

IN FROM THE COLD: RUSSIA'S AGENDA IN THE MIDDLE EAST AND IMPLICATIONS FOR THE EU

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Russian foreign policy in the Middle East and North Africa (MENA) forms part of a comprehensive strategy, aimed at undercutting what it perceives as Western supremacy in the international sphere. For this purpose, a process was set in motion by the skilful use of opportunities, arising in particular from the lack of a political solution and of concerted military action in Syria by those calling for Bashar al-Assad to step down. On the other hand, in the perception of several regional leaders, Russia emerged as a consistent actor, sticking to allies and proving reliable, while being appreciated for favouring the preponderant authoritarian status quo. The resulting open-ended endeavour, where Moscow reshapes the regional order by building strategic partnerships and engaging in military intervention, carries implications for all interested actors, including the European Union (EU).

Russia's military intervention in Syria and its quest for a greater role in the MENA region occurred against the background of the deepest crisis in EU-Russia relations since the end of the Cold War. This crisis was largely the result of Russia opposing the turn that political events took in Ukraine from the autumn of 2013, which would have facilitated a structured rapprochement with the EU and possibly the North Atlantic Treaty Organization (NATO). Russia's annexation of Crimea and its stealthy yet decisive support of separatist fighters in Eastern Ukraine led the EU to impose several rounds of sanctions on Russian individuals and selected sectors of the Russian economy. Russia's military intervention in Syria started only a few months after large-scale fighting had ceased in Eastern Ukraine, following the signing of the Minsk-2 agreement in February 2015.

As the Ukraine crisis became for Russia a cause of diplomatic isolation and of long-term tensions with the West, Russian leaders preferred to turn their attention to Syria and the

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MENA region. On the one hand, they assumed that cooperation with the West could be revived in this region, most notably on the basis of an anti-terrorism agenda. On the other, they increasingly came to consider regional actors as having strategic importance in their own right, particularly as a partial alternative to economic and political partners in the West.

While the Russian role in the Ukraine crisis continues to shape the EU's political and security approach to Moscow, the MENA region has acquired considerable significance for EU-Russia relations. From an EU perspective, the MENA region is an area of fundamental economic, political and security importance. This is even more the case as regional developments have had direct repercussions on the EU, such as the refugee crisis or the proliferation of Jihadist terror attacks. Hence, Russia's growing involvement in the region and its preeminent role in the Syrian crisis call for adequate EU policies to address and engage with Russian presence in the MENA region.

Russia's Foreign Policy in the MENA Region: Assertive and Comprehensive

In September 2015, Russia staged a significant comeback to the Middle East through its military intervention in the Syrian civil war. The intervention was officially presented as an anti-terrorism operation, yet it took the form of a more comprehensive counter-insurgency bombing campaign in support of the Syrian army and its allies, including Iranian troops and Hezbollah fighters. The Russian Aerospace Forces deployed in Syria were supported by strategic bombers flying from bases in Russia and Iran, as well as by navy ships and submarines that launched cruise missiles from the Mediterranean and the Caspian seas (Lavrov, 2018). Thanks to this deployment, Russia was able to decisively influence the course of the Syrian crisis and consolidate its own military presence in the country. The campaign was a display of recently (re)acquired military might. Moreover, it showed leaders in the MENA region (and beyond) that Russia was willing to uphold its commitments as an ally of the Syrian regime and take on a leading diplomatic role in subsequent peace negotiations.

Moscow's military intervention in Syria was the clearest manifestation of its renewed activism in the broader MENA region. Analysts identified several drivers of Russia's policy, including the quest for a great power status, the willingness to overcome the negative stalemate in relations with the West after the Ukraine crisis and genuine concerns about the spread of terrorism from the MENA region to the post-Soviet space (see Kozhanov, 2018; Kuznetsov *et al.*, 2018; Stepanova, 2016). Russian thinking was shaped by the view that the Arab Spring represented a return to the traditional values of Middle Eastern societies, and had thus promoted Islamisation rather than democratisation (Dannreuther, 2018). Russian leaders appeared keen on containing both this process and Western intervention in the region, which was seen as having catalysed the former. President Vladimir Putin harshly criticised NATO's aerial campaign in Libya in 2011 and resolved

that Russia would prevent the repetition of a similar scenario elsewhere, most notably in Syria (cf. Putin, 2013). The Russian leadership became convinced that “the way the Syrian crisis is resolved will largely determine the model for the international community’s response to internal conflict in the future” (Foreign Minister Sergei Lavrov, cited in Dannreuther, 2018, p. 6).

