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**From Super Power to Great Power:
Russia's Unfulfilled Promise Towards the Gulf States**

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ABSTRACT

The Russian relationship with the Gulf States is very significant and been the main subject of this paper examination. This study is conducted by looking at the importance of the Gulf States to the Russian national interest. The main theme is that Russia has critical economic, security, and military interests in the Gulf region that need to be protected. The Russian relationship with the Gulf States is to a large degree, however, the result of a mutual necessity rather than strategic interests. Russia face difficulty on there relations with the Gulf States because it has applied similar dual policies to all of the Gulf States regardless of the differences between their national interests. That policy does, moreover, threaten Russia's credibility as a reliable strategic partner to individual states. Therefore, generally, inconsistent policy towards the Gulf States results in poor Russian influence over the region, thus preventing it from being a reliable strategic partner to the Gulf countries.

In this vein, lucrative arms deals, the Chechen issue, international terrorism, oil and gas production and prices, social, culture, and religion, membership in OPEC and the Islamic Conference Organization, are strong factors that influence Russian relations with the Gulf States. Accordingly, Russia has critical security, economic, and military interests with the Gulf States, and has to protect their interests in the region.

Introduction

The relationship between the Russian Federation and the Gulf States (which consist of Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates, and Yemen) must be considered an important and interesting topic of concern. The Gulf region countries occupy an important place in the politics of the Middle East. Despite the relative differences and weight of these countries, they are to a great extent, influential factors in the power struggle within the region.

During the Cold War, the Super Powers always regarded the Gulf States as important to maintaining stability and balance in the Middle East. Today, this is equally so for Russia in particular because it has critical interests in the Gulf region. Lucrative arms deals, Chechen issues, international terrorism, oil and gas production and prices, social, cultural, and religious factors, and the membership of OPEC and the Islamic Conference Organization are all strong factors that influence Russian relations with the Gulf States. Thus, Russia has vital security, economic, and military interests with these states that it wishes to preserve and enhance.

Further, the Gulf region countries are of vital importance to most of the global community because of their oil and gas resources. The Gulf region has 40% of the world's oil supplies and 60% of its oil reserves. The strategic geographical location of this region, the Straits of Hormuz and Bab al-Mandab, are the key to the oil transportation and are to be placed at the heart of Russian Federation foreign policy and that of the major consumer countries. Another fact is the state of instability in the Gulf region that makes it the largest arms market in the world, thus attracting Russia to take any possible advantages from arms contracts with the region's states. Additionally, the cultural and religious traditions, particularly with the Muslim societies in both parties, have been another numerous and critical factors that influence the Russian relations with the Gulf

States. Currently, there are about 20 million Russian Muslim who have strong ties with the Gulf States where the Muslims holy sites are located.

The main argument of this paper is that Russia has critical and strategic economic, security, and military interests in the Gulf region that need to be protected. The Russian relationship with the Gulf States is to a large degree, however, the result of a mutual necessity rather than strategic interests, due to Russia primarily focusing on its relations with Western countries. Russia has applied similar dual policy strategies to all of the Gulf States regardless of the inconsistency of their national interests. Dealing with so many different states in this manner does, moreover, threaten Russia's credibility as a reliable strategic partner to individual states. Therefore, generally, inconsistent policy towards the Gulf States results in poor Russian influence over the region, thus preventing it from being a reliable strategic partner to the Gulf countries.

This study employs a holistic methodology in which all relevant factors are brought into the analysis in order to assess Russian foreign policy towards the Gulf States. Therefore, understanding the social, historical, economic, and political factors is important in appreciating why Russian foreign policy has taken a particular course. The main feature of this methodology is its ability to explain, rather than to predict, the variables under study.

To achieve its objectives, this study is divided into subsections. In the first section, a historical background is given in order to provide a broad picture of the Soviet Union's foreign policy towards the Gulf States during the Cold War era, and how it was not successful maximizing Soviet Union influence with respect to the Gulf region's states. The second section addresses the main Russian foreign policy objective towards the Gulf region since 1991. The Gulf States' relations with Russia are the central topic of each of the following sections, in alphabetical order. These sections will look at Russia's efforts

to improve its relations with the Gulf States and will examine the main objectives and obstacles with each of them. It will become plain that though there are some success stories in particular cases, the general prognosis of Russian relations with the region is problematic at best.

Historical Background:

The debates on Soviet foreign policy and, more generally, on the Soviet self-image itself, were always about Moscow's place in relation to Western powers. The main objective of this section is to give a historical background about the Soviet Union's foreign policy during the Cold War period and reveal how it was not successful in implementing Soviet policy and maximizing influence in the Gulf region. The premise of this section is that the Soviets were unable to formulate a coherent Gulf region foreign policy that possessed the elements necessary to gain influence and political access to the region.

The first part of this section looks at the historical relationship between the Soviets and the Gulf region's countries prior to Gorbachev's assumption of power. It will become evident that the Soviet Union's foreign policy tactics and strategies were unsuccessful in increasing Moscow's influence in the region to achieve its objectives of security and effective presence. This period, covering approximately sixty years, will be discussed in a loosely sequential fashion in time. An examination of the effects of Gorbachev's new thinking on improving the Soviet Union's image in the Gulf countries will reveal a measure of improvement in Soviet foreign policy in the Gulf States since 1985, in particular, Moscow's role during the first Gulf War which took place in 1990-1991.

Finally, this section will conclude with an explanation of the shift in the nature of the relationship between the former Soviet Union and the Gulf States. That shift was due to many reasons, among them the ideological factor between Islam and communism, the Soviet invasion of Afghanistan in 1979, the Islamic Revolution in Iraq, and the presence of the Western influence in the Gulf region.

The Former Soviet Union and the Gulf States

The Soviet Union's foreign policy towards the Gulf States is best understood within the general framework of Soviet policy in the Middle East, and as a function of Moscow's perception of opportunities and risks in the region as a whole. The priorities of Soviet leadership towards the area, be it those of Stalin, Malenkov, Khrushchev, or Brezhnev, mainly concentrated on exploiting opportunities to decrease Western influence on the one side, and to defend or protect the Soviet Union from the south on the other.¹

Ideologically, there was a wide gap between the conservative Islamic tradition of the Gulf States and the communist Soviet Union. In fact, Saudi Arabia, as a major Islamic country, represented the most conservative vision of Islam in the whole Peninsula. The communist ideology stood in complete contrast to the Islamic tradition and therefore Saudi Arabia, as the most powerful among the Gulf countries, was the most forceful opponent of the Soviet Union, not only in the Gulf but also in the Arab and Islamic worlds.

Nonetheless, the Soviet Union approached foreign policy in the region under Stalin's two-camp theory of communist and capitalist states.² The first track was that of the Communist Party, which was active in supporting national liberation movements. As

¹Oksana Antonenko, "Russia's Military Involvement in the Middle East," *Middle East Review of International Affairs Journal*, vol 5, no 1 (March 2001); available from http://www.ciaonet.org/o1j/meria/meria01_ano01.htm1; Internet; accessed 10 December 2004.

²Mike Bowker, *Russian Foreign Policy and the End of the Cold War* (England: Dartmouth, 1997), 106-110.

the doctrine of the Communist Party indicated, the only way to deal with capitalist states was to work towards their defeat by supporting its opposition groups. Thus, most of the Gulf States were pro-Western. This ideologically-based foreign policy barred co-operation with any but socialist regimes and Marxist forces, and Saudi Arabia-Russian relationships were therefore undermined. The second track was the inter-state track. In the case of the Gulf region, this track followed a policy of encouraging the establishment of local pacts (as a substitute for military alliances), with regional states assuming greater responsibilities. A positive by-product of this was the Soviet Union's policy of less expenditure on arms, the dismantling of foreign bases, alliances, the conclusion of agreements on non-aggression, and respect for sovereignty among the Gulf States.³ On the negative side, the Soviet Union's support for bilateral co-operation among regional states was highly selective. They had a very good military and economic relationship with Iraq, and supported Iraq in its war with Iran, whereas, that support in Iraq was criticized by Iran and Saudi Arabia.⁴

However, Iran's importance to the Soviet Union changed throughout the pre-Gorbachev period. The strategic importance of Iran to Russia increased during the Second World War, given Iran's location along the Soviet's main logistics sustainment route. The Allies occupied Iran from mid-1941 to March 2, 1946, because of their geographical location. Although the Iranian government became increasingly concerned with the Soviet Union's occupation, Stalin tried (unsuccessfully) to increase his influence over Iran against a possible Anglo-American expansion in the country by supporting the Iranian opposition groups and parties such as the Tudeh (Masses) Party, which played an important role in the Iranian Oil Crisis during the 1950s. The Soviets considered the

³Shahram Chubin, *Soviet Policy towards Iran and the Persian Gulf* (London: International Institute for Strategic Studies, 1980), 15-18.

⁴Nader Entessar, "Superpowers and Persian Gulf Security: the Iranian Perspective," *Third World Quarterly* (October 1988): 1430-1431.

northern part of Iran as their sphere of interest, and thus, the Soviets supported anti-Iranian disturbances in Azerbaijan and Kurdistan, which ultimately led to the establishment of the ‘independent’ Republic of Azerbaijani. The Soviet – Iranian dispute was resolved in November 1943 at the Tehran Conference attended by Roosevelt of the United States, Churchill of Great Britain, and Stalin of the Soviet Union.⁵ In March 1946, the Soviets agreed to withdraw their troops from Iran, and since then, the influence of Great Britain and the US had increased until 1979, when the Islamic Revolution in Iran occurred.

The rise of the Gulf States’ strategic importance after Second World War has its roots from as early as the 1930s, therefore a summary of political economic relationships in this period of burgeoning oil development is warranted. Standard Oil of California struck oil in Bahrain in 1932, which resulted in the acquisition of sixty years’ of exploration and production rights over a large part of Saudi Arabia. The company joined with Texaco, Exxon, and Mobil to form the Arabian American Oil Company (ARAMCO), with Saudi oil production commencing in 1937. When oil was discovered in Kuwait in 1938, it was shared on a 50-50 basis between BP and Gulf.⁶ At the same time, Iranian oil became vital to the Western economic interest. Since 1918, Iran was the most important area for competition between Great Britain, the Soviet Union, and Turkey over the control of its oil fields. In 1946, while the Soviet Union was attempting to form a Soviet-Iranian oil company, British and American influence in the region thwarted Soviet plans. Iran then established a five-year oil program with the goal of Iran developing its

⁵Eamayzine.com, “World History Since 1500: Iran in the 20th Century,” <http://www.emayzine.com/lectures/Iran20Century.html>; accessed 10 December 2004.

⁶Robert Parelsky, “The Collapse of the Soviet Union and its Impacts to the Gulf Security,” report prepared to the Emirates Centre for Strategic Studies and Research, 1998. 140-141.

own oil resources (that, in fact, was the beginning of the Iranian Oil Crisis).⁷ With respect to Russian and Iranian co-operation in Caspian Sea oil, there were two main agreements. The first agreement was signed in 1921, and the second was signed in 1940,⁸ in addition to a 1942 agreement between Iran, Great Britain, and the Soviet Union, in which Anglo-Soviet respect for Iranian territorial integrity was guaranteed.

Thus, the interests of the Western powers in the Gulf States manifested themselves through seven multi-national Western oil companies known as the ‘Seven Sisters.’ They were very influential in defining the way in which oil exploration and production began in the region. Their shared power arose from their ability to control:⁹

1. the necessary drilling and production technology;
2. the transportation facilities to distribute oil products around the world;
3. the refining capacity to add value to their oil products; and
4. the mechanisms to market oil products to Western consumers.

Against this capitalist mode of production, the Soviets in the 1950s were not able to find any friends among the Gulf States. Instead, they pursued a policy of co-operation with anti-imperialist governments to reduce the domination of the Western powers in the region. Therefore, Egypt, Iraq, Syria, and former South Yemen were the countries in which the Soviets started to have some influence through armament supplies and their backing of the socialist development strategy.¹⁰

During this period, the Soviet Union’s interests in the region were not restricted to the Gulf States. Initially, the Soviet Union significantly assisted the defence of the new Jewish state. On May 18, 1948, the Soviets were the first to accord Israel recognition, just three days after the declaration of the state’s founding. On the practical side, the Soviet

⁷*Ibid.*, 142.

⁸Irina Paliashvili, “Caspian Basin Delimitation and Joint Development,” available from <http://www.rulg.com/documents/Presentation%20Legal%20Status%20Caspian.doc> ; Internet; accessed 10 December 2004.

⁹Allan Findlay, *The Arab World* (London and New York: Routledge, 1994), 73-77.

¹⁰Chubin, *Soviet Policy towards Iran and the Persian Gulf...*, 13.

Union permitted the emigration of some 200,000 Eastern European Jews, not only within the framework of settling displaced persons, but even to the point of permitting Jewish groups to organise the preparations of prospective emigrants, including military training in Eastern Europe.¹¹

Although the period of Soviet assistance to Israel was short-

antagonising its rival.¹³ Although the Soviet Union tried to be careful in balancing and maintaining their foreign policy towards their friends, they failed to take the initiative in protecting their national interests abroad.

As the previous analysis suggests, Soviet diplomacy was hampered by the lack of historical ties with many of the Gulf States. In the era of paramount British power, there were no Soviet diplomatic relations in the region except with Iraq and Iran. After the British withdrawal from the Gulf, only Kuwait established diplomatic relations with Moscow in 1963, mainly as a result of its fear of an Iraqi invasion following Kuwait's gaining of independence in 1961. Soviet policy was further constrained by the essential conservatism of most of the Gulf States and their refusal to establish ties with an 'infidel' communist state, the exception being the case of Iraq and the former People's Democratic Republic of Yemen (PDRY), which were both politically isolated from the mainstream of Arab politics and therefore ill-suited as launching points for Soviet influence.¹⁴

However, over the course of the 1970s and 1980s, a number of factors contributed to enhance Soviet influence in countries such as Egypt, Yemen, and Iraq. Among these factors were, the general collapse of the imperialist rule in the area, the retreat of Britain, the limited American interest, and the rise of Third World neutralist philosophy. Before the Soviet invasion of Afghanistan in 1979, it seemed that the Soviet Union had not been traditionally regarded as an imperialist power among the people of the Middle East, nor did Moscow make political demands. In fact, it offered the socialist model of economic development as a contrast to the seemingly capitalist and imperialist model offered by other Western nations. For revolutionary and centralist regimes in the Arab world this was of great assistance. Nevertheless, while socialism was a slogan for many military

¹³Ismael S. Muqalid, *The Gulf Security and the Challenges of International Conflict: a Study of International Politics in the Gulf since the 1970s* (Kuwait: Al-Rabyaan Press, 1984), 209.

¹⁴Bowker, *Russian Foreign Policy and the End of the Cold War...*, 109.

regimes, it was not so for the conservative and rich Gulf States that preferred to stand more in harmony with the capitalist mode of development. In this respect, the Soviet Union identified distinctions between the Gulf States. Saudi Arabia, Qatar, and the United Arab Emirates (UAE) were seen as patriarchal feudal regimes, while Bahrain and Kuwait were rated higher in the capitalist stage since they already had a proletariat and incipient class conflict.¹⁵ That over all assessment for the Gulf States was very helpful to the Soviet Union in looking for new approaches to gain access to the region.

