RUSSIA AND THE ARABIAN PENINSULA

Dr. Andrej Kreutz, University of Calgary

I. Introduction

The Arabian Peninsula lies between the Persian Gulf and the Red Sea and between Eurasia and Africa. Because of its geopolitical location, energy resources, its role in the world oil and natural gas markets, and as a place of Islam's two holiest sanctuaries, Mecca and Medina, has an undoubted global political and strategic importance. However, this paper will argue that Russia has some special interests in the region that need to be well understood and accepted by all interested parties.

Russia is located close to the Middle East and its traditional zones of influence include Transcaucasia and Central Asia, where the American presence is probably only a superficial and temporary phenomenon. Consequently all developments in the Middle East, including that in the Arabian Peninsula, have a direct impact on Russia's domestic situation and its vital political interests for at least three major reasons:

- 1) Geopolitical and geostrategic proximity and importance including a need to get access (not necessarily by military means or direct political domination) to the warm seas and world oceans, particularly the Indian Ocean.
- 2) What is probably no less important, Russia as one of the major oil and natural gas producing nations must be in close touch with the other major producers that are mainly located on the Arabian Peninsula.

3) Russian leaders are well aware of the crucial significance of the Arabian Peninsula for Islam and the Russian Muslim community currently estimated at about 15% of the Russian population and growing much faster than the other communities in the country.

This paper attempts to analyze Russia's links and relations with the Arabian Peninsula.

While its focus is mainly on the present situation and directions of future developments, the author wants to see them in the context of the historical past and previous transformations.

II. Pre-Soviet and Soviet Period

Although the Arabian Peninsula, like the Arab world in general, has never been an immediate object of the Russian Empire's direct political involvement, which focused instead on the Turkish and Persian territories adjacent to its borders, since at least the second part of the 19th century, some Russian presence had nevertheless been discernible. In the 19th century and at the beginning of the 20th, the Russian Empire was not directly involved in the colonial carve-up of the area, and its "moral credentials among the Arabs, both on official and popular levels, were considerably higher than those of the Western Powers". Before the convention of 1907, which was negotiated

This paper has been prepared with the generous financial help of the Earhart Foundation in Ann Arbor, Michigan.

with French help, St. Petersburg competed with British influence in the region and wanted to win naval facilities in the Gulf with an outlet to the Indian Ocean. In 1901, the Emir of Kuwait Mubarak al Sabah applied for Russia's protection² and the Russians thought about building a railway linking the Mediterranean to the Gulf. In order to gain access to the Indian Ocean, St. Petersburg tried to establish a coaling station for its navy in Kuwait. According to Russian sources the Russian Empire did not want to antagonize Britain and refused to protect Kuwait, but wished to demonstrate that the Persian Gulf is open to the fleets of all nations including its own navy³. Much to British chagrin, Russian envoys were also active in Muscat and some other Arabian principalities, but apparently without much tangible success, and probably without great determination⁴. At that time, Russian interest in the Arabian Peninsula had three main causes:

- The perennial Russian effort to get access to the warm seas and the world's oceans.
- 2) The struggle against British domination of Southern Asia, which lasted until 1907.

¹ G.M. Yemelianova, "Russia and Islam: The history and prospects of a relationship", <u>Asian affairs</u>, vol. XXVI, part III (October 1995), p. 284.

² Ibic

³ A. Bocharov, "Schitaem eti vody dostiynymi plavanju vsech natsii: pervye poseshhenija Rossyskimi Korabliami Persidskogo Zaliva", Morskoj Sbornik (Russia) 1999 (II) pp. 71-77.

⁴ Stephen Page, <u>The USSR and Arabia</u>. <u>The development of Soviet policies and attitudes towards the countries of the Arabian</u> Peninsula, (London: Central Asian Research Centre, 1971) p. 9.

3) The crucial importance of the Arabian Peninsula for Islam, which then already had many followers among the subjects of the Russian Empire.

After 1917 and the Bolshevik revolution in the Russian Empire which, in 1922 was transformed into the USSR, its foreign relations with the Arab world underwent dramatic transformations. The new rulers of the country insisted on representing the world proletarian revolution in its challenge against western capitalist domination and, in accordance with Lenin's theory, looked for friends and allies among the colonial and semi-colonial peoples.

In July 1920, at the Second Congress of the Communist International, Lenin in his <u>Theses on the National and Colonial Question</u>, argued that as the future of the world would be decided by the struggle of the imperialists against both the working class and the colonial national liberation movement, the new Red Moscow should provide active assistance to the "revolutionary movements in the dependent and subject nations and in the colonies⁵.

The Fourth Congress of the Communist International in November 1922 went as far as to say "that in certain circumstances, transitory [Communist] alliances were acceptable to include the feudal aristocracy and the pan-Islamic movement". The gate to search for new friends among the tribes and statelets of the Arabian Peninsula that were relatively close to Soviet frontiers was thus open, and the first efforts proved to be rather promising.

⁵ D. Boersner, ed., The Bolsheviks and the National and Colonial Question, 1917-1928 (Geneva: Librairie E. Droz, 1957) p. 84.

⁶ J. Degras (ed.), The Communist International 1919-1943 Documents, vol. I, (London: Oxford University Press, 1956) p. 385.

When on March 3, 1924, the Office of the Ottoman caliph in Istanbul was abolished by Kemal Pasha Ataturk's regime, which was then supported by the Soviets, the Sheriff of Mecca and the King of Hedjaz, Hussein of the Hashemite family proclaimed himself the new caliph and leader of the Muslim world⁷. While the British, being concerned about the loyalty of many millions of Muslim subjects in their still great empire reacted to that angrily, Moscow did not hesitate to make use of the subsequent tension between London and its former Hashemite client.

In August 1924, the USSR established diplomatic relations with Hedjaz and its representative Karim Kharimov, a Muslim Tartar from Ufa, arrived in Jeddah as the "Agent et Consul général de l'URSS près de Sa Majesté Hachemite Le Roi de l'Arabie". However, those new relations were soon submitted to a major challenge. Sheriff Hussein's bid for a caliphate proved to be a total failure and in addition, his family's rule in Hedjaz began to crumble under the blows of his old enemy, Abdul Aziz al-Saud and the Wahhabis' movement that he led. In October 1924, a Soviet diplomat openly expressing Moscow's disappointment stated:

The opening of diplomatic relations between the USSR and the Hedjaz, which plays such an important role in the movement for the creation of a united greater Arabia, occurred just before the blow to that movement, delivered by the attack of the primitive tribes of Wahhabites on the Hedjaz, led by that opponent of Arabism, Ibn Saud⁹.

⁷ Kamal Salibi, The Modern History of Jordan (London: Tauris, 1993) p. 89.

⁸ John Baldry, "Soviet Relations with Saudi Arabia and Yemen 1917-1938", <u>Middle Eastern Studies</u>, volume 20, (January 1984) p. 58.

⁹ "Extract from Chicherin's Report to the Central Executive Committee on Foreign Relations" (October 18, 1924) in J. Degras, p. 468.

The Soviet hope that "Hedjaz will come through all dangers satisfactorily" did not come to pass. By the end of 1925, the Hashemite family had to give up their rule in the country, whose name was changed to Saudi Arabia in 1932 after the unification with Noyd and Hasa provinces However, Moscow reacted to the developments in a quite cautious and pragmatic way. The Soviet press started to write about "an extraordinarily interesting political-social programme" of the Wahhabis, and when in February 1926 Abdul Aziz al-Saud won the crown of Hedjaz, the USSR was the first state to recognize him on February 16, 1926 The official note from the Soviet government to Ibn Saud stated that:

On the basis of the principle of the people's right to self-determination and out of respect for the Hijazi people's will as expressed in their choice of you as their king, the government of the USSR recognizes you as King of Hijaz and Sultan to Najd and her dependencies. On this ground, the Soviet government considers that it is in normal diplomatic relations with Your Majesty's government¹⁴.

The Soviets believed that Ibn Saud would be able to establish an independent (that is an anti-Western) federation of Arab principalities and thus weaken Western-Imperial domination on their Eastern borders. Having similar goals in mind, they extended their help and recognition to Yemen, one of the most backward and isolated countries of the world in the south of the Arabian Peninsula. Yemen's ruler, Imam Yahya, having had a longstanding border dispute with the British in Aden, signed a

¹⁰ Ibid

¹¹ Alain Gresh, Dominique Vidal, Les 100 clés du Proche Orient (Paris: Hachette Littératures, 2003) p. 60.

¹² Page, p. 17.

¹³ Alexei Vassiliev, The History of Saudi Arabia (London: Saqi, 1998) p. 265.

¹⁴ Ibid

treaty of friendship and commerce with Moscow on November 1, 1928¹⁵. The treaty was seen as a watershed in Soviet-Arab relations and allowed the USSR to establish a permanent trading mission in Yemen. According to Russian scholars, this was the "first equal treaty concluded by an Arab government with a great power"¹⁶. In practice, the Soviets proved to be far more active and successful in Yemen than Hedjaz. By 1930, they were supplying, at low prices, approximately 50% of the country's kerosene, 60% of its soap, 35% of its sugar, and 80% of its wood imports¹⁷. Soviet medical doctors worked in the country and there were even some tentative efforts to develop cultural relations¹⁸. The ultraconservative Imam of Yemen was for some time described in the Soviet press as a popular leader who was challenging Western imperialism¹⁹.

In the early 1930s closer relations were also further expanded between Moscow and Ibn Saud's Kingdom. According to a Russian scholar, King Abdul Aziz skillfully played the Russian cards against Anglo-American oil companies and, by opening his country's markets to Soviet goods, wanted to demonstrate that there is an alternative to their pressure²⁰. For the same reason in May-June 1932 he sent his son Faisal bin Abdel Aziz for an official visit to Moscow. His visit might be seen as the top development in the history of pre-World War II Soviet-Arab relations and an apparent achievement of Moscow's diplomacy. At the same time the visit helped Ibn Saud to

¹⁵ Page, p. 17

¹⁶ Ibid

¹⁷ A. Stupak, "Vypolnjaja Leninskij Zavet: Vospominaniya Uchastnika Pervoj Sovetskoj missii v Yemen", <u>Azija I Afrika Segodnja</u> No. 5 (1969) p. 6

¹⁸ A. Joffe, "Nachalnyi etap vzaimootnoskenij Sovetskogo Sojuza s Arabskimi I Afrikanskimi stranami" (1923-1932 gg), <u>Narody Azii i Afriki</u>, No. 6 (1965) p. 62.

¹⁹ Ibid

²⁰ G.G. Kosach, E.S. Melkumian, <u>Vneshnjaja Politika Saudovskoj Arabii</u> (Moscow: The Institute of Israeli and Middle Eastern Studies, 2003) p. 30.

achieve some concessions from Britain²¹. However, according to both Russian and Arab sources King Abdul Aziz's policy toward Moscow was not only inspired by purely pragmatic considerations. The King very much appreciated the release by the Bolsheviks of the secret treaties between Imperial Russia, France and Britain concerning the future of the Middle East – the particularly famous Sylces-Picot Agreement about the division of the zones of influence there 22. He was also closely in touch with a Soviet representative in Yedda, Karim Kharimov, who enjoyed his respect and had influence on his decisions²³.

When on September 18, 1932 Ibn Saud issued his decree "On the merger of the parts of the Arabian Kingdom", his country formally became a unitary state under the name of Saudi Arabia. At least temporarily, the USSR had an obvious interest in preserving its links with the growing power on the Arabian Peninsula. Soviet-Arab relations, however were devoid of any deeper ideological and, at that time, even strategic content and proved to be quite unstable. In the mid 1930s, Soviet experts started to doubt the political usefulness of the alliances with Arabs, especially in view of the growing need to cooperate with Britain against Nazi Germany and fascist Italy. In May 1938 Moscow announced the closure of its offices in both Saudi Arabia and Yemen. After this announcement Mme Fatakhov, wife of the last Soviet representative in Jedda, traveled to Yemen where she was reported to have said that the Soviet measure was due to "fear of a general [world] war"²⁴ but that Soviet Yemeni friendship

²¹ Ibid

²² Op. cit. p. 29.

²³ A. I. Yakovlev, "Rossijsko – Saudovskije otnoshenya: ozhidania i perspektivy", in Rossijsko-Saudovskije Otnoshenija: Ozhidanija i perspektivy (Moscow: The Institute of Israeli and Middle Eastern Studies, 2003) p. 25.