Russia’s growing involvement in the MENA region also responds to more immediate concerns, particularly the need to diversify relations away from the West and thus compensate for the economic losses caused by Western sanctions. Cooperation with oil-producing MENA states can lead to the control of global energy prices, which are critical to Russia’s economic performance. In line with these multiple interests, Russia’s policy towards the MENA region has developed along several vectors, focusing on security, economics and diplomacy.

Russia’s security policy revolves around its military presence in Syria, which includes the air base of Hmeimim and the naval base of Tartus. The deployment of the S-400 missile system has given the Russian military considerable area-denial and anti-access capabilities over an even broader region. Moreover, the air campaign in Syria led Russia to cooperate closely with Iran and Iraq; a coordination centre was set up in Baghdad for this purpose (Trenin, 2017, p. 71). Despite their different readings of the crisis, coordination has also taken place with US and (since 2017 in particular) Turkish forces. Outside the Syrian context, Moscow has strengthened military cooperation with Egypt through joint naval, aerial and counter-terrorism exercises.

Russia’s increased military presence in the MENA region was also functional to some of its economic goals, notably boosting its arms exports. Between 2015 and 2017, the MENA region became the second largest market for Russian arms exports after the Asia-Pacific region (Borisov, 2018). In addition to the long-standing arms deals with Algeria (the third largest importer of Russian weapons worldwide), Moscow signed lucrative supply contracts with Egypt and Iraq. It sold the S-300 air defence system to Iran and could soon start exporting state-of-the-art equipment to new purchasers, Turkey and Saudi Arabia in particular.

From an economic perspective, Russia’s energy diplomacy has been perhaps the most successful aspect of its regional policy. In December 2016, Moscow reached a deal with Saudi Arabia and other OPEC countries to curb oil production. This led to a rise in the oil price (from around \$30 to over \$70 a barrel) and allowed the stabilisation of the Russian economy, which is heavily dependent on oil exports. Moreover, the rich Gulf States have started to make significant investments in the Russian economy, which was a key goal of Russian policy following Western financial sanctions. In late 2016, at a difficult time for the Russian economy, the Qatar Investment Authority (together with commodities trader

Glencore) acquired a 19.5% stake in Russia's largest oil company Rosneft for \$12 billion (Nakhle, 2018). More recently, Saudi government officials announced their aim to acquire a 30% stake in Russia's second liquefied natural gas project in the Arctic, which is worth \$25.5 billion (Foy, 2018a).

Deals in the fossil fuel sector are compounded by active nuclear energy diplomacy. Russian regional involvement in the nuclear sector began with the construction of the Bushehr plant in Iran. In 2010, Russian state company Rosatom was awarded a contract to build a nuclear power plant in Turkey. In 2014, it won a tender to build another plant in Jordan. Finally, in 2017 Rosatom signed a deal to build four reactors in Egypt and is currently in talks with the Saudi government for future projects (Nakhle, 2018, p. 34). Russia's confident bearing in the MENA region has encouraged some of its major companies to operate in areas where other actors have been reluctant to venture, as shown by Rosneft's deals in the Iraqi autonomous region of Kurdistan (Foy, 2018b).¹

The breadth of Russia's regional economic partners reflects the nature of its diplomacy, which is ready to engage with nearly all local actors. Although the Russian intervention in Syria practically benefitted a coalition perceived as "Shiite" by many (Assad-Iran-Hezbollah), Russia has avoided entering into fully-fledged alliances with any regional actor. Moscow has been very skilful at navigating regional fault lines. In Syria, it has profiled itself as the lead negotiator in a format that includes countries as different as Turkey and Iran (Mühlberger, 2017). It followed a similar approach later in Libya, where it first strengthened its contacts with the faction led by Khalifa Haftar, and then invited all the main actors for talks in Russia (Stepanova, 2018). Russia has good working relations with opposed actors, such as Israel and Saudi Arabia on one side and Iran and Qatar on the other. This posture has allowed the Kremlin to profile itself as a credible interlocutor and even as a potential mediator in broader regional politics (Barmin, 2018). This is particularly relevant at a time when the US has taken controversial steps (such as moving its embassy in Israel to Jerusalem, or overtly siding with Saudi Arabia in its disputes with Qatar and Iran) that discredit its image as an impartial broker.

