

Executive Summary Backgrounder

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How to Confront Russia's Anti-American Foreign Policy

Ariel Cohen, Ph.D.

President George W. Bush's meeting with Russian President Vladimir Putin in Kennebunkport, Maine, on July 1–2 may be the last opportunity to improve U.S.–Russian relations before the two leaders leave office in 2008–2009. In Kennebunkport, President Bush may find out whether Putin's proposal to cooperate on missile defense with the U.S. is real or a sham. The U.S. should seriously examine this offer because it may indicate a change in Russia's course toward Iran and provide a lever to salvage the frayed U.S.–Russia relationship.

U.S.–Russian relations have deteriorated significantly since post-9/11 cooperation in 2001–2002. While Iraq, Iran, the war on terrorism, and the Middle East remain top priorities in Washington, the United States should pay close attention to a resurgent Russia because Moscow is trying to reorder the post–Cold War global architecture, often in ways that are not in America's interests.

Moscow's Neo-Soviet Foreign Policy. Russia's foreign policy strategy is driven by military and security elites who view Russia as the direct heir to the Russian Empire and the Soviet Union and who cherish its role as America's principal counterbalance on the world stage. Unlike the economic and business elites, the foreign and defense policy elites barely changed after the collapse of the Soviet Union.

Russian foreign policy elites are working to revise or even reverse many of Soviet President Mikhail

Gorbachev's and Russian President Boris Yeltsin's initiatives, such as ending the Soviet occupation of Eastern Europe, signing the Intermediate-Range Nuclear Forces Treaty and the Treaty on Conventional Forces in Europe, recognizing the former Soviet republics as independent states, and acquiescing to NATO enlargement. Before the most recent G-8 summit, Putin issued an unprecedented threat to retarget Russian nuclear missiles at Europe. At the St. Petersburg Economic Summit in June 2007, Putin suddenly called for revising the global economic architecture, including the World Trade Organization. This unprecedented and dangerous initiative reflects the current anti-status quo mood in Moscow.

Many Russian elites view current Bush Administration policies, such as democracy promotion, as part of a sinister plot to undermine the Putin Administration through a series of "orange revolutions." To a great degree, contemporary Russian rhetoric has come full circle and resembles the pre-Gorbachev Soviet agenda.

This paper, in its entirety, can be found at:
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Despite the tens of thousands of Russians that have been killed by Muslim extremists in Afghanistan and Chechnya and in terrorist attacks in Russian cities, Russia remains obsessed with the U.S. as its “principal adversary.” The current elites define Russian strategic goals in terms of opposition to the United States and its policies and *de facto* alliance with China and the Muslim world, particularly Iran and Syria. The Kremlin is reaching out to anti-status quo leaders like Hugo Chávez and views Russians as culturally distinct from the West.

Today, Moscow is using its full array of modern international relations and security tools to achieve its goals: from public diplomacy and weapons sales to putting foreign political leaders on the petrodollar payroll, from strategic information operations that depict America as an out-of-control hyperpower and a threat to the international community to coddling terrorist organizations. In the words of one incisive observer, Russia has left the West.

What the U.S. Should Do. The image of a new Cold War may be too simplistic to describe the emerging relationship with Russia. In fact, Russian foreign policy has a distinctive late 19th century czarist tinge: muscular, arrogant, overestimating its own power, and underestimating the American adversary that it is busily trying to recreate. This policy is likely to become a self-fulfilling prophecy with dangerous consequences and a high price in treasure and ultimately in blood.

The United States does not need a new Cold War. It is engaged in regional conflicts in Iraq and Afghanistan, as well as the global war on terrorism, and relations with China may one day become more complicated. U.S. policymakers would do well to remember that Moscow values certainty in relations and respects power and action. Deeds, not words, are needed to send a message to the Kremlin that the U.S. and its allies will not be bullied. In light of Russia’s confrontational foreign policy, the U.S. should:

- **Seriously examine the Russian proposals for a joint missile defense radar station in Azerbaijan.** If possible, the U.S. should use missile defense cooperation to salvage and im-

prove the strategic relationship between Moscow and Washington.

- **Bolster relations with pro-Western regimes in the Persian Gulf.** Only by maintaining a security umbrella in the Gulf can the U.S. exert greater influence than Russia in the region. The Department of Defense should provide military and security assurances to Gulf countries against Iran and expand cooperation in the fight against terrorism.
- **Build bridges to potential Russian allies** to prevent the emergence of anti-American blocs and expand relations with key emerging markets.
- **Create a global coalition of energy consumers** to oppose oil and gas cartels and to apply market principles to the natural gas industry. Unless buyer solidarity is translated into action, energy consumers and economic growth will suffer worldwide.
- **Continue dialogue and cooperation with Russia** on matters of mutual concern to demonstrate to Russian elites that the U.S. has much to offer Russia.
- **Reach out to the people of Russia** through a comprehensive public diplomacy strategy via the Internet, international broadcasters, visitor programs, and exchanges to debunk the myth that the U.S. is hostile to Russia.

Conclusion. After a 20-year hiatus, Russia is forcing its way back onto the global stage as an adversarial actor. It is flush with cash, bolstered by a market economy, and expects respect, recognition, and influence. Washington decision-makers can no longer afford to take Moscow for granted and must design better strategies to cope with this renewed geopolitical challenge in Eurasia.

—Ariel Cohen, Ph.D., is Senior Research Fellow in Russian and Eurasian Studies and International Energy Security in the Douglas and Sarah Allison Center for Foreign Policy Studies, a division of the Kathryn and Shelby Cullom Davis Institute for International Studies, at The Heritage Foundation. Michael Belinsky, an intern at The Heritage Foundation, contributed to the preparation of this study.

Background

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How to Confront Russia's Anti-American Foreign Policy

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President George W. Bush's meeting with Russian President Vladimir Putin in Kennebunkport, Maine, on July 1–2 may be the last opportunity to improve U.S.–Russian relations before the two leaders leave office in 2008–2009. In Kennebunkport, President Bush may find out whether Putin's proposal at the G-8 summit to cooperate on missile defense with the U.S. is real or a sham. The U.S. should seriously examine this offer, which includes joint operation of the Russian-leased radar station in Gabala, Azerbaijan, because it may indicate a change in Russia's course toward Iran. It may also be a lever to salvage the frayed relationship between Moscow and Washington.