²⁴ John Baldry, "Soviet Relations with Saudi Arabia and Yemen 1917-1938", Middle Eastern Studies 20 (1984) No. 1, January 1984, p. 74. In fact at that time the Soviet Union's general policy was to "reduce foreign contact, and Soviet consulates in Turkey, Afghanistan and Persia had also been closed (ibid).

would continue "by communication" and that the treaty between the two states would also be renewed²⁵. In fact, although in 1939 the treaty with Yemen was formally renewed, the real Soviet presence in the Arabian Peninsula was nevertheless suspended²⁶. In the very traditional and Islamic region at that time, there was not a single communist party to support, and for more than twenty years Moscow's attention had to be focused on other issues.

The USSR did not restart its active role in the Arab World until the mid-1950s. Its renewed and much stronger interest in the region was mainly a reaction to the Eisenhower administration's efforts to organize an anti-Soviet alliance [known as the Baghdad Pact] at its southern borders. In spite of being ultra-conservative and anticommunist, the Saudi rulers nevertheless rejected participation in the new American initiative, which might have put them together with traditionally hostile Iran, and in addition antagonize Arab national feelings²⁷. On April 16, 1955, a USSR Foreign Ministry spokesman officially praised Saudi Arabia as an "opponent of participation in military blocs which the Western Powers are forcing on the Arab countries"28. By the end of the same year, Moscow supported Riyadh in its dispute with the British Protectorates of Abu Dhabi and Muscat about the Buraimi oasis, and during King Saud's trip to India in December 1955, noted with approval his speeches supporting peaceful coexistence²⁹. When in 1958 Crown Prince Faisal replaced King Saud as the ruler of the country, the Soviets welcomed him as a "well-known supporter of Arab unity

²⁵ Ibid

²⁶ Page, p. 18

²⁷ John Pollack, "Saudi Arabia and the United States, 1931-2002", Middle East Review of International Affairs, vol. 6, no. 3 (September 2002), p. 79.

²⁸ Soviet News, April 19, 1955.

²⁹ Page, p. 30

and an opponent of West-sponsored military blocs in the Middle East"³⁰. However, Moscow's expectations proved to be ill-founded. In spite of the growing Soviet support for the Palestinians, the political and ideological differences between Moscow and Riyadh were then too large to be overcome. Both countries were deeply ideological and their perceived missions - Islamic in the case of Saudi Arabia, and Communist and revolutionary in the case of the USSR, largely directed their foreign policies³¹. In addition to the Soviets siding with "progressive" Arab states during the "Arab Cold War" in the 1960s. 32 the Saudi rulers were deeply concerned about Moscow's support for the revolutionary movements in the area which had led to the establishment of the quasi-Marxist regime in South Yemen after the rise to power of the National Liberation Front in South Yemeni's developments were soon followed by the revolutionary changes in the neighbouring Horn of Africa countries, such as Ethiopia and Somalia, which were located near the Saudi borders. The Saudi leaders were consequently seriously concerned about what they considered to be "a belt of Soviet satellites" and the Soviet military bases close to them³⁴.

The Kingdom became actively involved in anti-communist and anti-Soviet operations in various parts of the world, especially after the Soviet invasion of Afghanistan in December 1979³⁵. The ideological conflict notwithstanding, the first attempt at restoring diplomatic relations between Moscow and Riyadh was made in 1982. At that time, on the Saudi leadership's initiative, a channel of communication was

³⁰ Izvestia, March 26, 1958.

³¹ G.G. Kosach, "Rossijsko-Soudovskye Otnoshenia: visit Prince Abdalli", in Rossysko-Saudovskye Otnoshenija: Ozhidonia i perspektivy p. 32

³² Malcolm Kerr, <u>The Arab Cold War, Gamal Abd al-Nasir and His Rivals 1958-1970</u> (Oxford: Oxford University Press, 3rd edition, 1999)

³³ Alain Gresh, Dominique Vidal, Les 100 clés du Proche Orient (Paris: Hachette Litteratures, 2003) pp. 539-542.

³⁴ M. J. Razhbadinov, "Nekotoryje aspekty Rossijsko-saudovskih Otnoshenii", in Op. cit. p. 6

³⁵ Pollack, p. 80.

established between the two capitals, via London, in order to exchange messages and information related to critical regional problems such as the Palestinian-Israeli conflict, the Israeli invasion of Lebanon and the Iran-Iraq War³⁶. Although the commercial exchange between the Kingdom and the Soviet bloc countries was very small overall, after 1981 both exports and imports from the USSR started to rise significantly. They decreased again in the late 1980s because of the Saudis' own financial problems and not because of any otherwise important ideological considerations³⁷.

Gorbachev's rise to power and the ensuing perestroika period changed the situation completely. The USSR withdrew its forces from Afghanistan and stopped supporting the Marxist or pseudo-Marxist forces in the Saudi neighbourhood. Moscow now granted religious freedom to its Muslim subjects, and even cooperated with Washington and Riyadh during the Kuwaiti crisis and the Second Gulf War in 1990-1991. This new Soviet policy enabled Saudi Arabia to accept the restoration of diplomatic relations with Moscow in September 1990. In 1991, Saudi Arabia provided Moscow with \$2.5 billion assistance and Russian commentators expected a further inflow of Saudi investment, seeing prospects for lucrative arms sales to the Kingdom³⁸. However, in December 1991, the USSR disintegrated, giving way to its successor state, the Russian Federation. Not only the domestic content of one of the partners but the whole international system was submitted to unprecedented transformations and the impact on their bilateral relations proved to be lasting and important.

³⁶ ITAR-TASS (in English), August 28, 2003 I FBIS-SOV-2003-0828 and several interviews in Moscow in December 2002.

³⁷ Kosach, op. cit. p. 32.

³⁸ Mark N. Katz, "Saudi-Russian relations in the Putin Era", <u>The Middle East Journal</u>, vol. 55, no. 4 (Autumn 2001), p. 2.

III. Post-Soviet-Russian-Saudi Relations

A) Conflicting Issues

Since its very beginning, Russian-Saudi relations have acquired a different character from those of the previous Soviet period. All ideological differences that separated the two states before have now disappeared or become irrelevant, and both states developed mutual cooperation in accordance with their national interests. In spite of this, the rapprochement between post-Soviet Moscow and Riyadh has by no means been quick or easy. A number of complex and not always transparent economic and political factors have made Russian-Saudi relations highly volatile and precarious.

1) Historically, the first but probably not the most important factor, was Russia's bitter disappointment caused by a lack of the hoped for influx of Saudi capital in the early 1990s. Immediately after the re-establishment of full diplomatic relations between the two countries, Moscow expected large-scale financial support from the oil-rich Arab monarchies, particularly Saudi Arabia, as a reward for its ending of the Afghani intervention, and even more, for its lack of support for Iraq during the Kuwait crisis and the ensuing second Gulf War in 1990-1991. As one of the leading Russian experts of the Middle East, Alexei Vassiliev wrote: "the war against Iraq in [January] 1991 was a success owing to the transfer of the main NATO forces to the Middle East with the indulgence of the former Soviet Union. But the Soviet Union (or later, Russia) was not remunerated either materially or politically. [Consequently] the USSR and later Russia

suffered an economic loss"³⁹. According to Russian sources, Moscow lost about \$40 billion as a result of the Gulf War and the ensuing anti-Iraqi sanctions⁴⁰.

Riyadh's reluctance to encourage a large capital inflow into Russia was probably caused by the low oil prices in the period following the second Gulf War, the sharp decrease of Saudi income, and by the prevailing general lack of confidence in Russian business and civil order in the country⁴¹. However, Russian disenchantment was still inevitable and it was largely increased by a lack of any substantial trade turnover between both sides. In the 1990s, in striking contrast to the United Arab Emirates, the Saudis did not start to buy a large quantity of Soviet weaponry⁴², and according to available information, the two countries' turnover had amounted to only 66.7 million dollars in 2002⁴³. In addition to the lack of sound economic foundations, another reason for Saudi "ingratitude" to Russia and a real bone of contention between the two countries was their competition on the oil market.

2) Saudi Arabia and Russia are the world's two largest oil producers and exporters, and the governments of both countries are heavily dependent on the revenues they receive from petroleum exports. However, there were three major differences in their situations and subsequent policies towards the oil market.

³⁹ Alexei Vassiliev, "Russia and Iraq", Middle East Policy, vol. 7, no .4 (October 2000) p. 127.

⁴⁰ Several interviews with Russian sources, Moscow, December 2002.

⁴¹ Katz, pp. 9-10.

⁴² Op. cit. p. 10.

⁴³ ITAR-TASS (in English), September 2, 2003 in FBIS-SOV-2003-0902.

- (a) Saudi Arabia has been and still remains a leading member of OPEC, with an overwhelming influence on the other members, while Russia has never been a cartel member and its relations with it have often been tense or at least volatile.
- (b) The Saudi goal is to keep oil prices at a balanced and relatively steady level. In order to protect the stable global market and its own interests, Riyadh traditionally tried to prevent both excessively high oil prices and overproduction and their consequent collapse. Its policy has been and remains both to maximize the benefit of controlling 25% of the world's proven oil resources and to make sure that the role of oil in the global economy will remain unchanged for as long as possible⁴⁴. Only occasionally, as in 1973-1974 and 1985-1986, did the desert kingdom use its oil as a weapon for political reasons: the first time against the U.S. and its allies; the second time and with much more success against the Soviet Union.

This moderate and far-sighted Saudi policy has been in striking contrast to the behaviours of the Russian oil companies, whose only goal has been to make quick cash, with total disregard for the accepted rules of the game and the interests of others parties, including even Russia's state interests⁴⁵.

⁴⁴ Edward L. Morse & James Richard, "The Battle for Energy Domination", Foreign Affairs, March/April 2003, p. 18.

⁴⁵ According to a Russian leading political analyst Sergey Markov, Russian business is features by "absence of patriotism" and "relates to Russia as to a temporarily occupied country that had to be fleeced to the maximum". ("out of step with the time", Rosbald.ru – April 26, 2004)

(c) The above situation became largely possible because of the Soviet Union's collapse and the "robber-baron" style of privatization of the post-Soviet petroleum industry. While, during the Soviet era, Moscow exercised tight control over its natural resources and their exploitation, the situation changed dramatically in the early 1990s. Most of the country's oil industry has now fallen into the hands of over fifty private oil companies, some of which such as Yukos and Lukoil have quickly acquired enormous wealth and political influence in the otherwise impoverished country⁴⁶. While in Saudi Arabia, the Saudi Aramco, which was nationalized in the 1970s and controls the country's petroleum industry, is indeed the state instrument for pursuing its aims⁴⁷, the opposite development has taken place in post-Soviet Russia where the government has become "too weak to actively limit the country's oil exports⁴⁸. In the late 1990s, and at the beginning of the new millennium, those different sets of circumstances and interests became a source of almost open tension and struggle between Riyadh and Moscow concerning oil prices and the corresponding share of the global energy market.

In 2001, American business executives wrote about "the emerging battle for market dominance between Russia and Saudi Arabia" and a "clash between two extremely different cultures and... radically different agents." The situation immediately after September 11, 2001 seemed to provide Moscow with "a chance to

⁴⁶ Morse and Richard, p. 28.

⁴⁷ Ibid

⁴⁸ Ibid

⁴⁹ Ibid

displace OPEC as they key energy supplier to the West."50 In the wake of the tragic events, American-Saudi relations sharply deteriorated and the West intensified its search for alternatives to Middle Eastern oil and natural gas resources. Western corporations then noticed two major advantages of the post-Soviet republics, including Russia. First, their reserves proved to be much larger than had previously been anticipated. Second, their oil and natural gas exploitation was now in the hands of private corporations with relatively little state ownership and/or supervision. The last factor secured better conditions for the Western states and corporations to operate than in the patrimonial Arab oil monarchies with their political control and lack of transparency. When in the fall of 2001 Saudi Arabia and other OPEC members tried to secure Russian acceptance for reducing production and thus keep oil prices relatively high, Moscow's reaction was one of refusal and suspicion.⁵¹ Private Russian oil companies, especially Yukos and Surgutneftegas, opposed any attempts to limit their exports as "neo-soviet" and illegitimate state intervention into the private sector. 52 At the political leadership level, Saudi economic demands were also perceived as an extension of the previous Saudi support for anti-Russian movements in Afghanistan, Central Asia and Chechenya, and the Islamic revival in some parts of Russia.

