

Part 4.

## **RUSSIAN FOREIGN POLICY**

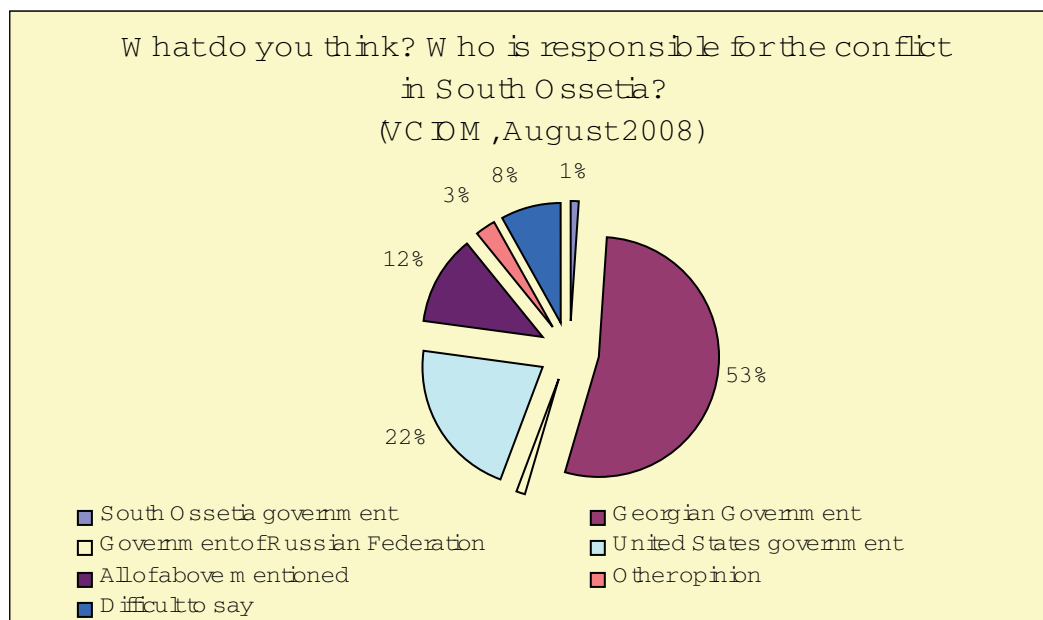
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#### 4.1. “Five days war”: Russia reminds about its spheres of influence.

The tough variant Russia chose to resolve the territorial problems in the Caucasus raised questions about the global order revision. On the one hand, Moscow’s decision to acknowledge the sovereignty of Abkhazia and South Ossetia was quite expected. Dmitri Medvedev declared earlier that he would support any decision of the leaders of the unrecognized republics. On the other hand *quick reaction of Russian leaders, who decided not to coordinate their actions with the global community, led to the serious conflict between RF and its Western partners in mass media.*

The recognition of independence of the contested territories was a logical move considering the tough position assumed by the Russian leaders in the Caucasian conflict. Thus, *Moscow demonstrated to the Western countries that it has political will and potential for making principled foreign-policy decisions.* Although, that did not mean that the USA and their allies would follow Russian initiative and would also recognize independence of Abkhazia and South Ossetia. Moreover, the voluntary decision of the Russian leader provoked further cooling down of Russian-Western relations.



Meanwhile, the informational “clinch” in which Russia and Western countries got after the use of force in South Ossetia, in fact, deprived Russia of the opportunities to retreat. Russian elites, which agreed to recognize Abkhazia

and South Ossetia independence, were also prepared for a “political war”. On 25<sup>th</sup> August, just several days after the peace enforcement operation in Georgia was accomplished by Russian militaries, Dmitri Medvedev declared that the suspension of Russian-NATO partnership would not prevent Russia from defending its national interests.

In general, Georgia’s intervention in South Ossetia and the events of the “five days war” which followed could be considered as the most important events in Russia in the second half of 2008. Firstly, this crisis emphasized the problem of the global political order and the roles of Russia and USA in that order. Secondly, the conflict in South Ossetia once again highlighted the problem of efficiency of the international supranational institutions (OSCE, UN, CIS, peacekeeping mandates, etc.). Thirdly, Georgia’s actions became the test of the strength of the Medvedev-Putin “ruling tandem”, which eventually proved that it can efficiently coordinate its actions in the crisis environment. Fourthly, the “fragility” of the Georgian state inspired discussions about the rationality of constructing oil-gas pipelines bypassing Russia (usually through the territory of Georgia). Fifthly, the major opponents of Russia became involved in the process of peaceful settlement, which intensified the “information war”.

It appears that Tbilisi officials gambled on Russia’s hesitation to decide to counter-strike in South Ossetia, taking into account the USA support for Georgia. This could help Georgia to realize its “Blitzkrieg” plan and to avoid prolonged military action. Furthermore, while starting the military operation in South Ossetia, the Saakashvili regime believed that the Russian “duumvirate” was “separated”: Dmitri Medvedev was on vacation on Volga and Vladimir Putin headed the Russian delegation in the Olympic Games in Beijing. It was assumed that the combination of these factors would prevent Moscow from prompt reaction on Georgian decision to “restore territorial integrity” of Georgia.

It is important to mention that immediately after the unfavourable ending of the war, Georgian leaders seemed to be confused, as they did not get full and unconditional information support from the Western countries (including the United States). For example, *Georgian Minister for reintegration, Timur Yakobashvili blamed NATO*, which in April 2008 refused to fulfil Georgia’s request for admission to NATO and as a result Georgia de-facto had to oppose Russia one-on-one.

The events in South Ossetia demonstrated that even the partnership with NATO at an advanced level does not guarantee a candidate for the admission to NATO proper support from the Alliance in an armed conflict.

“Five days war” also demonstrated that Western elites were not prepared for independent Russia’s actions (which were authorized by the UN Security Council, to which Russia applied, for example, during “Kosovo crisis”). By the way, **lifting of trade and economic sanction against Abkhazia and recognition of its independence provided Russia an opportunity to use more intensely the infrastructure of this republic for the construction of Olympic facilities in Sochi.** Moreover, it is assumed that cooperation with Abkhazia (including cooperation related to CSTO) will help Moscow to expand its activity in the strategically important Black Sea Region. It appears that Moscow considers ports in Abkhazia among other options as the potential alternative base for the Black Sea fleet after RF treaty with Ukraine on the lease of the Sebastopol base expires in 2017. It is important to Russia to prevent Turkey’s political and economic expansion into Abkhazia, as the Turkish leaders are traditionally oriented towards the USA. As far as South Ossetia is concerned, it is only “tied” to Abkhazia and does not have any separate political and economic value for the Russian leadership.

Meanwhile, *the events in South Ossetia revealed certain weak aspects of Russian propagandist and economic apparatus.* Immediately after the armed conflict in Georgia was ended and the sides agreed to cease fire, the information confrontation started. Russia was supported in information campaign only by Cuba, while, for example, China (the key partner of RF in the UN Security Council) for a long period kept silence.

In general, it is possible to conclude that the majority of tentatively “pro-Russian” countries preferred to abstain and not to express any opinion, because of their political vulnerabilities related to the similar (to Georgia) territorial problems and internal separatism.

*Among the main reasons for “information fiasco” of Moscow there are following:* Firstly, Russian leadership failed to get support from the majority of global press, which is why the information about Russian military operations in Georgia was presented in the undesirable for RF manner.

Secondly, for a long time the main spokespersons for Russia were Vitali Churkin and Sergey Lavrov, while the top Russian leaders only seldom (although quite toughly) commented on the events in the Caucasus.

In turn, Mikhail Saakashvili’s “trump”, which later pro-Georgian foreign politicians also used, was the presence of Russian armed forces at Georgian core territory. This allowed Tbilisi and its Western partners to accuse Moscow of its interference in the internal affairs of the sovereign state and occupation of its

territory. Probably, Moscow should more actively inform global community about the purposes of its operations at the Georgian territory (they were: to destroy Georgian military infrastructure, which was used to attack South Ossetia and also to guard military equipment and vehicles abandoned by Georgian militaries in order to prevent their unauthorized usage).

Following the conclusion of military hostilities in South Ossetia, the leading global players intensified their diplomatic presence in the region and started competition for the status of the “communicative leader”. Traditionally, USA and EU (Germany and France) were active, and also Turkey, whose leaders were concerned about the pipelines Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum.

It is important to remark that *already during the first days of the military operation Russia demonstratively* rejected the draft of “peaceful” resolution of the UN Security Council on South Ossetia, proposed by France. According to Vitaly Churkin’s statement, this resolution ignored several principal issues: there was no assessment of Georgian leaders’ actions in the resolution and the definition of the term “humanitarian disaster” was absent.

Meanwhile, the leaders of France were trying to play active, if not decisive, role in the Georgian-Ossetian conflict arrangement. After the military actions came to a halt, the French president Nicolas Sarkozy visited Moscow two times during two months, the French Foreign Minister Bernard Kuchner visited a number of damaged South-Ossetian villages and also the Georgian town of Gori, where he negotiated with Mikhail Saakashvili. It is important to emphasize that despite the constructive relations of French and Russian presidents, *Paris assumed, at least neutral, if not hostile, position toward RF in the conflict*. It was obvious in Kuchner’s comments, when he required from Russia to withdraw its troops from South Ossetia, but did not require the same from Georgia.