In their drive to reduce the dominance of foreign oil companies in the region, the Soviets encouraged the nationalisation of oil companies during the 1970s, although this policy backfired for three reasons, causing a shift in Russian strategy. First, the promotion of oil company nationalisation contributed nothing towards the goal of increasing Soviet military presence in the region (the Soviet Union did not import oil and therefore the economic benefit it might possibly derive from consuming the Gulf oil was very limited)¹⁶. Secondly, nationalisation helped the Gulf States become more wealthy and independent economically and politically, which further increased their shift away from the Soviet Union. Lastly, nationalisation had the reverse effect of increasing American interest and drive to secure oil supplies from the region, which, in turn, fuelled American determination in driving the Soviet Union out of the Gulf region in order to safeguard its own strategic and economic interests. The failure of Soviet efforts to promote the nationalisation ideology as a mechanism to increase their influence in the region led them to switch their attention to supporting national liberation movements in the Arabian Peninsula, and the only exceptional success for that was the Soviet support to the

¹⁵Chubin, *Soviet Policy towards Iran and the Persian Gulf...*, 22.

¹⁶*Ibid.*, 1.

rebellion in Dhofar against the Sultan of Oman.¹⁷ From the Soviet point of view, Dhofar's rebellion during the 1970s was an anti-imperialist national liberation movement, enjoying the support of the masses, and therefore fully deserving of assistance.¹⁸

In comparison with the West and the US in particular, the Soviet influence on the Gulf States was circumscribed by Western diplomatic advantage and by limited commercial or military roles. In addition to that, the Soviet invasion of Afghanistan in 1979 led the Gulf States to become more anti-Soviet which increased the gap between them due to the fear of an imperialist communism threat to the Islamic world. Therefore, the Soviets found themselves even more isolated in this region. That fear led the Arab and Islamic countries to encourage the support for the Islamic 'Mujahedeen' in Afghanistan. That support was stronger in the minds of the governments and peoples of the Gulf States, and one of the main reasons for the Soviet Union withdrawal from Afghanistan in 1989.¹⁹ Yet, the Iranian Revolution in the same year allowed the Soviets to capitalise on Saudi Arabia's anxiety, with the result that the Soviet Union managed to conclude an agreement allowing it the use of Saudi airspace for its 'Aeroflot' civil aircraft, in principle, but in practice, for its transport and surveillance aircraft, as well. A mixture of unsuccessful offensive policy (military presence and hostile radio propaganda) and reassurance was designed to gain changes in foreign policy in these States.

The revolution against the pro-Western Shah of Iran also weakened the reliance of the Gulf regimes on the US, as the latter had been seen to fail in standing up for one of its

¹⁷Stephen A. Cheney, "The Insurgency In Oman 1962-1976," (April 1984); available from <http://www.globalsecurity.org/military/library/report/1984/CSA.htm>; Internet; accessed 10 December 2004.

¹⁸Abdulqader M. Fahmi, "The Soviet Union and the Arabian Gulf," *Al-Manaar*, No. 5 (May 1985): 227.

¹⁹Bowker, *Russian Foreign Policy and the End of the Cold War...*, 129-143.

most important allies.²⁰ Thus, the failure of both Super Powers' policies towards the Gulf region and the ambiguity about their reliability increased the instability in the region, particularly after the Soviet invasion of Afghanistan in 1979, the Islamic revolution in Iran in 1979, and the outbreak of the Iran-Iraq War in 1980. The rest of the Gulf States undertook regional security arrangements to defend themselves by establishing the Gulf Co-operation Council in 1981. As part of the game between the two Super Powers, the US succeeded in taking the advantage of these critical events in the region, which led, as a result, to close ties between the Gulf States and the US. That new phase of close relations were in contrast to the Soviet foreign policy's main objectives in the region: the elimination of military bases and the guaranteed freedom of shipping in the Gulf and the Strait of Hormuz.²¹

Nonetheless, some Gulf States rejected American military co-operation in 1982. The Lebanese civil war affected regional relations as well, and American prestige declined significantly in the Gulf States. The Soviets, instead, may have perceived an opportunity for improving their position in the region. Indeed, the UAE, for the first time, had begun to consider Soviet offers for at least commercial relations. In addition, Soviet-Saudi relations were once again showing signs of thaw, as Moscow supported the peace plan offered by King Fahad to settle the Israel-Arab conflict. Also, talks for the opening of Soviet-Omani relations were begun in 1983. Thus, it could be said that the inter-state relationship between the Soviet Union and some of the Gulf States, and the search for the national interests of both parties, put them on a new track for a relationship that had never existed before.

²⁰Mohammed A. Adrees, "Soviet/Russian Perspectives of the Regional Security of the Gulf," *Al-Khaleej Newspaper*, No.7020, 8 August 1998, 10.

²¹*Ibid.*, 10.

Gorbachev's Relations with the Gulf States

Building on the improvements noted above, Soviet foreign policy in general witnessed critical changes after the arrival of Mikhail Sergeyevich Gorbachev as a new leader in 1985. His new political thinking resulted in one of the most dramatic programmes of domestic restructuring - Perestroika. From Gorbachev's perspective, the reduction in international tensions and the resolution of regional conflicts was a prerequisite for the successful implementation of his reform programme. The first task for Moscow was to work towards a speedy end to the Iran-Iraq War since this could not only serve the Soviet Union's foreign policy interest but also domestic needs. Iran's intense anti-American feeling, once so welcomed and encouraged by the Soviets, was now labelled, by top Soviet specialists like Yevgeny Primakov, as an extreme form of xenophobia which rejected not only everything Western, but Marxist as well. Also, the US-Soviet co-operation during the Gorbachev era led to fundamental changes in Soviet foreign policy towards the Gulf region. Gennadi Gerasimov, Head of the Soviet Ministry of Foreign Affairs Information Department, said in 1987 about their new US relationship and approach to the Gulf region:

We now have something that we have not had for a very long time, a Soviet-American dialogue, not just on disarmament, but on all the issues. This includes regional conflicts. There are many problems made more difficult by our rivalry that we can solve together.²²

Although there were positive improvements in the Soviet Union's relations with the Gulf States, Moscow could not invest in them wisely. Despite their continued efforts to establish diplomatic relations with Saudi Arabia, the ideological gap between communism and Islam was still relevant. Other reasons for that failure were the Soviet's continued occupation of Afghanistan, as well as the Saudi decision to sharply increase oil

²²Mohiaddin Mesbahi, *Russia and the Third World in the post-Soviet era* (Gainesville, FL: University Press of Florida, 1994), 179.

production in 1985 which had the effect of forcing down global oil prices, that also affected the Soviet Union negatively as they depended on oil exports to gain hard currency. This decline in oil prices brought about a reduction in Soviet oil production and exports that led to severe economic hardship on the Soviet side.

In other Gulf States, however, the Soviet Union made gains, as both Oman in September, and the UAE in November of 1985, established diplomatic relations with them.²³ The main factor for this shift was the escalation of the Iran-Iraq War. Relations with Moscow were seen as a deterrent to a possible Iranian attack on these countries as a result of their stand with Iraq. For Oman, relations with Moscow were important to assure the other members of the Gulf States that the American-Oman defence ties did not deny Oman its full freedom of action. Moscow itself perceived such developments with the Gulf countries as a demonstration of the Soviet Union's mounting international prestige under Gorbachev.²⁴ In addition, Russia sensed that the Gulf States were attempting to pursue an independent policy according to their own genuine interests.²⁵

During 1987, it became clear that Moscow was backing Iraq in its war with Iran, which continued until June 1987, when Iraq started to attack the oil tankers in the Gulf. The protection procedures taken by the US to re-flag Kuwaiti tankers encouraged Moscow in seeking cooperation with Kuwait and Iran in order to gain more access to the region. But Moscow failed to balance its policy towards Iran and the rest of the Gulf States particularly when it sought to exploit the furor in Arab countries caused by the Iran-Contra scandal, and by taking an increasingly public anti-Iranian stance. Additionally, the Iran-Contra scandal put the US on the diplomatic defensive in the

²³Carol Saivetz, *The Soviet Union and the Gulf in the 1980s*, (London: Westview Press, 1989), 82-90.

²⁴*Ibid.*, 85.

²⁵Chubin, *Soviet Policy towards Iran and the Persian Gulf...*, 16.

Middle East as many Arab States, which had looked to it for protection against Iran, became bewildered at the 'arms for hostages' diplomacy of the US. This created something of a vacuum in Middle East diplomacy. As a result, Moscow agreed to a Kuwaiti request to charter three of its ships to reduce the danger of Iranian attacks.²⁶ Thus, it was clear that the Soviet Union strived to maintain balanced relations with the Gulf States.

Soviet-Gulf States relationships continued to deepen. In 1989, the Soviets established formal diplomatic relations with Qatar and gained a significant improvement in relations with Kuwait through re-flagging her oil tankers, as well as establishing contacts with Bahrain and Saudi Arabia. During 1988, Moscow consulted Saudi Arabia in the negotiations about the Soviet withdrawal from Afghanistan. It was felt that the so-called improved relations between some of the Gulf States and the Soviet Union were the result of new Soviet foreign policies under Gorbachev's leadership, and the need to improve the coordination with the oil-rich states about the oil and gas production and prices. The economic interests of the Soviets were huge and they were keen on establishing such gateways for help, particularly after the resumption of the Soviet-Saudi diplomatic relations in 1989.²⁷

Soviet Union's Policy Towards the Iraqi Invasion of Kuwait in 1990

There is no doubt that the Iraqi invasion of Kuwait in August 2, 1990 coincided with the peak of the intra-Soviet Union crisis that resulted in the collapse of the whole country. That very weak status reflected negatively on Soviet foreign policy and its contribution to Kuwait's liberation in 1991. Thus, the need to take into consideration the radical domestic changes of the Soviet Union in the late 1980s is inevitable when we try

²⁶Saivetz, *The Soviet Union and the Gulf in the 1980s...*, 90-96.

²⁷Graham E. Fuller, "Moscow and the Gulf War," *Foreign Affairs*, vol. 70, no. 3 (Summer 1991): 69.

to examine the Soviet Union's position towards the Iraqi invasion of Kuwait, and to arrive at a fair assessment of Soviet foreign policy during the Gorbachev era.

Moscow did sustain its general commitment to all United Nations resolutions on Iraq, but it opposed the use of a military force to liberate Kuwait from Iraqi control in UN Resolution No 678 in November 29, 1990.²⁸ By adopting this policy, the Soviet Union sought to find an alternative peaceful solution to the crisis, with respect to the use of military force as a last resort. However, the Soviets were in a great dilemma during the Second Gulf War and they lost the initiative as a Super Power to play a crucial role in this crisis. This is due to the fact that while the Soviet Union sought a peaceful solution to the crisis, it nevertheless refused to withdraw Soviet experts from Iraq before they completed their tasks, which meant, in reality, the Soviet Union did not have anything to offer. Similarly, the Soviet Foreign Minister, Eduard Shevardnadze, stated that Moscow was ready to support the Gulf forces under the umbrella of the UN in November 1990. Yet Moscow did not participate in the military coalition under the leadership of the US to defeat Iraq. Gorbachev asserted that there was no need to send Soviet troops to the region and that the forces stationed in the Gulf were more than sufficient. He also insisted that the Soviet Union gave its assurances that it would continue to play its role until the end of the crisis in the Gulf. With regard to claims linking the Gulf crisis to other struggles in the Middle East, the Russian Foreign Minister gave his assurances that his country did not recognise any link between the Gulf crisis and other disputes in the Middle East.

When peaceful efforts failed, Shevardnadze declared in November 1990, that the Soviet Union agreed to military operations to liberate Kuwait, since the peaceful efforts made by the UN had failed to produce a resolution of the situation. The two major Super Powers, for the first time since the Second World War, were working together under the

²⁸*Ibid.*, 70.

umbrella of the UN. In fact, there was no disagreement amongst the member States of the UN about the means of solving the problem. The legal decisions of the UN, especially those of the Security Council, governed the military forces in the Gulf in taking all steps towards achieving the required political settlement in the Gulf region.²⁹

As was mentioned earlier, the Soviet Union was initially committed to finding a political solution to the Gulf crisis, refusing the military option. They were also committed to working in line with the decisions of the UN and the coalition members. In following this course, the Soviet Union was driven by the necessity of making mutual efforts with the US via the UN Security Council and, at the same time, allowing Iraq to reconsider its position and comply with the political solution. In other words, the Soviet Union attempted to do what was possible to prevent war being launched near its territories, and to not allow any action that could harm its national security, although the Soviet Union agreed in the end to allow events to take their course. After being pressured by the US, it is certain that Gorbachev was satisfied in playing a limited part in the region, and given that his country was no longer able to perform as a Super Power.³⁰ The new conditions rendered the balance of security in the Gulf a matter that necessitated reconsideration from all sides involved in it, including the Soviet Union, in the light of the second Gulf crisis.

In considering the course of the Soviet Union's foreign policy towards the Gulf States, several conclusions can be drawn. First, it seems clear that until the arrival of Gorbachev in 1985, the Soviet Union had faced rejection from the conservative, anti-communist, and Islamic Gulf States, particularly from Saudi Arabia, with only one exception. That was their support to South Yemen and the Dhofar rebellions in Oman. As

²⁹Nabeel Zaki, "The Soviets Attitude towards the Gulf Crisis," *The Future of the Islamic World*, no.2 (spring 1991): 170.

³⁰Al-Ahram Centre of Strategic Studies, *The Arabic Strategic Report 1990* (Cairo: Al-Ahram press, 1990), 109.

a result, the Gulf States were effectively insulated from the Soviet influence with the exception of Iraq, South Yemen, and Oman. The main approach adopted by the Soviet Union was to avoid precipitate actions that could provoke an unfavourable Western response and they also seemed to continue in maintaining balanced relations with all the Gulf States. Among the Gulf countries, only Kuwait had established diplomatic relations with Moscow in 1963 and, as noted, the underlying purpose of this Kuwaiti move was to avoid any potential invasion from Iraq following its declaration of independence.

Second, the Soviet Union relied on Iraq and the former South Yemen to achieve some presence in the region. However, these two countries were isolated politically and therefore were ineffective in helping the Soviet Union expand their influence in the region.

Third, although initially supporting the emerging Israel state, the Soviet Union quickly resorted to a policy of supporting the Arabs' cause in their conflict with Israel. However, the Soviets were unsuccessful in shifting the strong relationship between the Gulf States and the Western powers under the leadership of the US. This was because of economic, commercial, technological, and armament relationships between regional and Western states strengthening the Western presence in the region. As the Soviet Union was not a major importer of Gulf oil, Moscow tried, unsuccessfully, to coordinate the oil production and prices with the Gulf States, thus, they did not have any strong influence over the Gulf States' policies. Nonetheless, the Soviet Union's encouragement of Third World countries, in general, to nationalise their resources and remove them from Western domination, did succeed in weakening the influence of the Western powers over major decisions. The oil crisis of 1973 was one reflection of this. The Arabs, including the Gulf oil States, boycotted the West and in particular the US, Germany, and Holland in oil exports.

Finally, the Soviet Union achieved limited gains in the Gulf following the Iranian Revolution of 1979, as the Gulf rulers started to examine US credibility in the region. This led to the opening of new channels between Moscow and some of the Gulf States such as the UAE and Oman. With the arrival of Gorbachev in 1985, the ‘new policy thinking’ led to co-operation between the US and the Soviet Union. This had implications for the Soviet Union’s policy towards the Israel-Arab conflict and the search for peace. In addition, it resulted in Moscow’s stand with the allies against the Iraqi occupation of Kuwait in 1991.

Russia-Gulf States Relation Since 1991

After the collapse of the Soviet Union, the Russian Federation began to reform its identity and position within the international community. The Russian leadership since 1991 has had to handle the internal institutional, economic, security, and political problems in a different manner than the Soviet Union had done. During the Soviet era, the centralized government power exercised tight control over the state, which was directly reflected in its foreign policy. Thus, there were no ideological gaps between the government’s institutions and the individuals in charge of them. Therefore, there was a lack of popular participation in the decision-making process in addition to the absence of a democratic presence; political parties, special interest groups, individuals, and non-government organisations had no influence on foreign policy.³¹ The interaction between the State’s national interests and the implementation of its foreign policy priorities and objectives is relevant though. Defining that interaction by Russian policy makers is made even more difficult due to the fact that Moscow was in the midst of a wholesale political, social, cultural, and economic transformation. The redefinition of what constituted

³¹Peter Shearman, *Russian Foreign Policy since 1990* (Boulder, San Francisco, Oxford: Westview Press, 1995), 1.