3) In addition to the economic-related obstacles, there were two major essentially political drawbacks to closer Saudi-Russian relations.

⁵⁰ Op. cit. p. 17

⁵¹ Several interviews and private contacts in Moscow, December 2002 and March 2003.

⁵² Morse and Richard, pp. 28-29.

(a) The first, and probably the more important one, was the widespread perception among the Russian political class that the desert Kingdom posed at least an indirect threat to the country's security.⁵³ The problem included allegations about Saudi support for Chechen separatist and other radical anti-Russian Muslim groups in the Northern Caucasus and suspicions concerning Saudi funding of and subsequent influence on Islamic schools and institutions in some parts of the Russian Federation. The accusations were not unfounded. The Chechenyan commander Hattab was a Saudi, and another top leader Shamil Basaev received financial support and jihadi recruits from the Gulf. According to a State Department Official, Gulf-based "charities" and rich individuals contributed more than \$100 million to support Chechenyan separatists between 1997-1999 alone.⁵⁴

On the other side, both the Saudi elite and society have often perceived the Russian War in Chechenya as an unjust war against their coreligionists, deeply offending their religious and moral feelings. Several rather harsh statements about Islamic fundamentalists by some Russian leaders, including President Putin, have certainly not made a good impression in Saudi Arabia.

As a result, Saudi Arabia has been the most vocal country among Muslim nations in condemning Moscow's policy in Chechenya. ⁵⁵ In 1997, Chechenyan President Aslan

⁵³ Several interviews and private contacts in Moscow in November-January 2000/01 and December 2002. See also Roman V. Svetlov, Druzja i Vragi Rossii (St. Petersburg: Amfora, 2002) pp. 42-43.

⁵⁴ Ariel Cohen, "Beware Saudi rapprochement", Washington Times September 18, 2003.

⁵⁵ Shreen J.Hunter, Islam in Russia. The Politics of Identity and Security (Armonk, New York: M.E. Sharpe, 2004), p. 383.

Mashadov visited Saudi Arabia and met with Saudi and other Muslim leaders,⁵⁶ and during an OIC meeting in June 2000 in Kuala Lumpur (Malaysia) the Saudi representative called Russia's military operation "an inhumane act against the Muslim people of Chechenya".⁵⁷

Also, in October 1999 an official Saudi statement described the events in Chechenya as a "tragedy" and called for a quick end to the fighting and a peaceful solution to the Northern Caucasian conflict⁵⁸. On the other hand, however, the Saudi leaders were cautious and did not want to endanger their links with Moscow. In 1992, Saudi Arabia's King Fahd assured Russian Foreign Minister Kozyrev that "we will never interfere in the internal affairs of other states. No matter what the religious convictions of a person living in Russia are, for us he is first and foremost a citizen of the Russian Federation".⁵⁹

In December 1994 the Organization of Islamic Conference which was led by the Saudis refused the then Chechenyan President Dzhokhar Dudaev's request to admit Chechenya to the Organization,⁶⁰ and at the end of 1999 the envoy of the Russian Ministry of Foreign Affairs was told by the Saudi diplomats that the Kingdom considered the situation in Northern Caucasus to be Russia's internal problem and would not ask for any international intervention in those ongoing developments.⁶¹

⁵⁶ Said Isayev, "Chechen President says Saudi visit 'successful'", ITAR-TASS- April 27, 1997.

⁵⁷ "Islamic Conference Condemn Chechen War", Russia Today, November 1999 and "Moscow Officially Protests Alleged Saudi interference in Chechenya", Jamestown Foundation Monitor, 6, No. 129 (July 3, 2000).

⁵⁸ Razhbadinov, p. 18.

⁵⁹ Maxim Yusin, "Our visit is a drive for markets, including arms markets," <u>Izvestia</u>, May 5, 1992 in <u>Current Digest of Post-Soviet</u> Press 44, No. 18 (June 3, 1992).

⁶⁰ Op. cit. p. 9.

⁶¹ Ibid

(2) The second, and in my view far less substantial though not unimportant obstacle was Saudi disenchantment, and even bitterness, because of the new Moscow friendship with Israel, and its almost total abandonment of any real support for the Palestinians. Like the other Arabs, the Saudis have had time to become accustomed to the pro-Israeli bias of the U.S. policy. Moscow, however, had reversed its policy, and its friendship with Israel was something new, and because of that more difficult to tolerate. In addition, the fact that one of the main causes of the Russian foreign policy reversal was the collapse of its power did not improve Moscow's prestige among the Arabs. A weak Russia would simply become irrelevant, or in the best scenario, of minor importance with no reason to invest in it. Although in 1994 agreements on cultural, economic and financial cooperation between the countries had been signed, according to Russian sources up to 2002, they "remained on paper only and were only slightly implemented."62 Many Russians complained that Russian oil companies have been denied access to the Saudi oil fields and that the commodity turnover between Russia and Saudi Arabia "was ridiculous". 63 In fact, it constituted 57 million dollars in 2000, and 67 million in 2001.64

B. The New Saudi-Russian rapprochement

The impact of the September 11, 2001 events on Saudi-Russian and Russian-Saudi relations was complex and multifarious. On the one hand, they opened a prospect for increased economic competition and bitterness. On the other hand, however, as American-Saudi relations started to deteriorate, a new political alternative

⁶² Dimitrii Slobodianiuk, "Irak v obmen no Saudovskieju neft", Pravda, October 30, 2002.

⁶³ Several interviews with Russian sources in December 2002.

⁶⁴ Dimitrii Slobodianiuk, "Irak v obmen no Saudovskieju neft," Pravda, October 30, 2002.

to Saudi-Russian cooperation became more possible. The rapprochement between the two countries was neither rapid nor easy, and the mutual understanding which has now apparently been achieved (Spring 2004), does not need to be secure and stable. However, between 2001-2003, a number of factors persuaded both parties to move closer to each other.

In spite of the greed of its oil corporations, by the end of 2001 Moscow had decided that cooperation with Riyadh and OPEC lay, at least temporarily, in its long and even mid-term interests. Russian political and corporate leaders became aware that any abrupt oil price collapse would be harmful for the stability of their exports and disastrous for the Russian economy. In 2002-2003, it once again became obvious that in spite of all Putin's possible efforts modern Russia is neither capable of integration nor willing to integrate itself into the structures of the expanded West At the time when in the U.S. the Jackson-Vanik and Stevenson amendments, which originated during the Cold War period and which limit trade with and credit to Russia had still not been abrogated, and there was no sign of significant economic integration with the E.U. in the near future, Putin and his advisors, along with opening to the West and Israel, have been on the lookout for other potential strategic partners in world politics.

Bearing in mind Russia's geopolitical location, its large Islamic population and the unending Chechenyan conflict, the Kremlin has actively taken steps to approach the

⁶⁵ Morse and Richard, p. 30.

⁶⁶ Thomas E. Graham, Jr, Russia's Decline and Uncertain Recovery (Washington, DC: Carnegie Endowment for International Peace, 2002) pp. 82-84.

⁶⁷ Dimitr Frenin, "Moscow's Realpolitik", Nezavisimaya Gazeta, Dipkurier, No. 2, February 2004.

Muslim world with a proposal to join the Organization of Islamic Conference.⁶⁸ The Russian leaders wanted to become accepted by the Islamic world in order to improve their international bargaining power and to facilitate an end to the separatist challenge in the Northern Caucasus. The best and probably the only way to achieve that was reconciliation with Riyadh, which, because of its wealth and unique position as the guardian of the holiest Muslim sanctuaries, enjoys special prestige and influence among the Islamic nations. In 2002-2003, Moscow's overtures sounded unusually timely for the Saudis. Shortly after the September 11, 2001 attacks, the U.S. National Security Council recommended that President Bush issue an ultimatum to Riyadh in order to force it to strictly control the activities of its "charity institutions" and private donors who were suspected of supporting Islamic terrorism. In July 2002, a political controversy broke out in the U.S. after the publication of the report by Pentagon expert, Laurent Muraviec, who called Saudi Arabia "the center of evil" and America's most dangerous opponent in the Middle East. 69 According to an American analyst, "the U.S. anger against the [Saudi] Kingdom soon reached a point not seen since the 1973-74 oil embargo," and many American journalists and politicians started to speak about "the limits of Saudi cooperation" and their support for terrorism and radical Islamism. ⁷⁰ The Saudi reaction would soon come. Saudi capital began to leave the U.S. (the Saudi investments there have been estimated at \$200 billion), 71 and Saudi officials expressed their interest in the purchase of Russian weapons. According to some reports, the

⁶⁸ Y Alexander Rahr, <u>Between reform and Restoration: Putin on the Eve of his Second Term</u> (Berlin: Korber Department. Joint Venture by Korber Foundation and the Research Institute of the German Council of Foreign Relations, February 2004.

⁶⁹ Pravda, 2003.01.08. Laurent Muraviec's views on Saudi Arabia have later been upheld and repeated by him. See Laurent Muraviec, "Saudi Arabia: No longer America's strategic ally." The Jewish Institute for National Security Affairs (JINSA) online January 13, 2004.

⁷⁰ Joshua Pollock, "Saudi Arabia and the United States, 1931-2002," <u>Middle East Review of International Affairs</u>, vol. 67, No. 3 (September 2002), p. 89.

⁷¹ Natalia Starichkova, "Russia and Saudi Arabia: New Friendship," Rosbalt.ru - 2003.09.10.

Saudi government even considered paying Russia \$4 billion for the development of an ABM system of the fifth generation.⁷²

In view of the forthcoming invasion of Iraq and the threat of further American military intervention in the region which was being discussed, Arabs were apparently scared and Russia was the best place to get the means of deterrence. In September 2003 an influential Russian newspaper wrote: "Saudi Arabia, whose relations with the U.S. have worsened, desperately needs new partners (or, still better, allies) in the international arena, particularly among the UN Security Council permanent members."

And yet Moscow's policy towards Saudi Arabia, and to the Arab world in general, was hesitant and double-minded. In October 2002, at the first session of the Russian-Saudi Committee for trading, economic and scientific cooperation, Igor Yusufov, the Russian Minister of Energy stated that "Saudi Arabia was Russia's most important partner in the Middle East" and offered his Saudi interlocutors the sale of Russian technologies in gas and oil extraction, the aluminum industry, and the defense industry. On the other hand, however, in November of the same year, the Russian President, Vladimir Putin, while receiving U.S. President George W. Bush in St. Petersburg, attacked the desert Kingdom, in front of TV cameras, apparently with Bush's approval, saying: "We will not forget that 16 of the 19 skyjackers on September 11, 2001 were Saudis". Although at that time his words might have been seen as a form of defense of Syria from U.S. anger by showing that even such an American

⁷² Pravda, 2002.10.15. See also Pravda online (2002.10.02 and 10.30).

⁷³ Izbestia, September 3, 2003.

⁷⁴ Pravda online, 2002.10.15.

⁷⁵ Izvestia, September 4, 2003.

stalwart as Saudi Arabia could harbor terrorism, his words pronounced on such an important occasion were certainly not seen to be friendly towards the Saudis.

It seems that the U.S. and their allies' invasion of Iraq in March 2003 played the role of a decisive catalyst in the Moscow-Riyadh rapprochement. The American threat and unilateral domination of the region now became a tangible reality and an open challenge to both capitals. Russia accelerated its efforts to join the Organization of the Islamic Conference (OIC), and Saudi Arabia decided to support the Russian's bid, while also recognizing Moscow's dominance over Chechenya.

In their now accelerating rapprochement, there were three major developments: the visit by Crown Prince Abdullah to Moscow in September 2003, Putin's participation at the OIC summit in October 2003, and the reception by the Saudi government in Riyadh of the Chechenyan President, Ahmed Kadyrov (who was seen by many as a Moscow puppet) as the legitimate representative of the Chechenyan people in January 2004.