The activation of French diplomacy in the Caucasus could be explained by the general French foreign-policy course under the leadership of Nicolas Sarkozy, whose main task was to restore the leading position of his country in Europe. With that aim in mind, French leadership needed some success in the foreign policy, which could strengthen the unsteady position of right-wingers at the domestic political arena. Besides, the perspectives of Lisbon agreement were not clear at that moment. As the result, considering the aforementioned problems Sarkozy intended to make the settlement of the conflict in the Caucasus an important landmark of his chairmanship in the EU.

*Aferwards, France and Germany increased their diplomatic presence in Georgian – South Ossetian conflict zone.* The Chancellor of FRG Angela Merkel met with Dmitri Medvedev and with Mikhail Saakashvili. In that situation, two aspects of the activation of Berlin's diplomatic presence in the process of peaceful settlement of the conflict in the Caucasus should be considered.

Firstly, *German elites remembered about the energy dependence of Germany on Russia*, which is why Berlin demonstrated moderate and untypical for the majority of Western countries reaction to RF activity in South Ossetia. During the last pre-war visit of Saakashvili to Germany, the Chancellor publicly expressed doubts about appropriateness of Georgia's admission to NATO, which could be considered as a "courtesy" to Russia. Moreover, Germany in contrast to the USA, was not enthusiastic about the change of peacekeeping format in South Ossetia and Abkhazia, suggested by the Georgian President before the war and even more actively after the war.

Secondly, Berlin and Paris are still competitors at the European arena. *Germany is not happy about France's active involvement in the settlement of the situation in South Ossetia* (especially about the draft project of the resolution of the UN Security Council, into which six principled of peaceful settlement developed by Dmitri Medvedev with Nicolas Sarkozy were included). Considering this factor, Berlin strives to play the same visible role in the peaceful settlement process in the Caucasus as France does.

Meanwhile, Russia's unilateral recognition of Abkhazia and South Ossetia independence energized discussions about reliability of Russia's partners. At this moment, only Nicaragua has recognized Abkhazia and South Ossetia following Russia, while the majority of Russia's allies still demonstrate only "rhetorical" support and approval of Moscow's position. At the post-Soviet space "rhetorical" solidarity with RF was expressed by Uzbekistan, Kazakhstan and Tajikistan as SCO (Shanghai Cooperation Organisation) Member States.

The parliament of Belarus also expressed support to Russia's actions, yet it did not ask the President of RB to recognize the sovereignty of Abkhazia and South Ossetia. This is one of the issues on the agenda of Russian-Byelorussian relations in 2009, especially considering the attempts to establish closer relations between Minsk and Brussels. Because territorial problems for Minsk are not as significant for the majority of CIS countries, Belarus leaders use territorial problem in the Caucasus as a bargaining chip in their negotiations with Russia.

As far as Armenia is concerned– the strategic ally of RF in Transcaucasia, its "silent" stance is explained not only by growing interest of its leaders in

cooperation with NATO, but also by objective reasons. Currently, *Armenia has open border only with Georgia and Iran, which is why the only acceptable position for Yerevan is firm neutrality.*

Traditionally, Venezuela's president Hugo Chávez expressed his firm support for Russian initiatives. He supported Russia's decision to recognize the independence of Abkhazia and South Ossetia. Chávez said that Venezuela "will do the same if somebody dares to attack it".

Earlier, the president of Syria Bashar al-Assad expressed his support for Russia. The president of Iran Mahmoud Ahmadinejad, although he earlier tried to build an impressive anti-American coalition, on this occasion preferred wait-and-see attitude, and only remarked that, "countries do not belonging to the region, should not interfere". Also, Nagorno-Karabakh Republic, Transnistria Republic and Palestinian organization Hamas recognized independence of the self-proclaimed republics.

*In September 2008 the Ministry of Defence of RF informed NATO about the temporary suspension of cooperation with the Alliance.* The permanent representative of RF to NATO Dmitri Rogozin said that the decision was temporary and would continue operating "until Russian political leaders make a special decision on this matter. The decision refers to the visits of military delegations and joint manoeuvres".

This time, obviously, the principle "who will be the first" was enacted. By all appearances, it was important for Moscow to outrun its partners from North-Atlantic alliance so as to demonstrate its "grievances" and strong political will for "tough measures". It could not be excluded that if Russia was too late with this "preventive strike" on NATO's political position, the Alliance could try the same tactic, especially taking into account that the Council "Russia-NATO" stopped operating, following the initiative proposed by the USA and some European countries. It is interesting that this Western initiative was also called "temporary". Thus, *the partners still were rather cautious, saving chances for the reversal of their decisions if foreign-policy situation changes* (that is what in fact happened in the beginning of 2009, when Russian-American relations improved, which was expressed in their willingness to cooperate in Afghanistan). Nevertheless, the "freezing" of cooperation in autumn 2008 allowed the Russian side to take over initiative from Brussels and to demonstrate that cooperation with NATO is not so vital for Moscow.

In general, to the significant degree the decision to freeze cooperation was explained by the fact that RF ceased getting any dividends from cooperation with



the Alliance. In 2007, NATO refused to provide security guarantees to Moscow as a compensation for its decision not to denounce CFE (Treaty on Conventional Armed Forces in Europe – eventually Moscow denounced this treaty). During the last (April) summit of NATO in Bucharest, leaders of all member states unanimously voted for deployment of American AMB system in Eastern Europe. And on the eve of RF's decision to stop all military cooperation programmes with NATO, the Alliance refused to participate in "Active Efforts" manoeuvres in Mediterranean with Russia.

During armed hostilities in South Ossetia "European majors" – NATO Member States, despite their common sympathetic attitude to Georgia, officially preferred to assess cautiously the actions of the sides of conflict in the Caucasus. It is worth mentioning that British diplomats were quite discreet in their statements. Yet, in general, it was premature to claim that the crisis in Moscow and London diplomatic relations was over. The United Kingdom did not have its own direct interest in the conflict, which is why it preferred not to express openly its solidarity with the USA.

With regard to other members of the Alliance, the Chancellor of FRG, Angela Merkel's assessment of the Caucasian conflict was also unfavourable for Russia. In many respects it could be explained by "Atlantic" views of the head of German government, who is concerned that German elites could accuse her of supporting RF's "ambiguous" actions in South Ossetia. The Chancellor had especially "zealous" attitude concerning human rights and the support of "aggressive", according to her opinion, actions of RF in the Caucasus (or even the stance of "tentative neutrality"), which could undermine her image as a democratic European leader.

***Nevertheless, even during the period of "frozen" relations their later normalization could be expected, especially if the candidate from Democratic party won the presidential elections in the USA.*** But in August/September 2008 in the situation of information "war" the sides needed to demonstrate toughness in their foreign policy behaviour. Moscow intended to secure its military "power" success in South Ossetia by political measures, and the Alliance to create visibility of "condemning" reaction to Russia's actions in Transcaucasia.

Refreshment of the "Afghan" problem by the new American President's administration and the shift of the USA diplomacy attention from the Middle East to Eastern Asia were the harbingers of the first attempts of RF and NATO to alleviate their confrontation. As early as in January 2009, the RF permanent representative to the Alliance Dmitri Rogozin had a meeting with the leaders of



foreign policy departments of NATO at the NATO headquarters in Brussels. The participants decided to discuss the specifics of the renewal of the bilateral cooperation on February 6 in Munich during the meeting of RF vice-premier Sergey Ivanov and NATO's secretary general Jaap de Hoop Scheffer. One of the preliminary conditions set by Moscow stopped NATO expansion to the East at the expense of Ukraine and Georgia.

***Willingness of Russia and NATO to resume their dialogue was influenced by a number of objective factors.*** Increased Taliban activity in Afghanistan and USA's intention to build up its presence in the region of conflict created the basis for Russian-Western cooperation in fighting with radical Islamism, drug-trafficking and arms smuggling. During his trip to Uzbekistan in January, President Medvedev declared that the aforementioned problems had high priority for Russia, too.

Thus, the sides in fact acknowledged that "freezing" of their relations in the Counsel for Russia-NATO cooperation eventually proved to be underproductive. It was assumed that this initiative of the military alliance (NATO) would decrease Russia's "power" activity. Yet, later demonstrations of Russia's military presence in Latin America (Russian Navy manoeuvres in Caribbean Sea) proved that Russia did not lose anything substantial from the severance of relations with NATO.

## **4.2. The significance of the post-Soviet space to Russia in the new geo-political situation**

The increased activity of Russia in the post-Soviet space following the events in South Ossetia substantiates the conclusion that the significance of this region to Russia has substantially increased compared to previous years. Russian diplomacy was especially active in the resource-intensive Central Asia.

