork for an anti-Western regional pivot).

The Persistence of Russian Policy

Contrary to Washington's views of Moscow's Mideast policy under the Clinton Administration, Russian strategy was not simply a reflection of Primakov's deep ties and strategic predisposition to the region. In fact, the troublesome nature of Russia's Middle Eastern engagement did not end with Primakov's ouster from the Prime Ministership (to which he had been elevated in September 1998) by President Boris Yeltsin in May of 1999. His short-lived replacement, Sergei Stepashin, did nothing to alter the direction of Russian foreign policy, and since his assumption of power (as Prime Minister in August 1999 and subsequently as President in late December of the same year, following Boris Yeltsin's abrupt departure) Vladimir Putin, Primakov's former KGB colleague, has only reinforced the veteran spymaster's policies.

Under Putin's direction, Russia's two major defense contractors, *Roosvoruzheniye* and *Promexport*, have been consolidated into one large defense conglomerate,

⁷⁵ Scott Peterson, "Russians tighten ties to Iran," *Christian Science Monitor*, January 26, 2001.

⁷⁶ Russian officials have repeatedly articulated this view. In 1996, for example, Andrey Vdovin, head of the Foreign Ministry's Middle East and North Africa section, told the London-based *Al-Sharq al-Awsat* that Moscow would not allow Iran to gain nuclear capability, as "that would threaten our national interests." Huda al-Husayni, "Russian Foreign Ministry Official Tells Al-Sharq al-Awsat; We will not Allow Iran to Become Nuclear State," *Al-Sharq al-Awsat*, June 18, 1996.

Rosoboronexport, providing the government with greater control over defense production and export. At the same time, the Ministry of Defense has assumed control over all military-technical cooperation with foreign nations.⁷⁷ On Putin's watch, Russia has also renewed its focus on military development; the Plan for Building the Armed Forces in 2001-2010, passed in late 2000 and endorsed by Putin in January 2001, advocates a dramatic increase in funding for military research and development, proposing to nearly double Russian defense expenditures over the coming decade.⁷⁸ These changes have not led to a slackening of Russia's arms offensive in the Middle East, but to its increase.

And, since Kosovo, Russia's foreign policy is driven by antagonism toward the U.S. and NATO. The NATO Alliance's decision to bomb Serb forces in the fall of 1999 ignited Russian fears that "the bombing of Yugoslavia could turn out in the very near future to be just a rehearsal for similar strikes on Russia."⁷⁹ In response, Moscow has become more hostile and competitive. At a major military meeting in November of 1999, Russian Defense Minister Igor Sergeyev accused the United States and NATO of challenging Russia "with the aim of weakening its international position and ousting it from strategically important regions of the world."⁸⁰ This accusation was echoed in the text of Russia's new National Security Concept, an official declaration of military strategy, when the document was unveiled in January of 2000. The new, confrontational blueprint lowers the bar on the Russian use of nuclear weapons and places growing emphasis on military cooperation with everyone and anyone against Western "hyperpower."

Such strategic thinking appears to be gaining in popularity in Russia, animated by the belief that:

[I]n principle, Eurasia and our space, the heartland, remain the staging area of a new anti-bourgeois, anti-American revolution.... The new

⁷⁷ "Russia's arms sales," *Foreign Report*, March 8, 2001.

⁷⁸ Simon Saradzhyan, "Defense Spending Could Double," *Moscow Times*, January 24, 2001.

⁷⁹ General Viktor Chechevatov, commander of Russian ground forces in the Far East region, cited in the Center for Defense Information's *Weekly Defense Monitor* 3, no. 14, April 8, 1999. Found online at <http://www.cdi.org>

⁸⁰ David Hoffman, "Russia Accuses U.S. of Designs on Caucasus," *Washington Post*, November 13, 1999.

Eurasian empire will be constructed on the fundamental principle of the common enemy: the rejection of Atlanticism, strategic control of the USA, and the refusal to allow liberal values to dominate us. This common civilisational impulse will be the basis of a political and strategic union.⁸¹

Not surprisingly, Russian nationalists, as well as a growing percentage of the general population, have lauded Putin's aggressive manipulation of foreign affairs. As a recent article in the pro-FSU *Komsomolskaya Pravda* put it:

From the point of view of the US national interests, Russia has been a rival of the United States and will remain as such.... Putin is an expert in geopolitical issues and he understood very well in what trap Russia had been pushed.... Putin took steps toward warming up relations with the countries that in the past used to be of Soviet orientation... We are probably witnessing a grandiose chess match between Putin and Washington. The American player is faced with the tactics that is [sic] not stipulated in the chess game theory. Putin inherited from the previous regime a government that includes numerous pro-American executives. They are undermining Putin's position.⁸²

In this chess game, the Middle East is the first bastion that Russia seeks to solidify. Until now, it has been overwhelmingly successful.

Moscow's Global Ambitions

Why is Russia succeeding in its bid for Mideast dominance despite its weak hand? And why is the U.S. so obviously losing ground, despite its strong one? Because, until very recently, the political will in Washington to seriously confront Moscow's renewed global aspirations has been lacking. Instead, the United States has for years pursued a narrow, ad hoc regional policy, predicated on traditional notions of support for now-failing oil regimes and – above all – diplomacy aimed at achieving a comprehensive regional peace settlement. As a result, it has only half-heartedly attempted to counter Russia's efforts in the Caspian. It has resigned itself to Syria's belligerence as well as to Iran's animosity and Iraq's roguishness. And it has qualified its previously staunch

⁸¹ Clover, "Will the Russian Bear Roar Again?"

⁸² Yevgeny Myachin, "Putin's Gambit," *Komsomolskaya Pravda* (Saint-Petersburg), December 7, 2000.

support for Turkey and Israel, precisely the regional allies that could force America's enemies to alter their behavior.

Thus, the U.S. has passively but, nonetheless, effectively aided and abetted Moscow's gambit to monopolize the Gulf and Levant. With only nominal opposition, Russia has managed to reestablish its traditional Cold War arms clientele and undermine American diplomatic efforts (and therefore American credibility). Through deepening military and WMD cooperation, Russia has succeeded in cementing Iran's anti-Western position, and Tehran has in turn further consolidated Moscow's hold on the Caspian states, decisively eclipsing American and European presence there. Likewise, appreciative of the benefits of the Kremlin's military and diplomatic support, states predisposed toward cooperation with Moscow (and neglected by the policies of the Clinton Administration), have begun to drift conclusively into Russia's orbit. Baghdad, despite its historic rivalry with Tehran, is also rapidly headed in this direction, especially given Washington's reinvigorated approach to containment. And – through its manipulation of Iraq and Iran – Moscow has managed to consolidate its control over much of the Gulf's energy and strengthen the two regional powers most opposed to U.S. policy.

Now, Russia stands poised to become no less than the preeminent power and guarantor of security in the region. Should it continue to diminish U.S. influence, Russia could succeed in creating an anti-American, anti-NATO regional grouping that would dramatically upset the regional balance of power and place Western interests and regional Western allies – like Turkey and Israel – in jeopardy. The Kremlin is confident it can accomplish this. So far, Washington has not done anything to make it think differently.

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