U.S.–Russian relations have deteriorated significantly since post-9/11 cooperation in 2001–2002, and Russian foreign policy is evolving fast. While Iraq, Iran, the war on terrorism, and the Middle East in general remain top priorities in Washington, the United States should pay close attention to a resurgent Russia because Moscow is trying to reorder the post–Cold War global security architecture, often in ways that are not in America's interests.

Moscow's Neo-Soviet Foreign Policy

Before the G-8 summit in Germany, President Putin issued an unprecedented threat to retarget Russia's nuclear missiles at Europe, returning to the Soviet strategic posture that existed before efforts by American President Ronald Reagan and Soviet President Mikhail Gorbachev to end the Cold War. At the St. Petersburg Economic Summit in June 2007, Putin suddenly called for revising the global economic

Talking Points

- U.S.–Russian relations are deteriorating as Moscow rejects Western norms, sells weapons to America's enemies, and seeks a natural gas monopoly, especially to influence Europe.
- Russia is driving up the price of oil by fostering instability in the Middle East and may drive up the price of gas by creating an OPEC-style gas cartel.
- The U.S. should bolster relations with pro-Western regimes in the Persian Gulf and with pro-Russian former Soviet republics to prevent the emergence of anti-American blocs.
- To defuse tension, the U.S. should continue to cooperate with Russia in areas of mutual concern: energy, non-proliferation of WMD, and space exploration.
- The U.S. should also reach out over the heads of the Russian leadership to the Russian people through a comprehensive public diplomacy strategy to debunk the myth that the U.S. is hostile to Russia.

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architecture, including the World Trade Organization (WTO). This unprecedented and dangerous initiative reflects the current anti-status quo mood in Moscow.

Russia's foreign strategy is driven by military and security elites who view Russia as the direct heir to the Russian Empire and the Soviet Union and who cherish its role as America's principal counterbalance on the world stage. Unlike the economic and business elites, the foreign and defense policy elites barely changed after the collapse of the Soviet Union.

To a great degree, contemporary Russian rhetoric has come full circle and resembles the Soviet agenda before President Mikhail Gorbachev's *perestroika* (restructuring) and *glasnost* (openness). In fact, many foreign policy initiatives undertaken by Gorbachev and Russian President Boris Yeltsin—such as ending the occupation of Eastern Europe, signing the Intermediate-Range Nuclear Forces (INF) arms control treaty and the Treaty on Conventional Forces in Europe (CFE), recognizing the former Soviet republics as independent states, and acquiescing to NATO enlargement—are often viewed in Moscow as treasonous or at least as undermining vital Russian interests. Current Bush Administration policies, such as democracy promotion, are viewed as part of a sinister plot to undermine the current Russian government through a series of “orange revolutions.”

Despite the tens of thousands of Russians that have been killed by Muslim extremists in Afghanistan and Chechnya and in terrorist attacks in Russian cities, Russia remains obsessed with the U.S. as its “principal adversary.” The current elites define Russian strategic goals in terms of opposition to the United States and its policies and *de facto* alliance with China and the Muslim world, particularly Iran and Syria. The Kremlin is reaching out to anti-status quo leaders like Hugo Chávez and views Russians as culturally distinct from the West.

Russia is also using the issue of Kosovo's independence to assert Russian primacy on the international

stage. Kosovo, a province of Serbia, has been under U.N.–NATO administration since 1999, when a 78-day NATO-led air campaign stopped the Serbian atrocities against ethnic Albanians. Russia has sided with the Serbs to oppose any immediate independence for Kosovo. Most recently, Russia threatened to veto and rejected a draft U.N. resolution—supported by the U.S., the European Union (EU), and ethnic Albanians and opposed by most Serbs—that would give Kosovo supervised independence and extensive self-government.¹ Russia threatened to apply the precedent of Kosovo independence to recognize the independence of Transnistria, Abkhazia, and South Ossetia—Moscow-supported secessionist statelets seeking to undermine the sovereignty of Moldova and Georgia.

Moscow is using its full array of modern international relations and security tools to achieve its goals: from public diplomacy and weapons sales to putting foreign political leaders on the petrodollar payroll, from strategic information operations that depict America as an out-of-control hyperpower and a threat to the international community to coddling terrorist organizations. In the words of one incisive observer, Russia has left the West.²

To send Russia a message that they will not be bullied, the United States and its allies should:

- **Bolster** relations with pro-Western regimes in the Persian Gulf;
- **Build** bridges to potential Russian allies and former Soviet republics (e.g., Ukraine, Belarus, Uzbekistan, and Armenia) to prevent the emergence of anti-American blocs;
- **Create** a global coalition of energy consumers to oppose oil and gas cartels and to apply market principles to the natural gas industry;
- **Continue** dialogue and cooperation with Russia to demonstrate to Russian elites that the United States has much to offer Russia; and
- **Reach out** over the heads of the Russian leadership to the Russian people through a comprehensive public diplomacy strategy via the

1. Associated Press, “Russia Rejects Kosovo Independence,” CNN, May 12, 2007.

2. Dmitri Trenin, “Russia Leaves the West,” RealClearPolitics, July 9, 2006, at www.realclearpolitics.com/articles/2006/07/russia_leaves_the_west.html (June 26, 2007).

Internet, international broadcasters, visitor programs, and exchanges to debunk the myth that the U.S. is hostile to Russia.

At Odds with the West

February 2007 marked a watershed in Russian-American relations. Two key events—Russian President Vladimir Putin's speech at the Wehrkunde security conference in Germany and his trip to Saudi Arabia, Qatar, and Jordan—announced that Russia has arrived as an independent pole of power in the post-Cold War world. For Russian security elites, this is a happy place where Russia and they have wanted to be since Yevgeny Primakov successfully undermined Foreign Minister Andrey Kozyrev in 1995.³

The cold shower that Putin unleashed on the United States at the international security conference in Munich on February 1, 2007, should not have come as a surprise. After all, Putin himself and a host of other senior spokesmen, including First Deputy Prime Minister and former Defense Minister Sergey Ivanov (one of the "official" heirs apparent) and military Chief of Staff General Yuri Baluyevsky, have said as much in the past. However, the sheer concentration of vitriol and the high-level forum were new.