Therefore, Russia has decisively increased its standing in the MENA region in the last 5-6 years. Many regional leaders seem to appreciate Moscow's approach, which combines support for political stability with economic engagement without any human rights conditionality (Katz, 2018). However, some limitations exist to Moscow's regional power projection. Firstly, Russia's military and particularly its economic resources are limited. Hence, for instance, Russia needs financial support from the EU or Gulf States for the reconstruction process in Syria. Moreover, Russian soft power in the region is limited,

¹ Russia is also a major exporter of grain to the Middle East, Egypt in particular. In addition, Russian tourist flows are significant for some MENA economies, such as Egypt, Turkey and Israel (Trenin, 2017, p. 130-2).

despite the creation of an Arabic channel of RT, a Russian state-sponsored television platform (cf. Casula & Katz, 2018, p. 307).

To a considerable extent, Russia's current diplomatic standing in the MENA countries has been enabled by the regional perception of the West's policies, such as the US stance vis-à-vis former allies such as Hosni Mubarak in Egypt, or the inconsistent policy line against al-Assad, relying on uncontrollable Sunni Jihadist proxies instead of its own military. Yet it is uncertain whether Russia will be able to sustain its influence in the long run, especially due to its limited economic capabilities and continued uncertainty about US policies in the region, in particular with regards to Iran. For the time being, however, no substantial changes are foreseeable, and the EU (as well as all other actors involved in the MENA region) will have to take into account Russia's regional influence in its policy calculations.

The EU in the Region: An Emerging Foreign Policy Actor

The EU's activities in the MENA region are traditionally motivated by a relatively rigid set of interests, translating into foreign policy goals: control of migration, access to markets (including hydrocarbons) and deflection of Jihadist terrorism determine the EU's policy tools, motivate the allocation of funds and shape the levels of cooperation with local stakeholders. To this end, the EU incrementally developed its own foreign policy, with the overarching aim of producing and maintaining stability in a region considered a "sphere of interest", if not of strategic relevance. This "external action" is mainly defined by the reviewed European Neighbourhood Policy (ENP), the Common Foreign and Security Policy (CFSP) and the Global Strategy (GS), partially managed by the High Representative Federica Mogherini. Despite the creation of new financial policy instruments such as the European Neighbourhood Instrument (ENI) and institutions like the European Union External Action (EEAS), internal challenges to consistency abound, including the tendency for member states to act outside the EU framework, in particular in case of crisis or conflicts. For instance, this could be observed during the Libya intervention in 2011 (Mühlberger/Müller, 2016) and in the case of negotiating the "EU-Turkey" migration deal.

Following the Arab upheavals erupting in December 2010, the EU changed its approach to the "Mediterranean", as its south-eastern rim is often referred to. By reviewing the ENP twice (2011 and 2015) and by introducing the Global Strategy, central concepts – "principled pragmatism", differentiation and resilience – were added to the policy discourse. They are supposed to strengthen the relationship with a region adjacent to the EU, yet without providing the EU partner countries an accession perspective.

In practice, the EU continues negotiations on trade and economic cooperation with eligible candidates (Deep and Comprehensive Free Trade Areas [DCFTAs] with Tunisia and

Morocco) and pursues a policy of civilian and military missions under the Common Security and Defence Policy (CSDP). In the North African context, the EU NAVFOR operation highlights a strong focus on Libya in the EU's external action, whereas Tunisia's democratisation process has become a major recipient of EU funding (close to €10bn over 7 years).

