

BULLETIN

No. 29 (246) • March 18, 2011 • © PISM

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Russia in the Face of the North Africa Crisis

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The protests in Arab states have aroused in Russia apprehensions of the growth of Islamic extremists' influence in the North Caucasus and in the Islamic and authoritarian Central Asian states. At the same time, Russia's stance towards developments in Libya indicates that Russia is prepared to cooperate with the West in solving key international issues. In connection with the North Africa crisis Russia comes across as a stable and dependable supplier of energy sources to the EU market, an image that will help attract investors in the Russian fuel and energy sector.

Determinants of Russian Policy towards Arab States. During the second term of Vladimir Putin's presidency (2004-2008) Russia intensified its contacts with Arab states. This was prompted by political and economic considerations and by security interests. First and foremost, the Russian Federation (FR) is intent on re-building its position in the strategic Middle East region. Furthermore, the proximity of Middle Eastern Islamic terrorists and their infiltration into the Russian North Caucasus have been regarded as a grave threat to the stability of the country. Economic issues – such as the matter of Soviet-era debts, the prospects of cooperation in the fuel and energy sector, or Russia's arms exports – have also been of relevance to the shaping of Russian policy. Not only has Russia rebuilt its relations with states traditionally perceived as its allies, such as Syria or Algeria, but it has expanded cooperation with new partners, mainly in the Persian Gulf region. Still, the North African Arab states: Egypt, Algeria, Morocco and – in recent two or three years - Libya remain Russia's most important partners. Admittedly, at US\$2.2bn trade with Russia's largest economic partner, Egypt, accounted for barely 0.4% of Russia's foreign trade in 2010, but the prospects of economic cooperation with the states in the region are auspicious. This concerns chiefly cooperation in the fuel-and-energy sector, transport infrastructure construction (e.g. the EUR2.2bn project to build a 550 km Sirt-to-Benghazi railway line), oil and natural gas mining, tourism (2 million tourists visited Egypt in 2008), and arms exports (in recent years Algeria has become the second largest importer of Russian weapons, after India). Russian companies are present in North Africa; they are mainly fuel-and-energy and construction firms such as Technnopromexport, Tatneftgoefizika, Tatneft, MonolitSpecStroi, Sroytransgaz, Lukoil, Gazprom, and Atomenergoeksport.

Russia's Position towards the Revolutions in Arab states. Russia's response to developments in Arab states has been cautious and far from judgmental of the reasons of the parties to conflicts. The Russian authorities have called for stopping the escalation of violence and for the conflicts to be regulated through political dialogue without the interference of external forces. They have also emphasized the necessity of resuming the peace process between Israel and the Palestinians as a prerequisite for stabilizing the situation in the region. Russia's political activity in the region has been limited to a visit paid to Egypt on 9 February this year by the Russian president's special representative for Middle East, Deputy Minister of Foreign Affairs A. Saltanov.

This reticence has been due to several factors. Russia lacks realistic possibilities of influencing the internal situation in the states concerned and its interests there are not important enough to prompt it to engage in a policy of strong involvement, particularly if this should mean international isolation. Accordingly, Russia has refrained from initiating any action for the settlement of the situation in the region and it has confined itself to responding to initiatives by Western and Arab states.

While so doing, it has emphasized the relevance of regional organizations, notably the African Union, the League of Arab Nations, and the Organization of the Islamic Conference.

At the same time, the protests in Arab states have aroused in Russia apprehensions of the growth of Islamic extremists' influence in the North Caucasus and of instability in the Islamic and authoritarian Central Asian states. For part of the Russian elites the developments in North Africa bring to mind the democratic color revolutions that were aimed at undermining Russian influence in the CIS area. While the number of Russians prepared to take part in massive protests in Russia itself rose in just one month from 39% to 49% (but only 29% said they were prepared to do so on the nearest Sunday), the Russians' discontent over economic hardships and price rises seems unlikely to trigger, in the immediate perspective, a re-play of the developments in Egypt or Tunisia.

While highlighting the importance solving the crisis by political methods to the exclusion of outside intervention, Russia has expressly stressed that any external action towards the conflict-ridden states requires approval by the UN Security Council. This is in line with Russia's position that the SC alone may authorize the use by its members (whether acting individually, or collectively) of armed force against a sovereign state. According to Russia, any action unsanctioned by the UN SC – such, for instance, as the 1999 NATO intervention in Kosovo, or the U.S.-led coalition in Iraq in 2003 – would constitute a breach of the principles of international law. This emphasis on the SC's role in the shaping of international order indirectly strengthens Russia's position as a permanent SC member with the right of veto.

Russia's position on the armed uprising in Libya has, from the start, matched those of Western states and of the chief organizations of Arab states. President Medvedev explicitly denounced the Libyan authorities' actions against the insurgents. He called these actions "criminal" and he described the situation in Libya as the disintegration of state structures. Russia gave to understand that the best solution for the Libyan leader Colonel Qaddafi would be to step down. Also, it supported the UN SC Resolution 1970 of 26 February which imposed sanctions on Libya: a ban on arms exports and a travel ban on Qaddafi, his family and his immediate associates.

Furthermore, Russia did not eschew *a priori* the imposition of a no-flight zone closed to Libyan Air Force; instead, it made its position on this issue conditional upon the adoption by the UN SC of an appropriate resolution and upon the shape of the same. Consequently, during the vote on Resolution 1973 on 17 March Russia abstained from vote together with China, India, Brazil and Germany, thus it making possible for the international community to intervene in Libya, albeit without the use of land forces.

Conclusions. Russia's stance on the developments in North Africa indicates its preparedness to work with Western states on solving key international issues. This is yet another - alongside cooperation in the matter of the war in Afghanistan and the Iranian nuclear program – symptom of a Russian foreign policy shift towards getting closer to the Western states. The joint Russia-EU statement on the situation in [North Africa and] the Middle East of 24 February contains a declaration of readiness to assist Arab states, including economic aid.

In the short term, this policy of Russia will bring about the severing of the special relations with Libya – and, perhaps, also with Iran. This will affect adversely Russia's arms exports, predominately to Libya (about US\$4bn worth of arms contracts, including for Ka-52 and Mi-8 helicopters, Pancir-S1 and S-300PMU2 anti-aircraft systems, Su-35 aircraft). These losses could be even heavier if unrest spreads to other Arab states, notably to Algeria and Syria. The implementation of other contracts, such as oil production from the Elephant oil field in Libya by Gazpromneft and Eni of Italy, could also become problematic. Yet it seems that Russia will be able to make up for these losses fast once the situation has stabilized.

For Russia, the growth of energy source prices in the wake of the unrest in Arab states means higher revenues from oil and gas exports and a chance to end this year with a budget surplus (a forecast deficit of 3.6% GDP will be filled by additional export revenues if this year's price of oil averages US\$115 per barrel). Following the disruption of gas supply from Libya Gazprom has already increased deliveries of this resource to Italy two and a half fold. Benefiting from other exporters' problems, Russia comes across as a stable and dependable supplier of energy sources to the EU market, an image that will help attract investors in the Russian fuel and energy sector.