Russia's national interests had a powerful impact on the understanding and evolution of Russian foreign policy towards the Gulf Region States.

After 1991, Russia went from total control over all foreign policy content by a few too many individuals and interest groups creating policy that served their own interests. The government of the Russian Federation granted recognition to most of the political parties and special interest groups, who in turn had critical strategic influence on its foreign policy, particularly towards the Gulf region. After the collapse of the Soviet Union, Russia inherited a mixture of problematic situation that threatened its regional and international relations. Thus, the Kremlin had to handle an accumulation of internal and external historical problems facing the country. Hence, the post 1991 period was the hardest for Russia to deal with given their lack of experience with new freedoms and limited knowledge of how to handle emerging issues without resorting to authoritarian rule. Although Russia started to have the basic political and economic institutions, it nevertheless lacked adequate means of controlling and co-ordinating them. All of these factors influenced Russian policy-makers to adopt a very immature foreign policy that contributed to the appearance of weakness in the eyes of other nations and the Gulf States in particular.

Therefore, Russian government took the initiative to promote its national interests in the Gulf region by taking advantage of its anti-Iraqi position in the 1990-1991 Gulf crisis. Moscow never completely abandoned its interests and presence in the region, and by the end of Kuwait's liberation, Moscow's diplomatic and economic efforts started to intensify. Thus, Russia tried to maintain its political role and its presence as a great nation willing to secure its power and influence in the region.³² In fact, Russian relations with

³² Andrej Kreutz, "The Geopolitics of Post-Soviet Russia and the Middle East," *Arab Studies Quarterly*, vol. 24, Iss. 1 (Winter 2002); available from http://www.findarticles.com/p/articles/mi_m2501/is_1_24/ai_93458168; Internet; accessed 21 October 2004.

the Gulf States would soon resume, albeit in different forms and directions, due to historical traditions and many Russian interests in the broader Middle Eastern region as a whole, and the Gulf region in particular.³³

The Russian Federation tried to appear as a democratic State, thus their national interest had to focus on strengthening the image of the Russian identity in the outside world. At the beginning of 1992, the Russian Foreign Minister, Andrei Kozyrev, wrote, “Russia’s main foreign priority is relations with our partners in the Commonwealth of Independent States... No doubt Russia will not cease to be a great power but it will be a normal great power. Its national interests will be a priority, but these will be interests understandable to democratic countries, and Russia will be defending them through interaction with partners, not through confrontation.”³⁴ Russia’s national interest was determined in large part by the necessity to deal with the severe economic needs of the State. Therefore, the foreign policy focused mainly on wealthy States in an attempt to gain economic interests, and to facilitate Russia’s integration into the global market. Thus, Russia started to approach the Gulf States and consolidate its diplomatic, military, and economic relations with them in order to gain access to the Gulf markets. Russia applied similar strategies to all the Gulf States regardless of the inconsistency of their national interests. Dealing with so many different States does, however, threaten Russia’s credibility as a reliable strategic partner to individual States. Other factors also threaten Russia’s credibility as a strategic partner. Russia effectively has internal domestic competitions between various organizations, such as the Foreign Ministry, the Defence

³³Robert O. Freedman, “Russian Policy Towards the Middle East: the Yeltsin Legacy and the Putin Challenge,” *The Middle East Journal* Vol. 55, Iss. 1 (Winter 2001); available from <http://proquest.umi.com/pqdweb?index=5&did=68431481&SrchMode=1&sid=1&Fmt=3&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1113966352&clientId=1711>; Internet; accessed 21 October 2004.

³⁴Andrei Kozyrev, “Russia: a Chance for Survival,” *Foreign Affairs*, vol. 71, no. 2 (1992): 1-25.

Ministry, Russian oil and gas companies, and the arms exporting agencies, all of which have direct interests in arms export. Additionally, the decline in the quality of Russian equipment and support services, and their dual policy with most of the Gulf States, further degrade their credibility.³⁵

When Vladimir Putin assumed the Russian leadership in 2000, he took on the considerable above-mentioned obstacles facing Russia in its relations with the Gulf States. Additionally, Former President Yeltsin had lost the control over the countries, thus, the internal interaction amongst the political economic powers reflected negatively on Russia's position in the world. Since his arrival to the Kremlin, Putin, significantly, has tried to reform and regain government control and influence over the whole country. He replaced most of the critical ministers and powerful leaders who, as oligarchs, served their own personal interests at the expense of Russian national interests. The new ministers and leaders were more qualified, professional, and loyal to their country. By doing so, Putin eliminated the unbridled elite political influence on the Russian policy making process, placing a great deal of emphasis on the role of the central government members in improving Russian national interests.³⁶

Russia's main security concerns today are Chechnya, the North Caucasus, and some parts of Povalzhya. These three areas are critical and could threaten Russia's security and integrity. Thus, Russia needs to control any potential interference by the Gulf States in its internal affairs. The Russians are also very concerned about the Western control over the Gulf region, particularly after September 11, when it became more important to the West because most of the attackers were from the Gulf. Russia was very careful, restrained, and cautious in its dealing with the terrorism issue in order to maintain

³⁵Antonenko, *Russia's Military Involvement in the Middle East...*

³⁶Robert O. Freedman, "Putin and the Middle East," *Demokratizatsiya*, Vol. 10, Iss. 4. (Fall 2002); available from http://iicas.org/english/Krsten_11_06_02.htm; Internet; accessed 21 October 2004.

its relations with the Islamic world in general, and the Gulf States in particular. According to President Putin, the evil of terrorism must be punished, but any strikes against it must be carried out within the limits of international law, and after a full international consultation, which includes Russia. Although Putin promised that Russia is ready for comprehensive cooperation with the US, he nevertheless stressed that Russian military participation beyond the borders of the country would be possible only after approval by the Federation Council and the UN Security Council. Russia does not intend to fight a two front war, preferring to concentrate its efforts on Chechnya.³⁷ In addition to that, Russia is deeply concerned about the potential growth of American presence and influence to the south of their borders, especially in the Near Abroad territories of the Caucasus and Central Asia.³⁸ This is possibly one of the most important reasons for their continuous support of Iran and Iraq. However, Russia's relationship with the Gulf States was limited because Russia's first priority is in keeping good relations with the West, especially with the US.

The growing importance of economic interest is the key to Russian relations with the Gulf Region. During the Cold War era, the Soviet Union was a major arms supplier to the Arab States of the region. As late as 1988, the Soviet Union supplied the Middle East with over \$14.5 billion worth of arms. Although profitable, the Soviet Union's motivation was mainly political and ideological, not commercial. Conversely, post Communist Russia was looking instead for profit, but not only for economic security reasons. Russia also wanted to preserve as much as possible, its control over the Caspian Sea oil and its transportation routes to the West.³⁹

³⁷Kreutz, *The Geopolitics of Post-Soviet Russia and the Middle East...*

³⁸Freedman, *Putin and the Middle East...*

³⁹Andrej Kreutz, "Post-Communist eastern Europe and the Middle East: the Burden of History and new Political realities," *Arab Studies Quarterly* Vol. 21, Iss. 2 (Spring 1999); available from

Russia looked for cooperation with the Arab oil producing countries that are geographically close to the area, and that have already acquired considerable exchange of experience with the Gulf States in dealing with mutual economic and political problems.⁴⁰ Russia also needed to find customers for its industry, among those countries, that are relatively rich. Efforts in this direction were seen as being more urgent, since previous hopes for integration into the Western-developed economy are generally now considered to have been unsuccessful.⁴¹

The social, cultural, and religious factors are strong in influencing Russian relations with the Gulf States. The cultural and religious traditions, particularly with the Muslim societies in both parties, have been one of the most numerous and active factors. Currently, about 15% of the Russian population (about 20 million people) are Muslim, and they have strong ties with the Gulf States, where the Muslims' holy places are located. Despite the increase in anti-Muslim feelings since the war in Chechnya, the waves of terrorist attacks in Moscow and other cities and the war against terror, the Russian Government has managed to handle these issues carefully, thus avoiding any effects on national security interests. Economic factors dictate that Russia keep all its channels open with the Gulf States, as the Gulf markets are indispensable and a major source of income. The importance of the region to Russia's economy ensures that Moscow poses no threat to the region's stability, as they have neither the power nor the will for that.

http://www.findarticles.com/p/articles/mi_m2501/is_2_21/ai_55683884/pg_4; Internet; accessed 21 October 2004.

⁴⁰Mark N. Katz, "Saudi-Russian Relations in the Putin Era," *The Middle East Journal*, Vol. 55, Iss.4 (Autumn 2001); available from <http://proquest.umi.com/pqdweb?index=0&did=88074169&SrchMode=1&sid=2&Fmt=3&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1113968643&clientId=1711>; Internet; accessed 21 October 2004.

⁴¹Katz, *Saudi-Russian Relations in the Putin Era...*

Russia has critical security, economic, and military interests with the Gulf States, and they are very keen to maintain their relations with these countries. The internal domestic competition between various Russian organizations, the decline in the quality of their equipment and support services, and their dual policy with the Gulf States are the main sources threatening Russian credibility and reliability among the Gulf States. Putin strives to control the government institutions in order to enhance the Russian influence in the Gulf region. The following sections will make further examination as to how the above factors influence the Russian relations with each of the Gulf States.

Russia-Bahrain Relations

Russia has good political relationship with the Kingdom of Bahrain since 1991 and they have less economic and trade cooperation. The most significant areas of trade have been Russian participation in the Dolphin project and to a lesser extent, cooperation on consumer products and other services and supplies. Although Russia has not benefitted too much from this tiny country, it is very keen to maintain a good relationship with Bahrain due to its importance as a member of the Gulf Cooperation Council (GCC) and OPEC, which is of vital Russian national interest in the region. Bahrain, as an oil producing Gulf country, interacts with Russia indirectly over oil prices through OPEC. Russia tries to maintain these trade and economic collaborations collectively in a way that meet Russia's foreign policy and economic interests with Bahrain.⁴²

The situation in Bahrain did not help Russia to develop relations with them due to the previously mentioned factors, as well as the strong presence of US forces, and influence, in Manamah. Meanwhile, Bahrain tries to maintain good political relationship with Russia, but not to the extent that would satisfy Moscow in terms of large economic

⁴²Arabicnews.com, "Russia for Closer Cooperation with the Gulf States," <http://www.arabicnews.com/ansub/Daily/Day/010503/2001050312.html>; Internet; accessed 13 March 2005.

and military deals with Bahrain. Initially, the diplomatic relations between the Soviet Union and Bahrain were established on September 1990.⁴³ Based on that, bilateral relations between the Russia and Bahrain continue to develop gradually to include economic and trade relations. Russia and Bahrain are trying to establish joint inter-governmental commissions on trade, economic, and technical cooperation, yet there is no development, so far, on these matters due to the fact that Bahrain is not keen to do so because of its relations with the US. However, both countries have huge oil supplies, and although Bahrain is not a great trading partner with Russia, with no military relations between them, Russia is still very keen to maintain a good political relationship with Bahrain in order to be able to exchange points of view concerning oil production and its prices.⁴⁴

Russian efforts to open the closed Bahrain arms market continued with the visit of its Defence Minister General Pavel Grachev to Manamah in February 1993, where he discussed an expansion of military and technical relations with Bahrain,⁴⁵ but which resulted in nothing. Russia also tried to invest its political relations with Bahrain, by all means, such as the exchange of official delegations between Moscow and Manamah on a regular bases to this day.

The first official visit of the Amir of Bahrain to Moscow was conducted in March 2001. During that visit, the two parties discussed bilateral relations in various fields, such as the Chechen issue, oil production and prices, and investment in Russia, but there was no real development in the relations.⁴⁶ Russia is very interested in gaining Bahrain's

⁴³Russian Embassy in Bahrain, <http://www.bahrain.mid.ru/>; Internet; accessed 13 March 2005.

⁴⁴Arabnews.com, "Two Messages from Putin to the Rulers of Qatar and Bahrain," <http://www.arabicnews.com/ansub/Daily/Day/001102/2000110209.html>; Internet; accessed 13 March 2005.

⁴⁵Shearman, *Russian Foreign Policy since 1990...*

⁴⁶Arabnews.com, *Russia for Closer Cooperation with the Gulf States ...*

investments and wealth. Moscow wants to be one of the main suppliers to Manamah of ferrous and non-ferrous metal, pipes, timber, newsprint, chemical, cables, building materials, machinery, and equipment. Although the Bahrain's market is small, Russian main objective is to gain access to the eastern part of Saudi Arabia's markets through Manamah. Thus, Russia tries to gain access to the market of Bahrain by encouraging the economic cooperation with Manamah through political and diplomatic means.

Thus, Russia and the Kingdom of Bahrain's relationship are very good politically, but Russia would prefer to gain further economic cooperation with Bahrain and extra access to Saudi market that would be in favor of Russia's national interests. The size of Bahrain, its Western orientation, and the US military presence in Manamah, are considered to be the main obstacles to Russia's access to the Bahrain market, and yet, Russia is still very keen to maintain a good relationship with Bahrain due to its membership in the GCC and OPEC.

Russia-Iran Relations

Russia shares many common interests with Iran, stemming back to the former Soviet era. As noted earlier, this was particularly so under the Gorbachev leadership, when he took advantage of the Western embargo against Iran during its 1980-1988 war with Iraq. The reason for this Gorbachev stance, was to establish good relations with the Islamic government in Iran by which Moscow could gain support to Gorbachev's Perestroika policy and increased access to the Gulf region.⁴⁷ Iran, instead, wanted to have an alternative source to purchase the necessary equipment to support the war against Iraq and the Soviet market was the best and the cheapest option. After the collapse of the Soviet Union in late 1991, Russia continued to take advantage of these previously

⁴⁷Kreutz, *The Geopolitics of Post-Soviet Russia and the Middle East...*

established relations. During Boris Yeltsin's leadership, Russia refocused its efforts to increase its military ties with Iran. The Russian market was attractive due to its vastness of Iran's requirements, facilitated by the absence of any restrictions on commerce by the Russian Government.⁴⁸ By September 1999, Russia succeeded in building a closer relationship with Iran by signing many agreements. Since then, Iran has become the closest ally to Russia in the Gulf region.⁴⁹

Russia and Iran have developed cooperative policies on a large number of regional issues, and have also developed a strong bilateral relationship, particularly in the areas of arms and nuclear reactor sales. They have also cooperated in maintaining the shaky cease-fire in Tajikistan, aided the Northern Alliance in its battles against the Taliban in Afghanistan, and have also jointly supported Armenia against Azerbaijan, whom neither Russia nor Iran wanted to emerge as a major force in the Trans Caucasia.⁵⁰ In addition to that, they also opposed construction of the Baku-Ceyhan pipeline, which would connect the Caspian Sea coast to the Turkish Mediterranean, to provide oil and gas for European and US markets.⁵¹ Although both countries have several mutual interests, they have differing perspectives towards the implementation of these interests, and this sometimes interrupted their relations. For instance, in Afghanistan they both used to support the Northern Alliance. Currently, Russia tries to achieve a proper balance between supporting the Northern Alliance, and supporting the American-led operations in the country. Iran, in turn, heavily supported Mazar Al Sharief, and the Hayrat Provinces. Another example is

⁴⁸Antonenko, *Russia's Military Involvement in the Middle East...*

⁴⁹Blank J. Stephen, "Russia's return to Mideast Diplomacy," *ORBIS* Vol. 40, Iss. 4 (Fall 1996).