Putin's list of grievances against the United States and the West is long. His main complaints are that the American "hyperpower" is pursuing its own unilateral foreign, defense, cultural, and economic policy while ignoring Russian interests, disregarding international law, and ignoring the U.N., where Russia has a veto on the Security Council. Former French President Jacques Chirac would be proud, but Russia takes its opposition much farther than France ever did.

Putin accused the U.S. of expanding NATO to Russia's borders and deploying "five thousand bay-

onets" each in forward bases in Romania and Bulgaria. He blasted the plans for U.S. missile defense bases in Poland and the Czech Republic, mocking the stated goal of defending against missile launches from Iran or North Korea. Putin clearly stated that the missile defenses are aimed to neutralize Russian retaliatory nuclear strike capability, despite the fact that this is technically impossible.⁴

He further accused Washington of not meeting its obligations in nuclear disarmament treaties and attempting to hide hundreds of nuclear weapons in warehouses "under the blanket and under the pillow."⁵

Adding to the rhetorical overkill, Putin blamed U.S. foreign policy for the failure of nuclear non-proliferation, justifying or at least rationalizing North Korean and Iranian efforts to acquire weapons of mass destruction (WMD).

Putin lambasted NATO members that refuse to ratify the Treaty on Conventional Forces in Europe, criticized the Organization for Security and Cooperation in Europe (OSCE) for democracy promotion, warned against Kosovo's independence, and rejected Western criticisms of Russia's track record on human rights.

Adding to his Munich criticisms, Putin obliquely compared U.S. foreign policy to the Third Reich's foreign policy in his May 9 Victory Day speech commemorating the 62nd anniversary of the defeat of Nazi Germany.⁶

What were Putin's guiding principles for international relations? He waxed nostalgic about the bipolar world in which the U.S. and the Soviet Union checked each other's ambition through a balance of nuclear terror known as Mutual Assured Destruction (MAD) and referred to the collapse of the Soviet Union as "the greatest geopolitical catastrophe of the 20th century."⁷ Many Russian and Western

3. Ariel Cohen, Ph.D., "The 'Primakov Doctrine': Russia's Zero-Sum Game with the United States," Heritage Foundation FYI No. 167, December 15, 1997.
4. Vladimir Putin, speech at the 43rd Munich Conference on Security Policy, February 10, 2007, at www.securityconference.de/konferenzen/rede.php?sprache=en&id=179 (May 21, 2007).
5. *Ibid.*
6. Andrew Kramer, "Putin Is Said to Compare U.S. Policies to Third Reich," *International Herald Tribune*, May 9, 2007.
7. BBC News, "Putin Deplores Collapse of USSR," April 23, 2005, at <http://news.bbc.co.uk/2/hi/europe/4480745.stm> (May 21, 2007).

experts perceive Putin's speech as further distancing Russia from the Euro-Atlantic community, if not as a declaration of a new Cold War.

Putin's Fulton. The Munich speech has a number of domestic and international "drivers" that add up to a picture of a Russia craving strategic parity with the United States and defining its national identity in opposition to the West.

While Russians enthusiastically embraced private business, designer brands, and Spanish summer vacations, they were slow to internalize pluralistic values, support freedom of speech and press, and defend human rights. The rule of law in Russia is a far cry from Western standards.

Several years of increasingly loud anti-American and anti-Western propaganda in pro-government and nationalist media have nurtured a generation of Russians who are ethnocentric and reject liberal values. In a recent poll, 60 percent supported the slogan "Russia for Russians."⁸

The "America as the enemy" construct, promoted by Kremlin-funded "political technologists," bolsters the current regime's legitimacy as the defender of Mother Russia. It rejects fully integrating Russia into the global economic and political community.⁹

Putin's visit to India, where he signed a deal for joint development of a stealth fighter, and the Middle East tour indicate that Russia is looking to play the role of a leading power in the Eastern Hemisphere.

Russia has focused particularly on the Muslim world, which is seething with anti-American and anti-Western discontent. Russia has provided arms and leadership in international organizations such as the U.N. This course of action is bolstered by Russia's

observer status in the Arab League and the Organization of the Islamic Conference. While it lacks the global reach of Soviet ideology and the Soviet Union's military muscle, Russian policy nonetheless limits Washington's freedom to maneuver.

Russia does not want to fall too far behind militarily. It is planning to spend \$189 billion over the next five years on rapid modernization of its military. On February 8, 2007, then-Defense Minister Ivanov announced the modernization program, which includes new nuclear submarines, aircraft carriers, a fleet of Tu-160 supersonic strategic bombers, and development of a fifth-generation fighter jet.¹⁰ Russia is also restarting production of the Black Shark, a heavily armed attack helicopter.¹¹

This military rearmament program, with its conventional and nuclear focus, is clearly aimed at balancing U.S. military power, not fighting terrorists in the Caucasus Mountains. It needs the United States as the *glavny protivnik* (principal adversary).

Russia is also trying to corner the market in weapons sales, especially sales to rogue states and semi-rogue states. Russia is the largest arms supplier to China and Iran, has signed a \$3 billion arms deal with Hugo Chávez's Venezuela over U.S. objections,¹² and is courting Middle Eastern buyers.

Russia is happy to play into the Arab and Muslim street's anti-Americanism to signal that the U.S. does not exercise exclusive strategic dominance in the Persian Gulf and in the Middle East. Moscow is back with a vengeance in the world's most important energy region.

Moscow's Middle East Maneuvers. Russia views the post-Saddam Middle East as America's Achilles' heel. President Putin's February visit to the Middle East was exquisitely timed to coincide with America's troubles in the region.

8. RIA Novosti, "Poll Shows Trust in Authorities Falling," at <http://en.rian.ru/russia/20050706/40853105-print.html> (March 5, 2007).

9. Clara Ferreira-Marques, "DAVOS—Top Kremlin Official Medvedev Woos World Forum," Reuters, January 27, 2007.

10. Vladimir Isachenkov, "Russia's Defense Chief Plans to Build New ICBMs," *The New York Sun*, February 8, 2007, at www.nysun.com/article/48265?page_no=3 (March 5, 2007).