Crown Prince Abdullah bin Abdul Aziz Al Saud came to Russia for an official two-day visit on September 2, 2003. It had been more than 70 years since a similarly high level Saudi leader had visited Moscow, and it apparently marked a real breakthrough in both countries' bilateral relations. Because of the regional and international weight of Saudi Arabia and its role as the world's religious centre of Islam, the visit had much broader importance than just having an impact on both countries' bilateral relations. The Russian leader wanted to stress the importance of the visit, and in his opening speech at the talks, President Putin assured his guest that "We have always considered

the Islamic world, the Arab world, as one of our partners and allies."⁷⁶ According to him, "this is a traditional track of Russian foreign policy" determined "by a whole number of circumstances of an economic, political and internal character."⁷⁷ Responding to his host, the Saudi Crown Prince stressed that Russia's policy in the world "is principled, balanced and reasonable, and aimed at promoting justice and truth".⁷⁸ He also indicated that both states act as partners "in their efforts to achieve peace in the Middle East" and that "their stances on ways to stabilize the situation in Iraq coincide."⁷⁹

Saudi Arabian Foreign Minister, Prince Saud al Faisal, characterized the Crown Prince's talks with President Putin as "very important, open and full of trust" and Russian Foreign Minister, Igor Ivanov, said that "the documents signed on the results of talks between President Putin and Crown Prince Abdullah of Saudi Arabia open a new page in bilateral relations". ⁸⁰ In fact, both countries signed an international five-year agreement of cooperation in the oil and gas sectors, providing for the establishment of a joint working group comprising representatives of the Russian Energy Ministry and the Saudi Oil Ministry. The agreement invited Saudi companies to participate in oil and gas projects in Russia and Russian companies in Saudi Arabia, and called for joint efforts between Russia and Saudi Arabia in other countries. ⁸¹ In addition to this undoubtedly important, but still vaguely worded agreement, President Putin and Crown Prince Abdullah presided over the signing of several other documents, including a memorandum on cooperation between the Russian Academy of Sciences and the

⁷⁶ ITAR-TASS in English, September 3, 2003 in FBIS-SOV-2003.09.03.

[&]quot; Ibic

⁷⁸ Ibid

⁷⁹ Ibid

⁸⁰ Ibid

⁸¹ Ibid

Saudi Center for Scientific Technological Studies, an understanding memorandum between the Russian State Sport Committee and the Saudi State Organization for Youth Affairs in Sport, and a memorandum on cooperation between the two states' Chambers of Commerce and Industry.⁸² Both Putin and Prince Abdullah stressed the political closeness of both capitals on the issue of peace in the Middle East, the situation in Iraq and opposition to terrorism. Those declarations, however, had much more rhetorical than substantive content. Even a large section of the Russian press was rather skeptical about the real outcomes of the Moscow visit by the Saudi Crown Prince.⁸³ For example, on September 3, 2003 an editorial in the pro-business paper Vedomosti went as far as to state that there had been no "serious basis for friendship" between Saudi Arabia and Russia in the past and that there is none now." Another probusiness paper. Komersant was less negative, mentioning on September 4, 2003 that although the two sides had a "rare coincidence in positions," there was nevertheless some "awkwardness" during an "unpleasant moment" when Russia raised the issue of joining the Organization of Islamic Conference, and the Crown Prince had reportedly said earlier that Moscow's inclusion would be "hindered" by the situation in Chechenya. The highly respected Nezavisimaya Gazeta (September 3, 2003) was also cautious, and noted that both countries are "divided by a gulf of mistrust" over the issue of Chechenya, and predicted serious obstacles to their future cooperation.

At the time of writing (Spring 2004), it was still too early to accurately assess the historical importance of Prince Abdullah's Moscow visit. Nevertheless, it seems that although official declarations were obviously rhetorical exaggerations, the visit was not

⁸² ITAR-TASS in English, September 2, 2003 in FBIS-SOV-2002-0902.

⁸³ "Moscow Riyadh hail Abdalllah's visit: Non governmental Russian media voice skepticism", Russia-Saudi Arabia, FBIS-SOV-Report (in Russian) 09.04.03 in FBIS-SOV-2003-0904.

devoid of real political consequences. In the joint statement made on the results of the Crown Prince's visit, the sides "supported an idea of transforming the Middle East into a zone free of weapons of mass destruction, including nuclear ones," and Saudi Arabia agreed to back Russia's initiative "on its expansion of cooperation with the Organization of Islamic Conference (OIC)."84 While the first statement, which objectively challenged the Israeli nuclear monopoly in the Middle East was without any real importance, the second by Riyadh had some important practical consequences, opening the door to Putin's participation at the Summit of the Organization of Islamic Conference in Putrajaya (Malaysia) in October 2003, and to the establishment of some, even though still unclear, involvement on the part of Russia with the Organization.⁸⁵ Saudi Arabian Foreign Minister Prince Saud al Faisal spoke about the "great importance" of both events, and welcomed them as "one of the important steps in overcoming the monopolization of the modern world."86 Although he staunchly denied that his country is strengthening its ties with Russia at the expense of relations with the U.S., he nevertheless supported Russia's admission to the international Islamic organization.⁸⁷

The most immediate and probably most hoped for Russian prize from its new pan-Islamic connections was getting the Saudis', and up to a certain point, the OIC's support for its policy in Chechenya. During his stay in Moscow, Crown Prince Abdullah stated that "the lingering Chechenya problem should be settled peacefully by means of constitutional procedures within the Russian Federation's framework, based on our

⁸⁴ ITAR-TASS in English, September 4, 2003 in FBIS-SOV-2003-0904.

⁸⁵ According to Russia's ambassador at large for relations with the Organization of the Islamic Conference (OIC) and other international Islamic organizations, Veniamin Popov's determination of the forms of cooperation between Russia and the OIC is a 'lengthy process that will take quite a few months'. ITAR-TASS (in Russian), January 1, 2004 in FBIS-SOV-2004-0101.

⁸⁶ ITAR-TASS in English, January 17, 2004 in BFIS-SOV-2004-0117.

⁸⁷ ITAR-TASS in English, September 13, 2003 in FBIS-SOV-2003-0913.

conviction that the Chechenyan question is Russia's internal affair."88 That was a very important statement. The Saudi Arabian ruler recognized that the Chechenya problem was Russia's internal affair, thereby delegitimizing the Chechenyan guerrilla struggle against Russia's rule. Subsequently, representatives of the OIC, including Deputy Director of the OIC General Secretary's Department of Political Affairs, Hamdi Irmak, considered to be one of the leading specialists on Russia in Saudi Arabia, monitored the presidential elections in Chechenya on October 5, 2003.89 Although America and other Western countries questioned the democratic character and meaning of the victory by the pro-Moscow candidate, Akhmad Kadyrov, Riyadh recognized him as the legitimate president of Chechenya. In January 2004, Kadyrov went as an invited guest for a fourday visit to Saudi Arabia. Before his departure on January 14, 2004, in an interview with an ITAR-TASS correspondent, Kadyrov indicated that his invitation by the Saudi Crown Prince "in essence, means Riyadh's acknowledgement of the current institutions of the Chechenyan authorities after the constitution had been adopted and the president elected," and called his visit "symbolic and above all, having political significance for Chechenya and Russia."90

During his stay in Saudi Arabia, Kadyrov and the Chechenyan delegation led by him, met with Saudi political leaders, businessmen and social elite of the country, and proposed to hold an international conference of Islamic clerics and Muslim intellectuals, arguing that "Islam is a religion of peace and kindness." Both the Saudi government and non-governmental organizations in the country assured Kadyrov that they were

⁸⁸ Izvestia (in Russian), September 6, 2003 in FBIS-NES-2003-0908.

⁸⁹ ITAR-TASS (in English), October 3, 2003 in FBIS-SOV-2003-1003.

⁹⁰ ITAR-TASS (in Russian), January 14, 2004 in FBIS-SOV-2004-0114.

⁹¹ ITAR-TASS in English, January 18, 2004 in FBIS-SOV-2004-0118.

planning concrete measures to assist Chechenya's reconstruction. Even earlier, in October 2003, the OIC summit adopted a decision on participation by Islamic states in the restoration of the Chechenyan economy on the basis of Islamic solidarity. According to Kadyrov, financial support from some Saudi foundations to the Chechenyan separatists will "gradually dry up" as Saudi authorities put them under efficient control and Saudi society becomes more aware of the real situation in Chechenya. Saudi authorities put them under the control and Saudi society becomes more aware of the real situation in Chechenya.

Kadyrov's political credibility and his possible long-term political intentions could be disputed. In contrast to the "Russian puppet" image that was common in the Western and Arab media⁹⁵, some Russian and Western experts believed that his true goals were not so different from those of the Islamic Chechenyan fighters, for whom he used to be the spiritual leader.⁹⁶. In their view, Kadyrov simply followed different tactics in order to put into practice his far-reaching plans on "sovereignty" and Islamization of Chechenya to the detriment of both Russian interests and the secular democratic future of the country.⁹⁷ The Saudi Arabian effort to please Moscow on the Chechenyan issue was nevertheless noticeable.

Even before the Saudi Crown Prince's visit to Moscow, the Saudi Ambassador there, Mohammed Hasan Abdul Wali, assured his Russian hosts that for his country,

⁹² ITAR-TASS in English, January 19, 2004 in FBIS-SOV-2004-0119.

⁹³ ITAR-TASS in Russian, January 1, 2004 in FBIS-SOV-2004-0101.

⁹⁴ ITAR-TASS in Russian, January 19, 2004 in FBIS-SOV-2004-0119.

⁹⁵ See for instance, Aljazeera.net "Saudi Arabia welcomes Moscow puppet", January 15, 2004.

⁹⁶ Interview with Viatcheslav Avioutskii who teaches at l'Institut François Le Géopolitique Université Paris 8, on May 29, 2003 in Paris. See also his article "La Russie face au 3e Djihad", <u>Politique Internationale</u>, no. 98 (Fall 2002-2003) pp. 191-208 – especially pp. 202-205.

⁹⁷ Georgiy Bovt, "Fatwa of Mufti Kadyrov on President Putin", Izvestia (in Russian), January 22, 2004 in FBIS-SOV-2004-0122.

"the problem of Chechenya is a strictly internal affair of Russia" and that "the Kingdom denounces any forms and types of terrorism." 98

In addition to political moves, Saudi Arabia has also made some meaningful economic openings for Russian business. The initial Moscow expectations of 46 billion in joint investment projects to develop the Russian economy⁹⁹ have proved to be unrealistic, but in January 2004, the Russian oil company Lukoil won a bidding contest for the development of several most promising major oil and gas condensate fields located in the very heart of Saudi Arabia – the Rub al-Khali area.¹⁰⁰ Under the project Lukoil planned to establish a joint venture with the Saudi (state own) oil and gas company, Saudi Aramco. The final contract between the joint venture and the government of Saudi Arabia was signed on March 17, 2004 and the first meeting of the board of directors of the new company under the name of Luksar took place on April 7, 2004.¹⁰¹ In the joint enterprise, Lukoil owns 80% of the shares and Aramco owns 20%.¹⁰² Lukoil will spend \$215 million on prospecting, and if that yields positive results, the Russian company's investment in the Saudi gas project will be increased to \$3 billion.¹⁰³

The first big deal in history with the Russian corporation is indeed quite small in proportion to the country's enormous gas and oil reserves, but according to observers, it "marks a strategic rapprochement between the world's two leading producers and underlines Moscow's growing role in the global energy market.¹⁰⁴

⁹⁸ ITAR-TASS (in English), August 31, 2003 in FBIS-SOV-2003-0831.

⁹⁹ Arabic news (online), September 10, 2003.

¹⁰⁰ ITAR-TASS (in Russian), January 26, 2004 in FBIS-SOV-2004-0126.

¹⁰¹ ITAR-TASS in English, April 7, 2004 in FBIS-SOV-2004-0407.

¹⁰² Ibid

¹⁰³ Moscow Izvestia, March 10, 2004.

¹⁰⁴ Ed Blanche, "Landmark gas contracts show Saudi policy shift toward the East", The Daily Star (Beirut), February 7, 2004.

General John Abizaid, head of the U.S. Central Command in the Middle East, expressed the chagrin and disappointment of the Americans. According to his statement of January 29, 2004, "Saudi Arabia, along with Pakistan, is a 'broader strategic problem' for the U.S. than either Iraq or Afghanistan". 105

In all likelihood, his opinion about Saudi Arabia was greatly exaggerated. The U.S. might well have legitimate concerns about the desert Kingdom's future social and political stability, but American influence in the country is predominant and well entrenched. As Russian sources indicated, the Saudi economy is traditionally oriented towards the U.S., and in spite of all post-September 11, 2001 political tensions, "complete withdrawal of Saudi capital from the U.S. is out of the guestion". The U.S. political influence on Saudi Arabia was palpably demonstrated before and during the American war in Iraq during March-April 2003¹⁰⁷, and later by the new royal decree issued February 28, 2004, which announced the establishment of a new legal body to control and restructure overseas charities run by Saudi Arabia. 108 Concerning cultural and ideological influences, it is necessary to remember that almost all the Saudi Arabian elites were trained in the U.S. In his remarkably open remarks, Saudi deputy Defense Minister, Prince Abd-al Rahman Bin Abd-al-Aziz stressed that "Saudi-American relations are still strong," even though the two countries can have different views on certain issues. 109 According to him, the development of Saudi Arabia's relations with

105 Ibic

¹⁰⁶ Pravda, October 30, 2002 (online)

¹⁰⁷ Dimitry Litvinovich, "Saudovskaja Arabia vybrosila belyj flag", Pravda, January 8, 2003 (online).