⁵⁰Kenneth Katzman, "Iran, Russia, and the New Muslim States," (1993); available from <http://ourworld.compuserve.com/homepages/usazerb/124.htm>; Internet; accessed 12 April 2005.

⁵¹Freedman, *Putin and the Middle East...*

their respective interests in the Central Islamic States.⁵² They are completely different in practice and affected their relationship. Both of them have exerted great influence in the region by supporting different groups in these Republics, which in fact, have affected their national security interests. In spite of that, Moscow and Tehran recognize the importance of maintaining good relations and attempt to find a compromise in their political attitudes and relations.⁵³

Russia and Iran cooperate in very important areas such as the Caspian Sea Oil, military weapons and training, spare parts, scientific cooperation, and most importantly, nuclear cooperation and assistance. As such, Russia became Iran's primary supplier of weaponry, including warplanes, tanks and submarines. Moscow has also assisted Tehran in building a nuclear reactor complex at Bushehr. They are covertly aiding Iran in the development of ballistic missiles, such as the Shihab III, with a range of 1500 km, which could threaten most of the countries in this range.

Despite these areas of cooperation, Putin has faced major problems in his relations with Iran since assuming the Russian leadership. The most important was his forceful handling of the serious Chechen issue following the Russian invasion of Chechnya in reaction to a series of bombing incidents conducted by Chechen Muslims. Those Russian military operations resulted in a high number of civilian Muslim casualties, which were criticized by Iran, particularly as Tehran was the leader of the Islamic Conference at that time. However, commerce with Russia, as a part of Iranian national interests, took precedence over that incident and the Iranian government downplayed the Chechen conflict as a Russian "internal" problem.⁵⁴ Another critical dilemma Putin had to prepare

⁵²*Ibid.*

⁵³Bahman A. Diba, "Iran-US-Iraq-Russia: What is Happening?" *Payvand's Iran News*, (August 29, 2002); available from <http://www.payvand.com/news/02/aug/1095.html>; Internet; accessed 13 April 2005.

⁵⁴Katzman, *Iran, Russia, and the New Muslim States...*

to deal with, was the parliamentary “*Majlis*” election of February 2000, which brought into office a large majority of reformers. Putin’s main concern was that the reformers, as a majority, might generate support for closer relations between US and Iran. Fortunately, the conservatives quickly went on the attack against the new *Majlis* and marginalized its influence.⁵⁵

After that, Russian-Iranian relations under Putin remained solid, and developed even more rapidly when he announced, in October 2000, that Moscow had unilaterally repudiated the secret agreement of June 30, 1995 between US Vice President Gore and Russian Prime Minister Chernomyrdin, restricting arms sales and nuclear technological aid to Iran. Under this agreement, Russia was to have ended all military sales to Tehran by December 31, 1999, once existing arms sales contracts had been completed.⁵⁶

Moscow’s main reason behind that announcement was Russia's growing displeasure with the US over NATO expansion, the war in Kosovo, and ballistic missile defense.⁵⁷ This decision risked US sanctions, including a ban on the use of Russian rockets for satellite launchers, the discouragement of US investments in Russia, and US pressure on the IMF not to reschedule Russian debts. This decision did, however, improve Russian-Iranian relations, and clearly benefited Rosoboronoexport, Putin's new consolidated arms sales agency.⁵⁸

Nonetheless, Putin followed up the abrogation by taking another step to strengthen Russian-Iranian relations with the dispatch of a delegation led by Muslim deputies of the Russian Unity party elected to the Duma from the Muslim Rafakh movement. The

⁵⁵Freedman, *Putin and the Middle East...*

⁵⁶Joseph Dresen, “The Uncertain Russian-Iranian Partnership,” *Johnson’s Russia List* (October 25, 2001); available from <http://www.cdi.org/russia/johnson/5508-7.cfm>; Internet; accessed 20 March 2005.

⁵⁷*Ibid.*

⁵⁸*Ibid.*

delegation met with the top Iranian leaders and underlined the importance of a close Iranian-Russian relationship between the Muslims of both countries.⁵⁹ Another visit to Tehran was conducted by Russian Defense Minister, Igor Sergeev in late December 2000, and who succeeded in getting an agreement signed with Iran, which in the words of Iranian Defence Minister Ali Shamkhani, “to expand and deepen all kinds of long-term military, security and defense relations.”⁶⁰ As a result of this agreement, Sergeev mentioned that Iranian officers would be trained at Russian military academies and that the two nations would also expand political, scientific, and technical cooperation.⁶¹ Additionally, Iranian president Mohammad Khatami visited Moscow in March 2001, and the top priorities on his agenda were the Caspian Sea dispute and military cooperation. The Iranian officials succeeded in having signed a military agreement with Rosoboronoexport. It included \$7 billion US dollars in arms sales to Iran, followed by an estimate of up to \$300 million in annual sales by Rosobornoexport Director, Viktor Komardin.⁶² It is true that these mutual efforts from both sides increased the economic and military cooperation between Russia and Iran, but that does not mean they are strategic partners. The main objective of this strong relationship is based purely on economic interests, and in particular, Russia’s search for hard currency by any means.

⁵⁹Maksim Gribov, "Khatami receives guests from Moscow," *Nezavisimaya Gazeta* (December 2, 2000); available from <http://proquest.umi.com/pqdweb?index=0&did=66269415&SrchMode=1&sid=1&Fmt=2&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1114017830&clientId=1711>; Internet; accessed; 20 March 2005.

⁶⁰Freedman, *Putin and the Middle East...*

⁶¹Kirshner Sheldon, “Iran’s Quest for Nuclear Arms Alarms Israel,” *Canadian Jewish News*, Vol. 32, Iss. 34 (August 29, 2002); available from <http://proquest.umi.com/pqdweb?index=1&did=338253551&SrchMode=1&sid=3&Fmt=3&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1114018163&clientId=1711>; Internet; accessed; 20 March 2005.

⁶²Wade Boese, “Putin Reaffirms Arms Sales, Nuclear Assistance to Iran,” *Arms Control Today*, Vol. 31, Iss. 3 (April 2001); available from <http://proquest.umi.com/pqdweb?index=2&did=71688001&SrchMode=1&sid=3&Fmt=3&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1114018163&clientId=1711>; Internet; accessed 20 March 2005.

Since 1991, Russia's foreign policy has been strongly influenced by its economic interests and has been the main factor in its regional and international relations.

Therefore, Russia can follow its interests with any country, regardless of any potential negative affect to its relations with any individual State. For instance, with respect to the Russian relations with Iran, Moscow signed an agreement with Kazakhstan in 1998, splitting the sea into national sectors between the Caspian Sea countries. Afterward, in January 2001, and in order to bolster its struggling economy, Russia moved to improve relations with Azerbaijan so as to expedite oil production from its sector of the Caspian Sea. Putin signed a similar agreement with Azerbaizhan during his visit to Baku. At the same time Russia conducted military exercises on the Caspian Sea. In this manner, Russian agreements with the two major oil producers in the Caspian, Azerbaizhan, and Kazakhstan, caused stress to the Russian-Iranian relationship. Tehran criticized that, "Iran believes that there is no threat in the Caspian Sea to justify the war games and military presence, and such measures will harm the confidence-building efforts of the littoral states in the region."⁶³

Another illustration of Russia-Iranian relations, and the most important part of the visit of the Iranian President to Moscow in 2001, was the emergence of the "Treaty on Foundations of Relations and Principles of Cooperation," which stated that, "if one of the sides will be exposed to an aggression of some state, the other side must not give any help to the aggressor."⁶⁴ This treaty was not meant as a mutual defense treaty, but an agreement that would allow Moscow to stand aside should the US one-day attack Iran. This is the reality of Russia's policy with respect to its foreign relations, simply because Russia is still busy on reforming its internal status and sort out their domestic affairs. That

⁶³Freedman, *Putin and the Middle East...*

⁶⁴Boese, *Putin Reaffirms Arms Sales, Nuclear Assistance to Iran...*

reflects directly to Russian external presence and identity, consequently, threatens Russia's trust or credibility with its strategic partnership.⁶⁵

For instance, with respect to the Caspian Sea issue, Moscow appeared to have moved to the Iranian position and violate the agreement just signed between Russia and Azerbaijan. The Russian-Iranian agreement on the Caspian stated that “[t]he sides do not officially recognize any borders in the Caspian Sea” and “the legal status of the Caspian Sea had to be based on the agreement of the five littoral states.”⁶⁶ Immediately after this agreement was signed, however, Putin's special envoy to the Caspian, Viktor Kalyuzhny, hurried to Kazakhstan where he stated, “Russia has not departed and will not depart from the principles set down in the agreements signed by Moscow with Astana (Kazakhstan) and Baku.”⁶⁷ Thus, the Caspian Sea issue will be one of the most important permanent subjects between Moscow and Tehran and will remain a source of tension within Russian-Iranian relations because of its complexity and the differences between their national interests.

Although the Caspian Sea issue remained muddled during the Iranian President's visit to Moscow, Putin was still very keen to sell Russian nuclear reactors to Iran. Thus, there was no mutual understanding with respect to the Bushehr nuclear reactor issue, and therefore, Moscow agreed to finish the work on it. Yevgeny Sergeyev stated that the first reactor unit would be completed in early 2004, and “as soon as the equipment for the first reactor leaves the factory, a contract for the second nuclear reactor will be signed.”⁶⁸ How reliable Russia is to her commitments in this regard, and how far she was willing to

⁶⁵Khider Al Dahrawi, “Russian Federation and Iran,” *Arab Defence Journal*, Vol. 2 (November 2004): 24.

⁶⁶Freedman, *Putin and the Middle East...*

⁶⁷*Ibid.*

⁶⁸*Ibid.*

support Iran in critical crisis and nuclear capabilities, remains to be seen. There is strong doubt that Russia would support Iran if the former were to become involved in direct and serious confrontation with America; the most recent case study being Russia's relation with Iraq.

The important issue that continues to reinforce Russian-Iranian relations with the prospect of arms sales; both countries are welcoming cooperation in this field. Many delegations from both sides meet on a regular basis, some of them being led by key military leaders such as the visit to Moscow on October 2001 by Iran's Defense Minister Ali Shamkhani. During this visit, he discussed arms sales, new security environments and terrorism, after the 9/11 attacks in New York and Washington. With respect to military cooperation, the two countries signed a general agreement that set out an agenda for cooperation, and set sales at the rate of a minimum of \$300 million per year, but did not specify what types of weapons Moscow would sell to Tehran. Russia's Defense Minister, Sergei Ivanov, claimed that Russia would sell Iran only "defensive" arms and would not violate any international laws or norms in so doing.⁶⁹ Both countries have condemned the terrorist attacks and Russia has pledged its support to the US after the attacks.

The post September 11th environment created a new dilemma to Putin's administration in determining how to deal with the Islamic Countries in general, and the Gulf States in particular. The new security arrangements, and the American anti-terrorist war, will be an acid test to the new post September 11th relationship between US and Russia. It has also affected Russian relations with Iran. If Russia limits itself to the sale of additional tanks (including a training center for T-72 tanks), along with MIG-29s, SU-27s, and SU-30 aircraft and helicopters, as well as, BMP-3 armored infantry vehicles, that would probably be acceptable to the US. Instead, if Moscow were to sell Iran advanced

⁶⁹Al Dahrawi, *Russian Federation and Iran...*

air defense equipment such as the SA-300, which could engage US aircraft, or the new Russian ship-to-ship missiles with ranges from 120 to 280 kilometers, these weapons could threaten the US fleet in the Gulf and the Indian Ocean, and that would be a severe blow to US-Russian relations.⁷⁰

From Iran's perspective, Russia's continued cooperation with the US in the anti-terrorist campaign posed problems for Tehran. A number of Iranian officials were unhappy with Putin's acquiescence in the deployment of US forces to bases in Central Asia. Iranians thought that "the aim of the US diplomatic activities in the region is to...expand its sphere of influence in Central Asia and the Caucasus, and this is to lessen Russia's traditional influence in the region."⁷¹ On January 29, 2002, President George Bush complicated the Russian-Iranian relations when he called Iran part of the "Axis of Evil," and hinted at military action against it.⁷² Additionally, the attempted smuggling of tons of Iranian weapons to the PLO in early January 2002 angered many in Washington. In reality, Moscow could not rule out an eventual US attack on Iran, especially if it continued to develop long-range missiles. Consequently, balancing Russia's interests in Iran with a desire to improve ties with the United States appears to pose a major diplomatic problem for Putin.

To sum up, Russian policy towards Iran is critical and Putin has to balance between Russia's relations with Iran in a way that does not affect Russia's relations with the US. Also, Putin faces some difficulty with respect to arms sales to Iran. He has to decide the types of arms and whether he should provide sophisticated air defense weaponry and ship-to-ship missiles to Iran, which could seriously complicate US activities in the Gulf region and the Indian Ocean. Another serious dilemma for Russia is,

⁷⁰Antonenko, *Russia's Military Involvement in the Middle East...*

⁷¹Freedman, *Putin and the Middle East...*

⁷²*Ibid.*

with America labeling Iran as part of the “Axis of Evil,” Iran runs the risk of being attacked by the United States as a sponsor of terrorism and a developer of weapons of mass destruction. This could pose a difficult choice for Putin, although the Russian-Iranian treaty of 2001 did not call for Russia to come to Iran's defense if it were ever attacked. Meanwhile, Tehran is Moscow's most important Gulf partner, and not only purchases Russian arms and nuclear reactors, but also provides balance to Russian diplomacy in such regional problem areas as Afghanistan and Tajikistan. The historical experience of Russian foreign policy suggests that Moscow will not stand by while Iran is attacked because it does not want to threaten Russian national interests with America per se. At the same time, it is not expected that Russia will interfere in any attack against Iran. Yet, Putin has proven his diplomatic abilities to maintain the Russian position in Iran and foster Moscow's new relationship with the United States.

Russia-Iraq Relations

The relationship between Russia and Iraq had been the strongest among the Gulf States for decades. That relationship involved all fields of political, military, economic and trade cooperation. The most significant areas of economic have been Russian oil and gas investment in Iraq, arms exports, and military assistance. All of these trade collaborations collectively appeared to have met Russia's foreign policy and economic interests. Though Russia-Iraq relationship was very strong and unique by all means, Russia failed to defend its strategic interests in Iraq after the US involvement in Iraq in March 2003. Currently, Russia takes all necessary measures to protect its interests in Iraq and it is very keen to regain access to the Iraqi market. The development of this special relationship between the two countries, and the Russian policy towards the US-Iraq crisis, will now be discussed in detail.

Russia's close economic relations with Iraq goes back for many decades when the Soviet oil and gas exploration and production industry had extensive experience in doing business in Iraq. Additionally, Iraq was always the number one prospect of the Soviets, and afterwards, to Russia, given its wealth from proven oil reserves.⁷³ LUKoil and ZarubezhNeft were the two main Russian oil companies designated to be Russia's investors in Iraqi oil.⁷⁴ Thus, Iraq became a main strategic country for Russia, and Moscow encouraged its oil companies, due to their historical experience, to invest in Iraq.

After the collapse of Soviet Union, Russian financial needs became a crucial factor in Moscow's decision to increase efforts to sell Russian military equipment abroad. Initially, Russian's economic foreign policy dominated the Iraqi market earlier than the rest of the region states. Since 1991, and in order to take the advantage of the UN sanctions on Iraq, Russia's military export strategy to Iraq included arms sales, technical cooperation, repairs and modernization of ex-Soviet equipment, military assistance and advisers, joint projects for modernization of equipment, and high-level political and military exchanges.⁷⁵ At the same time, Russia tried to apply these strategies similarly to all of the Gulf States regardless of the inconsistency of their national interests.⁷⁶

To achieve its main strategic objectives in Iraq, Russia had to overcome many obstacles, such as the Iraqi invasion of Kuwait, the first Gulf War with Iraq, and the UN sanctions over Iraq after 1991. Although these circumstances affected Russian strategic interests in Iraq, Moscow was very keen to maintain the presence of its companies in Iraq. They succeeded in gaining many economic contracts worth billions of dollars such as

⁷³Alexander's Gas & Oil Connections, "Russia and Iraq: The Question of the Russian Oil Contracts," <http://www.gasandoil.com/goc/company/cnm31832.htm>; Internet; accessed 28 March 2005.