It is interesting that Russia's relations with the former Soviet republics were gradually acquiring the new characteristics compared to what they used to be in the "pre-August war" period. If before the crisis in the Caucasus the centrifugal tendencies dominated in Russia's relations with "the near abroad" countries (the CIS survival as the institution for post-Soviet space integration was questioned, some anti-Russian organizations, for example GUAM were functioning), then after Russia's victory over Georgia the reverse process became visible. It could be

proved by, firstly, *the intention of some CIS states to strengthen the military aspect of CSTO by means of creation of collective operational deployment forces* (which was quite compatible with the programme for the creation of European collective security system, initiated by Dmitri Medvedev).

Secondly, Moscow's active demonstration of power and political will for the resolution of local conflicts stimulated post-Soviet republics to prefer a dialogue in their relations with Russia instead of confrontation.

In the situation of geopolitical tensions, the problem of reliable relations with allies in the post-Soviet space became especially urgent for Russia. Despite Russia's tough stance, it still failed to ensure full support of its partners in CIS for its actions in the Caucasus (Russia expected only legal recognition of independence of Abkhazia and South Ossetia from its partners). In this situation it was also important for Russia to develop strategic partnership with high status players in the "near abroad".

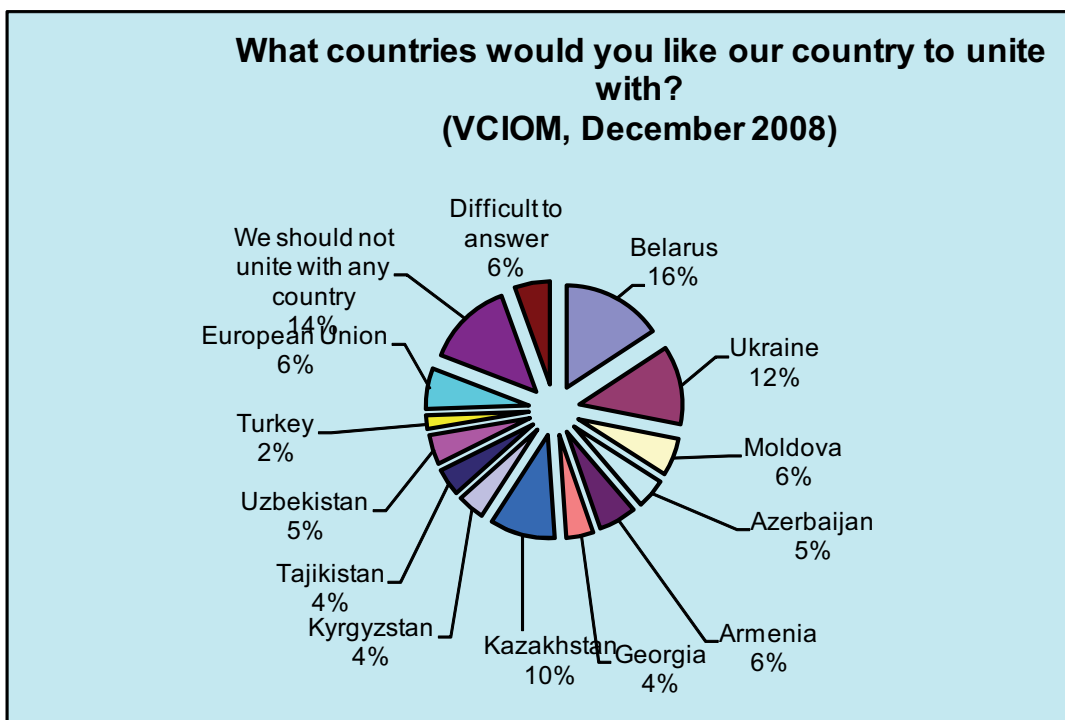
*There are some reasons to assert that Russia placed its stake at Kazakhstan as a strategic ally in the Central Asia.* In 2008, Dmitri Medvedev visited this republic three times, which was intended to demonstrate to Astana the special attention from the part of Russian leaders, and Kazakhstan in turn wanted to persuade RF of the reliability of the two countries' partnership.

The key direction of Russia-Kazakhstan partnership is the energy industry, yet for Russia the main obstacle in the development of close cooperation with Kazakhstan in this sphere is the competition from the part of alternative players (mostly, China and EU). That is why, *recently Moscow and Astana have started actively emphasizing the significance of their near-border cooperation – their intention is to prevent the attempts of other countries to "penetrate" into this Russian-Kazakhstani "sphere of partnership"*.

It should be remembered that before the "Caucasian crisis" Kazakhstan used to be the second largest (after the USA) investor into Georgian economy and invested there as much as \$2.5 billion during the last 6 years. The main objects of the investment were transport and energy industries. Yet, on the day of Russian-Kazakhstani "Forum on the near-border cooperation" Astana ostentatiously retreated from the plan to construct grain terminal in Georgian port Poti. Kazakhstan's annual export of wheat is on average 6 million ton, predominantly through Russian and Ukrainian ports at Black sea. The grain terminal in Poti could become an alternative route for Kazakhstan's grain, as its planned capacity was 400 – 500 tons of grain per day. Earlier, the national Kazakhstani company "KazMunayGas", which owns gas pipelines network in Tbilisi, decided not to

build an oil refinery in Batumi. Following its decision to discontinue contacts with Georgia, Kazakhstan plans to develop with Russia's help its own grain infrastructure.

*Medvedev suggested Nursultan Nazarbayev one ambitious common task:* in his opinion, both Russia and Kazakhstan could lay claims to the role of leading agrarian powers. He admitted that quick growth of food prices caused crisis, which was accompanied by social unrest in many countries. The initiative to unite Russian and Kazakhstan's agrarian infrastructures could be considered as *the next Moscow's attempt to persuade Astana in the natural character of the alliance of two countries*. Taking into account Kazakhstan's multi-vector policy in energy industry sphere, it should prompt Kazakhstan's elites for more pronounced pro-Russian course in domestic and foreign policy.



*In 2009, Dmitri Medvedev visited Uzbekistan for the first time as the President* and made a loud statement concerning foreign policy. He declared that Russia was prepared for more energetic diplomatic activity for resolving the "Afghan" problem and for cooperation with new Barack Obama's administration on that matter. Moscow's attempts to expand its presence in this "problematic" region may be explained by following reasons.

*Firstly, by using active diplomacy Moscow intends to take over the initiative from the USA* and to find its own niche in peacekeeping process in Afghanistan. Secondly, this scenario's aim is to decrease centrifugal activity of Central Asian republics, first of all – of Uzbekistan and Tajikistan. Activity of Afghani Muslims creates permanent stress for the ruling elites in these states, which is why Washington regularly exploits “security” topic with the purpose to expand its political and military presence in this resource-intensive region.

*Lately, Uzbekistan has significantly expanded contacts with the West which contradicts the RF's interests.* Despite this tendency, Russian diplomacy is passive in negotiations, which even more stimulates Tashkent to practice multi-vector foreign policy. This “diversification” was especially obvious during the NATO summit in Bucharest, where Uzbekistan proposed to restructure the Contact group on Afghanistan from 6+2 format (the neighbours of Afghanistan, the USA, Russia) to 6+3 format (the aforementioned states + NATO).

It is telling that the new American president Barack Obama in his foreign policy pays special attention to Afghanistan, which is why Washington might decide to reanimate its project of “military presence” in the countries, bordering “hot spots”. First of all, it is exactly about Uzbekistan, where the military contingent from Federal Republic of Germany is already deployed in Termez under the aegis of coalition forces of NATO.

For Russia Uzbekistan's aligning with NATO is, in the first place, the signal of Tashkent's disloyalty to CSTO, which is military structure controlled by Moscow in the CIS space, and also of Uzbekistan's leaders intention to diversify contacts in the security sphere. Tashkent is searching for opportunity to overcome its isolation from the West, which is expected to ensure stability of Islam Karimov's and to provide it guarantees against the “orange” scenarios.

The totality of factors, mentioned above, allows forecasting that *the first visit of Russian president to Uzbekistan will not change substantively the dynamics of bilateral relations.* Yet, despite not always favourable geopolitical situation and some image loss in Europe as a consequence of the “gas war” with Ukraine, Russia could still encourage Uzbekistan's to participate in profitable “hydrocarbon” projects, which, besides other positive results, might help Russia to restore its image of reliable provider of gas. Besides, considering acute Uzbekistan's disagreements with its neighbours (Kyrgyzstan and Tajikistan) concerning water resources, “hydroelectric diplomacy” could be also used.

*Last year Uzbekistan's decision to discontinue its membership in EurAsEC was an unpleasant surprise for Russia.* Before that, the European Union partially

lifted its sanctions against Tashkent and Uzbekistan's leaders obtained an opportunity to travel to EU countries. After notorious events in Andijan, the European countries conducted quite tough policy concerning "Karimov's team", referring to problems with human rights in Uzbekistan. Nevertheless, because of EU growing dependence on energy resources from Central Asia, the necessity of more flexible approach to the countries, selling hydrocarbons, became evident. Taking into account the absence of alternative routes for gas transport, this resource-rich region remains an exceptionally important source of "blue fuel" for Europe.