In the Levant, the EU's outlook has been primarily shaped by the militarised uprising in Syria and its negative security externalities. However, this stance was not formulated in the wider framework of the EU's traditional external action formats due to the al-Assad regime's previous objections against a formal endorsement of cooperation (association agreement) with the EU. Furthermore, Russia's military campaign since autumn 2015 increased the linkages between Damascus and Moscow, further reducing the potential scope of action for the EU.

Yet increasing Russian influence in the region also relies on the development of a stability discourse that presents itself as an alternative to EU-promoted norms and to regime change. In times of regional upheaval and armed conflicts, Moscow has come to portray itself as an anti-regime change agent, challenging Western interventionism while shoring up the regional (Arab, Turkish and Iranian) authoritarian status quo (Katz, 2018).

This is all the more relevant as the EU has failed to offer a consistent, credible and hence attractive narrative of its aims in the region (Miskimmon, 2018, p.154). While postulating a foreign policy driven by principles such as human rights and democratisation, incidentally in a region marked by decades of post-colonial authoritarian rule, the political practice has been one of relatively unimpeded cooperation with repressive regimes. Furthermore, the development of a unified foreign policy line has been impeded by the continuous incongruity between ideals and mercantile goals. In addition, the Arab upheavals complicated the relationship with local stakeholders in the MENA region as the EU professed an inclination toward political change, alienating the vested interests of the region's political-economic elites.

Implications for the European Union: the Scope from Convergence to Rivalry with Russia

The substantial Russian involvement in MENA compels the EU to rethink its foreign policy line on several dossiers, having an impact on three levels: first the relationship with the Russian Federation proper; second, ties with individual counterparts in the Southern Neighbourhood; and third, the definition of EU policies and priorities relating to the MENA region more widely (migration policy, counter-terrorism, etc.).

Generally, in order to map implications, the EU needs to assess areas of conflicting interests and room for cooperation with the Russian Federation. Here, a clear appreciation

of Russia's achievements and the material and temporal limitations of its MENA policies can help to delineate the characteristics of the competition. As Russia established new diplomatic, economic and security linkages in the region, the impact on EU interests needs to be measured in both their thematic and geographic dimensions.

Fundamental differences persist in the ideational domain of democratisation and human rights demands. The EU is a principled supporter, including human rights and rule of law as conditionality in its policies, whereas Russian diplomacy does not prioritise these principles. Accordingly, Russia is an upholder of the authoritarian status quo in the region, whereas the EU continues to voice its objections to such governance models, at least at a rhetorical level, and is ready to support pluralistic transitions with substantial financial means. On the one hand, this makes the EU a more attractive partner for local civil society actors promoting democracy and human rights. On the other, the Russian approach is more appealing for the ruling elites, as it promotes a form of stability devoid of normative conditionality.

In the economic domain of energy resources the situation is tenser as Russian policies tend to negatively affect European supply-sided control. Moscow's closer cooperation with major regional hydrocarbon producers belonging to the OPEC or Qatar consolidates an interest group of suppliers, potentially reducing the EU's influence on the market. Due to European dependence on both Russian and MENA hydrocarbons, increased coordination through formats such as "OPEC plus" on output quantities, logistics and prices are potentially problematic for the EU and its member states.²

An obvious potential for cooperation is linked to the shared interest in countering Jihadist terrorism. Even though foreign fighters and their respective networks posing a threat to Europe and Russia have different geographic origins, cooperating with regional actors to fight their common base, namely ungoverned spaces, is a common goal.

In the wider Middle East, Turkey, a controversial EU accession candidate, host to energy corridors and NATO member, is a special case due to the evolving Russian posture in neighbouring Syria, as well as the tentative rapprochement between Moscow and Ankara. Furthermore, with regard to the Iranian nuclear programme, the shared priority of nuclear non-proliferation in the wider Middle East can form the basis for a cooperative stance, including the continued support of the Joint Comprehensive Plan of Action (JCPOA).

The most promising area of cooperation, however, is represented by post-war Syria.

² On the other hand, there are examples of cooperation between Russian and European energy companies in the region, as highlighted by Rosneft's purchase of a 30% stake in the Zohr gas field, off the Egyptian coast, which is operated by the Italian company Eni.