⁷⁴*Ibid.*

⁷⁵Antonenko, *Russia's Military Involvement in the Middle East...*

⁷⁶*Ibid.*

lifting approved crude export cargoes and negotiating contracts for equity participation in the very large oilfields.⁷⁷ Generally, the Russian oil and gas companies played a critical role in its foreign policy and towards Iraq in particular. Thus, these companies are one of the main tools in Russia conducting its foreign policy, and in securing Russia's national interests.⁷⁸

Interestingly, the Russian Iraqi relationship is beneficial for both sides. The Iraqi government was heavily depending on its strategic partnership with Russia and it believed that strong relations with Moscow would be very helpful to them in a critical crisis. Russia has been one of Iraq's chief benefactors in the international arena, a major trading partner, and military supplier. Additionally, Russia routinely backed Iraq in the UN Security Council, and mediated in the 1997 and 1998 US-Iraqi crises.⁷⁹ That was true in terms of political and economic efforts and means, but when it comes to a direct confrontation between US and Russia, the case is completely different. Russia is very keen to maintain good relations with the US, particularly during Putin's leadership, where Russian strategic national interests are first priority. Thus, relations with the US and European countries come as first priority to Russian national interests and foreign policy. Putin officially announced, "Russia's first objective is not to allow this military action in Iraq, what it might be, to jeopardize the level of US-Russia relations that has been achieved."⁸⁰

Hence, during the Iraqi Freedom Operations, Russia could not stand firmly against the US and support Saddam, though politically, Russia was practicing some political

⁷⁷Alexander's Gas & Oil Connections, *Russia and Iraq: The Question of the Russian Oil...*

⁷⁸*Ibid.*

⁷⁹*Ibid.*

⁸⁰Scott Peterson, "Russia Rethinks its Longtime Support for Iraq," *The Christian Science Monitor* (March 13, 2002); available from <http://www.csmonitor.com/2002/0313/p01s04-woeu.html>; Internet; accessed 28 March 2005.

efforts and expressing their opposition to the war for many reasons. By doing so, Putin wants to gain the Duma election as well as the Russian public support, which was strongly against the war. He also took into consideration, the twenty million Russian Muslims and the Muslim world that opposed the war. Therefore, Putin adopted an anti-war policy in order to win Moscow friends in the Muslim world, Russian Muslim support, and Chechnya in particular. Finally, Putin had to balanced his policy towards US invasion of Iraq and Russian national interests, thus he tried to invest the German and French strong position against the war in order to strengthen the prospects of a multi-polar world. Therefore, there was a combination of internal and external factors that influenced Russia to adopt that policy towards Iraq and the US, which contributed positively towards its national interests.⁸¹

Russia strongly supported Iraq in its UN sanctions until December 2002, when the Security Council passed UN Resolution 1441. Since then, Russia has done little to support the Iraqi regime's position at the UN and has joined the US led efforts to demand Iraqi cooperation with the UN weapons inspections.⁸² From the Iraqi point of view, Russia is the only strong ally who could support them against the US and its allies, thus Saddam's regime tried to invest huge contracts with Russian companies and take advantage of Moscow's political support. For instance, during 2001 Russia supplied Iraq with a significant shipment of lorries and motorcars, as well as equipment for the oil and gas industry, restoration of power units to five Iraqi heating stations, two major irrigation projects and reconstruction of several elevators. The economic exchange during that year

⁸¹Robert O. Freedman, "Russia, a partner for the US in the Post Saddam Hussien Middle East?" *Strategic Insights* Vol. III, Iss. 4 (April 2004); available from <http://www.ccc.nps.navy.mil/si/2004/apr/freedmanApr04.asp>; Internet; accessed 28 March 2005.

⁸²Alexander's Gas & Oil Connections, *Russia and Iraq: The Question of the Russian Oil ...*

was over \$2.4 billion US dollar.⁸³ In addition to that, in August 2002, the Iraqi government publicly touted, and agreed to, a multi-year Russian-Iraqi bilateral economic cooperation deal that was worth over \$40 billion US dollar, and included more than 67 oil and gas projects. That agreement included huge projects in oil, electrical energy, chemical products, irrigation, railroad construction, and transportation.⁸⁴ Practically, some of these agreements were inapplicable because of the UN sanctions on Iraq. Saddam's main objectives for making such deals with Russia were to gain moral, political, and diplomatic support towards Iraq in order to defend itself against the US.

Before the American attack in March 2003, Russia had two main objectives in Iraq: to obtain its \$10.5 billion debt from Iraq and to support the strong economic ties with Iraq, especially via Russian oil companies. These objectives would only be able to take place when the UN sanctions against Iraq were lifted. Thus, Russia was encouraged to support the lifting of those sanctions. The main dilemma for Putin was how to balance between maintaining good relations with the US, and protecting Russia's great economic interests in Iraq.⁸⁵ Interestingly, Russia benefited from this crisis when the oil prices increased, which contributed positively on its revenues. Consequently, Putin adopted a dual strategy to call for the UN Security Council's legitimization of the war and to prolong the crisis as long as possible, which, actually, meant further increasing of the oil prices. Hence, for immediate economic interests, Russia tried to drag out the status quo in Iraq for as long as possible.⁸⁶

⁸³Pravda, "Iraq Remains Russia's key Economic Partner in Arab World," <http://english.pravda.ru/world/2001/12/13/23549.html>; Internet; accessed 28 March 2005.

⁸⁴Alexander's Gas & Oil Connections, *Russia and Iraq: The Question of the Russian Oil...*

⁸⁵Freedman, *Russia, a partner for the US in the Post Saddam Hussien Middle East...*

⁸⁶Socialistworld.net, "No to War in Iraq: Russia and the Iraq Crisis," <http://www.socialistworld.net/eng/2003/03/10iraq.html>; Internet; accessed 28 March 2005.

Putin tried to handle the Russian policy towards the Iraq-US crisis wisely in order to keep a balance between the Russian public opinion, the Army leaders, and international trends, along with Russia's real ability to take a strong position that could effectively protect its economic interests in Iraq. No one expected him to have a direct confrontation with the US over Iraq, simply because it was not in the favor of Russian national interests. The Russian strategic priorities are with their relations with the US and the European countries, which are not with Iraq and the rest of the Gulf States.⁸⁷ Interestingly, Putin's policy in handling this crisis gave him a greater chance to win the presidential election in the Spring of 2004.⁸⁸ Moreover, Russia adopted a clever policy to maintain its contacts with Saddam's regime, the Iraqi opposition, and the Americans, in order to have more chances for Russian access to Iraqi oil, regardless of who emerged on top in Iraq. Unfortunately, Russian contacts with the opposition angered Saddam, and in December 2003, he canceled the lucrative contracts with LUKOil Company, which is one of the largest Russian oil companies working in Iraq.⁸⁹ Although Russia tried to get whatever they could from Saddam's regime during the period of 1991 to 2003 it failed because of many different factors influencing policy in addition to the chaotic situation in Iraq.

In addition to that, Russian-US relations did not suffer much from their different positions towards Iraq due to the stronger French and German oppositions to the US attack on Iraq. Thus Russia was very successful in maintaining good relations with the US because it wanted to have a chance at the Iraqi oil market in the future. However, Russian political position strongly opposed the war and according to Moscow the attack

⁸⁷ *Ibid.*

⁸⁸ Freedman, *Russia, a partner for the US in the Post Saddam Hussien Middle East...*

⁸⁹ *Ibid.*

was the most serious crisis since the end of the Cold War, and that it was in direct violation of international law because the UN did not authorize it.⁹⁰

Since the beginning of the Iraqi Freedom Operations in March 2003, and the removal of Saddam's regime, Russia has made serious efforts at the highest level to protect its existing economic interests in Iraq. Russia's oil, gas, and affiliated construction companies have all signed contracts with the Iraqi government for oil investment projects in Iraq. These contracts were signed during Saddam's regime era, and the Russian's want to ensure that they are still legitimate agreements. Russian foreign minister, Igor Ivanov, made that point of view very clear in late March 2003, when he stated, "[T]he contracts between Russian oil companies and the Government of Iraq were legally binding agreements and should remain in full force despite any change of administration in the country."⁹¹ Moreover, Russia officially offered to forgive \$10.5 billion of Iraq's debt if the country reinstated these contracts.⁹² Would Russian efforts succeed to resume its presence in post-Saddam's Iraq that remains to be seen.

Russia-Kuwait Relations

Kuwait was the first country among the Gulf States to establish diplomatic relations with the Soviet Union since 1963, which was based on mutual interests and the respect between the two countries. Albeit, Soviet Union strong relations with Iraq, they supported the liberation of Kuwait from Iraq in 1991, and supported the Kuwaiti territorial integrity and the Coalition Forces. It has to be remembered that Kuwait and Saudi Arabia paid the Soviets \$4 billion as a reward for their anti-Iraqi position during the

⁹⁰*Ibid.*

⁹¹Alexander's Gas & Oil Connections, *Russia and Iraq: The Question of the Russian Oil ...*

⁹²Joshua Frank, "Iraq, Russia, and Oil," *ZNet Magazine* (December 29, 2003) available from <http://www.zmag.org/content/showarticle.cfm?ItemID=4769>; Internet; accessed 28 March 2005 and <http://www.cp.org/english/online/full/iraq/050401/7040104AU.html>; Internet; accessed 29 March 2005.

course of that war.⁹³ After the collapse of the Soviet Union, relations between Russia and Kuwait continued at the same level, although it was very sensitive due to the strong relationship between Moscow and Baghdad, and Russian strong support of Iraq over UN sanctions annoyed Kuwait. However, the Russian support of Kuwait's liberation encouraged both parties to maintain a friendly relationship.

The main Russian objectives with Kuwait are economic, security, and military. Moscow tries to encourage Kuwaiti investments, exchange in the oil and gas industry experience, and cooperate in oil production and its prices. With respect to the security concern, they need to control any support to the Chechens that may come through Kuwait, and cooperate in international counter-terrorism. Finally, Russia is very keen to take valuable shares of Kuwaiti military purchases as a reward for their support of the Kuwaiti liberation.

To show its firm anti-Iraqi position, Russia signed a ten-year defence co-operation agreement with Kuwait in November 1993. The agreement included measures to protect the sovereignty, security, territorial integrity, and independence of Kuwait against any foreign attack.⁹⁴ The agreement was renewed during the year 2003. The Russian efforts to open the closed Gulf arms markets continued with the Russian Defence Minister's visit to Kuwait, in February 1993, to discuss an expansion of military and technical relations.⁹⁵ As a result of those efforts, Russia has established extensive military cooperation with Kuwait and, in 1994, they signed an arms deal estimated to be worth over \$48 million.⁹⁶ According to this agreement, Moscow supplied Kuwait with armored combat vehicles

⁹³Fuller, *Moscow and the Gulf War...*

⁹⁴Robert O. Freedman, "Moscow and the Middle East since the Collapse of the Soviet Union: Preliminary Analysis," in *The Foreign Policy of Russian Federation*, ed. Kanet R and Kozhemiakin A, (United Kingdom: Macmillan Press 1997), 149.

⁹⁵Shearman, *Russian Foreign Policy since 1990...*, 276.

⁹⁶Antonenko, *Russia's Military Involvement in the Middle East...*

(BMP3), anti tank missiles, multiple rocket launcher, artillery systems, and ammunition. Furthermore, Russia offered T-80Y main battle tanks and advanced air defence systems to Kuwait to buy.⁹⁷ During the same year, the two countries formed a joint inter-governmental commission on trade, economics, and scientific and technical cooperation. However, the first meeting for that commission was not held until August 2002. During that meeting, the Russian side tried to establish cooperation in the power industry, the oil and gas industry, civil engineering, irrigation, agriculture, and infrastructure. At the end of the meeting, both parties announced that Russia would participate in developing four oil deposits in Kuwait.⁹⁸

In 1999, a high level Kuwaiti delegation visited Moscow and discussed the mutual areas of cooperation. During that visit, Moscow expressed concern over Islamic rebels operating in the Caucasus, Central Asia and Chechnya. Russia claimed that they received financial and training support from the Gulf region. Moscow was willing to cooperate with Kuwait in this regard, and to stop further support to these groups.⁹⁹ Russia and Kuwait have exchanged official delegations on a regular bases to strengthen bilateral relations and mutual concerns. Due to the decrease of military cooperation during the last 15 years, the Russian's paid serious attention to reactivate military and economic cooperation, in particular oil and gas, through the activation of a joint governmental committee. Additionally, the issue of security is another concern to Moscow, especially in fighting terrorism and the support of Islamic groups in Russia and near abroad. Russia handles the Islamic issue very carefully in its dialogue with the Islamic world, using

⁹⁷Jane's Sentinel Security Assessment, *Kuwait*

⁹⁸Mark A Smith, *Russia & The Middle East*, Conflict Studies Research Centre, F79. (England: Defence Academy of the United Kingdom, September 2002), 8.

⁹⁹Jane's Sentinel Security Assessment, *Kuwait*...

terms such as ‘international terrorism’ or ‘terrorist’ only.¹⁰⁰ The security concern is vital to them, and they are very keen to control any support or facilities, which comes from this region into Russia. Thus, on their meetings with Kuwaiti officials, they are willing to establish long-term joint efforts in the sphere of fighting these phenomena, as well as for the elimination of the cause of these threats. Kuwait stressed the importance of a closer Russian interaction in the region, particularly towards Iraq, before March 2003.¹⁰¹

Russia strives to play an effective role in the Gulf region and to increase its relations with the region’s States, yet its main obstacle is the strong presence and the influence of the US in the Gulf region. Additionally, Kuwait and other Arabic Gulf States criticize Moscow for its arms supply to Iran. Therefore, Russian inability to maintain balanced relations with all Gulf States, at the same level, required serious political efforts to contend with the huge American influence over the Arabic Gulf States, particularly after the liberation of Kuwait.

Russia-Oman Relations

Russian relations with the Gulf States have similar economic, security, and military objectives, mainly, the oil and gas issues, the support to the Russian Muslims and Chechen issue, and their arms sales to the Gulf States. Russia, therefore, tries to maintain good relations with the Gulf States and is making tremendous efforts to reactivate its trade and economic relations with them. Although Oman is less wealthy than the rest of the Gulf States, Russia encourages cooperation with Oman in many fields. Oman

¹⁰⁰Kreutz, *The Geopolitics of Post-Soviet Russia and the Middle East...*

¹⁰¹Pravda, “Russia, Kuwait Back Joint International Effort Against Terrorism.” (September 21, 2001) available from <http://english.pravda.ru/world/2001/09/21/15820.html>; Internet; accessed; 24 March 2005.

established diplomatic relations with the former Soviet Union in 1985, and since then, both countries have maintained a good relationship.¹⁰²

Russian goods are fairly competitive on the Omani market due to their high quality and reasonable prices,¹⁰³ which is affordable to the majority of Omani consumers and their level of income. In addition to that, Oman has encouraged and supports its national industries that need raw materials at reasonable prices, hence, the Russian goods and materials are very welcome by the Omani market. Thus, economic cooperation between the two countries started in the early 1990s, and in order to enhance those good relations, the two countries signed an economic cooperation agreement on December 1995.¹⁰⁴ Since then, the Omani market has remained interested in Russian machines, woodworking industry products, building materials, high technologies, metallurgy and mechanical engineering products, Russian imports, re-exported cars, and electronic goods. Additionally, the cooperation includes Russian technical assistance to the cement industry, the construction of gas mainlines, agriculture, fishery and fish processing, and Russia's technical knowledge in the oil industry, particularly deep oil refining.¹⁰⁵ In order to further economic cooperation with Russia, Oman granted Aeroflot the most favoured nation treatment at the Sib airport in Muscat in 1998. This involved special rates for air navigation, as well as, technical and engineering services.