*It is interesting to consider foreign policy aspect of West's decision to lift sanctions on provision of military technology and equipment to Uzbekistan. This "punishing measures" proved to be inefficient, since Uzbekistan being a member of CSTO purchases the major part of armament in RF and for internal (lower) RF prices.*

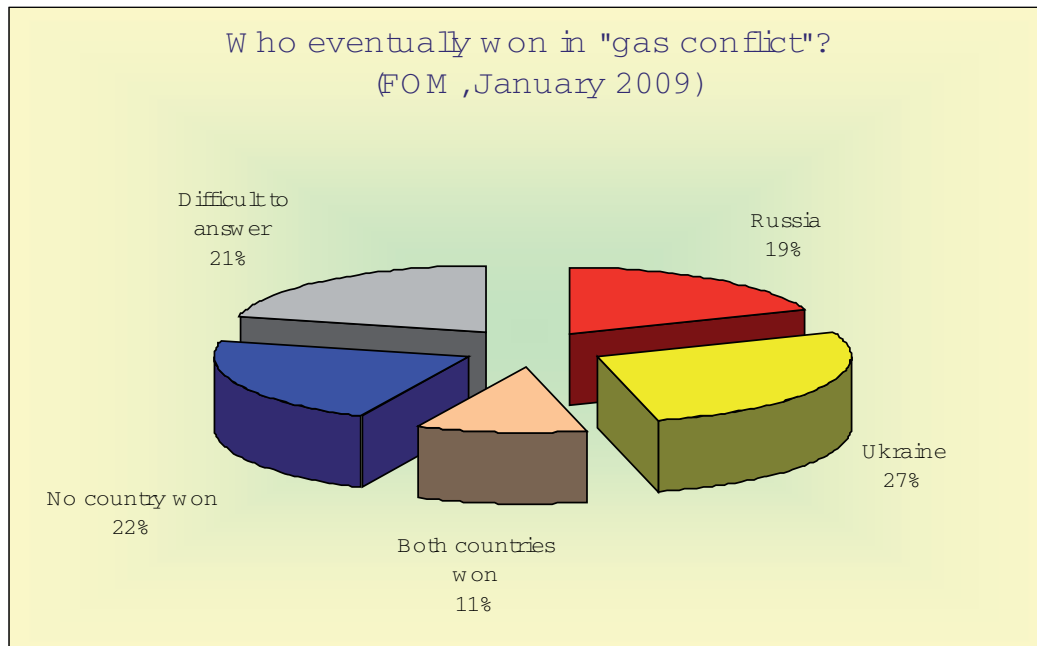
The cancellation of sanctions was also related to the fact that recently the EU approved the new strategy for "expansion" to Central Asia, and Uzbekistan is the biggest country in the region according to the size of population and economic potential, which automatically makes this country attractive for Western elites. Considering all this circumstances, the primary purpose of Dmitri Medvedev's visit to Uzbekistan was to establish personal relations with Islam Karimov and then to restore cooperation between two countries, which was damaged during the last few years. Besides, despite multi-vector character of Uzbekistan's foreign policy Russia still remains its biggest trade partner.

The urgency of energy issue influences the pattern of Russia's relations both with providers of hydrocarbons to Europe and with transit countries. After the "orange forces" got to power in Ukraine, Russian-Ukrainian dialogue was not optimal. Russian-Ukrainian relations every year aggravated, when the next "gas war" started.

It is possible to point out several aspects of the problem of political interests of the participants in the conflict. *Firstly*, the energy conflict around gas transit to Europe through Ukraine demonstrated protracted political opposition of Moscow and Kiev. Russian interest is to disavow Ukraine in Europe as a transit country and to promote Russia's own projects of construction of direct gas pipelines to EU.

*The second plotline* is Russia-EU relations per se. Russia initiated a discussion about the necessity to construct and expand the network of underground gas storages in Europe, as a guarantee against repetition of the

situation of “unauthorized gas drain” by Ukrainian side in the future. *The third plotline* is the American interest in the conflict – in particular, the attempt to prevent creation of an energy alliance between Russia and “euro-grands” acting through Eastern Europe countries.



Talking about Russia’s image in future international relations, it is important to emphasize that, despite Russia’s image was deteriorated in the West, RF will not suffer any serious political and economic damage. Primarily it is so because Europe currently does not have any real alternative to Russian gas and oil, and discussions about risks diversification by construction of own routes for gas and oil supplies are not implemented in practice. The issue of the alternative energy sources development lost its significance for a long time, after oil and gas prices dropped sharply because of the global financial crisis.

Moreover, *Russia was conducting active diplomacy in Europe, demonstrating its openness and transparency of gas deliveries.* These were the factors, which significantly softened the European rhetoric. As far as Ukraine is concerned, obviously its transit capability was questioned. However, in this case Europe either does not have an alternative other than continuing deliveries of Central-Asian gas through the territory of this country. Nevertheless, the question about euro-integration of Ukraine was excluded from the agenda and “orange forces” are risking losing the major part of support from EU.

Meanwhile, the agreement which Vladimir Putin and Yulia Tymoshenko signed in Moscow, marking the end of “gas war”; confirm the thesis about Russian priorities in relations with Ukraine. The fact that it was Tymoshenko, who succeeded in mitigation of the energy conflict, substantially lowers Viktor Yushchenko’s rating as an anti-crisis manager. It is interesting that despite the previous agreements, this time the contract with Ukraine was signed for 10 years. Long-term format of the agreement, besides other considerations, was targeted at influencing the internal political situation in Ukraine, i.e. consolidation of Tymoshenko’s position within the apparatus.

Ukrainian politicians’ disagreements concerning their strategy in the energy sphere revealed the contradictions, which led to new opposition between the President and the Cabinet of Ministers in Ukraine.

In this respect, regular Victor Yushchenko’s statements blaming the Prime Minister for the agreements, signed with Russia, could be interpreted in the context of the Ukrainian presidents’ unwillingness to reconsider the existing scheme of deliveries, because he gets some preferences from trading operations of RosUkrEnergo. Agreements in Moscow revealed Ukrainian presidents inability as a negotiator, which later would be used against him by “Tymoshenko’s team”.

### 4.3. Relations with “old” and “new” Europe

*Russia continues placing its stake on the diversification of its policy concerning different Western countries* and its public statements regularly mention the necessity of the convergence of RF and European countries positions on key international relations issues. The all-European collective security system, which excludes “American factor”, is intended to become the mechanism for cooperation.

Tough, but different reactions of several EU countries for “Caucasian crisis” confirmed that there is no consensus concerning future interaction with Russia in the West. With that, emotional statements of some European politicians could be primarily explained by their dissatisfaction with independent Moscow’s policy, which neglected to consult with its colleagues from EU on key issues. So, some members of G-8 made statements, condemning Russia’s decision to recognize independence of Abkhazia and South Ossetia. Yet, it was only political rhetoric, and this “condemnation” does not lead to any significant for Russia consequences.



*Nevertheless, the process of peaceful settlement in the Caucasus transformed into arena, where the interests of European players collided.* More or less visible position on this matter (which was expressed in their diplomatic activity) had France and Germany, meanwhile the other countries' activity was confined to pure declarative statements.

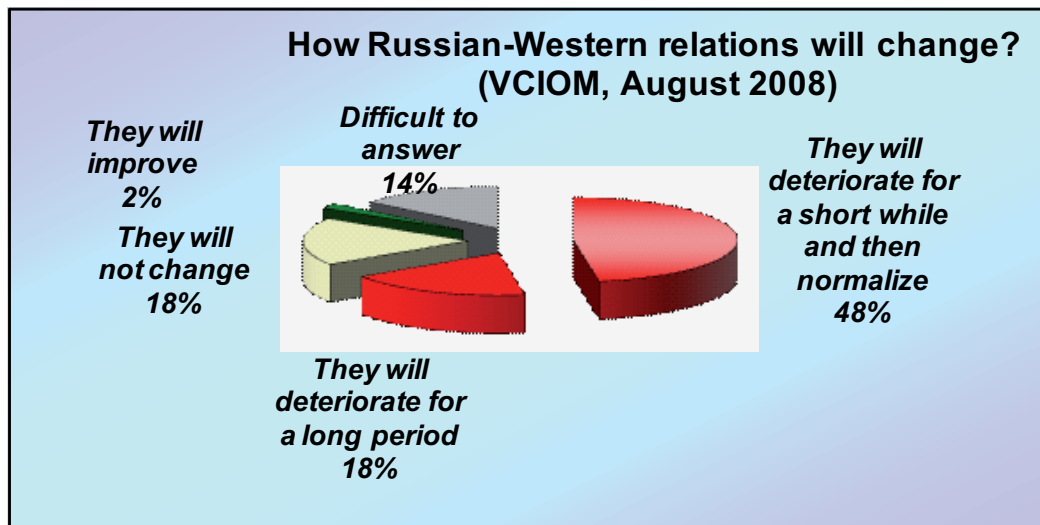
Nonetheless, on the eve of the emergency summit of EU scheduled on 1<sup>st</sup> September and dedicated to the events in the Caucasus the competition among European countries concerning their significance in the process of stabilization of situation in Transcaucasia has intensified. *Italy, which remained relatively "calm" before, presented its plan for peaceful settlement at the summit.*

The reason for Italian activity concerning Caucasus was mainly country's leadership desire to increase its political rating in EU. Several factors influenced Rome's entrance into political front stage on the eve of the summit. Firstly, Italian leaders counted on the opportunity to benefit from probable Nicolas Sarkozy's failure as a mediator: 6 principles of peaceful settlement, which were the result of his negotiations with Dmitri Medvedev appeared to be only declarative and did not provide the expected result (first of all, they failed to change Russia's tough position).