11. Maria Gousseva, trans., "Russia Resumes Production of Legendary Black Shark Helicopters," *Pravda*, February 1, 2007, at http://english.pravda.ru/russia/economics/01-02-2007/86982-black_shark-0 (March 5, 2007).

12. Stephen Johnson, Ariel Cohen, Ph.D., and William L. T. Schirano, "Countering Hugo Chavez's Anti-U.S. Arms Alliance," Heritage Foundation Executive Memorandum No. 1010, September 6, 2006, at www.heritage.org/Research/NationalSecurity/em1010.cfm.

In an interview with Al-Jazeera, Putin delineated a new Russian Middle Eastern policy that is at odds with U.S. policy. Putin reiterated Russia's opposition to the Iraq war and disputed the justice of Saddam Hussein's execution. He similarly criticized America's democratization efforts in the Middle East, citing as examples parliamentary elections, which were encouraged by Washington, that empowered Hamas in the Palestinian territories and Hezbollah in Lebanon.

At the same time, using somewhat faulty logic, Putin justified Russia's refusal to recognize Hamas and Hezbollah as terrorist organizations on the basis of their victory in democratic elections.¹³ He conveniently failed to spell out deeper reasons for embracing Hamas and Hezbollah: Russia's burgeoning ties with Iran, the sponsor of the two organizations; attempts to build ties with major Islamic states and movements that are supportive of Hamas; and continuing efforts to keep Islamist support from reaching Russia's volatile and increasingly Islamist communities in the Northern Caucasus and beyond.¹⁴

During his visit to Riyadh, Putin stunned the world by offering to sell "peaceful" nuclear reactors to Saudi Arabia. He invited Saudi banks to open wholly owned subsidiaries in Russia and offered 150 T-90 tanks and other weapons. Throughout his Middle East tour, Putin indicated Russia's willingness to sell helicopters, build rocket-propelled grenade (RPG) factories, and provide sophisticated anti-aircraft systems (e.g., the Carapace [*Pantsyr*], TOR M1, and Strelets). He topped off the trip by offering the Saudis expanded satellite launches and an opportunity to join GLONASS, the Russian satellite navigation system.¹⁵

While visiting Qatar, the world's third largest natural gas producer, Putin also indicated that the Ira-

nian offer to form an OPEC-style cartel of gas producers was "an interesting idea" after his minister had dismissed it out of hand.

Putin summed up Russia's new foreign policy and its Middle East policy as follows:

From the point of view of stability in this or that region or in the world in general, the balance of power is the main achievement of these past decades and indeed of the whole history of humanity, it is one of the most important conditions for maintaining global stability and security...

I do not understand why some of our partners [i.e., Europe and the U.S.]...see themselves as cleverer and more civilized and think that they have the right to impose their standards on others. The thing to remember is that standards that are imposed from the outside, including in the Middle East, rather than being a product of a society's natural internal development, lead to tragic consequences, and the best example of this is Iraq.¹⁶

This realpolitik talk was praised in Arab capitals, where the old Soviet anti-Western and anti-Israel stance is remembered fondly. King Abdullah I of Saudi Arabia bestowed on Putin the King Faisal Award, calling him "a statesman, a man of peace, a man of justice."¹⁷ This is quite an about-face from financing the jihad against the Soviets 20 years ago during the Soviet occupation of Afghanistan. Minutimer Shaymiyev, the pro-Kremlin secular ruler of Tatarstan, accompanied Putin and received the King Faisal award for his "service to Islam."¹⁸ The Middle East visit was all smiles and economic ties—predominantly weapons sales—bereft of any discussion of the deep divides between Russia and world of Islam.

13. Vladimir Putin, "Interview with Arab Satellite Channel Al-Jazeera," February 10, 2007, at www.kremlin.ru/eng/speeches/2007/02/10/2048_type82916_118122.shtml (March 5, 2007).

14. Spengler, "Russia's *Hudna* with the Modern World," *Asia Times*, February 21, 2007, at www.atimes.com/atimes/Central_Asia/IB21Ag01.html (March 5, 2007).

15. Ilya Bourtman, "Putin and Russia's Middle Eastern Policy," *Middle East Review of International Affairs*, Vol. 10, No. 2 (June 2006), p. 8, at <http://meria.idc.ac.il/journal/2006/issue2/jv10no2a1.html> (June 25, 2007).

16. Putin, "Interview with Arab Satellite Channel Al-Jazeera."

17. Al-Jazeera, "Russia Seeks Closer Saudi Ties," February 12, 2007, at <http://english.aljazeera.net/NR/exeres/B37D8CF8-8B8E-4B64-9782-90BD2A7E477D.htm> (May 16, 2007).

A number of factors drive Putin's recent rhetoric and actions in the Middle East.

First, by embracing Middle Eastern monarchies and Islamist authoritarianism in Iran, he signals Russia's continued divergence from Western norms of internal political behavior. This has important implications, as 2007 and 2008 are election years in Russia.

Second, Russia is following the Soviet model of opposing first the British and then the American presence in the Middle East by playing to anti-Western sentiment in the "street" and among the elites. This is something that both Wilhelmine Germany and, later, Nazi Germany tried to do as well. Putin's Munich speech, Al-Jazeera interview, and press conferences in Jordan and Qatar solidified the Kremlin's public diplomacy message, amplifying its differences with Washington.

Third, the Russian leadership is concerned about high Muslim birthrates in Russia, especially with the declining Slavic Orthodox population. Russia is facing an increasingly radicalized Muslim population along its southern "soft underbelly," particularly in the North Caucasus, where the two wars in Chechnya (1994 and 1999), even though the rebels were effectively crushed, led to the spread of Salafi Islam.

Many young Muslims in Russia view themselves more as members of the global Islamic *ummah* (community) than as Russian citizens. Keeping Muslim powers such as Saudi Arabia and Iran at bay, preventing them from supporting insurgencies in Eurasia, and toning down Islamic radicalization in Russia through Islamist education and propaganda are important policy items on the Kremlin's agenda.

Finally, Russia is a high-cost oil producer that benefits disproportionately from high oil prices. As the largest oil and gas producer in the world and the largest oil exporter outside of OPEC, Russia is interested in maintaining a high energy price environ-

ment, which is caused by tensions and conflicts in the Middle East among other things.