¹⁰²Jane's Sentinel Security Assessments, *Oman*
http://sentinel.janes.com/docs/sentinel/GULFS_country.jsp?Prod_Name=GULFS&Sent_Country=Oman&;
 Internet; accessed 24 March 2005.

¹⁰³Business Agency press, *Economic Relations of Russia in 1997-2000: Oman*,
<http://www.bpress.ru/free/er/oman.htm>; Internet; accessed 22 April 2005.

¹⁰⁴Jane's Sentinel Security Assessments, *Oman*
http://www4.janes.com/subscribe/sentinel/GULFS_doc_view.jsp?Sent_Country=Oman&Prod_Name=GULFS&K2DocKey=/content1/janesdata/sent/gulfsu/omans080.htm@current#section2; Internet; accessed 24 March 2005.

¹⁰⁵Business Agency press, *Economic Relations of Russia in 1997-2000: Oman...*

Other area of cooperation between the two countries is the oil and gas. As Russia was one of the main competitive oil producers to OPEC, they are very keen to join OPEC, or, at least, coordinate the oil global production and prices with its members. Therefore, Russian cooperation with Oman mainly concentrated on oil production and prices. This factor has had great positive influence on the other mutual fields and areas of cooperation between the two countries. Thus, joint committees were formed between the two countries that included, from the Omani side, members from the Ministry of Trade and Industry, the Oman Oil Company (OOC), and the Ministry of Economic Affairs. The main roles of these committees are to meet on a regular basis in order to keep the cooperation between Moscow and Muscat active.¹⁰⁶ The latest development on Russian-Omani economic cooperation was a new protocol as an additional part to the economic agreement signed in 1995. That protocol was signed on May 2004, and it determined the conditions of access to Oman's products to the Russian market.¹⁰⁷ However, there were some obstacles due to an inter-governmental agreement signed in 1996, which hindered the performance of the cooperation between the two parties, such as the problem of dual taxation, which has not yet been solved.¹⁰⁸

With respect to the economic cooperation between Russia and Oman, the Caspian Pipeline Consortium is considered one of the major joint projects signed in July of 1992.¹⁰⁹ This project is considered one of the Oman Oil Company's most significant

¹⁰⁶United States Energy Information Administration, *Oman Russian Relations* <http://64.233.187.104/search?q=cache:iGnRhqG2PnsJ:www.converger.com/eiacab/oman.htm+oman+russia&hl=en>; Internet; accessed 24 March 2005.

¹⁰⁷Pravda, "Russia and Oman finish WTO talks," <http://64.233.187.104/search?q=cache:MGUifvBPDTEJ:newsfromrussia.com/main/2004/05/31/54201.html+oman+russia&hl=en>; Internet; accessed 24 March 2005.

¹⁰⁸Mostafa Rajab, "Russian-Arabic Relations From the Death to the Live," *Al Sharq* (January 12, 2004): 12.

¹⁰⁹Oil and Gas Journal, "Russia joins Kazakh/Omani pipeline venture group," http://www.osti.gov/energycitations/product.biblio.jsp?osti_id=7283454; Internet; accessed 24 March 2005.

activities in Kazakhstan; thus, the three countries, Russia, Oman, and Kazakhstan, participated in developing that project.¹¹⁰ In May 1997, the governments of Oman, Russia, and Kazakhstan signed another agreement to build an oil pipeline from the Tengiz oil field in western Kazakhstan to the Russian port of Novorossiysk on the Black Sea. At a cost of \$2 billion, the 932 mile pipeline has an initial capacity of 560,000 bbl/d. Russia holds 24% interest in the pipeline, Kazakhstan with 19%, and Oman with 7%. Private oil companies participating in the CPC hold the remaining shares.¹¹¹

In addition, the OOC signed an agreement with Union Texas Petroleum to explore, develop, and produce oil and gas in Kazakhstan and the Caspian Sea. The companies formed a joint venture in which Union Texas Petroleum hold a 75% interest and the OOC holding the remaining 25%.¹¹² Another joint project was the Silicon Project, which includes Russian technologies for the production and processing of local quartzites used to produce metallic silicon for semiconductors. The Silicon Project, for the first time, provided a tangible opportunity for Russia to enter the high-tech market, not only in Oman, but also in the Gulf area as a whole. Economic interests are critical for both sides, and influences the relationship between Russia and Oman.

The military cooperation with Oman is not significant, and is very limited in Omani purchasing of the Russian armored fighting vehicle, the BMP-3.¹¹³ Moscow tried to sell surface-to-air missile systems and the S-300 to Oman.¹¹⁴ Oman has a strategic partnership and strong political, economic, and military relations with the United

¹¹⁰Business Agency press, *Economic Relations of Russia in 1997-2000: Oman...*

¹¹¹United States Energy Information Administration, "Oman Russian Relations," <http://64.233.187.104/search?q=cache:iGnRhqG2PnsJ:www.converger.com/eiacab/oman.htm+oman+russia&hl=en>; Internet; accessed 24 March 2005.

¹¹²*Ibid.*

¹¹³Antonenko, *Russia's Military Involvement in the Middle East...*

¹¹⁴*Ibid.*

Kingdom and US. Thus, Oman depends heavily on this strategic partnership with Oman's military forces' equipment and training being mostly Western. Therefore, Oman's relations with the UK and the US does not allow for Russia to gain more military deals with them. Thus, Russia is not yet satisfied with the current level of cooperation with Oman, and Moscow is very keen to encourage the bilateral military cooperation through the regular delegations to Muscat.¹¹⁵ The only true investment Oman has in Russia is the development of Russia's oil and gas industry and the modernization of its oil fields.¹¹⁶ Although Moscow realizes that Oman is not able to contribute more than its abilities, they are very interested in keeping the channels between the two countries open, and enhancing them where possible.¹¹⁷

Russia-Qatar Relations

Since the establishment of a political relationship between Soviet the Union and Qatar in 1989, the relations between the two countries have been influenced by the international developments that resulted with the collapse of the Soviet Union and the end of the Cold War era. Since 1991, Russia started to refocus its policy towards the Gulf States, and based on the relations with the former Soviet Union, they tried to adopt the same approaches noted earlier. Generally, the relations between the two countries have been good and they took serious efforts to increase the cooperation in many sectors, particularly after Putin's arrival to the Russian leadership. There have been critical exchanges of official visits and some agreements were signed, but not to the extent that satisfied Moscow. The main reason for that was that Qatar is now a very good ally to the US, therefore, there is hesitation on both sides to strengthen their relationship any further.

¹¹⁵Rajab, *Russian-Arabic Relations From the Death to the Live...*, 12.

¹¹⁶Shearman, *Russian Foreign Policy since 1990...*, 275.

¹¹⁷Rajab, *Russian-Arabic Relations From the Death to the Live...*, 12.

Prior to February 2004, Moscow and Doha had many agreements, such as the one signed by the Qatari Prime Minister during his visit to Moscow in April 1998, that increased political, economic, and military cooperation.¹¹⁸

Another significant development in the relationship between the two countries was the visit of the Amir of Qatar to Moscow during December 2001, which was considered an historical event, and important for Russia to increase its cooperation in different sectors.¹¹⁹ During that visit, Qatar was presiding over the Islamic Conference Organisation, which was of crucial interest to Russia. Moscow is very keen to be an observing member at this organization, and it looked to Qatar for support. Both countries had similar point of views about the situation in Iraq, cooperation on the success of the counter-terrorist operation, and the political settlement in Afghanistan. In addition to that, the talks were focused on trade, economic, and investment cooperation. Both countries signed an agreement on mutual protection and encouragement of investments following the negotiations.¹²⁰ Qatar boasts the world's third largest natural gas deposits after Russia and Iran, hence, during his visit to Qatar in January 2002, Duma Chairman proposed setting up “a gas OPEC” to control liquid gas prices in international markets.¹²¹ Thus, the officials from both sides tried to take advantage of that close relationship, particularly from the Russian side who wanted to create channels and exchange the experiences with Qatari’s oil and gas companies. The two parties established a joint committee to explore

¹¹⁸“Russian and the Gulf,” *Alkhaleej newspaper*, Sharjah: 21 April 1998, 5.

¹¹⁹Pravda, “Amir Of Qatar Arrives In Moscow On Historic Visit,” <http://english.pravda.ru/diplomatic/2001/12/24/24270.html>; Internet; accessed 24 March 2005.

¹²⁰Pravda, “Qatar Amir to arrive to Moscow,” <http://english.pravda.ru/diplomatic/2001/12/24/24270.html>; Internet; accessed 24 March 2005.

¹²¹Mark A Smith, *Russia & The Middle East*, Conflict Studies Research Centre, F79. (England: Defence Academy of the United Kingdom, September 2002), 8.

avenues of cooperation on the oil and gas sectors.¹²² In addition to that, Russia tried to increase its economic relations with Qatar to hold wider bilateral and multilateral consultations on the oil, gas, and hydrocarbons industry. Russia encouraged Qatar's companies to invest and cooperate in Russia's markets during the year 2003.¹²³

However, the significance of these efforts should not be over-exaggerated. The underlying reality is that Russia is still striving to build its economic, political, and military credibility in the region. This is very difficult in the Gulf region where there is wide diversity among the Gulf States' national interests, thus, the main dilemma to Moscow is how to balance its relations with them. The current dual policy adopted by Russia is the main source of this lack of trust in Russia as a strategic partner to the Gulf States. In addition to a variety of factors influencing Russia's interests in the region which affect each other and increase the complexity to maintain them in a proper way, the terror and arms sales is a good illustration. The danger is that these factors may lead Russia to develop and maintain closer relations with one State over another within the region, which, in fact, has become a broad feeling and one of the main obstacles delaying larger relations with Russia.¹²⁴ Yet, the importance of the region is vital to Moscow's national interest, hence, its efforts to create new channels of cooperation in all sectors with the Gulf State.

Russian's main internal security concern is Chechen, critically affected its relations with Qatar after the former Chechen President, Zelimkhan Yanderbiyev, had been assassinated in Qatar in February 2004. Yanderbiyev lived in Qatar for three years after living in Russia was linked to the Al-Qaeda group by the UN had, and was

¹²²Alexander's Gas & Oil Connections, "Qatar and Russia to set up joint committee for cooperation," <http://www.gasandoil.com/goc/news/ntr32485.htm>; Internet; accessed 24 March 2005.

¹²³Alexander's Gas & Oil Connections, "Russia and Qatar discuss prospects of co-operation," <http://www.gasandoil.com/goc/news/ntr32372.htm>; Internet; accessed 24 March 2005.

¹²⁴Antonenko, *Russia's Military Involvement in the Middle East...*

considered a key Chechen leader collecting funds and supporting the Chechen rebels. Moscow had been seeking Yenderbiyev's extradition from Qatar but Doha refused the Russian request. The Russian government considered him the main ideologue behind the separatists and the terrorist activities being conducted by the Chechen's rebels.¹²⁵ The extradition operation was planned and authorized by Russia's Foreign Intelligence Service, and conducted by the First Secretary at the Russian embassy in Doha, along with two Russian intelligence members.¹²⁶ Instead, the Qatari Government successfully handled this diplomatic crisis by collecting all the clear evidence that accused Russia of official responsibility in this incident, violating political and diplomatic laws and ethics. At the same time, this crisis affected the reputation of the Russian Intelligence Service, and was a great historical failure in this tiny country.¹²⁷ After this crisis, the relations between the two countries went to the lowest level and the joint committees' performance went on a downswing and not as active as they were before.

Russia-Saudi Relations

Russian policy towards Saudi Arabia is facing many obstacles due to their important role as a regional power and their political and economic status. There are similarities and differences between them, and they try to use a combination of both to implement their policies towards each other. Although there was failure for Russian foreign policy since 1991 towards Saudi Arabia, there were some gains at the political

¹²⁵Online NewsHour, "Former Chechen Leader Killed in Qatar Bomb Blast," http://www.pbs.org/newshour/updates/chechen_02-13-04.html; Internet; accessed 24 March 2005.

¹²⁶Sergei Blagov, "Russia's Risky Row with Qatar," *Asia Time* (March 10, 2004); available from http://www.atimes.com/atimes/Central_Asia/FC10Ag01.html; Internet; accessed 24 March 2005.

¹²⁷Gazeta. Ru, "Failed Qatar Mission Presents Russia With a Dilemma," (July 1, 2004); available from <http://www.mosnews.com/commentary/2004/07/01/qatarop.shtml>; Internet; accessed 23 March 2005.

and economic levels. The following section will examine Russia-Saudi relations in order to show how Russia has failed, so far, to achieve its national interests in Saudi Arabia.

Essentially, Russia adopted a similar policy towards the Gulf States by investing the former Soviet Union's relations with them, and building on that, the Russian's new perspective for its national interests. For further understanding of the Russia-Saudi relations, there are three main areas of interest influencing their relationship. The economic interests, particularly the oil and gas industry, the security concern especially the support to the Russian Muslims, and the military cooperation. Thus, Russian main efforts are focused on these main objectives of their relationship with Saudi Arabia. Prior to that, looking at the areas of similarity between Russia and Saudi could be helpful to enhance the relevance of all these factors, and how they contributed collectively in the level of the relations between the two countries.

The governments of both countries are facing extremely difficult economic and security problems and have responded to them with connective policies that impacted on each other. Their economies are largely dependent on their petroleum sectors. Revenue from the petroleum sector supplies approximately 75% of the Saudi government's revenue and 44% of the Russian governments.¹²⁸ The main difference between the Russian and Saudi situations is that the latter exercises fairly firm control over the petroleum sector. Instead, privatized Russian petroleum firms consisting of Gazprom (the gas monopoly), Transneft (the pipeline monopoly), and over fifty private oil companies, have become important political actors in their own right.¹²⁹

Having suffered from unemployment, Russian unemployment levels are estimated to be as high as 25%. The employment situation in Saudi Arabia is not nearly as bleak as in Russia, but it still faces a similar situation due to the employment of foreign workers

¹²⁸Katz, *Saudi-Russian Relations in the Putin Era...*

¹²⁹*Ibid.*

over the Saudis. This is due to the belief that foreigners are more productive. Moscow and Riyadh are facing insufficient sources of revenue to pay for all their many expenses.¹³⁰

The Russian government is unable to collect much of the taxes, due to the black market economy. This has resulted in its inability to meet urgent demands such as servicing its massive debt, procuring replacements for its aging weaponry, or even paying its soldiers on time. While Saudi Arabia is still commonly viewed as oil rich, revenues from this source, have for many years, failed to cover the Saudi government's massive military expenditures and outlays on health, education, and other services for its rapidly rising population. As a result, the Saudi budget is chronically in deficit and the government has run up enormous debts, which it mainly owes to its own citizens.¹³¹ Though the situations are different in many respects, the basic fact is that government revenues do not cover expenditures in both countries, therefore, limiting the ability of these two governments to respond to the economic problems their countries are facing. Finally, the impact of globalization and open media affects their societies. Compared with countries sharing diversified economies, the gap is widening between their governments and citizens. What is important to understand at this stage is that policies adopted by both parties impact negatively on each other's economy.¹³²

The oil and gas industry is the main area of interest for Russia-Saudi economic cooperation. Saudi Arabia and Russia are major petroleum producers and heavily dependent on the revenues they receive from their exportations. The Russian government's finances are so shaky that a minute decline in oil prices can cause a severe

¹³⁰Antonenko, *Russia's Military Involvement in the Middle East...*

¹³¹*Ibid.*

¹³²Rajab, *Russian-Arabic Relations From the Death to the Live...*, 12.

crisis to Moscow, as it occurred in 1998.¹³³ Therefore, one of the main Russian national interests is to ensure that the price of oil remains high in order to maximize the government's revenues.¹³⁴

Thus, Russia needs to have good mutual understanding and coordination with Saudi Arabia, as a critical player, with respect to the oil production and prices. However, Saudi Arabia has for several decades acted as a "swing producer" by rising or lowering production at will in order to influence world prices or to achieve other goals. Indeed, other oil producers, including Russia, are constantly urging the Organization of Petroleum Exporting Countries (OPEC) to limit its oil production, referring to Saudi Arabia in order to avoid a decline in world oil prices.¹³⁵ Russia also strives to gain the Saudi support in their desire to join OPEC in order to participate and protect its economic interests with respect to this organization. So far, Russia has failed to gain membership in OPEC due to the fact that they do not have any control of their oil and gas production, and what they do control, is mainly by private Russian companies.¹³⁶ Recently, Russia succeeded in signing a five-year oil and natural gas cooperation accord with Saudi Arabia during the visit of Saudi Crown Prince Abdullah Bin Abdul Aziz in September 2003,¹³⁷ even though Moscow and Riyadh still have fundamentally different interests with regard to petroleum prices. Whereas Moscow has a strong need for high oil prices, Riyadh sees its interests as

¹³³Vladimir Simonov, "Russia Smiles at Islamic World," *RIA Novosti* (September 4, 2003); available from <http://www.cdi.org/russia/272-10.cfm>; Internet; accessed 25 March 2005.