Secondly, during the active stage of conflict Rome distanced itself from common EU assessments of RF's actions (with the exception of the statement of the head of Italian Ministry of Foreign Affairs Franco Frattini). This helped the Italian Prime Minister to "save his face" in negotiations with Russia.

*Meanwhile, a temporary anti-Russian coalition was formed in Europe:* the deputies of parliaments in Norway, Sweden, Finland, Denmark, Iceland, Estonia, Latvia and Lithuania condemned Russia's decision to recognize independence of Abkhazia and South Ossetia, summoning Moscow to reconsider its actions. In their joint statement, the speakers of the parliaments expressed opinion that Russian leadership decision contradicted UN Security Council's resolution and the principles of OSCE. It is interesting that all countries, mentioned above, earlier recognized Kosovo's independence.

*Poland also made its contribution in discussion on the situation around the new self-proclaimed republics in Transcaucasia.* The ex-president Alexander Kwasniewski announced Poland's suggestions about possible sanctions against Russia, proposing to ban Russian investments into European economy. Poland also proposed to introduce tougher policy concerning granting visas to Russian citizens and the plan "Save Ukraine", which essentially proposed to grant the special status to this country, if it liberalizes its economy, and to stimulate EU investments in Ukraine.



With the purpose to counteract this trend, Russia initiated its own project oriented towards Europe. It was presented by the president Dmitri Medvedev during his speech in French town Évian. Despite the fact that this conference had been planned before the events in August, the situation in the Caucasus and assessment of both Georgia's and Russia's actions in the conflict were among its central topics (besides global financial crisis).

This conference was one of the items in the programme of French chairmanship in EU. Thus, Nicolas Sarkozy intended to take over the leadership from the other key players not only in peacemaking activities in the Caucasus, but also in arrangement of the consequences of the financial crisis. Participation in the conference provided Russia with the opportunity to refresh once again the idea of creation of the European collective security system, autonomous from NATO, and also to become a symbol of the irreversible conclusion of the "Caucasian theme" in Russian-European relations.

Dmitri Medvedev was the first who suggested to coordinate Russia's and other European countries' efforts in the sphere of global security during the Tenth Congress of Russian Press in June 2008. Nicolas Sarkozy announced similar suggestion, *so it could be assumed that Medvedev's initiative was primarily aimed on French leaders.*

RF president used as his argument the events in the Caucasus, which in his words – "proved the fairness of this plan, as the "NATO-centrism" failed to prevent the conflict". Medvedev in details criticized the USA's "unipolarity", and in the first place the American project of creating ABM shield.

Recent initiatives of Paris (especially considering the conflict in the Caucasus and the crisis of global financial institutions) stimulated foreign policy activity of Nicolas Sarkozy and provided him an opportunity to declare his ambitions for the leadership in Europe. Yet, it is highly probable that *the key lobbyist of Medvedev's project in Europe, i.e. France, after it passes chairman's responsibilities to pro-Atlantic oriented Czech Republic, will decrease its activity in the majority of directions of international relations sphere*. Even more so, taking into account that the main item on Paris agenda is the neutralization of the negative consequences of the global financial crisis.

By then, Moscow succeeded in persuading only two other countries – Germany and Spain, besides France, to participate in the future project. There are some reasons to assume that this project will be blocked by Eastern European countries, and in that case it will be unable to overcome its current declarative status (this is the main risk for Russia, related to Czech Republic's chairmanship in EU in the medium-term perspective).

*The main task for the French president in the Caucasus is to persuade Moscow to realize the Medvedev-Sarkozy plan for peaceful settlement fully and on time.* It is quite possible that Paris delayed confirmation of French president's participation in the Evian conference, because Russian armed forces withdrawal from adjacent to Abkhazia and South Ossetia territories ("buffer zones") was still not finished at that time. French leaders were dissatisfied with the delay of the realization of "Six Principles of Peaceful Settlement" by Moscow, as the efficiency of negotiating efforts of Sarkozy might have been questioned.

During the first stage, Russia was delaying the withdrawal of its troops from the Georgian territory, and the creation of "buffer zones" did not correspond to French diplomats' plans not in the least. The emergent problems with the implementation of agreements inflicted serious damage to the image of France, which is why Sarkozy considered the peaceful settlement in the Caucasus as a critical benchmark of his chairmanship in European Union, despite the fact that for that purpose he had to seek a compromise with Moscow. So, Russian leaders still managed to persuade France to agree with the idea of the necessity to protect the interests of Russian citizens abroad, which could be useful for Russia in its future confrontations in the post-Soviet space.

*The activity of French diplomacy in the Caucasus is the consequence of the foreign policy course of France under the leadership of Nicolas Sarkozy*, whose main purpose is to restore France's great power status in Europe. With that

purpose in mind, French leadership needed several victories in foreign policy, which could strengthen its shaky status resulting from lukewarm results of the Lisbon agreement.

Later, the French President remarked that “full realization of the treaties signed on 12<sup>th</sup> August and 8<sup>th</sup> September will open the perspective to resume negotiations on EU and Russia partnership”. In other words, the only sanction which was introduced by Europeans against Moscow following the operation for “forcing Georgia to peace” could be cancelled. Summarizing his speech, president Sarkozy said that he did not regret about his “bet” on dialogue with Moscow, although negotiations were long and the dialogue “was not anything simple and obvious”.

The turning point in Moscow and Brussels relations was the EU summit on 14<sup>th</sup> November 2008. *The key result of the summit was European Union’s decision to resume its negotiations with Russia, concerning the new basic agreement* (the mandate for conducting negotiations was received from all EU countries), and also the acknowledgement that Moscow has fully implemented all the arrangements of “Medvedev-Sarkozy” plan. This assessment of post-war actions of Russian government in the Caucasus repudiates the complaints of Georgian authorities about “only partial realization” of the peaceful settlement project and in fact also repudiates Tbilisi’s version of 8<sup>th</sup> August events.

Moreover, *during the meeting in Nice discussion of “five days war” and its consequences was completely excluded from the agenda*, which demonstrated the complete fiasco of American and Georgian attempts to promote this topic, with the purpose of conducting anti-Russian information campaign.

If earlier Brussels had a number of complaints on Moscow, among the others, concerning the realization of “Medvedev—Sarkozy” plan, then at summit EU demonstrated that it was pleased with RF realization of its promises. Another important result of the summit for Russia was that Eastern European countries, which for a long time hindered the dialogue between Moscow and Brussels, were “pushed” into background.

Russia—EU conference in Nice and preceding it “industrial summit” in Cannes with participation of big Russian and European business has marked the final stage of the discussion around “Caucasian dossier”. Earlier, even feasibility of Russia—EU summit was questioned during the emergency summit of EU in September. At that time, the initiators of proposal to delay the Russian-European negotiations were traditionally the “irreconcilable” Baltic states and Poland.

Considering the list of lobbyists of the “soft” scenario of response to Russia’s actions in Georgia, it is possible to conclude that, like it was in the case of voting during the April’s summit of NATO, that were the countries, which have profitable contracts with RF in the energy sphere (FRG, Italy, France, Hungary).

Positions of Sweden, Poland and Baltic states are determined primarily by political motives. Poland is concerned about possible decline of financial inflow in the case of losing the status of a transit country, if the project “Nord Stream” is carried out. Sweden is a traditional Russia’s opponent in European space, and Baltic countries putting pressure on Russia capitalize on their “historical complexes” and get funds for dealing with “Russian threat”.

***The initiative of the Russian President to deploy Iskander missiles in Kaliningrad exclave marked the offensive pattern of Russian foreign policy in Western direction.*** First of all, the actualization of defence agenda solidifies Moscow’s positions in the negotiations on the architecture of the European collective security system. Russian leaders accelerated the process of the institutionalization of this project, while France still is presiding in EU, because the accession of the next EU chair – pro-American Czech Republic in 2009 will significantly increase risks of delaying Russia’s initiative.

Besides, by ***promoting “Iskander topic”, Moscow demonstrates that it has capability for political bargaining.*** It is worth noting that this kind of “tit-for-tat” stance has already brought some results. For example, at the Nice summit Europe, apart from positive assessment of peace-making activity of Russia in the Caucasus, approved Russia’s accession into WTO and, hence, implicitly demonstrated that the attempts of some countries (including Georgia) to block this process are unsound.