¹⁰⁸ CNN. February 29, 2004.

¹⁰⁹ Al-Watan (in Arabic), September 12, 2003 in FBIS-SOV-2003-0918.

Russia has been "made necessary by circumstances and by the two countries' mutual interests... it is wrong to think that Russia's status as a major power has evaporated" 110.

Although all rumors on Russian-Saudi alliance, and its possible threat to American interests were highly exaggerated, or simply unfounded 111, nevertheless, the rapprochement between the two countries seems real. It does not necessarily mean that there are or there will be no conflicts or contradictions between them. Such possibilities are quite predictable between two so different political and socio-cultural entities that are also competitors on the energy market. However, at this juncture of history, some of their major interests coincide and the alliance has the possibility of changing the existing geopolitical situation in the region. According to the Chairman of the Russian Audit Chamber Sergei Stepashin, the financial backing of Chechen fighters which largely originated from the Saudi Kingdom and other Arab Gulf countries is declining noticeably. 112 It does not necessarily mean that Moscow was truly successful in its efforts to change Saudi opinions. In fact even far from being completely free, the Saudi press sometimes published anti-Russian and anti-Putin materials. 113 However, in spite of persisting differences between both countries, the logic of the current geopolitical situation in the region provided for their closer relations and cooperation. On March 26, 2004 Russian Deputy Foreign Minister Alexander Saltanov and Saudi Ambassador in Moscow Mohammed Abdul Wali both "lauded dynamic cooperation between Russia and Saudi Arabia and called for further development of trade and

110 Ibid

¹¹¹ In my view, some traces of such a biased approach can be found in the article by Ariel Cohen, "Beware Soviet-Saudi rapprochement", Washington Times, September 18, 2003.

¹¹² ITAR-TASS in English, April 8, 2004 in FBIS-SOV-2004-0408.

¹¹³ For instance on march 17, 2004 Arab News (Jedda's edition) published a long editorial entitled "Dangerous Game" which stated that "the overwhelming electoral victory of Vladimir Putin, the man who initiated the present bloody drive against Chechen nationalists, has condemned the region to yet more bloodshed."

economic cooperation".¹¹⁴ The diplomats focused especially on the "exacerbated situation in the Middle East" and Saltanov stressed the need to resume the Palestinian-Israeli settlement process on the roadmap basis.¹¹⁵ Earlier in March 2002 Russia warmly supported the Saudi Crown Prince Abdullah's peace plan, which called for a full diplomatic relations between the Arab nations and Israel in exchange for the complete Israeli withdrawal from all the occupied territories".¹¹⁶ Moscow's support of Palestinian rights, even at a purely rhetorical level, had always been and still remains one of the most important Russian assets in its relations with the Arab nations. The U.S. occupation of Iraq and the George Walker Bush administration's projects to reshape the region according to Washington's wishes now add even more importance to Saudi-Russian relations, although their practical consequences are still far from certain.¹¹⁷

IV. Post-Soviet Russia and the Other States in the Arabian Peninsula:

A) Pre-Soviet and Soviet Heritage up to the Mid-1980s

Originally Moscow only had diplomatic relations with two countries on the Peninsula: Kuwait, which was one of the richest in the area, and the impoverished Yemen, which at that time was temporarily divided between two states: the Arab Republic of Yemen in the North and the People's Democratic Republic of Yemen in the South. Before September 1985 there were no Soviet representatives in any economically and strategically important Arab oil-producing monarchies such as Saudi Arabia, Quatar, Bahrein, Oman and the United Arab Emirates. Relations with Kuwait

¹¹⁴ ITAR-TASS in English, March 26, 2004 in FBIS-SOV-2004-0326.

¹¹⁵ Ibid

¹¹⁶ Andrei Baklanov, "Rossija i Saudovskaja Arabia, dve neftianyh giganta", Mezhdunarodnaja Zhizn, July 2003, p. 76.

¹¹⁷ G.G. Kosach, pp. 46-47.

were exceptional, and Kuwaiti policy was motivated by the special origins and geopolitical location of that country. Until the end of the 19th century the territory of present-day Kuwait had been part of the Ottoman province/vilayat of Basra, and was even originally planned to be the Persian Gulf terminus of the Berlin-Baghdad Persian Gulf railway¹¹⁸. In order to prevent possible German and/or Russian influences in this key part of the Gulf, Britain "effectively removed" it from the Ottoman Empire, forcing the local Sheikh to accept a treaty of protection similar to those which had previously been imposed on the other petty Sheikhdoms of the areas. After the outbreak of World War I on November 3, 1914 the Sheikh of Kuwait was recognized by the British as being independent under British protection¹¹⁹. Iraq, which became independent in 1932, did not wish to recognize the new country, which it considered to have been carved out of its own territory. When in mid-June 1961 the British decided to abrogate the 1898 agreement, and recognize the country's full independence, General Kassem, who was at that time ruler of Iraq, declared that Kuwait had always been, and still was "an integral part of Iraqi territory" 120. The British military reinforcements which were sent quickly to the area, prevented Iraqi attempts to occupy Kuwait. However, the USSR at that time had no wish to recognize Kuwait's sovereignty and claiming that the country still remained under British rule, vetoed its admission to the UN on November 30, 1961¹²¹. Nevertheless, Moscow's attitude towards Kuwait was largely a function of its friendship with Iraq. In February 1963 Kassem was overthrown by the anti-Communist Baath party and Moscow's relations with Baghdad sharply deteriorated. One of the

¹¹⁸ William R. Polk, <u>The Arab World</u>. (Cambridge, Massachusetts: Harvard University Press, 1980) p. 146.

¹¹⁹ Op. cit. p. 148.

Stephen Page, The USSR and Arabia: the development of Soviet policies and attitudes towards the countries of the Arabian Peninsula, 1955-1970, London: Central Asian Research Centre, 1971, p. 61.
 Op. cit. p.62.

outcomes of this was a friendlier attitude towards Kuwait. In March 1963 the USSR accepted Kuwait's proposal to establish full diplomatic relationships between the two countries¹²². For Kuwait it was a form of "insurance policy" against a possible new Iraqi attempt to annex its territory. Moscow perceived Kuwait as a gate to the Persian Gulf and Indian Ocean that had been one of Russia's longstanding goals that it had dreamt about.¹²³

During the following decades Soviet-Kuwaiti relations were not always happy and harmonious. In May 1964 during his visit to Egypt, N.S. Khrushchev made sarcastic and highly offensive comments about "some little ruler" of Kuwait¹²⁴, and until the latter part of the 1970s, bilateral relations between the two countries remained predominantly cool and low-key. However, from the time of Brezhnev's rise to power in October 1964 the situation slowly began to change. Moscow applauded Kuwait's attempts to talk over foreign oil companies operating on its territory and the Kuwaiti development of welfare – state institutions in the country. The essential linkage between the two nations was based on similar foreign policy views on a number of crucial regional issues, especially the Arab-Israeli conflict. The Kuwaiti government appreciated the Soviet support for the Palestinians and particularly, since the outbreak of the Iraqi-Iranian war in 1980, voiced its general approval of Moscow's proposals on the Persian Gulf region". Because of its growing understanding of the potentially stabilizing role

¹²² Op. cit. p. 81.

¹²³ I.A. Melikov (Aleksandrov), "Konceptualnyj analiz: Rossija – Strany SSAGPZ", Rossija na Blizhenem Vostoke (Moscow: Institute of Israeli and Middle Eastern Studies, 2001) pp. 141-142.

¹²⁴ Mark N. Katz, <u>Russia and Arabia: Soviet Foreign Policy towards the Arabian Peninsula</u> (Baltimore, Maryland: The John Hopkins University Press, 1986) pp, 162-163

¹²⁵ Op. cit. p. 166

¹²⁶ Op. cit. p. 168

¹²⁷ Robert O. Freedman, <u>Moscow and the Middle East Soviet policy since the invasion of Afghanistan</u> (Cambridge University Press, 1991) p. 96. See also Katz p. 168.

of the USSR in the Gulf region, Kuwait welcomed Brezhnev's speech to the Indian Parliament on December 10, 1980, which called for a ban on all outside forces and military bases in the area, and for respect for the sovereign rights of the states of region to their natural resources. In fact the Kuwaiti government, perceiving Moscow as a guarantor, against both Baghdad and Teheran, actively lobbied other co-members of the Gulf Cooperation Countries to establish relations with the USSR.

In the period between 1985 and 1990, a number of factors facilitated such a rapprochement, including Gorbachev's perestroika and the subsequent deideologization of the USSR's foreign policy. Simultaneously, the threat of Islamic fundamentalism, the ongoing Iraqi-Iranian War, and the Arab-Israeli conflict represented a challenge to both the Soviets and the conservative Arab monarchies and caused both sides to move closer to one another. In September 1985 Oman established diplomatic relations with Moscow; the United Arab Emirates did likewise in November 1985, while Qatar followed suit in August 1988. In After two trips by the Saudi Foreign Minister Prince Saud al-Faisal to Moscow in September and November 1990, the Saudis also decided to re-activate their official diplomatic relations with the USSR. In May 1991 the Soviet Embassy was opened in Riyadh And the most reluctant member of the Arab Gulf Cooperation Council, Bahrein, followed the Saudis' example shortly afterwards In 1987 in the new atmosphere of mutual cooperation, the

¹²⁸ Melikhov, p. 143

¹²⁹ Op. cit. p. 144

¹³⁰ Ibid

¹³¹ Op. cit. p. 145

¹³² Ibid

¹³³ Ibid

USSR, responding to Kuwaiti requests, chartered three Kuwaiti tankers, and was thus able to legitimize its own navy's presence in the Gulf.¹³⁴

The USSR's relations with Yemen, which were suspended in 1938, were renewed when on October 31, 1955 the two nations signed a new pact of friendship¹³⁵. The new treaty for the first time included the establishment of formal diplomatic relations, and stated that "the Soviet Union recognizes the full independence of Yemen and absolute legal sovereignty of the Imam" (religious leader and ruler of the country). The pact was perceived as "a model of an equal treaty, meeting the independent national interests of both states". In the Summer of 1956, the Crown Prince of Yemen Muhammed al-Badr visited the USSR and its Eastern European satellites. This was the first high level Arab visit to the region since Amir Faisal Ibn Saud's visit in 1932. The Soviet and Eastern European press presented Prince Badr in a very favourable light and the Soviets started to supply Yemen with the weapons it needed in its struggle against British colonial rule in the Aden Protectorate in the Southern parts of the Peninsula. 139

One year later in 1957 al Badr once again visited the USSR and Eastern Europe, and signed treaties with Poland and Yugoslavia. The Soviet-Yemeni rapprochement at this time had two main causes:

¹³⁴ Ibid

¹³⁵ Page, p. 31

¹³⁶ Ibid

¹³⁷ Ibid

¹³⁸ Op. cit. p. 33

¹³⁹ Page p. 37-38, Katz p. 44

¹⁴⁰ As a young student and an International Relations researcher at the Jagiellonian University in Cracow (Poland) I remember his visit personally.

- Long-lasting tension with Britain about Southern Yemen which had been forced by London to submit to its rule, either directly as in the case of Aden from 1839, or indirectly in a number of protectorate treaties with local sheiks and sultans between 1866 and 1914.¹⁴¹
- Delicate relations between Yemen and Egypt whose President Abdul Gamal Nasser was then often seen to be a Soviet client. In fact Nasser represented an undoubted threat to the Yemeni's Imamate (theocratic monarchy). In December 1961 Nasser expelled Yemen from the United Arab States and openly called for revolution in the country. Yemen thus considered friendship with Moscow to be a kind of insurance policy against Nasser's hostility.