¹³⁴*Ibid.*

¹³⁵Katz, *Saudi-Russian Relations in the Putin Era...*

¹³⁶Rajab, *Russian-Arabic Relations From the Death to the Live...*, 12.

¹³⁷David Johnson, "Saudi Leader's Visit to Russia Brings Key Oil Accord, Closer Ties," *CDI Russia Weekly.com* (September 4, 2003); available from <http://www.cdi.org/russia/272-10.cfm>; Internet; accessed 25 March 2005.

best being served by moderate prices.¹³⁸ As a paradox, both countries try to avoid overt competition over the oil production although they are striving to gain the initiative for each other. The main reason is that the Russian oil pricing policy impacts very little on Riyadh. Thus, Moscow sees Saudi Arabia as the single country capable of affecting Russia's downward oil revenues. More frustrating is the fact that Saudi generally has the upper hand in setting oil prices.¹³⁹

Moscow hoped and expected that the real restoration of Saudi-Russian relations in 1991 would lead to massive desirous Saudi investment in Russia, and much to Moscow's disappointment, there have been very few over the past decade. This does not appear likely to change any time soon, for two reasons. First, the Saudis have their own severe financial problems and simply do not have the cash to spare for investment in Russia. Second, even if the Saudis did have the money, they would not invest it in Russia given the disastrous experiences of so many Western firms that have invested there.¹⁴⁰

The security interests are vital for Russia rather than Saudi. As noted earlier, Russia has about 20 million Muslims and their main source of instability is the Chechen issue. Russia continuously tried to increase the mutual cooperation with Saudi on its relations with the Russian Muslim. Moscow blames Saudi Arabia for supporting the continued conflict in Chechnya, and Russia is deeply frustrated by their inability, so far, to end the secessionist rebellion in Chechnya. They are frightened by the rise of what they see as Islamic fundamentalism in Russia and near abroad.¹⁴¹

In addition to that, they are cautious of the possibility of Al Qaeda members crossing into Russia and acting against its interests. Russia successfully invested in post-

¹³⁸Rajab, *Russian-Arabic Relations From the Death to the Live...*, 12.

¹³⁹*Ibid.*

¹⁴⁰Katz, *Saudi-Russian Relations in the Putin Era...*

¹⁴¹Kreutz, *The Geopolitics of Post-Soviet Russia and the Middle East...*

September 11 environments, and the war against terrorism, to take serious actions against the Chechen rebellion. Moreover, Russia started to overtly blame the Gulf States, and Saudi in particular, for these problems. Frequently, media reports have directly accused individual Islamic foundations based in Saudi Arabia of providing support to Chechen, Dagestan, Chechnya rebels, northern Caucasus, and Central Asia Muslims.¹⁴² That support, according to Russia, includes establishing Islamic schools and training terrorists, building schools, mosques, and humanitarian aids for the Muslims in these areas and support received from “radical States,” but mainly from Saudi Arabia.”¹⁴³

Saudi officials categorically deny that their government provides aid to the Chechen rebels. They insist that Riyadh heavily encourages the Russian internal stability and is against any terrorist activities, even if they were to be Muslim. They acknowledge that some private Saudi money may go to the Chechen rebels, but “just as private American donations to the Irish Republican Army (IRA) does not mean that the US government supports the IRA,” private Saudi donations to the Chechen rebels does not mean that the Saudi government supports them.¹⁴⁴ They strongly deny, however, that the Islamic foundations based in Saudi Arabia are aiding the Chechen rebels as claimed. These foundations provide refugee assistance instead, and that the Russians are fully aware of this. In general, the Saudis are very disturbed by the increasing trend of Russians identifying Saudi Arabia as the cause of all their problems concerning Muslims within, or near, their borders. The Saudis believe that instead, it is Russian behavior towards these Muslims that causes problems with neighboring Muslims. The Saudi point of view is that if Moscow treated these Muslims respectfully instead of oppressively, its problems with

¹⁴²Dipak Basu, “Some Background on the Conflict of Chechnya: the Cause,” (September 13, 2004); available from http://www.sullivan-county.com/id3/answer_islam.htm; Internet; accessed 25 March 2005.

¹⁴³Katz, *Saudi-Russian Relations in the Putin Era...*

¹⁴⁴*Ibid.*

them would vanish with time. Not only should Moscow adopt more benign policies toward these Muslims, but also it could easily do so without sacrificing anything.¹⁴⁵ Thus, the interaction between the two countries over the Muslim's issues in Russia and near abroad has critical influence on their relationship.

Although Russia refocused its efforts to gain greater access to the Saudi military market, the military cooperation between them is not significant so far. Both countries disagreed over many issues that they have been unable to resolve as of yet. As noted earlier, the main reason for that Saudi hesitation is that Russia applied similar strategies to all the Gulf States regardless of the inconsistency of their national interests. Dealing with so many different States does, however, threaten Russia's credibility as a reliable strategic partner to individual States. Other factors also threaten Russia's credibility as a strategic partner. Russia effectively has an internal domestic competition between various organizations, such as, the Foreign Ministry, the Defence Ministry, Russian oil and gas companies, and the arms exporting agencies, all of which have direct interests in arms export. Additionally, the decline in the quality of Russian equipment and support services, and their dual policy with most of the Gulf States, further degrade their credibility.¹⁴⁶ Moreover, in order to increase its arms sales to the Gulf States, Russia adopted an arms sale strategy consisting of offering them cheaper and better weapon systems, such as the S-300 (which is akin to its American counterpart the "Patriot"), that countries could not otherwise acquire due to the Western countries' policy of double standards and/or of military balance in the region.¹⁴⁷

Thus, Riyadh continues to feel threatened by reports of Moscow selling arms to neighboring states with which Riyadh has uneasy, or even hostile, relations. Mistakenly,

¹⁴⁵Basu, *Some Background on the Conflict of Chechnya: the Cause...*

¹⁴⁶Antonenko, *Russia's Military Involvement in the Middle East...*

¹⁴⁷Rajab, *Russian-Arabic Relations From the Death to the Live...*, 12.

Moscow was hoping that their arms sales to the United Arab Emirates and Yemen would influence Saudi Arabia, Oman, and Qatar to follow suit.¹⁴⁸ Russia forgot that the Saudis have had adversarial relationships with some of their neighboring States such as Iran, Iraq, and Yemen. Therefore, the Russian military relations with these states displease the Saudis. The most critical for Saudi, is that Russia has been selling conventional weapons and missile technology to Iran, and also helped Tehran in completing an atomic energy plant in Bushehr. The Iranian long-range missile, Shihab 3, directly threatens Saudi and the rest of the Gulf States. In addition to that, Riyadh is not happy with Iranian efforts to increase its military capabilities, nor the Russian assisting role. Russia, instead hotly denies that Iran is threatening any of the Gulf States, and they claim that Russian-Iranian cooperation in the military and foreign policy spheres is not aimed at third countries.¹⁴⁹

Prior to March 2003, the close Russian military cooperation with Iraq was among the obstacles for better military relations with Saudi. The Saudis were deeply concerned by reports of any weapons reaching Saddam Hussain. Unlike Iran, Iraq could attack the Saudi by conventional weapons. Finally, Saudi-Yemeni relations were extremely tense during the 1990s as a result of Sanaa siding with Saddam in the 1990-91 Gulf War, and the Saudis siding with the southern secessionists in the 1994 Yemeni civil war. There were even a number of armed clashes along the undefined Saudi-Yemeni border.¹⁵⁰ Riyadh was unhappy with Moscow selling its arms to Sanaa. However, with the signing of the Saudi-Yemeni border agreement in 2000, relations between Riyadh and Sanaa have improved substantially. Russian arms sales to Sanaa are of lesser concern to Riyadh.¹⁵¹

¹⁴⁸Katz, *Saudi-Russian Relations in the Putin Era...*

¹⁴⁹*Ibid.*

¹⁵⁰Antonenko, *Russia's Military Involvement in the Middle East...*

¹⁵¹Katz, *Saudi-Russian Relations in the Putin Era...*

The Saudis recognize, and indeed, the Russians acknowledge, that Moscow's principal motive for selling arms to Riyadh's neighbors is commercial. Simply put: Moscow needs the money. The Saudis also regard Russian arms sales to Iran and Iraq as something that exacerbates Riyadh's security concerns with these countries. They suspect that if Riyadh asked Moscow to curb its arms sales, the Russians would do so only if the Saudis would compensate them for their lost revenues.¹⁵² Russia's arms sales to Saudi's neighbors are one of the few issues they differ over where Moscow has the upper hand.

Finally, the most significant development on Russian-Saudi relations was the historical visit of Saudi Crown Prince Abdullah Bin Abdul Aziz to Moscow in September 2003. That visit was the first by a Saudi leader since 1926, and could establish a new phase of the relationship between the two countries. The oil and gas, the global fight against terrorism, and the Chechen issue, topped the parties' agenda during that visit. Two main agreements were signed between the two countries: an agreement to confront terrorism, and a five-year oil and natural gas cooperation.¹⁵³ That development on the Russia-Saudi relationship was a result of the current security environment in the Gulf region and the American intervention in Iraq since March 2003. To which extent that increase on the relations between Russia and Saudi Arabia could overcome, the diversity between their national interests remains to be seen.

Russia-United Arab Emirates Relations

The relationship between Russia and the United Arab Emirates (UAE) blossomed over the last ten years based primarily on economic cooperation and trade. The most significant areas of trade have been Russian arms exports and military assistance, UAE direct investment in Russia, tourism in the UAE, and tax-free opportunities for Russian

¹⁵²*Ibid.*

¹⁵³Johnson, *Saudi Leader's Visit to Russia Brings Key Oil Accord, Closer Ties...*

companies in the UAE. As previously discussed, the UAE as an oil producing Gulf nation, interacts with Russia indirectly over oil prices through OPEC. The development of this special relationship between the two countries will now be discussed briefly.

As noted earlier, after the collapse of the Soviet Union, Russian financial needs became a crucial factor in its decision to increase efforts to sell Russian military equipment abroad. Russia's search for markets refocused its presence and supply relationships with the Gulf States. In order to compete with other international arms producers, Russia adopted an arms development policy in direct competition with the US, the UK, France, Germany, and China.

Russia focused on military export strategies that included arms sales, technical cooperation, repairs and modernization of ex-Soviet equipment, military assistance and advisers, joint projects for modernization of equipment, high-level political and military exchanges, and military participation in the Gulf Region.¹⁵⁴ Russia continues to try to apply these strategies similarly to all of the Gulf States, regardless of the inconsistency of their national interests. Consequently, the difficulty in dealing with all these states according to their national interests does, however, threaten Russia's credibility as a reliable military partner to individual states.

Other factors also threaten Russia's credibility as a trading partner. Effectively, Russia has internal domestic competition between various organizations, such as the Foreign Ministry, the Defence Ministry, and the Russian arms exporting agencies, all of which have direct interest in arms export. Additionally, the decline in the quality of Russian equipment and support services, and Moscow's dual policy with most of the Gulf States, further degrades Russian credibility in the region.¹⁵⁵

¹⁵⁴Antonenko, *Russia's Military Involvement in the Middle East...*

¹⁵⁵*Ibid.*

Russia took the advantage of the post Gulf War situation, which helped Russia to develop relations with the Gulf States. The Gulf States learned from the Iraqi experience and tried to diversify their military and strategic relations by looking for new strategic partners. These developments met Russian main foreign policy objectives, and Moscow started to gain increased access to the Gulf region, expanding on its traditional links with Iraq and Iran. Therefore, the UAE took the initiative and started to enhance its relations with Russia in economic, military, and trade fields.

The new bilateral relations between Russia and UAE were based on an existing agreement on trade, economic, and technical cooperation signed in January 1990 between the Soviet Union and the UAE.¹⁵⁶ This agreement had set the basis for economic relations between the two countries, and stated that trade should be conducted on the basis of individual contracts and payments should be made in hard currency. Based on this agreement, Russia and the UAE established a joint inter-governmental commission on trade, economic, and technical cooperation, although the first meeting of the commission was not held until March 1997, due to internal rivalries between the arms companies, Ministry of Defence, and Ministry of Foreign Affairs in the newly formed Russian Federation. During this meeting the UAE agreed to offer Russia ‘favored nation status’ for trade.¹⁵⁷

The trade and investment cooperation between the two countries remains very active and much larger than that with the rest of the Gulf States due to a number of reasons. The strategic location of the UAE, primarily due to the UAE’s status as the Gulf’s key commercial center, the high standard of facilities available for foreign traders, and the broad customer market, encouraged Russia to consider the UAE as its favorite

¹⁵⁶*Ibid.*

¹⁵⁷Business Agency press, *Economic Relations of Russia in 1997-2000: United Arab Emirates*, <http://www.bpress.ru/free/er/unaremir.htm>; Internet; accessed 22 April 2005.

trading partner in the Gulf Region. The economic cooperation between Russia and the UAE consists of cars, consumer electronics, textiles and clothing, foodstuffs, gold, lumber and paper, cellulose, machinery and equipment, precious metals, ferrous and non-ferrous metals, chemical products and plastics, building material, and footwear. There are hundreds of Russian companies based in the UAE benefiting from the good economic and military relations between Russia and the UAE.¹⁵⁸

Russia also succeeded in gaining investments from the UAE. A good example of this is the Rostov Region, where UAE corporations have been involved in many projects, including the reconstruction of Rostov airport, two iron and steel plants, a helicopter plant, the construction of a cement plant in Uglegorsk, the Sherlouskaya-Naklonnaya coal mine, and a water supply pipeline system for the city of Rostov. The two parties signed agreements in April 1999 to conduct these projects in Russia by UAE corporations.¹⁵⁹

UAE is also an extremely attractive state for Russian citizens in terms of tourism. The attractive price of traveling to the UAE, combined with good shopping value and the excellent holiday facilities of the UAE, have encourage many Russians visiting the UAE on a regular basis. Consequently, Russian airline companies have benefited from this business and now have regular flights to almost all of the UAE's airports.