Russia is perfectly willing to sell weapons to both sides of the growing Sunni-Shia divide. This was evidenced when Putin offered the same "peaceful" nuclear reactors and anti-aircraft systems to both Iran and the Arab Gulf states. As one Russian observer put it, weapons sales create allies.¹⁹ Russia is using weapons and nuclear reactor sales today the way that imperial Germany used railroads before World War I—to attract allies, bolster influence, and undermine the dominant power in the Middle East.

Syrian Weapons Sales. The Middle East is not a new market for Russian weapons. The Soviet Union armed the region for decades, serving as a major arms supplier to Algeria, Egypt, Iraq, Libya, Syria, and Yemen, often in exchange for mere promises of future payment. It was this unpaid debt that led to a halt of weapons sales to Syria after the Soviet Union collapsed. Yet 1998–1999 marked the resumption of sales of weapons, such as the AT-14 Kornet-E anti-tank guided missile.²⁰

Although re-establishment of ties between Russia and Syria began in 1998, Syrian President Bashar Assad's January 2005 visit to Moscow proved to be a turning point, as Russia made a decision to write off 73 percent (\$10 billion) of Syria's total debt of \$13.4 billion. A sale of the Strelets air defense missile system was concluded the same year despite protests from Israel and the United States. At the time of the sale, Putin denied Syria's request for more robust air defense missiles, such as S-300 and Igla, and for the short-range ballistic missile Iskander-E, which some analysts interpreted as a demonstration of sensitivity to Israeli security concerns.²¹

In the meantime, Syria was supplying Hezbollah with Russian weapons. In 2006, Israeli forces found evidence of Russian-made Kornet-E and Metis-M anti-tank systems in Hezbollah's possession in southern Lebanon.²² In February 2007, Russia

18. The King Faisal Award was given to Shaymiyev "in recognition of his role in the service of the noble Islamic values." Saudi Press Agency, "King, Putin Grace King Faisal Award Function for Shimiyev," February 12, 2007, at www.spa.gov.sa/English/details.php?id=424841 (March 5, 2007).

19. ITAR-TASS, "Putin's Tour of Mid-East Countries Boosts Cooperation with Them," February 19, 2007.

20. Oksana Antonenko, "Russia's Military Involvement in the Middle East," *Middle East Review of International Affairs*, Vol. 5, No. 1 (March 2001), p. 5, at <http://meria.idc.ac.il/journal/2001/issue1/jv5n1a3.html> (June 25, 2007).

responded to accusations of arming terrorist groups by announcing inspections of Syrian weapons storage facilities with the goal of preventing the weapons from reaching unintended customers.²³

For several years, Russia has been attempting to engage in military cooperation with both Israel and Syria. However, the levels of cooperation with the two states are inversely related, and escalating arms sales to Syria can only damage the relationship with Israel. Russian–Syrian military cooperation went through numerous stages, from high levels of cooperation during the Soviet era to virtually no cooperation after the Cold War, until 2005 when Russia began to attempt to balance its relationships with Israel and Syria. However, Russia’s recent return to the Middle East might indicate that Moscow is prepared to enter a new stage of military cooperation with Syria, even to the detriment of its relationship with Israel.

Gas OPEC: A New Foreign Policy Tool

Russia has been using its position as the world’s leading natural gas producer to boost its role in the Middle East and beyond. Steadily and stealthfully, a new gas cartel—the Gas Exporting Countries’ Forum (GECF)—is emerging.²⁴ The cartel is inspired by those that would benefit most from its future geopolitical muscle: Russia and Iran, specifically President Putin and Iran’s Supreme Leader Ayatollah Ali Khamenei.

Speaking to the Russian National Security Council Secretary Igor Ivanov on January 29, Khamenei called for the creation of an OPEC-like gas cooperation organization. The GECF took a step toward its unannounced emergence at an April 9 meeting in Doha, Qatar, despite the opposition of Azerbaijan, Canada, the Netherlands, and Norway.

Russia’s Global Gas Strategy. Moscow is playing a complex and sophisticated game that will likely maximize its advantages as the leading gas producer with the largest reserves on the planet.

First, Russia’s approach is gradualist. Moscow has never been openly enthusiastic about a gas cartel but has waited for an opportunity to launch one. The message in most of the Russian media after the summit was that “no ‘gas OPEC’ agreements have been signed.”²⁵ This is exactly what Gazprom, the Russian state-owned gas monopoly, wants everyone to believe. However, a careful examination of the official announcement and media reports reveals that there is reason for concern.

Second, Russia’s approach is stealthy. Instead of prematurely proclaiming the cartel and alarming consumer countries, it is quietly putting the component parts into place. In Doha, Russia initiated the creation of a high-level group to “research” the pricing of gas and to develop methodologies toward commonly accepted gas pricing models. Conveniently, Russia will staff this group.

Third, Russia looks reasonable. The immediate price-regulating function of the emerging cartel is supported by those Latin American countries (Venezuela, Bolivia, and Argentina) that want to dispense with market principles in gas trade. With Iran and Venezuela (supported by Bolivia and Argentina) applying their OPEC-honed instincts to gas and demanding price regulation, Russia can afford to stand aside and let others do the talking. Nevertheless, an unnamed “high ranking member of the Russian delegation” to Doha told RIA Novosti that “as the gas market undergoes globalization, certainly such an organization (a gas cartel) will appear and is necessary.”²⁶

21. Mark N. Katz, “Putin’s Foreign Policy Toward Syria,” *Middle East Review of International Affairs*, Vol. 10, No. 1 (March 2006), p. 59, at <http://meria.idc.ac.il/journal/2006/issue1/Katz.pdf> (June 25, 2007). Iskander E is the export version of the Kolomna-designed 9M72 short-range missile currently in service with the Russian armed forces. Iskander-E has a range of 280 kilometers, which is 120 kilometers less than its Russian Army analog but still sufficient to reach Haifa and Tel Aviv.

22. “Israel Finds 39 Russian Missiles in Lebanon,” *World Tribune*, October 19, 2006, at www.worldtribune.com/worldtribune/06/front2454028.0791666666.html (June 25, 2007).