In spite of the political game played by Imam Ahmed and his short-lived successor Muhammad al Badr, the Imamate was overthrown on September 26, 1962 and replaced by a republican pro-Nasserist government that the USSR was quick to recognize. During the ensuing Civil War in Yemen Moscow supported the republicans against the royalists. However, in the 1960s its main concern was Egypt, and Nasser, who wished to control the situation in Yemen. After the Arab defeat in June 1967 and the Khartoum Conference held from August 29 to September 1, 1967, Nasser decided to pull his troops out of Yemen and asked the parties who were in conflict to start peace negotiations. The Soviets helped the republicans to avoid a

¹⁴¹ F. Gregory Gause III, « Republic of Yemen », David E. Lang and Bernard Reich, <u>The Government and Politics of the Middle</u> East and North Africa (Boulder: Westview Press, 1995, p. 152.

¹⁴² Page, p. 64

¹⁴³ Op. cit. p. 73

¹⁴⁴ Katz, p. 28

¹⁴⁵ Op. cit. p. 29

total defeat, but did not want to engage seriously in the local conflict. 146 Their decline in interest in Northern Yemen was also caused by the developments in British dominated South Yemen. In February 1966 the British Government issued a White Paper on defense in which it announced that during the next two years Britain would leave its South Yemeni dependencies. 147 On November 30, 1967 the independent People's Republic of South Yemen was established. Three years later its official name was changed to the People's Democratic Republic of Yemen (PDRY)¹⁴⁸ and for a while the new state became the only Marxist, though by no means Orthodox Communist regime in the Arab world. 149 The PRSY was immediately recognized by Moscow, and the USSR provided the country with a substantial amount of military and civilian assistance. In the late 1970s and the early 1980s there were close inter-party relations between the ruling Southern Yemeni Socialist Party and the Communist Party of the Soviet Union, and in October 1979 a USSR-PDRY treaty of friendship and cooperation was concluded. 151 Nevertheless in spite of its serious strategic interest in part of Aden and its airfield, Moscow has never "controlled" the country. 152 During the 1980s, growing internal chaos, popular disenchantment with socialist experiments and the onset of the Gorbachev reforms in the Soviet Union brought the Marxist regime there to the point of collapse. Left by the Soviets to their own fate, South Yemen moved to rapidly improve its relations with North Yemen and the rest of its Arab neighbours.

¹⁴⁶ Op. cit. p. 30-32

¹⁴⁷ Op. cit. p. 68

¹⁴⁸ Aryeh Y. Yodfat, <u>The Soviet Union and the Arabian Peninsula</u>. <u>Soviet Policy Towards the Persian Gulf and Arabia</u> (London: Croom Ylelm, 1983) p. 5.

¹⁴⁹ Op. cit. p. 108. See also Tareq and Jacqueline Ismael, <u>The People's Democratic Republic of Yemen</u> (London: Frances Pinter, 1986) p. 19

¹⁵⁰ Yodfat, p. 6 and 108.

¹⁵¹ Op. cit. pp. 108-109

¹⁵² Paul Dresch, A History of Modern Yemen (Cambridge: Cambridge University Press, 2000) p. 172

On May 22, 1990 the Yemen Arab Republic (North Yemen) and the People's Democratic Republic of Yemen/South Yemen decided to merge into a single state, the Republic of Yemen. This new state preserved and cultivated relations with the USSR, and after that with the Russian Federation, but on a strictly non-ideological and pragmatic basis.

In many ways, the summer of 1990 represented a breakthrough in Moscow-Arab relations. On August 2, 1990 Iraq invaded and occupied Kuwait. The following events, including the First Gulf War in January 1991 and the stabilization of US hegemony in the Middle East brought to an end the role of the USSR as an independent and meaningful power in the region. In addition to its political defeat, the USSR also suffered substantial financial losses. Although Moscow's support for the UN resolutions condemning Baghdad earned it a \$1 billion credit line from Kuwait, a \$4 billion loan from Saudi Arabia, and a \$175 million investment in a joint Soviet-Saudi bank in Alma-Ata¹⁵⁴, because of the war and the sanctions imposed on Iraq, the USSR would lose about \$6 billion in payments for unfinished projects, and prospects for future repayment of more than \$5 billion of Iraq's debt for arms purchases. 155 Shortly after the Iraqi invasion of Kuwait, even the Soviet Deputy Foreign Minister Alexander Bielenogov admitted that Moscow's "entire concept of military cooperation with the countries of the Middle East has to be revised" and conclusions drawn "in the light of the present crisis". 156 In fact, from this time on, the Soviets' real power in the region declined rapidly, and in

¹⁵³ Charles Dunbar, "The Unification of Yemen: Process, Politics and Prospects", Middle East Journal, No. 3, 1992, p. 452

¹⁵⁴ Carol R. Saveitz, "Gorbachev's Middle East Policy: the Arab dimension", in David H. Goldberg and Paul Marantz (eds.), <u>The Decline of the Soviet Union and Transformation of the Middle East</u> (Boulder, Colorado: Westview Press, 1994) p. 17.

¹⁵⁵ Stephen Page, "New Political Thinking and Soviet Policy Toward Regional Conflicts in the Middle East", in Goldberg and Marantz, p. 59

¹⁵⁶ New Times (Moscow), No. 33, September 1990, p. 6

December 1991 the USSR itself finally disintegrated and its role in the Arabian Peninsula was taken over by its legal successor, the Russian Federation.

B) The Russian Federation and the other Arab oil Monarchies

New post-Soviet Moscow's relations with the Arabian Peninsula have from the very beginning had a markedly different character from those of the previous periods. The new Russia has become much weaker than its predecessor the USSR and has repudiated its Marxist-Leninist slogans and ideological hostility toward the conservative Arab oil monarchies of the Peninsula. Its continuing interest in the region results from both its geopolitical proximity to what Primakov called Russia's "soft underbelly," and its search for lucrative trade opportunities in the region. Another major reason is the fact that Russia, as one of the major oil and natural gas producing countries, needs to keep a close eye on the region, which is a major global energy supplier. Russia, being located close to the Arab nations and having a substantial Muslim minority among its own citizens (without even mentioning the Chechenyan issue) has a strong interest in a politically stable Middle East. 157 Unlike the USSR which supported anti-Western revolutionary movements and "progressive" Arab states, the new Moscow is apparently willing to work with the forces of the local establishment, and cooperates with the West in its struggle against Islamic extremism. Its commercial interests also favour rapprochement with the richer states of the area, including those "which have no recent record of any significant relationship with the Soviet Union, but may, nevertheless, offer

¹⁵⁷ Oded Eran, "Russia in the Middle East: The Yeltsin Era and Beyond", in Gabriel Grodetsky, ed., <u>Russia Between East and West. Russian Foreign Policy on the Threshold of the Twenty-First Century (</u>London: Frank Cass, 2003), p. 167

Russia lucrative trade opportunities. 158 All Gulf Cooperation Council countries belonged to this category, and soon became a focus of intensive Russian diplomatic and business attention. Compared with them, Moscow's relations with Yemen, although by no means forgotten, nevertheless became relatively less important. As Russian-Saudi relations have already been discussed above, the focus now is going to be on the remaining five Gulf Cooperation Council countries: Kuwait, Bahrein, Qatar, United Arab Emirates (UAE) and Oman. For Moscow, in spite of their relatively small size, those countries have now acquired an increasing importance. Because of that, Moscow's relations with Yemen will be analyzed later.

In the 1990s Moscow's relations with Kuwait had been disturbed occasionally by Russia's apparently conciliatory policy towards Iraq. 159 However, according to several Russian diplomats, their openness to and cooperation with Iraq was nevertheless useful for Kuwait and led to a solemn Iraqi recognition of Kuwait and its borders in November 1994. In November 2000 Kuwait did not accept the Russian suggestion to prohibit the US from using its air bases to enforce the Iraqi no-fly zones or allow Russia to improve Kuwaiti-Iraqi relations. 161 In spite of frequent high-level visits and contacts, Russian-Kuwaiti political and economic relations continued to have a rather limited and peripheral character. Although an agreement on the establishment of the Russian-Kuwaiti Commission for Trade, Economic, Scientific and Technological Cooperation was signed in 1994, its first meeting took place no earlier than August 2002. In 2001

158 Ibid

¹⁵⁹ Stanislav Kondrashov, "What Russia wanted to prove in the Iraqi Affair", Current Digest of Post-Soviet Press, vol. 11, no. 16 (1994) p. 12 and Maxim Yusin, "Moscow demands pull back of Iragi troops from border with Kuwait", op. cit. vol. 11, no. 9 (1994) p. 10.

¹⁶⁰ Ibid

¹⁶¹ News Max. com November 20, 2000

¹⁶² Moscow News, No. 32 (August 19, 2003).

the trade turnover between Russia and Kuwait stood at just \$19 million and there were no imports from Kuwait at all. Russia provided Kuwait with Kamaz trucks, Lada cars, Niva ATVs, timber, rolled metal, cement, cellulose, barley and kitchen utensils. In spite of Russian expectations, neither Kuwait nor any other Arab principality of the Gulf has so far been willing to invest in the Russian economy. In addition to their own domestic problems after the 1991 Gulf War, there were probably two main causes for this situation.

First of all, in the 1990s Russia was losing its previous power and international importance. Although the Gulf states' leaders and all the Arab political elites, wanted to preserve their links with Russia in order to moderate the otherwise almost absolute American hegemony, they nevertheless ceased to consider Russia as a superpower, able and wiling to stand up to pressure from Washington. Another cause of the weak interest in Russia was the chaotic state of its economy and the insolvency of its previously received loans and credits. Although the amount of money involved did not exceed \$2 billion, none of the Arab creditors (Saudi Arabia, Kuwait, United Arab Emirates, Oman) were paid back on time.

Post-Soviet Moscow restarted its high level efforts in the Arabian Peninsula relatively quickly and in November 1994 the Russian Prime Minister Victor Chernomyrdin and a high-level delegation visited Saudi Arabia, Kuwait, the United Arab Emirates and Oman. Numerous other contacts, and diplomatic and business efforts, have been undertaken since then, and as a Russian scholar indicated, although each of

¹⁶³ Ibid.

¹⁶⁴ Melikhov, p. 146 and several interviews in Moscow in November January 2000-2001

¹⁶⁵ Ibid

¹⁶⁶ Melikhov, p. 151

the Gulf Cooperation Council members has its own special approach and interests in relationship with Moscow, there are nevertheless some easily discernible common features regarding their political attitude and behaviour. 167

The first and probably the most important one still remains the contradictory and yet complementary fears of both Islamic extremism and unchecked American domination. Russia's presence in the region is thus welcomed and appreciated, and Moscow's relatively balanced attitude in the Palestinian-Israeli conflict and at least some support for the Palestinians have also been seen as a traditional asset of Russian diplomacy. According to the Secretary-General of the Gulf Cooperation Council, Abdul Rahman bin Hamad Al-Attiyah, Moscow's Middle Eastern policy enjoys respect and recognition in the region¹⁶⁸ and the Gulf's monarchies are very suspicious regarding prospects of possible American intervention in their domestic affairs under the pretext of the protection of universal human rights or in the name of some other Western principles.¹⁶⁹

On the other hand, however, in spite of their fears of Islamic extremism, the Gulf States cannot overlook the painful Chechenyan problem and approve all Russian actions against the Chechenyan rebels. All of the Gulf States recognize Chechenya as part of the Russian Federation and condemn the terrorist actions of the Chechenyan anti-Russian separatist. When pro-Russian Chechen President Akhmad Kadyrov and some of his staff members were killed in a blast at a stadium in Grozny on May 9, 2004, Qatar's Foreign Ministry called the event "a terrorist act" and again confirmed its country's condemnation of terrorism in all its forms and manifestations, no matter where

¹⁶⁷ Op. cit., p. 147

¹⁶⁸ ITAR-TASS in English, January 21, 2003 in FBIS-SOV-2003-0121

¹⁶⁹ Melikhov, p. 147

they come from.¹⁷⁰ However, the same government of Qatar, arrested two Russian intelligence agents and put them on trial for the alleged assassination of the Chechen leader Selimhan Yandarbayev, who was killed in Doha on February 13, 2004. The official Russian spokesman repeated over and over that "neither Russia nor the Russian citizens detained in Qatar had had anything to do with the assassination of Yandarbayev"¹⁷¹ and Russia had taken "all possible steps" to free Russians in Qatar.¹⁷² Despite Russian protests the court in Qatar had continued its legal proceedings and the Qatari Attorney General called for them to be found guilty and condemned to death.¹⁷³