Additionally, the business facilities, support system, and tax-free zones available in the UAE create a favorable environment for Russian companies to develop healthy economic cooperation with the UAE. This has resulted in the creation of a number of foreign off-shore companies in the UAE.¹⁶⁰ Therefore, the UAE's traders have

¹⁵⁸Rajab, *Russian-Arabic Relations From the Death to the Live...*

¹⁵⁹Business Agency press, *Economic Relations of Russia in 1997-2000: United Arab Emirates...*

¹⁶⁰*Ibid.*

aggressively sought out new markets in Russia and the independent states of central Asia.¹⁶¹

In order to build stronger trade relations with the UAE, Russia established in July 2002, a Russian Trade Center in the UAE. It is the only trade center in the Middle East, and also facilitates Russian trade relations with the whole of the Middle East region.¹⁶²

The military cooperation between Russia and the UAE has developed rapidly since 1991, and by 1998, the UAE became the fourth largest Russian arms customer in the world. The development of this strong relationship is due to the fact that the UAE did not have any disputes with the former Soviet Union or Russia.¹⁶³ Combined with the UAE's ability to pay in cash, and is willing to cooperate, Russia considered the UAE as one of the key customers for Russian arms agencies. Russia has been very keen to participate in all air shows and International Defence Exhibitions organized in the UAE since 1991. For instance, in IDEX 2005, there were 40 Russian companies under the collaborative umbrella of Rosoboronexport, with other Russian military corporations such as KamAz and GAZ also in attendance. As a consequence, they secured many lucrative arms contracts throughout the Gulf region.¹⁶⁴

The UAE remains the most dynamic economy in the Gulf region and therefore it is an attractive market for arms suppliers in general, and Russia in particular. The Russian government recognizes the important relationship with the UAE, and encourages cooperation in all fields with them. Russian military corporations have a very good

¹⁶¹Market Access and Compliance.doc, "United Arab Emirates FY 2000 Country Commercial Guide," http://www.mac.doc.gov/tcc/data/commerce_html/countries/Countries5/UnitedArabEmirates/CountryCommercial/2000/body.htm; Internet; accessed 13 April 2005.

¹⁶²Trade Center of Russia, Dubai, UAE. <http://www.arabruss.co.ae/tcr-q.shtml>; Internet; accessed 13 April 2005.

¹⁶³Antonenko, *Russia's Military Involvement in the Middle East...*

¹⁶⁴Okasana Antonenko, "Russia Has Something to Offer to the Arab Countries," *Kommersant*, <http://www.kommersant.com/age.asp?id=547353>.

relationship with the UAE and they are actively encouraged by the Russian government to offer them the highest quality Russian strategic systems. The military relationship is now very mature between the two parties, which has reflected positively on the level of Russian arms sales to the UAE.¹⁶⁵ The main Russian military equipment purchased by the UAE includes the BMP-3 (which is the main infantry combat vehicle in the UAE's armed forces), close air defence missile-gun system,¹⁶⁶ transport aircraft, and the Panzir-S1 anti-aircraft system. Russia has also offered the UAE anti-aircraft and missile defence systems, such as the S-300 and S-400,¹⁶⁷ MiG-31M interceptor aircraft, Ka-50 attack helicopters, and T-90 MBTs.¹⁶⁸

Thus, Russia and the UAE's relationship is very significant and meets both of their national interests which are based primarily on economic cooperation and trade, and in particular Russian arms exports and military assistance. The UAE has made significant investments in Russia and their tourist market has benefited from Russian tourism.

It appears that the UAE is different case vis-à-vis other regional states' relations with Russia, in fact, it is not. The main reason of that is Russian national interest itself that determined UAE to be the most suitable state in the region due to many factors. As noted earlier the state of stability, location, the wealth, and facilities are the main factors make that exception on the Russian-UAE relations.

¹⁶⁵Federation of American Scientists.org, "Weapons of Mass Destruction," <http://www.fas.org/nuke/guide/russia/airdef/s-300v.htm>; Internet; accessed 13 April 2005.

¹⁶⁶Okasana Antonenko, "Russia in \$500 Mln Air Defence System Deal with UAE," available from <http://www.aeronautics.ru/nws002/bridgenews003.htm>; Internet; accessed 13 April 2005. .

¹⁶⁷Missilethreat.com, "Russia Upgrading Missile for S-300 System," <http://www.missilethreat.com/system/s-300v.html#note10>; Internet; accessed 13 April 2005.

¹⁶⁸Antonenko, *Russia's Military Involvement in the Middle East...*

Russia-Yemen Relations

The Republic of Yemen consists of North Yemen (pro-Western) and South Yemen (Marxist). South Yemen, the People's Democratic Republic of Yemen (PDRY), had very close ties with the former Soviet Union from 1969 to 1990. During the Cold War era, the PDRY received substantial financial, military equipment, and ideological support from the Soviet Union.¹⁶⁹ The communist party in PDRY was very active and supported the liberation movements in the region, such as *Dhofar* in the southern part of Oman.¹⁷⁰ The communist role was highly recognized by the Gulf States, and they cooperated with the Western countries to take all the necessary measures to end that influence. Since 1990, the two Yemens have unified into the Republic of Yemen, therefore, ending the communist presence and its influence in the Gulf region.

Currently, Russia and Yemen have the desire to take advantage of their historical relationship. The strategic location of Yemen makes it very important to Russia. Its ports on the strait of *Bab Almandib* provide both commercial and, in time of a crisis, military access to the shipping lanes of the Gulf, the Indian Ocean, and the Red Sea. Consequently, Yemen sits astride the waterways that carry much of the world's oil. Moreover, Russia considers Yemen a strategic partner due to its proximity to Africa and, with Moscow being strapped for cash, a welcome partner. Furthermore, taking in consideration the UN's arms embargo against Ethiopia and Eritrea, Moscow's strategic objectives of those relations go beyond the access to a single arms market. Russia is looking to gain access to greater significant markets by smuggling arms to the Horn of

¹⁶⁹Mark N. Katz, "On the Road: Russia and the Arabs Still Miscommunicating," *The Middle East Quarterly*, Vol. 2, No. 1 (March 1995); available from <http://www.meforum.org/article/243>; Internet; accessed 25 March 2005.

¹⁷⁰Mike Bowker, *Russian Foreign Policy and the End of the Cold War* (England: Dartmouth, 1997), 109.

Africa, in particular, to Ethiopia and Eritrea.¹⁷¹ Thus, Russia would also have an alternative good arms market if it were forced to reduce their military cooperation with Iran. Yemen, in turn, wants to gain access to Russia's arms market in order to upgrade its military to sustain the serious security threats it faces, and was looking for Russia's partnership and political support as major player in the Gulf region. Therefore, the mutual necessity for Russia and Yemen to collaborate is certainly driving the relationship.

During the year 2000, Vladimir Putin was trying to resume the strong ties with Yemen. The delegations from both parties have exchanged visits on a regular basis to discuss arms purchases, including Su-27s, modernized versions of the T-72, multiple rocket launchers, and air defense systems (S-300).¹⁷² The most significant increase to the Russian relations with Yemen was the two visits by the Yemeni President to Moscow in November 2002 and April 2004.¹⁷³ Those critical moves increased the level of military cooperation and Russian influence in Yemen.

Essentially, the main Russian military equipment in Yemen are MiG-29, Su-27 fighters, Scud missiles, and T-72 tanks. The former Yemeni Prime Minister and advisor to the President, Abdul Karim Al-Ariani, highlighted the importance of Russian military relations with Yemen: "Yemen's armed forces are essentially equipped and trained with Russian arms and military strategies. Around 90% of Yemen's military equipment has come from Russia." He continued, "Russian military equipment being sold to Yemen is

¹⁷¹Stratfor, "At the Tip of the Arabian Peninsula, A Contest For Influence," <http://www.stratfor.biz/Story.neo?storyId=101126>; Internet; accessed 25 March 2005.

¹⁷²Arabic News.com, "Russia for developing relations with Yemen," <http://www.arabicnews.com/ansub/Daily/Day/000524/2000052415.html>; Internet; accessed 25 March 2005.

¹⁷³Peter Willems, "President Saleh concludes visit to Moscow," *Yemen Times*, Vol. 13, Iss. 728 (February 07, 2005); available from <http://www.yementimes.com/article.shtml?i=728&p=local&a=1>; Internet; accessed 25 March 2005.

estimated to have reached \$8 billion in the last few years.”¹⁷⁴ Thus, the training and the spare parts are the most important issues for Sanaa.

Russia and Yemen have signed many military agreements since the collapse of the Soviet Union, the first agreement having been signed on May 22, 2000, during the visit of Russian Defense Minister Igor Sergeyev to Sanaa.¹⁷⁵ Other agreements signed during the visits of the Yemeni President to Moscow include, a statement on friendship and cooperation in cultural, economic and military spheres, the increased cooperation in the fight against terrorism, and the last signed contract with The Kurgan machine building plant (Kurganmashzavod) in July 2004.¹⁷⁶ According to those military agreements, Moscow agreed to deliver 14 MiG-29 fighter jets to Yemen for \$437 million and, by 2001, Sanaa had received 10 of the 14 fighters.¹⁷⁷ In addition to that, the arms deal included 31 modern T-80 tanks, 180 BMP2 infantry fighting vehicles, anti-aircraft missile systems, 12 KA-52 Alligator helicopters, more fighter planes, ammunition, and small arms.¹⁷⁸ To insure the control of the Russian government on its arms sale process, Putin and Yemen President Saleh agreed to eliminate the use of weapons traders as intermediaries, and confirmed that only the two Defense Ministries would handle any future arms transactions.

Other fields of cooperation between Russia and Yemen were the oil and gas industry, health care, agriculture and trade, in addition to several unfinished projects

¹⁷⁴*Ibid.*

¹⁷⁵Antonenko, *Russia's Military Involvement in the Middle East...*

¹⁷⁶Mosnews.com, “Russia Signs \$280M Military Equipment Deal with Yemen,” <http://www.mosnews.com/money/2004/07/13/yemenmilitary.shtml>; Internet; accessed 24 March 2005.

¹⁷⁷Charles R. Smith, “Russia has cut a deal to deliver 14 MiG-29 jets for Yemen,” available from <http://www.rense.com/general18/russiasells.htm>; Internet accessed 24 March 2005.

¹⁷⁸Willems, *President Saleh concludes visit to Moscow...*

including the energy facility Hisva.¹⁷⁹ Many Russian oil and gas companies have big interests in Yemen, such as LUKoil, which is seeking concessions in the south of the country, and Gazprom, which is showing interest in building gas infrastructure facilities.¹⁸⁰

Given the increase in relations between Russia and Yemen, a new issue occurred challenging the US and other Gulf States' national interests in the Gulf region. Due to the strategic location of Yemen, the Russian presence and influence threatens the US and its allies' interests in the region, therefore, it is of vital interest to the US to take all necessary counter measures to court both Yemen and Oman, as long as they control the entire southern flank of the Arabian Peninsula.¹⁸¹ Although Russia is striving to protect its interests in Yemen, there is great doubt that they would harm their relations with the US. Additionally, Moscow has to maintain its relations with the other Gulf States, in particular, Saudi Arabia. Yemen in turn, wants to draw the American attention to accelerate its efforts to improve ties with Sanaa.¹⁸²

Conclusion:

During the Cold War era, the Soviet Union faced rejection from most of the Gulf States, except Iraq and South Yemen, and failed to spread its influence in the region. That failure was due to an anti-communist feeling by Muslims in the Gulf States, the Soviet invasion of Afghanistan in 1979, and the domination of the Western influence in the

¹⁷⁹Smith, *Russia & The Middle East...*, 9.

¹⁸⁰Alexander's Gas & Oil Connections, "Yemen and Russia to Extend Cooperation," <http://www.gasandoil.com/goc/news/ntm12250.htm>; Internet; accessed 24 March 2005.

¹⁸¹Stratfor, "At the Tip of the Arabian Peninsula, A Contest For Influence," <http://www.stratfor.biz/Story.neo?storyId=101126>; Internet; accessed 25 March 2005.

¹⁸²*Ibid.*

region. After the collapse of the Soviet Union, Russia faced a considerable economic crisis, and as such, economic interests became the first priority to Moscow.

Since 1991, Russia began to gradually resume its identity and position within the international community and prioritized its strategic interests and objectives. Russia has critical national interests in the Gulf region for many reasons, therefore, Moscow has refocused its foreign policy towards the Gulf States. Russia started to approach these States and consolidate its diplomatic, military, and economic relations with them in order to gain access to the Gulf markets. Russia has succeeded in establishing significant relations with some of the Gulf States such as Iraq, Iran, and the UAE, and to a lesser degree, the rest of the Gulf countries.

In this vein, lucrative arms deals, the Chechen issue, international terrorism, Caspian Sea oil, oil and gas production and prices, social, culture, and religion, membership in OPEC and the Islamic Conference Organization, are strong factors that influence Russian relations with the Gulf States. Accordingly, Russia has critical security, economic, and military interests with the Gulf States, and has to protect their interests in the region.

Russia's policy towards the Gulf States is based purely on its economic, security, and military interests, not on a strategic partnership with these States. In other words, the Russia's relationship with the Gulf States is to a large degree the result of mutual necessity rather than strategic interests, due to Russia primarily focusing on their relations with Western countries at the expense of regional relations. Although Russia gains many arms deals with some of the Gulf States, they still face obstacles due to its policy towards the region. Russia applied similar strategies to all of the Gulf States regardless of the inconsistency of their national interests. Dealing with so many different States does, however, threaten Russia's credibility as a reliable strategic partner to individual States.

Moreover, the decline in the quality of Russian equipment and support services, and their dual policy with most of the Gulf States, further degrade their credibility.

Russia has very critical strategic interests with Iran including Caspian Sea oil, support to the Muslims in Central Asia, Caucasus, and Chechnya. The mutual military cooperation is significant between the two countries, and in particular the nuclear reactor in Bushehr, Iran. Russia however, faces problems in its relations with Iran due to international and American pressure with regards to Iran's effort to have nuclear weapons. The future of Iran and Russia is not optimistic.

Russia lost its greatest ally in the region when, in March 2003, America declared war against Iraq. Lucrative Russian oil contracts and a debt of billions of US dollars debit in Iraq has not yet been solved, however, Moscow is striving to gain access in Iraq again.

Accordingly, Russia is very keen to find alternative allies to Iraq and potentially Iran, by enhancing its relations with Saudi Arabia and Yemen. Russia has economic, security, and military objectives for its relations with Saudi Arabia. The oil and gas production and prices, the Saudi support of Russian membership to OPEC, and the encouragement of Saudi investments in Russia, are the most important economic issues between the two parties. The cooperation on counter-terrorism, Chechnya, and the mutual respect to internal affairs are the main security concern between Riyadh and Moscow. Finally, military cooperation is very critical to Russia with Saudi Arabia. Yet, these relations are not strong enough due to the Russian military support to Iran and Yemen.

Yemen is potentially the future strong ally to Russia, as they have mutual economic, security, and military cooperation, in addition to, Russia looking to gain access to the Horn of Africa through its good relations with Yemen.

The interesting observation that derived from this study was the critical changes in the Russian performance since the arrival of Putin to the Kremlin in 2000. He enhanced,

professionally, the control over the government political, economic, military, and social institutions that reflected positively on the consistency of its foreign policy towards the Gulf States. Since 2001, Russian relations with some of the Gulf States, such as Saudi Arabia and Yemen, have significantly increased, and a new phase of the relationship between them seems to have started. Should that be a shift in Saudi relations with US towards Russia after post-September 11 security environment remains to be seen and requires further examination.

If Russia wants to protect its strategic interests in the Gulf and enhance its credibility and reliability in the region, it needs to pay more attention to the Gulf States' issues and support the Gulf countries actively in the regional and international arenas. Russia, as a great regional power, has to take strong and clear political positions towards the Gulf States' affairs, and sometimes it needs to adopt an individual stand against any act, which could threaten their interests in the region. Russia's relations with the Gulf States should be based on strategic partnership rather than on interests per se to the extent that enhance its credibility in the region.

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