23. “Rossiyskie spetsialisty proinspektiruyut voennye sklady Sirii” (Russian specialists will inspect weapons storage facilities in Syria), *Rosbalt*, February 10, 2007, at www.rosbalt.ru/2007/02/10/285860.html (June 25, 2007).

24. The forum was created in 2001 by Algeria, Brunei, Indonesia, Iran, Malaysia, Nigeria, Oman, Qatar, Russia, and Turkmenistan.

25. RIA Novosti, “What the Russian Papers Say,” April 27, 2007, at <http://en.rian.ru/analysis/20070427/64562269.html> (May 16, 2007).

Fourth, and most important, a cartel by any other name is still a cartel. Members of the GECF agreed to discuss dividing up the consumer markets among them, particularly in Europe, where Russia and Algeria are major players. For example, if Russia agrees not to challenge Algeria's position in Spain, Algeria will stay clear of Germany. This will clearly challenge the EU's energy liberalization and gas deregulation policy, which is scheduled to take effect on July 1, 2007.

The group's members plan to "reach strategic understandings" on export volumes, delivery schedules, and the construction of new pipelines. They also plan to explore and develop gas fields jointly and to coordinate startups and production schedules. To continue their work, members will gather for their next annual meeting in Moscow and plan to develop a permanent secretariat. Despite protestations to the contrary, this sounds like a cartel in the making.

Not Tomorrow. Oil is a global commodity, while natural gas is not—or at least not while it is piped and its prices are defined up to 15–20 years in advance through long-term contracts. However, liquid natural gas (LNG) is rapidly becoming a commodity that is shipped worldwide.

By 2010, the LNG share of the world's total gas consumption will double. Thus, price gouging through manipulation of production quotas may come faster than many experts think if the GECF becomes a new OPEC and if the consumer nations do not unite and flex their muscle. Moreover, Russia and Iran are interested in increasing their geopolitical leverage against the EU in areas that often have little to do with energy.

The Bush Administration barely reacted to the Doha meeting. Ileana Ros-Lehtinen (R-FL), Ranking Member of the House Foreign Affairs Committee, wrote to the Secretary of State that the

establishment of a gas OPEC would be a "major and long-term threat to the world energy supply" that the U.S. should "vigorously oppose."²⁷ Privately, officials express grave concern.

As the case of OPEC demonstrates, closing markets to competition, promoting national oil companies, and limiting production through a quota system results in limited supply and higher prices. In the long run, gas will be no different.

Asymmetric Response

Russia has been the leader in developing ballistic missile defenses and is the only country that operates such a system around its capital. Russian opposition to U.S.-led missile defense and Moscow's support for Iran's unyielding pursuit of long-range missiles capable of delivering nuclear warheads have rekindled Soviet-era tensions between the United States and Russia over the deployment of missile defense systems in Europe and elsewhere.

U.S. Missile Defense Deployment in Europe. The United States has announced its intention to deploy 10 long-range ground-based missile interceptors in Poland and a mid-course tracking radar in the Czech Republic. This system is designed to protect the United States from "nuclear, biological, or chemical (NBC) weapons delivered by ballistic missiles," specifically from the rogue regimes of North Korea and Iran, clearly poses no threat to Russian security, and has no offensive capability.²⁸

Russia's current arsenal of 503 deployed intercontinental ballistic missiles (ICBMs) could easily overwhelm such defenses. Additionally, missiles launched at the United States from Russian territory would pass over the Arctic region, not over Europe, making interception by the proposed Poland-Czech system almost impossible.²⁹

Russian Opposition. Yet Russia has opposed U.S. plans for missile defense in Europe. After meet-

26. Fedor Chaika, "Will the 'Gas OPEC' Be Announced in Russia?" trans. by Elena Leonova, *Izvestia*, April 11, 2007, pp. 1–2.

27. Igor Tomberg, "Will There Be a Gas OPEC?" RIA Novosti, April 11, 2007, at <http://en.rian.ru/analysis/20070411/63456401.html> (May 21, 2007).

28. Embassy of the United States, Prague, Czech Republic, "Missile Defense Cooperation: U.S. Missile Defense Factsheet," April 16, 2007, at <http://prague.usembassy.gov/md704-factsheet.html> (May 7, 2007).

29. Sam Black, "Russia and the Future of the INF," Center for Defense Information, March 16, 2007, at www.cdi.org/program/document.cfm?documentid=3871 (May 7, 2007).

ing with U.S. Secretary of Defense Robert Gates on April 19, Russian Defense Minister Anatoly Serdyukov said, “We believe that the strategic missile defense system is a serious destabilizing factor capable of having a considerable impact on regional and global security.”³⁰

Russians have come to recognize that such a small deployment cannot counter the Russian ICBM arsenal. Strategically, however, Russia sees the ballistic missile defense issue as the most recent evidence of American and NATO efforts to chip away at its sphere of influence—a sphere that has been diminishing since the collapse of the Soviet empire.

Russian Asymmetric Responses. Russia’s response is both military and diplomatic. On May 7, Russia announced the deployment of an upgraded Topol-1 ICBM missile system in the next two or three years. This would raise the number of Russian silo-based systems from 44 to 48 by late 2007.³¹ Russian Air Force Commander General Vladimir Mikhailov declared that Russian warplanes would, if necessary, destroy any American ballistic missile defense system stationed in the Caucasus.³² Finally, Russia is developing its own anti-ballistic missile air-defense system that, according to General Mikhailov, will be a considerable improvement over the current S-400 missiles.³³

Over the years, top Russian officials have warned that Russia may renounce the INF Treaty and restart production of intermediate-range ballistic missiles. However, others point out that reopening production lines to build new generations of

intermediate-range ballistic missiles might be too costly for Russia.³⁴

Russia’s position represents an about-face since the U.S. withdrawal from the Anti-Ballistic Missile (ABM) Treaty. Before the United States quit the ABM Treaty in December 2001, Russians were intimating possible cooperation on a European ballistic missile shield. In February 2001, Russian Defense Minister Igor Sergeev proposed a European ballistic missile defense program to NATO Secretary General Lord George Robertson.³⁵ After continuous rejection of U.S. missile defense cooperation offers, Putin has suggested using Russia-leased, Soviet-era early warning radar in Gabala, Azerbaijan, for an ABM joint venture with the U.S.