It is important to emphasize that in April at the strategically important NATO summit in Bucharest “the European wing” of the alliance unanimously supported deployment of the American ABM system in Eastern Europe. Yet, Russian president’s “power initiatives” will strengthen RF position in Europe if Barack Obama continues the “anti-missile” strategy of George Bush’s administration.

#### 4.4. Energy – the key topic in Russian – European relations

*The recent conflict in the energy sphere between Russia and Ukraine has one more time emphasized a high degree of EU dependence from external sources of hydrocarbons.* In European political community discussions have resumed about the necessity of search of “alternative” suppliers of oil and gas, the expansion of the network of “bypassing” pipelines, stimulation of development of the alternative sources of energy, and also about the return to the traditional sources of energy and nuclear energy.

Russian-Ukrainian “gas” confrontation revealed weaknesses of the European Union as a unified institution, which failed to react quickly enough to the external challenge of this kind. The Fourth Annual European Conference on Energy Policy took place in Brussels on January 20-21, 2009. The participants discussed the problems of security of energy supply and current situation with gas transit to Europe. Yet, the absence of practical mechanisms for resolving such crisis situations in EU explained low efficiency of the conference – the participants as usual only exchanged their opinions.

Another obstacle for the realization of some projects of saving European energy industry are the fundamental differences in consumers’ positions. For example, Germany in general holds positive opinion about construction of direct (not transit) gas pipelines from Russia to Europe. Italy and small EU countries support Germany on that matter. Yet, Eastern European “neophytes” favour construction of alternative pipelines bypassing Russia and also insist on reanimation of projects in nuclear power (Slovenia, Bulgaria, Lithuania).

*Another important problem for Europe is politically biased stance of transit countries.* So, Turkey reminded about its European ambitions. According to the Turkish Prime Minister, Tayyip Erdoğan statement, Ankara could refuse from participation in Nabucco project if Brussels does not resume negotiations on Turkey’s admission to European Union. Yet, this pressure will not play decisive role. Currently, there is no consolidated opinion in Europe about appropriateness of Turkey’s admission to EU, and the project Nabucco is in fact frozen for a long time; nevertheless, if its realization begins, Turkey will be among the most interested participants. The estimated cost of the project is about \$10 billion and in the case of success, Nabucco is promising to become one of the biggest

European enterprises. So, if Ankara decides to ignore the project, it will be acting against its own interests, because this country is the key link in the transit chain of “blue fuel” deliveries.

***In the situation of unpredictable behaviour of transit countries, Europe intends to find new capacities for supplying energy for its economy.***

For example during the aggravation of energy crisis information about the discovery of large gas field in Mediterranean sea near Haifa in Israel was published in European press. This gas field has capacity sufficient not only for domestic needs of Israel for 30-40 years, but also for export to Europe.

Meanwhile Israel, receives gas predominantly from Egypt – it has long-term contracts with this country for energy resources supplying. But consumption of “blue fuel” in Israel is constantly growing and according to Israel’s Ministry of Industry opinion in the year 2011 Israel could experience a deficit of gas. Israel has already started negotiations with Russian “Gazprom” and Azerbaijan about construction of 450 km gas pipeline.

#### **4.5. American vector: the new president and the new course**

***After the accession to power of Barack Obama’s Democratic “team” in the USA, the new trend was outlined in Russian-American relations, which the vice-president of the United States Joe Biden named “resetting”***

In the middle of February 2009, the Under Secretary of State William Burns and his colleague Patrick Moon visited Moscow. Before that, the head of RF Ministry of Foreign Affairs Sergey Lavrov met with the Vice-President of the USA Joe Biden. Russia’s and the USA’s relations were also discussed during the meeting of Dmitri and Medvedev with the permanent representative of RF to NATO Dmitri Rogozin. The Russian President remarked that he was prepared for intensive collaboration with the new American administration on all issues of bilateral cooperation. Rogozin, in turn, emphasized that recently ***NATO has started undertaking active efforts aimed at the restoration of good relations with RF, and that there are some reassuring signals from the part of Alliance.*** The first meeting of Russian and American Presidents was scheduled on the 2<sup>nd</sup> April, at the London’s G-20 Summit. Before the summit the meeting of the foreign ministers of two countries is planned.



In the new geopolitical situation, Russia and the United States are competing for the initiative in determining the new agenda for bilateral relations. The first RF step in that direction was to accelerate its cooperation with the USA in resolving the “Afghan problem”. Washington is very interested in the maximum possible expansion of allies help in Afghanistan, because if the “Operation Enduring Freedom” succeeded, then Barack Obama in the end of his first presidential term would present the impressive series of foreign policy victories to voters. The progress in Afghanistan would provide him the opportunity for favourable comparison with George Bush, especially considering “doubtful” outcome of Iraqi campaign of the latter.

Currently, 63 thousand of American and their allies troops are deployed in Afghanistan. The White House plans to increase this contingent by 30 thousand troops both from the USA and other NATO countries. Military casualties in Afghanistan are not as serious problem for Washington as in Iraq, yet *the tasks of the operation are still not fulfilled*. Allied forces failed to defeat completely Taliban and to control Afghanistan territory at the border with Pakistan. Besides, Americans failed to resolve the problem of drug traffic, which volume has increased from 185 tons in 2001 to 8200 ton in 2008, which is 90% of global illegal drugs production.

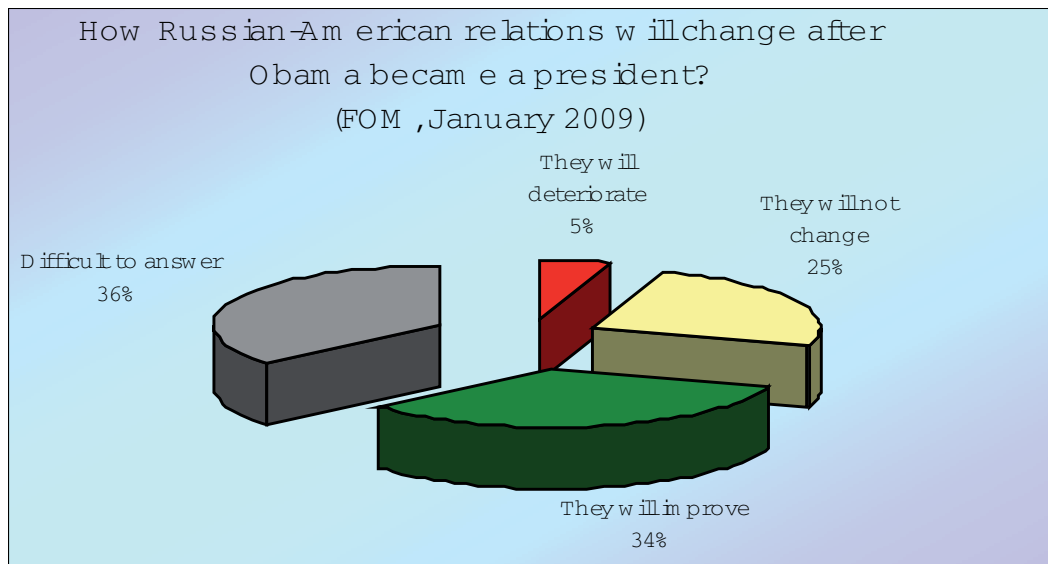
In this situation, it is possible that Washington will attempt to promote instead of discredit the Afghani president Hamid Karzai, an alternative candidate at the forthcoming elections in August.

Karzai, who is the head of the state since 2001, from the very beginning was the USA’s protégé, yet in recent years, he lost a significant part of support both from the West and from country’s population. The reasons include constant skirmishes with Taliban, terrorism and large-scale corruption.

The inability of the Afghani government to control the Taliban creates situation in which NATO and USA troops must themselves strike on mutinous settlements, which leads to civilian casualties. Afghanistan still has a reputation of one of the major drugs producers. Moreover, in 2008, CIA claimed that Karzai’s brother - Ahmad Váli is one the biggest drug barons in Afghanistan.

Recently, Russia and the USA have started sending positive signals to one another, yet in practice it could mean just one element of a tactical plan, the purpose of which is to correct the two presidents’ images. For Moscow, this is an attempt to disavow ambiguous results of “gas conflict” in January: after the conflict Western politicians accused Russia in “energy blackmail”. Washington

wants to create more liberal image of the USA in the world and to emphasize publicly peacemaking intentions of Barack Obama's administration.



*At the moment, the main vectors of Russian-American cooperation became visible*, primarily in the spheres of arms control, non-proliferation of weapons of mass destruction and counterterrorism. In all these spheres, there are problems which need prompt decisions. So, it is necessary to elaborate and to sign a new agreement replacing SALT-2. Some aspects of collaboration in Afghanistan are also urgent, because it is necessary for USA to increase its military contingent in this country.

*The USA's proposal to combine arms reduction with control over this process was a conciliatory gesture.* Obama promised, as one of the major tasks of his presidency, the reduction of nuclear arsenals, and the first step in this direction is his proposal to resume negotiations with Russia on the new treaty replacing the Treaty on the Limitation of Strategic Offensive Arms (SALT-2).