Before the incident Qatar had had relatively close relations with Moscow. In April 1998 Qatar and Russia signed an agreement on military cooperation between the two countries and Qatar's Foreign Minister Sheikh Hamad Bin Jasim Bin Jaber Al-Thani visited Russia and met with his Russian counterpart Yevgeny Primakov. 174 Their talks were described as "very successful" 175 and Qatar's Foreign Minister asked Moscow to "exert all efforts to get the peace process out of its stalemate". 176 In December 2001 the ruler of Qatar Sheikh Hamad bin Khalifa Al-Thani came to Moscow and stated that his country is "hopeful about the development of relations with Russia in all areas and will do everything to achieve this" 177. Indeed in May 2003, the Qatari government proposed to the Russian gas company, Gazprom that they join a large-

¹⁷⁰ ITAR-TASS in English, May 10, 2004 in FBIS-SOV-2004-0510

¹⁷¹ As stated by acting Russian Foreign Minister Igor Ivanov on February 26, 2004, ITAR-TASS in Russian, February 26, 2004 in FBIS-SOV-2004-0226

¹⁷² Interfax in English, June 11, 2004

¹⁷³ Izvestia (Moscow), June 9, 2004

¹⁷⁴ Arabic News (online) April 20, 1998

¹⁷⁵ Ibid

¹⁷⁶ Ibid

¹⁷⁷ ITAR-TASS in Russian, Dec. 24, 2001 in FBIS-SOV-2001-1224

scale project to build a gas pipe-line to the United Arab Emirates and Oman¹⁷⁸, and in November 2003 Russia and Qatar jointly called for effective measures to fight international terrorism.¹⁷⁹

Even after the Russian agents had been arrested, Qatari Foreign Minister Sheikh Hamed Bin Jasim Bin Jaber Al-Thani assured the Secretary of the Russian Security Council Igor Ivanov that he did not want the trial "to damage relations between Qatar and Russia" ¹⁸⁰.

On June 30, 2004 a court in Qatar sentenced the two Russian agents to life imprisonment and judge Ibrahim al-Nisf stated that the two indicted men Anatoly Belashkov and Vassily Bogachev acted on orders from the Russian intelligence headquarters. However, Moscow immediately denied all those accusations. According to Russian Security Council Secretary Igor Ivanov, neither the sentenced men nor the Russian authorities are involved in Yanderbiyev's killing and the Qatari prosecutors lacked convincing evidence and violated the international and Qatari laws during the trial. Also Federation Council International Relations Committee Chairman Mikhail Margelov said that "that the sentence is in no way just because the guilt of our compatriots was not proven" According to him "in a totalitarian, monarchical state such as Qatar, it is very difficult to speak of the justice and injustice of judicial verdicts" Whatever the truth might be, the fact that their capture and public prosecution took place at all undoubtedly indicated the decline of the power and

¹⁷⁸ ITAR-TASS in English, May 15, 2003 in FBIS-SOV-2003-0515

¹⁷⁹ ITAR-TASS in English, November 12, 2003 in FBIS-SOV-2003-1112

¹⁸⁰ ITAR-TASS in English, April 18, 2004 in FBIS-SOV-2004-0418

¹⁸¹ Andrew Hammond, "Qatar court jails Russians over Chechen killing", Doha, June 30, 2004, Reuters.

¹⁸² RIA Novosti, July 1, 2004

¹⁸³ RFE / RL Newsline, Vol. 8, no. 123, part III, June 30, 2004

¹⁸⁴ Ibid

prestige of Russia in the region. While the Israeli and some other states agents are commonly killing their political enemies and go unpunished, and without almost any media attention, the Russians were subjected to a lengthy and humiliating trial, alleged torture and final imprisonment by such a micro-state as Qatar. The Russian press and public opinion had been full of rumours about an alleged American involvement in the Qatari action and even a direct involvement by the CIA agents in the apprehension of the Russian captives. Some Russian politicians also claimed that the whole affair was arranged in order to compromise Russia and weaken Russian influence in the Arab World and among the Muslim peoples. The trial and sentencing undoubtedly demonstrated the weakness of Putin's Russia, both in the Gulf and at the global level. As the well-known Russian political analyst Sergei Markov noted, "obviously, Russia cannot be compared with the Soviet Union, which nobody would dare to offend". 187

The Qatar incident notwithstanding, Russia's interest in the Gulf states are based on three important points:

The Arab oil monarchies, and especially the United Arab Emirates, have become one of the most important markets for Russia's weapons, and to a lesser extent, of its civilian consumer goods market.

A major international arms show, IDEX in the capital of the United Arab Emirates
Abu Dhabi, which was first organized in 1993, attracts a great number of international
exhibitors, including the most important Russian arms producers. The Russian

¹⁸⁵ Moscow Vremja Novostej, May 17, 2004

¹⁸⁶ For instance according to the Duma Deputy Speaker Sergey Baburin "The accusation has a political subtext and is not directed against them [the detained Russians] but against Russia's strengthening positions" Nezavisimaya Gazeta, April 30, 2004.

¹⁸⁷ RIA Novosti, June 30, 2004

exhibition is traditionally among the largest, and visitors show great interest in it. 188 Over the last ten years the volume of bilateral military-technical cooperation between Russia and the UAE has exceeded one billion dollars. 189 At the IDEX-2003 International Defense and Weaponry Exhibition in Abu Dhabi in March 2003, some 50 Russian enterprises demonstrated over 500 new kinds of arms and military equipment. ¹⁹⁰ On another occasion, at the 8th International Dubai "Airshow '03" in December 2003 Russia displayed more than 200 kinds of military hardware, armaments ammunition and auxiliary systems which were represented as mock-ups, posters, and advertising materials. 191 Later, in May 2004, Russia also took part in the second International Middle East Police and Law Enforcement exhibition in Dubai. 192 According to Russian Deputy Interior Minister Mikhail Ignatyev, "equipment made for lawenforcement agencies by a dozen Russian enterprises has evoked a lot of interest in Arab countries and Asia as a whole. 193 At the same time, more than 30 Russian companies showed their products at the annual spring trade fair of consumer goods in Dubai, and the Deputy Director General of Dubai's Chamber of Commerce and Industry Ahmed al-Banna stated that his country was interested in the development of ties with Russia in the field of aviation and aeronautics, civil construction, information technology, the extraction of natural resources, finance and banking. 194

¹⁸⁸ ITAR-TASS in English, March 18, 2001 in FBIS-SOV-2001-0318

¹⁸⁹ Ibid

¹⁹⁰ ITAR-TASS in English, March 15, 2003 in FBIS-SOV-2003-0315

¹⁹¹ ITAR-TASS in English, December 7, 2003 in FBIS-SOV-2003-1207

¹⁹² ITAR-TASS in English, May 3, 2004 in FBIS-SOV-2004-0503

¹⁹³ Ibid

¹⁹⁴ Ibid

In December 2003, both countries indicated "the similarity of Russian and UAE standpoints on key international and regional issues" and called for "the efficient tapping of the two countries' potential for cooperation in trade, economic and investment spheres." In May 2004, Russia and Oman signed a protocol on the completion of bilateral talks on Russia's admission to the World Trade Organization, and according to diplomatic sources, the "talks were held in a friendly atmosphere". 196

- 2) Arab oil monarchies are both some of the richest and the most fervently Islamic countries in the world. Chechenyan separatists used to receive and perhaps are still receiving great financial and moral support from some rich donors living in Arab monarchies and because of Russian security concerns close links with the Gulf states are indispensable.
- 3) Last but not least, small but rich Gulf oil monarchies with their predominantly liberal and pro-capitalist policies have become an ideal haven for many Russian corporations and business personalities who want to avoid taxation or even criminal prosecution in Russia. According to the Russian Ambassador to the UAE Sergey Yakovlev there are about 5,000 8,000 Russians living in the UAE, and the majority of them are involved in small and medium-sized businesses. In Mr. Yakovlev's view, "though the Russian diaspora is not to be compared well with many other expatriate communities such as the ones from India, Pakistan

¹⁹⁵ ITAR-TASS in English, December 26, 2003 in FBIS-SOV-2003-1226

¹⁹⁶ Muawia E. Ibrahim and Haseeb Haider, "Russia eyes big slice of U.A.E. energy market", Khaleej Times online, June 3, 2004

and the Philippines, it plays a certain role in the social and economic life of the country".

In fact its residence there makes the Gulf countries even more important for Moscow which wants repayments and taxes owed by many of the expatriates and also to keep an eye on the criminal activities of some of them.¹⁹⁷

Russia's new links with the Organization of Islamic Conference (OIC) in which the Gulf nations are very active should additionally contribute to their relations with Moscow. According to the head of the Arab Research Centre of the Oriental Studies Institute of the Russian Academy of Sciences, Professor Vitaly Naumkin, even the sentence given to the Russian citizens in Qatar "will not seriously aggravate" Russia's relations with the Arab oil monarchies. 198 In June 2004 the Russian Ambassador to the UAE Sergey Yakovlev stressed "cooperation in different fields with Arab Gulf Cooperation Gulf States had always been a prominent direction of our [Moscow's] foreign policy, to ensure security stability and prosperity in this region". 199 The Russian Ambassador sounded optimistic about the prospects of the bilateral relations. He said, "We are pleased to know that our efforts have been noticed by the AGCC countries, we hold a close political dialogue, indirectly within the framework of international organizations and discuss burning issues of the global community". 200 In spite of some temporary and perhaps externally inspired incidents, both sides have now too many common interests to disrupt their cooperation.

¹⁹⁷ Several personal interviews in Moscow in March 2004.

¹⁹⁸ RIA Novosti, June 30, 2004

¹⁹⁹ Khaleey Times online, June 11, 2004

²⁰⁰ Ibid

C) The Russian Federation and Yemen

In June 2004, discussing the US Greater Middle East Initiative, Moscow dismissed as absurd its suggestion that Middle Eastern nations needed massive financial assistance. According to a Kremlin representative, "Except for Yemen, all countries of the region are medium – or high income nations. Some of them would be quite able to finance anyone, even some members of the G8"²⁰¹. If the financial prosperity of the Arab Gulf Cooperation Countries is of the main cause of Russian attention to the Arabian Peninsula, Moscow's relations with the admittedly poor Yemen are based on other causes and run by somewhat different principles.

There are two main reasons for the relatively strong and ongoing Russian links with Yemen: its special history and geopolitics. Moscow's relations with Yemen have first of all been much longer and better established for a relatively uninterrupted period, beginning in 1955 with the Northern part of the country and later with its Southern part at the conclusion of British rule in 1967. A radical regime claiming to be Marxist that was established there in 1970 was intensively supported by the USSR. The Yemen unification in May 1990 was both an outcome of Soviet weakness and Gorbachev's perestroika policy, and the present Yemeni regime has expressed its gratitude many times for Moscow's role in the unification of the country. Consequently as a Russian commentator wrote, since the 1920s, "to put it in diplomatic terms, Russian-Yemeni relations have been developing as traditionally friendly ones" Russia's relations with Yemen, just like its Middle East diplomacy in general, has taken on a new lease of life under Putin. In May 2000 the Russian Minister of Defense Igor Sergeyev visited the

²⁰¹ Pravda.ru online, June 8, 2004

²⁰² Radio Mayak in Russian, April 6, 2004 in FBIS-SOV-2004-0406

capital of Yemen, Sanaa and during his meeting with Yemeni President Ali Abdullah Saleh delivered Putin's letter to him suggesting a strengthening of bilateral ties. The Russian President's proposal had apparently been well received, and in the ensuing years the Yemeni President visited Moscow twice in December 2002 and April 2004. There have also been frequent visits and mutual contacts by high ranking officials of both countries. On May 25, 2004 Russian Deputy Foreign Minister Anatoly Safonov went to Sanaa for talks on enhancing joint cooperation between Russia and Yemen and a few days earlier on May 19, 2004 both the Chairman of the Yemeni-Russian Friendship Committee and the Chairman of the Russian-Yemeni Friendship Committee had signed a protocol of cooperation in economic, cultural, educational and cultural fields.