Russian Response I: Withdrawal from the INF. On the diplomatic front, Russia has begun to chip away at two crucial building blocks of the post-Soviet balance of power: the INF and CFE treaties.

The Intermediate-Range Nuclear Forces Treaty, signed by the United States and the Soviet Union on December 8, 1987, banned the deployment of nuclear and conventional ground-launched missiles with ranges between 500 kilometers (310 miles) and 5,500 kilometers (3,410 miles) and related support equipment.³⁶ The treaty remains in force.

On February 15, 2007, Army General Yury Baluyevsky, chief of the Russian General Staff, said that “It is possible for a party to abandon the [INF] treaty (unilaterally) if it provides convincing evidence that is necessary to do so. We currently have such evidence,” referring to U.S. missile defense plans in

30. Andrei Kislyakov, “Should Russia and the U.S. Cooperate on Missile Defense?” RIA Novosti, April 26, 2007, at <http://en.rian.ru/analysis/20070426/64460931.html> (May 8, 2007).

31. RIA Novosti, “Russia to Upgrade Topol-M ICBMs to Counter Defense,” May 7, 2007, at <http://en.rian.ru/russia/20070507/65022364.html> (May 7, 2007).

32. Richard Weitz, “Russia’s Missile Defense Fears Driven by More Than Security,” EurasiaNet Commentary, March 6, 2007, at www.eurasianet.org/departments/insight/articles/eav030607a.shtml (May 8, 2007).

33. Kislyakov, “Should Russia and the U.S. Cooperate on Missile Defense?”

34. Andrei Kislyakov, “In Defense of the INF,” United Press International, February 21, 2007, at www.upi.com/Security_Terrorism/Analysis/2007/02/21/outside_view_in_defense_of_the_inf (May 8, 2007).

35. Nikolai Sokov, “Russian Missile Defense for Europe: The February 20 Proposal Is More Serious Than It Seems,” Center for Nonproliferation Studies, March 14, 2001, at <http://cns.miis.edu/pubs/reports/sokrmd.htm> (May 7, 2007).

36. Black, “Russia and the Future of the INF,” and Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Elimination of Their Intermediate-Range and Shorter-Range Missiles, signed December 8, 1987, at www.state.gov/www/global/arms/treaties/inf2.html (June 26, 2007).

Eastern Europe. The next day, Russian Foreign Minister Sergei Lavrov moderated but did not contradict Baluyevsky's comments: "We are not speaking about a decision that has already been made. We are just stating the situation."³⁷ General Nikolai Solovtsov, commander of Russian Strategic Missile Forces, said on February 19: "If a political decision is taken to quit the treaty, the Strategic Missile Forces are ready to carry out this task."³⁸ Thus, Russia stands determined to destabilize the status quo.

Russian Response II: Withdrawal from the CFE. Russian rejection of the Treaty on Conventional Forces in Europe has been similar to its missile defense rhetoric, despite General Baluyevsky's insistence that "those who think that the Russian position on the U.S. missile defense and [its position on] the CFE are tied are mistaken."³⁹

The CFE Treaty, signed in 1990, imposed limits on the numbers of tanks, artillery, armored vehicles, combat helicopters, and warplanes that could be deployed in Europe by the members of NATO and the Warsaw Pact.⁴⁰ Russia nevertheless repeatedly violated its flank quotas when it deployed weapons to the North Caucasus region during the 1994 Chechen War.

The United States revised the CFE Treaty at an OSCE summit in Istanbul in 1999 to legalize Russia's arms concentration in the Caucasus. In return, President Boris Yeltsin promised to remove all Russian troops from Georgia and Transnistria, a break-away region of Moldova, by 2004. Nevertheless, Russia has not yet withdrawn troops from those regions. In turn, NATO member states have refused to ratify the revised CFE Treaty, making the treaty functionally ineffective.

During their April 23 discussions about the proposed U.S. missile shield in Eastern Europe, Russian Defense Minister Anatoly Serdyukov told U.S. Defense Secretary Robert Gates that the CFE Treaty was "increasingly ineffective." President Putin solidified this position in his annual address to the Duma on April 26, when he announced a "moratorium on Russia's implementation of the CFE Treaty until all NATO countries ratify it and start to strictly adhere to it, as Russia does today."⁴¹

Finally, while speaking to NATO representatives at Oslo the following day, Russian Foreign Minister Sergei Lavrov said, "No one in NATO is complying with CFE Treaty and we do not want too," to which NATO Secretary General Jaap de Hoop Scheffer replied that "first Russia must honor its Istanbul commitments," referring to Yeltsin's promise to remove Russian troops from Georgia and Moldova.⁴²

Together, the INF and CFE treaties are the linchpins of European security. Russia's withdrawal from one of them raises concerns about the regime's intentions. Withdrawing from both would create a dangerous potential of re-establishing Europe as a battleground between two competing, albeit currently unequal, military powers. Russia's possible withdrawal from these treaties must be taken seriously, as it threatens to derail the very purpose of the U.S. missile defense initiative—enhancing European and American security.

Looking to the Future

From Washington's perspective, the timing of Putin's Munich speech and the steps that followed could not be worse. With Iraq in limbo and Iran remaining truculent, the chances for Russian cooperation in taming Tehran's nuclear ambitions are in

37. Martin Sieff, "BMD Focus: Russia's INF Threat Not Bluff," United Press International, February 16, 2007, at www.upi.com/Security_Terrorism/Analysis/2007/02/16/bmd_focus_russias_inf_threat_not_bluff (May 7, 2007).

38. Martin Sieff, "Russia's New Missile Debate," United Press International, March 1, 2007, at www.upi.com/Security_Terrorism/Analysis/2007/03/01/bmd_focus_russias_new_missile_debate (May 7, 2007).

39. RIA Novosti, "Baluevskiy: strany NATO ispugalis' zayavleniya Putina o peresmotre DOVSE" (Baluyevsky: NATO is scared by Putin's declaration of CFE revision), May 7, 2007, at www.rian.ru/defense_safety/20070507/65030856.html (May 7, 2007).