Yet, the practical "demilitarizing" measures, which were announced by the USA, have not been taken yet. Firstly, Washington still has not documented its proposals. There were only "media leaks". Secondly, the proportionality of nuclear weapons reduction proclaimed by Barack Obama, in fact will not be implemented in the true sense of the word, because USA has a clear superiority over RF in conventional weapons.

Thirdly, Hilary Clinton, during the meeting with her Czech colleague, remarked that Washington could reconsider its project of ABM deployment in

Eastern Europe, but only if Iran abandons its nuclear programmes. Yet, considering the significance of the programme “Atom for Peace” for Iranian government, in medium term perspective such development looks utopian, especially on the eve of presidential elections in Iran.

Thus, *the proposal on parity reduction of nuclear weapons to a significant degree is a tactical move*. Its purpose is to test if Russia is prepared to limit its strategic ambitions and if not to accuse Russian leadership of militarism and escalation of the arms race.

Yet, *Washington intends to intensify its diplomatic efforts concerning nuclear arms reduction and non-proliferation*. The proof was the first visit of the USA state secretary in Asia, during which she visited Japan, China, Republic of Korea and Indonesia. It was important for Obama’s “team” to demonstrate that it has necessary negotiations skills for resolving the problems which Republican administration failed to resolve.

*For Russia the outcome of the presidential campaign in the USA was not a principled issue*, because foreign policy programmes of the candidates (including ex-favourite from Democratic party, and current state secretary – Hilary Clinton) did not have any significant differences. The key idea of both parties is global mission of the USA. According to Obama, it needs to be updated, but the main criteria (leadership, the struggle for democracy and human rights) will be the same.

Thus, after Democrats’ victory, Washington’s foreign policy will not undergo any serious transformation. For that reason, the relations with Russia will remain the same – Washington will avoid involving Moscow to the practical resolution of important for Washington international problems.

Partially, this “caution” could be explained by the fact that during electoral campaign democrats have not presented any concrete strategy of their foreign policy behaviour concerning Russia. Which is why *Russian diplomacy has a chance to use this foreign-policy ambiguity of “Obama’s team” for getting advantage*. In general, Russia is not among priority issues of American foreign policy. The USA diplomacy will pay main attention to the Middle East, Central Asia and also to People’s Republic of China (PRC).

The sharp change of vectors is not likely also, because Washington’s foreign policy whoever is the president depends from the number of factors: from the legacy of the previous administration, lobbyists’ activity and general geopolitical situation. Yet, anti-Russian rhetoric of the new American president, which he used

assessing Russia's actions in South Ossetia, and also the necessity to find the new sources of financing for overcoming the consequences of the financial crisis allow to suggest further hardening of Russian-American relations after some break (the period of new administration formation and the necessity to consolidate administrative resource during financial crisis).

***In particular, the struggle for energy resources of Central Asia and Arctic shelf will intensify.*** In the opinion of American Democrats, the independence of the USA from other countries energy resources could counterbalance Russia's initiatives. The new president plans to invest \$150 billion into development of alternative energy sources.

***In addition, Washington will continue its "missionary" policy in the post-Soviet state – in Ukraine and Georgia.*** It is quite possible that Barack Obama, who sympathizes with the "informal party of peace", will limit American interference with internal affairs of these states, yet, most probably; there will be no significant difference with Republicans concerning the "post-Soviet" policy.

**Nevertheless, it is already obvious that the energy policy of Washington in transit post-Soviet republics will remain quite aggressive. The USA's special attention to the energy crisis in Europe allows assuming that Washington is expecting to get some preferences. That is why it is possible to speak about "American hand" as the reason for the recent conflict around gas deliveries to Europe – some American political structures did not want Russia's and "Old Europe's" consolidation on the "energy basis".**

Firstly, the argument in support of the version of purposeful "instigation" of the Old Europe against Russia is the tough stance of the current "pro-Atlantic" leadership of Germany, whose previous reaction to the events was rather reserved. FRG Chancellor Angela Merkel made some critical remarks about Russia's role in the energy crisis in Europe. She said that the delay with gas deliveries could negatively influence German trust in RF.

The sceptical attitudes of German elites towards Russia may exert a negative influence on the image aspect of the joint gas pipeline project Nord Stream. Russia is interested in the accelerated construction of this "gas artery", which will allow decreasing Russia's dependence on the transit through Ukraine. Meanwhile, the main obstacle for the project is protest from the states located in the Baltic Sea Region. The existing situation was discussed several days after the energy crisis in Berlin by Vladimir Putin and Angela Merkel: it was important for Moscow one more time to ensure Germany's support with the purpose of minimization of political risks for the project Nord Stream.

Secondly, *Washington is lobbying for a long time the bypass pipeline Nabucco*. The agreement to start the construction of this gas route was signed on 25<sup>th</sup> June 2007. Initially, it was signed by the European Commissioner for Energy, Andris Piebalgs and energy ministers of Turkey, Bulgaria, Romania, Hungary and Austria, Germany also joined the project the previous year.

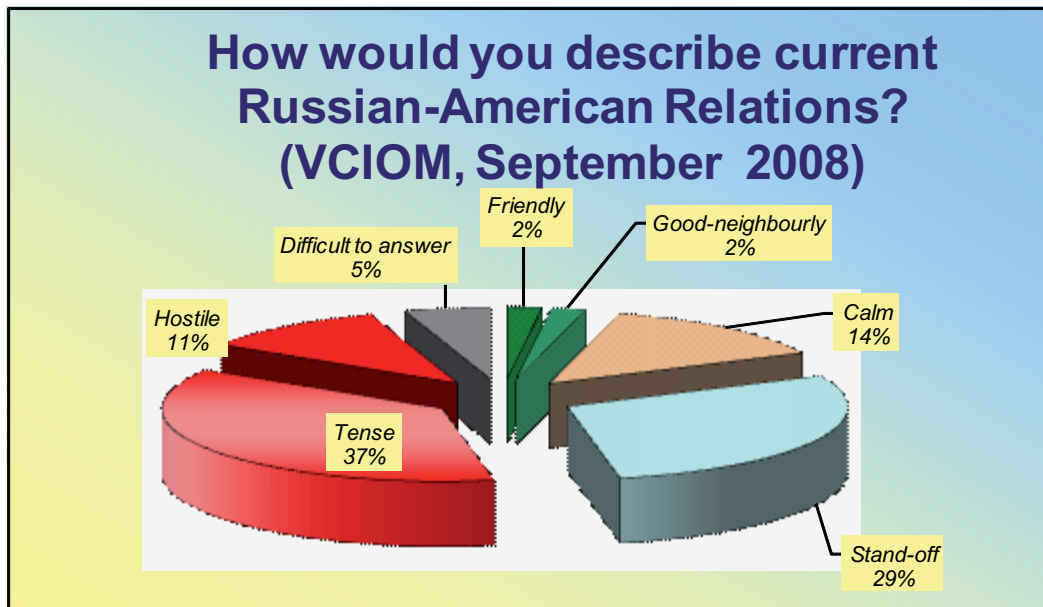
Republican administration of George Bush was the initiator of the Nabucco Project. The project of the pipeline presented originally in 2004 was intended to deliver gas from Iranian fields in Persian Gulf. In 2006, it was decided, because of the conflict related to the Iranian nuclear programme to change the project so as to have an opportunity to deliver gas from Turkmenistan, Uzbekistan and Azerbaijan.

*It will be most difficult for Moscow and Washington to agree on the ABM issue*. American Democratic Party on the whole supports Republican's initiative on the creation of the anti-missile shield in Poland and Czech Republic, yet criticizes its predecessors for excessive attention to this project to the detriment of other budget items. The economic crisis set new priority financial tasks for Barack Obama, which is why the new American administration could modify his position and to cut expenses on ABM project. Recently there were hearings in the Senate on the new management for Pentagon. It was important for Russia, because some candidates to the administration expressed their scepticism concerning the priority of some projects, including ABM. Some militaries said that the ABM project in Europe should be realized only if Pentagon is certain about its efficiency.

The key foreign policy tendency of RF leadership during the last days of George Bush administration was active usage of "power" symbols at the international arena. It is important to emphasize the unity of the "tandem" on the issue of importance of resisting information pressure from outside. If for Vladimir Putin tough rhetoric remains the necessary element of his image, for Dmitri Medvedev "power" overtones became the mechanism for integration into the new foreign policy realities. It allows concluding that the President irrevocably rejected the image of a "liberal", which he developed during the first month of his presidency.

*This policy was stipulated by tough anti-Russian campaign, which several Western countries waged in the second half of 2008*. The purpose was to put the pressure on Moscow with regard to the "Caucasian issue". Yet the differences in the approaches of Western countries in assessment of RF role in the events in South Ossetia provided Russian leadership an opportunity to differentiate potential threats. The intention of Russian leadership to differentiate tentatively

the West into European Union and the USA was becoming increasingly obvious in its rhetoric and actions. *Moscow's task became the optimization of its relations with leading EU States*, whereas Atlantism, considering higher degree of “closure” of American elites, was implicitly referred being the secondary trend in common Western foreign policy.