In addition to the historical continuity and well established traditions, Yemen is also important for Russia because of its relatively large size and geographical location. Though not a dominant regional player, Yemen with its territory of 527,970 km² and a population of more than 20 million is strategically located on the southern flank of the Arabian Peninsula close to the shipping lanes of the Persian Gulf, the Indian Ocean and the Red Sea. As a result of its geopolitical location, Yemen, even though it is a poor country with a GNP (purchasing power parity) of just \$800 US per person, sits astride the waterways that carry much of the world's oil. Ports of Yemen are also well suited to provide both maritime and, in case of an emergency, naval access to some of the most important geopolitical areas of the world. In May 2003, before Russia and India had

203 http://www.stratfor.com - May 24, 2000

²⁰⁴ "Russia demonstrates its listening skills", <u>Pravda</u>.ru online, April 7, 2004.

²⁰⁵ ITAR-TASS in English, May 27, 2004 in FBIS-SOV-2004-0527

²⁰⁶ Sanaa Saba www.- in English May 19, 2004

held joint naval exercises in the Indian Ocean, Russian Black Sea fleet's ships visited the Yemeni port of Aden "in order to strengthen friendly relations" between the Russian and Yemeni naval forces.²⁰⁷ The timing of the visit almost coincided with the American invasion of Iraq and G.W. Bush's administration's efforts to re-structure the political and social realities of the Middle East. Both Moscow and Sanaa had opposed the war and after it also have many similar views about the post-war situation in the region.

During the December 2002 visit by Yemeni President Ali Abdullah Saleh to Moscow, both he and Vladimir Putin signed a declaration on principles of friendly relations and cooperation between the two nations and Putin stressed that Russia "prizes the relations with Yemen", with which it has "many common interests, especially in the Red Sea region" On the eve of the Yemeni President's second visit in April 2004, "a trustworthy Kremlin official" again confirmed "the stands of the two countries on many pressing international problems are very close on both regional and global issues". On the Russian official, both states "are advocates of a multipolar world, based on the central role of the United Nations" and call for "the settlement of the existing conflicts by political means" In diplomatic and convoluted language, the statement expressed Russia and Yemen's opposition to US unilateralist hegemony and especially G.W. Bush's doctrine on preemptive intervention. In April 2004 both Moscow and Sanaa believed that only a "real end of the occupation will allow the worst development of the situation in Iraq and the region as a whole to be prevented" At

²⁰⁷ ITAR-TASS in English, May 30, 2003 in FBIS-SOV-2003-0530

²⁰⁸ ITAR-TASS in English, April 6, 2004 in FBIS-SOV-2004-0406

²⁰⁹ Ibid

²¹⁰ Ibid

²¹¹ As stated by Russian Foreign Minister S. Lavrov during his meeting with Yemeni President Saleh – ITAR-TASS – April 7, 2004 in FBIS-SOV-2004-0407

the same time President Saleh indicated the importance of "Russia remaining an active and full participant in the search for a way to overcome the Palestinian-Israeli crisis" and confirmed his country's support for Russia's initiative for broadening cooperation with the Organization of the Islamic Conference"²¹². After his return home, the Yemeni leader described his visit to Russia as "positive and fruitful", and stressed that "Moscow plays an important and vital role in realizing peace and stability in the Middle East".²¹³

In fact Russian involvement in the Yemeni army and security apparatuses is by no means negligible. By April 2004 deliveries of special equipment and armaments to Yemen by the USSR and subsequently by Russia amounted to about \$8 billion.²¹⁴ Russia re-established military-technical cooperation with Yemen in 2000 with the delivery of T90 tanks²¹⁵, and in 2001 Sanaa had concluded a new contract for the delivery of six Russian M/G-29 fighter-bombers and was planning to buy more advanced weapons including M/S 29 planes and Kamov helicopter gunships.²¹⁶ Indeed in spite of US objections, a first consignment of 10 Russian M/G-29 fighter jets was delivered to the Yemeni port of Aden in June 23, 2002, and according to the Russian Defense Ministry "almost 200 M/G fighters have been supplied to Yemen since 1960.²¹⁷ President Saleh himself, on the eve of his second visit to Russia, spoke about great attention to military cooperation with Moscow,²¹⁸ and in marked contrast to such

²¹² Ihid

²¹³ MENA [Middle East News Agency], April 7, 2004 in FBIS-NES- 2004-0405

²¹⁴ ITAR-TASS in English, April 5, 2004 in FBIS-SOV-2004-0405

²¹⁵ The Current Digest of the Post-Soviet Press, vol. 56, no. 21, June 23, 2004

²¹⁶ ITAR-TASS in English, April 5, 2004 in FBIS-SOV-0405

²¹⁷ The Current Digest of the Post Soviet Press, vol. 56, no. 21, June 23, 2004.

²¹⁸ ITAR-TASS in English, April 5, 2004 in FBIS-SOV-2004-0405

partners as Syria and some other Arab nations, Yemen has always made regular payments on its military contracts.²¹⁹

Russia and Yemen also have a common stance against terrorism. They stress that there should not be a double standard in the fight against terrorism and that international terrorism would be considerably weakened if other countries in a broad international alliance could support Russia, Yemen, Algeria and some other countries that have fought this phenomenon alone for a long period of time. On the other hand, however, the Russian security services have occasionally complained that some of the Islamic militants arrested or killed in Chechenya were Arabs from Yemen, and that the Yemeni religious scholar Sheikh Abdul Majid al Zindani had in the past supported Chechenyan separatist. Those rather small irritants notwithstanding, the cooperation between the two states has been relatively close and uninterrupted.

In the regional politics of the 1990/91 period, while Yemen condemned the Iraqi invasion of Kuwait and called for a withdrawal, nevertheless consistently opposed sanctions and military intervention against Iraq²²² and has always staunchly supported the Palestinian cause. While in Moscow in April 2004, Yemeni President Ali Abdullah Saleh tried to win Moscow's support for the new Yemeni initiatives concerning Iraq's future and Arab-Israeli settlement. Yemen proposed that the occupying forces in Iraq be replaced with international units under the relevant UN mandate and called for the deployment of international peacekeeping forces between the Israelis and the Palestinians, Israeli withdrawal from the occupied territories, and freeing the Middle

²¹⁹ Vremja Novostej (Moscow) April 7, 2004, p. 5

²²⁰ ITAR-TASS in English, May 27, 2004 in FBIS-SOV-2004-0527

²²¹ The Current Digest of the Post-Soviet Press, vol. 56, no. 21, June 23, 2004

²²² Fred Halliday, "The Foreign Policy of Yemen", in Raymond Hinnebusch and Anoushiravan Ehteshami, eds., <u>The Foreign Policies of Middle East States</u> (Boulder: Lynne Rienne, 2002) p. 273.

East from weapons of mass destruction.²²³ Putin's reply that Russia "is ready to promote in every possible way stable development in the whole region"²²⁴ was obviously evasive and indicates once more that the political proximity of the Russian and Arab political positions has been more formal than real.²²⁵

In April 2004 Putin himself admitted that the trade turnover between the two countries is still low, but according to him "the interest of the Russian business community toward cooperation with Yemen is also growing.²²⁶

One step in that direction is the Russian companies' efforts to explore oil and gas fields in Yemen. In 2002 Rosneftegazstroe (RNGG) started geological exploration work in the Al Mahrah province in East Yemen²²⁷ and while in Moscow the Yemeni President stressed that his country welcomed Russian investment in the sphere of oil, gas and mineral resources.²²⁸

However the main basis for Russian-Yemeni relations are military and political issues. As the Yemeni President admitted, "Yemen fully depends on Russian military hardware and specialists" and his country supports Russia's initiative for broadening cooperation with the Organization of the Islamic Conference. Russia is the main weapons supplier to Yemen. During the 1999-2002 period, Yemeni arms transfer agreements with Russia amounted to \$300 million. The total amount of the arms purchases by Yemen was \$500 million (\$100 million from Europe and \$100 million from

²²³ Pravda.ru - April 7, 2004 online. See also Moscow Mayak Radio in FBIS-SOV-2004-0406.

²²⁴ ITAR-TASS in English, April 6, 2004 in FBIS-SOV-2004-0406

²²⁵ G.G. Kosach, "Rossija I Arabskij Mir: Otnoshenia k Irakshoj Probleme" in E. Melkumian ed., <u>Irackij Krizis.</u> <u>Mezhdunavodnyj I Regionalnyj Kontekst</u> (Moscow: Institute of Israeli and Middle Eastern studies, 2003) p. 52.

²²⁶ ITAR-TASS in English, April 6, 2004 in FBIS-SOV-2004-0406

²²⁷ Interfax in English, February 19, 2002 in FBIS-SOV-2002-0220

²²⁸ ITAR-TASS in English, December 17, 2002 in FBIS-SOV-2002-1217

²²⁹ Ibid

²³⁰ ITAR-TASS in Russian, April 7, 2004 in FBIS-SOV-2004-0407

²³¹ The Military Balance. The International Institute for Strategic Studies 2003-2004, Oxford Press, 2004, p. 342.

China). The intensification of trade, economic and investment ties is intended to be a way to supplement and strengthen the high political goals.²³²

Russian-Yemeni relations are thus apparently strong and stable, but they cannot present any serious challenge to the overwhelming and still growing American influence in the country. Yemen's President Ali Abdullah Saleh visited the US four times in 1990, 2000, 2001 and 2004, and the US administration expressed its appreciation for Yemen's effort to uproot terrorism. In fact Yemen, along with Algeria and Iraq was among the only three Arab nations that accepted an invitation to the Sea Island G8 summit in June 2004. After its conclusion Yemen's President called it "a stunning success" and the US President George W. Bush "was impressed above all by Yemeni President Ali Abdullah Salih's traditional garb and the dagger he wore on his belt". Preserving traditional links with Russia, Yemeni leaders want to manifest their independence and use the still remaining balance of maneuverability but neither their efforts nor the persisting Russian aspirations in the region can change the existing balance of power in the area.

V – Conclusions

During the last 100 years Russia's relations with the Arabian Peninsula have undergone a number of historical and geopolitical changes and transformations. From the imperialist rivalry with British domination of the Persian Gulf and Southern Asia at the beginning of the 20th century, through the "Messianic" and revolutionary Soviet period, to present-day neo-capitalist Russia which after Saudi Arabia is the second

²³² Ibid

²³³ Steven C. Clemons, "Parade of Nations", Korea Herald, June 22, 2004

²³⁴ Le Monde, June 11, 2004

biggest oil producing country in the world, Russia's links with the Arabian Peninsula have remained one of the primary directions for its changing leaders. At the beginning of the 21st century there are at least four major causes for that persisting attitude:

- 1) Putin's Russia just like its predecessors the USSR and the Russian Empire, is vitally interested in getting access to the warm seas and the world's oceans particularly the Indian Ocean. Southern direction of its policy is thus a strategic necessity that is now additionally increased by the growing American presence in Transcaucasia and Central Asia and the socio-political upheaval in the region.
- Although because of the overwhelming American superiority and its own weakness, Moscow cannot now dream about challenging Washington directly, it nevertheless wants to preserve some influence in the areas close to its historical zones of influence, providing Arab states with arms supplies and some occasional largely rhetorical diplomatic support. The cases of Iraq before the March 2003 American intervention and present-day Yemen can be seen here as examples.
- As Russia is one of the major oil-producing nations, it also has to be in touch with the other major producers that are mostly located in the Arabian Peninsula. This is probably the main cause of the Russian-Saudi, to a lesser extent Russian-Kuwaiti, and the other AGCC countries' relations.

Peninsula for Islam and for the Russian Muslim population. Their particular concern is to prevent any future support from the Arabian Peninsula's rich Muslim communities for the Chechen separatists and the radical Islamic movements in Russia itself. Many initiatives by Putin's administration during the last few years including a splendid reception for the Crown Prince of Saudi Arabia Abdullah in September 2003, and an effort to get admitted to the Organization of Islamic Conference in the fall of 2003 can thus be explained and better understood, although as always in international relations, there were several other underlying causes and motivations.

Being as weak as it is now, Russia cannot play a heavyweight role either in the Arabian Peninsula or in the Middle East as a region. It has to be cautious and balanced in its approaches to this highly sensitive area and it cannot compete directly with the US or even the European Union. In spite of that its presence in and attention to the Gulf and the Arabian Peninsula will remain a lasting feature of Moscow's foreign policy. Considering their geopolitical proximity, strategic location, and the social and religious importance for the increasingly Muslim Russian population, we can probably expect a more pro-active policy there from Moscow in the future.