40. Pavel Felgenhauer, "Putin Cancels CFE Until NATO Countries Properly 'Adhere' to Its Provisions," *Eurasia Daily Monitor*, May 2, 2007, at http://jamestown.org/edm/article.php?article_id=2372138 (May 7, 2007).

41. *Ibid.*

42. Kazakhstan General Newswire, "NATO Will Ratify CFE When Russia Honors Istanbul Commitments—NATO Head," April 27, 2007, Nexis-Lexis (May 7, 2007).

doubt. Russia was recalcitrant in applying the necessary pressure to Iran during the December 2006 negotiations on U.N. Security Council Resolution 1737 and may refuse to do so again.

Moreover, Putin has been signaling that Russia is willing to be the vanguard of the anti-American camp in Europe and the Middle East and from Caracas to Beijing.

Clearly, the new Middle East, where U.S. power and prestige are threatened in Iraq and where Moscow is challenging America's superpower status, is becoming a more competitive and challenging environment. Today's Middle East needs to be viewed with the realism and toughness that its history and cultures require.

What Washington Should Do

The image of a new Cold War may be too simplistic to describe the emerging relationship with Russia. In fact, Russian foreign policy has a distinctive late 19th century czarist, post-Bismarckian tinge: muscular, arrogant, overestimating its own power, and underestimating the American adversary that it is busily trying to recreate. This policy is likely to become a self-fulfilling prophecy with dangerous consequences and a high price in treasure and ultimately in blood.

Clearly, the post-communist honeymoon is over. A realistic reassessment of the relationship is in order.

The United States does not need a new Cold War. The U.S. is engaged in two regional conflicts—in Iraq and Afghanistan—and in the global war on terrorism. On the horizon, relations with China may one day become more complicated. With that in mind, U.S. policymakers would do well to remember that Moscow values certainty in relations and respects power and action. Deeds, not words, are needed to send a message to the Kremlin that the U.S. and its allies will not be bullied.

Specifically, as the status quo power in the Middle East, the U.S. should:

- **Seriously examine Russian proposals for a joint missile defense radar station in Azerbaijan.** If possible, the U.S. should use missile defense cooperation to salvage and improve the

strategic relationship between Moscow and Washington. Russia should be enticed to change its stance toward Iran, cooperate in the U.N. Security Council to tighten economic sanctions, stop its weapons sales, and participate in other measures to terminate the Iranian nuclear program. This would be a major change in the Russian position and beneficial for the United States.

- **Bolster relations with pro-Western regimes in the Gulf.** While some weapons sales and business projects will inevitably take place, only by maintaining a security umbrella in the Persian Gulf can the U.S. have greater influence than Russia in the region. The Department of Defense should expand relations with the Gulf Cooperation Council by providing military and security assurances to Gulf countries against Iranian encroachment—assurances that Russia is incapable of giving—and expand cooperation in the fight against terrorism, which threatens America's Middle Eastern allies.
 - **Build bridges to potential Russian allies to prevent the emergence of anti-American blocs,** especially to the former Soviet republics of Ukraine, Belarus, Uzbekistan, and Armenia. The State Department and the Department of Energy should also appeal to America's traditional allies in Europe and elsewhere to recognize the changing geostrategic balance in the Eastern Hemisphere, to boost mutual defenses, to coordinate energy policy, and to cooperate on energy security among the consumer states.
- In addition to EU members, the U.S. should expand relations with key emerging markets into which Russia is attempting to encroach (e.g., Turkey, India, Brazil, Argentina, and South Africa). For example, the U.S. should encourage Latin American leaders to recognize the threat posed by Hugo Chávez's cooperation with Moscow, especially his massive weapons purchases from Russia.
- **Create a global coalition of energy consumers to oppose oil and gas cartels** and to apply market principles to the natural gas industry. The Bush Administration needs to develop a clear global policy to limit cartelization of the gas markets and to oppose the OPEC policy of produc-

ing too little oil too late. Without buyer solidarity translated into action, energy consumers and economic growth will suffer worldwide. The National Security Council and National Economic Council should take the lead in developing this policy.

Specifically, the U.S. should work with EU member states, Japan, China, India, and other countries to prevent the cartelization of the gas sector along OPEC lines. This can be accomplished through cooperation in the International Energy Agency and by applying anti-trust legislation worldwide against companies that are actively involved in cartel-like behavior in the energy markets. Finally, the U.S. should liberalize its own regulations to allow exploration in the Arctic, in the Rocky Mountains, and along the Pacific and Atlantic Continental shelves.

- **Continue dialogue and cooperation with Russia on matters of mutual concern.** This is necessary to demonstrate to Russian elites that the United States has much to offer Russia. Fields of cooperation may include energy (especially nuclear energy), non-proliferation of WMD, and space exploration. Specifically, cooperation on interdicting drug trafficking from Afghanistan and Central Asia, anti-terrorism cooperation related to the North Caucasus, and WMD disarmament programs under Nunn–Lugar funding should be continued.
- **Reach out to the people of Russia through a comprehensive public diplomacy strategy** via the Internet, international broadcasters, visitor

programs, and exchanges to debunk the myth that the U.S. is hostile to Russia. Congress should increase funding for such programs from \$40 million in fiscal year (FY) 2007 to \$100 million for FY 2008. The Department of Commerce, the U.S. Trade Representative, and the business community should reach out to the Russian business community, which may be interested in improving international economic and business cooperation, particularly through WTO accession and repeal of the Jackson–Vanik Amendment (at least in relation to Russia).

Conclusion

After a 20-year hiatus, Russia is forcing its way back onto the global stage as an adversarial actor. It is flush with cash, bolstered by a market economy, and expects respect, recognition, and influence.

Washington decision-makers can no longer afford to take Moscow for granted and must design better strategies to cope with this renewed geopolitical challenge in Eurasia. The Kennebunkport summit may be the last chance for the two leaders to reverse the downward spiral that has characterized U.S.–Russian relations since 2003.

—Ariel Cohen, Ph.D., is Senior Research Fellow in Russian and Eurasian Studies and International Energy Security in the Douglas and Sarah Allison Center for Foreign Policy Studies, a division of the Kathryn and Shelby Cullom Davis Institute for International Studies, at The Heritage Foundation. Michael Belinsky, an intern at The Heritage Foundation, contributed to the preparation of this study.