Russia is seeking financial support for reconstruction and, due to lacking funds, depends on potential Western funding. On the other hand, Russia also seeks an exit strategy, which to a certain degree provides the EU with the opportunity to enter into a bargained negotiation.

Finally, the general competition between Russia and the EU in the region is not following an ideological confrontation as during Soviet times. However, Russia continues to tap into anti-American and anti-Western sentiment by proposing support for a stability interpretation devoid of conditionality. This provides it with a competitive edge over the EU, which upholds values such as human rights and favours democratic systems of governance.

Policy Recommendations

EU-Russia relations are characterised by serious deterioration since Russian military interference in Ukraine started in 2014. In concert with the US, the EU responded to the violation of Ukraine's territorial integrity by putting in place sanctions, even though ineffective to date in altering the Kremlin's stance. On the other hand, the September 2015 Syria intervention has not led to additional sanctions, even though the EU and its member states were on opposing sides of the conflict concerning the overthrow of the al-Assad regime. In that sense, Ukraine remains a determining feature of EU-Russia tensions, whereas the revivalist Russian role in the Syrian conflict has been quietly acquiesced.

As the MENA region is of special interest for the EU, the emergence of an assertive external player such as Russia represents a challenge, raising issues ranging from convergence to competition.³ In March 2016, the Union's High Representative Federica Mogherini outlined five principles guiding the EU's relationship with Russia, which include selective engagement with Russia on foreign policy issues pertaining to the Middle East.⁴ From a strategic angle, unlike the EU's Eastern Neighbourhood, neither the Mediterranean nor the Middle East is considered essential for Russian security interests, with the exception of terrorism-related concerns. Nevertheless, the Mediterranean basin and its south-eastern shores are an area of increased Russian activity and influence, implying the need for the EU to adapt its stance accordingly, in particular where its main interests are potentially at stake.

³ Historically, France and Great Britain have been hedging against Russia in the MENA region. A major change occurred with the Soviet Union, when several Arab countries pivoted towards Moscow. In the current context, the Kremlin aims at leveraging those ties, in particular in the domain of military cooperation.

⁴ Remarks by High Representative/Vice-President Federica Mogherini at the press conference following the Foreign Affairs Council, 14 March 2016, https://eeas.europa.eu/headquarters/headquarters-homepage/5490/remarks-by-high-representativevice-president-federica-mogherini-at-the-press-conference-following-the-foreign-affairs-council_en

For instance, having successfully leveraged the Syria intervention into a geopolitical status improvement, external actors like the EU need to take into account the Russian posture. Accordingly, Russia's enhanced position should generally trigger an even more unified stance within the EU, for instance with regard to sanctions.

On the other hand, due to a continued considerable Jihadist presence in parts of Syria, counter-terrorist cooperation should be enhanced where possible. The EU should also seek to play a substantial financial role in the rebuilding of Syria and thereby strengthen its economic leverage in the country. Through this, it could also pursue normative goals, most notably the promotion of human rights. Having welcomed a large number of Syrian refugees, the EU undoubtedly has an interest in the pacification and reconstruction of Syria. Cooperation on both counter-terrorism and the reconstruction of Syria should be considered elements of the selective engagement approach advocated in Mogherini's five guiding principles.

In economic terms, the EU is a behemoth compared to Russian exchanges with the MENA region. Rather than challenging the EU's primacy in the economic sphere, Putin will thus continue to capitalise on its relative strength in diplomacy and the projection of military might, including windfalls in arms sales. The EU should therefore further intensify economic cooperation with MENA states, to increase positive connectivity and enhance mutually beneficial relationships. Also, the EU-Turkey relationship requires a continued and norm-based nurturing of ties, beyond the question of accession, as Turkey is a strategic regional player. On the Iranian file, the EU and Russia could continue to coordinate their efforts to provide economic incentives for Iran to adhere to the JCPOA, despite the unilateral US withdrawal from the treaty and the reintroduction of sanctions.⁵

⁵ See for example the agreement on the Special Purpose Vehicle, [http://www.europarl.europa.eu/RegData/etudes/ATAG/2018/630273/EPRS_ATA\(2018\)630273_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/ATAG/2018/630273/EPRS_ATA(2018)630273_EN.pdf)

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