The tentative separation of USA and EU (the special attention was paid to European “locomotives” – Germany, France and Italy and to small European countries, which assumed moderate stance concerning Russia) was determined by several factors. The first was traditionally close interaction of Russian and European political and economic structures. Secondly, Moscow had mechanisms for incorporation into European elites (for example, announcing Russia as the guarantor of international energy security and also mutual interest of the sides in the close partnership in the energy sphere).

The mechanisms of integration were deemed as Russian energy “expansion” and also the integration of European and Russian security systems into principally new structure with the participation of some post-Soviet republics (in the first turn – CSTO members).

*The exchange of threats between RF and the USA (or “cold war” imitation) became especially visible in the European space.* Washington continued promoting the plan for ABM deployment at the territories of its strategic allies. The US Senate unanimously voted for the deployment of one more forward-based

ABM radar in one of the foreign countries and allocated for that purpose \$89 million. This decision was approved as the special amendment to the draft legislation on defence budget for the year 2009. According to military experts' opinion Israel can become the third USA ally for ABM development.

In contrast to the deployment of missiles in Poland and radar in Czech Republic, which are located quite close to Russian border, the ABM in Israel could not be considered as a serious threat for RF's security (Caucasus mountains will not allow it to scan the Russian territory). *The new foreign policy stylistics of the "tandem" assumed tough response to another Washington initiative to expand ABM.* Besides, Russian elites beware about Japan's participation in the ABM architecture, if the USA succeeds in Israeli direction. Tokyo does not try to hide its interests in the project, which is understandable, considering proximity of PRC and Democratic People's Republic of Korea.

#### **4.6. Relations with India and China: searching for foreign policy diversification**

Following the events of August 2008, Russia's attempt to formulate its own geopolitical agenda could be considered as the key trend of Russian foreign policy. There were a number of factors, determining Russian leaders' initiatives in that direction. Firstly, it was new "redistribution" of the global spheres of influence between the RF and the USA. This campaign started during the last years of Vladimir Putin's presidency, when Russia intensified its diplomacy virtually in all directions, previously "abandoned" – Latin America, Middle East, Africa, APR countries. Dmitri Medvedev continued this course and gave it a new impulse (which, by the way, proves that there are no any visible disagreements in the "tandem" concerning this foreign policy issue). Conceptual consequences of the "Caucasian conflict" convey special meaning to Moscow's contacts with a number of the "third world countries".

Secondly, the absence of prompt reaction of the West to Russian actions in South Ossetia and adjacent region has stimulated the increase of activity of the "rogue-countries" – Democratic People's Republic of Korea, Iran, Venezuela, and Syria. Lacking potential for becoming great powers these states gravitate to ideologically close "super-state" – in this case it is Russia. In turn, Moscow also wants to create a club of situational allies including "anti-American" Hugo



Chávez and Mahmoud Ahmadinejad and also leaders of some other non-Western countries for the realization of its super-power ambitions.

Furthermore, Russian leaders actively develop their *political and economic relations with India* (by the way, the year 2008 in Russia was dedicated to India). The convergence of India and the USA positions (primarily in the nuclear sphere, where New-Delhi aspires to become a regional leader) was a negative tendency for Moscow, as India for a long time used to be the centre of Russian interests in South Asia.

In the new situation, India is a promising market for cooperation and also Russian partner in the informal BRIC partnership. Lately, this country is considered not just as an object of confrontation of the interests of RF, USA and China, but is becoming itself a global-scale geopolitical player. Having nuclear weapon, India is trying to increase its power in other spheres, at the first place in the “atom for peace” sphere and also in the development of defence industry. Russian interest in the cooperation with India is also related to the spheres of military technologies and investments into India’s nuclear industry.

On 1<sup>st</sup> October 2008, following the House of Representatives, the American Senate approved the bilateral agreement with India on the cooperation in the sphere of civil nuclear power projects, which became known as “Agreement 123”. However, *the United States unambiguously declared that they would completely stop any cooperation, if India conducts nuclear bomb test*. The opposition in India claimed that this agreement contradicts the national interests. The first American-India treaty on the cooperation in nuclear power sphere was signed in March 2006 after two years of complicated negotiations. Yet, Indian opposition represented by the influential Communist party of India declared that the treaty was a betrayal of the national interests.

Left-wing parties traditionally protested against any agreements with Washington in the nuclear sphere, referring to the inadmissibility of the nuclear arsenals build-up. Yet, the real reason of the protests of the oppositional “Bharatiya Janata Party” (National Democratic Alliance) and of the block of regional parties was that fact that they were excluded from the process of negotiating Bush-Singh Deal.

These controversies eventually led to temporary suspension by India of the realization of the package of treaties “Atom for Peace” signed with the USA. Singh’s government at that time decided in favour of saving its dominating position in the parliament and succeeded in slowing down the process of the crisis in domestic policy. The left wing parties’ support was very important for the

ruling party, because only with their support the government could get approval of the Parliament for the draft legislation it needed. Lefts are criticizing Delhi officials, claiming that the government's policy undermines India sovereignty and that it neglects coal reserves: according to Communists' assessment, India has sufficient reserves of coal for at least 250 years.

India conducted nuclear tests in 1998 and did not sign the Nuclear Non-Proliferation Treaty (NNPT). Yet, according to Bush-Singh deal Delhi can buy from Washington uranium feed, reactors and get access to nuclear technologies. ***Whereas Moscow is for a long time aspiring for the status of the main nuclear partner of Delhi***, which is why current situation is disadvantageous for Russian leadership.

Yet, it is possible that ***India might become the alternative to Europe as a consumer of Russian fuel resources***. Considering the competition of "pro-European" and "pro-Chinese" groups in Russian elite on energy issues, Moscow declares more and more often that it has an alternative route for selling energy resources ( if Europe assumes counterproductive stance). In this respect, Russia is interested in collaboration with India, especially considering India's growing power consumption. ***India's company "Oil and Natural Gas Group" (ONGG) has already declared its interest in cooperation with RF; in particular it is interested in the joint development of the strategic oil and gas field "Sakhalin-3"***. It is quite possible that Russia, allowing India's investments in the oil and gas development project in Russian territory, expects that India will reciprocate.

***Russia remains the main provider of defence technologies to India***. Yet, traditionally close cooperation of Moscow and Delhi now is not as strong as it used to be, because of the improving American-Indian relations. The problem is that the USA, EU countries and now also China are more promising partners for India than Russia with respect to receiving modern technologies and innovations needed for the modernization of Indian economy. In May 2006 national space agencies of India and the United States agreed about the joint programme of Moon exploration. Yet, Moscow is competing with Washington in the sphere of space exploration. During Vladimir Putin's visit to India in autumn 2007, this country was provided access to Russian system GLONASS, including its navigational signals and the part of the radio frequencies spectrum.

It is quite possible that ***Moscow will also lobby India's interests in international institutions, first of all, in the UN***, providing New Delhi with necessary diplomatic support. Particularly, Russia repeatedly proposed to grant India the status of a permanent member of the UN Security Council.

Resignation of Pervez Musharraf and accession to power of the “civil” president Asif Ali Zardari did not help normalization of political situation in Pakistan. Increased activity of the radical Muslims irritates strategic ally of Pakistan – the USA. The head of Pentagon, Robert Gates in his speech to the US Senate’s committee on armed forces as early as in September 2008 said that a victory over terrorism in Afghanistan was not possible, while the militants from Taliban and Al-Qaeda could hide at their bases in Pakistan and remain unpunished. According to him, the situation in the region will remain unstable and insecure, until militants are kicked out from bases, where they hole up after their sorties.

In addition, the Minister advised American government to persuade the government of Afghanistan to collaborate in strengthening control at Afghani-Pakistani border so that to make it less “transparent” for terrorists. Earlier, American command got approval of the White House for conducting across-the-border operations without permission of Pakistani authorities, which roused the indignation of the latter. It is worth noting that Gates saved his post of the Minister of Defence in Obama’s administration.

The American political and military elite, to all appearance, was expecting more loyalty from a new Pakistani President. Yet, Asif Ali Zardari continued Musharraf’s course in the sphere of national security, i.e. he did not provide Americans access to his territory, fearing that the USA could get control over nuclear materials of his country.

Washington’s careful attention to the situation in the area of Afghani-Pakistani border is explained not only by the growing activity of terrorist groups, but also by the gradual political convergence of Pakistan and China and also of Pakistan and India. “The Celestial Empire” considers Pakistan as the link in the transit chain for delivering Iranian energy resources. Currently, China is constructing oil port Gvadar in Pakistan, where it plans to deploy Chinese Navy base. In turn, the new President of Pakistan just few days before the act of terrorism in Mumbai proposed to sign trade agreement with India. Zardari also discussed the possibilities for normalization of Indian-Pakistani relations with George Bush and with the Prime Minister of India Manmohan Singh. Following these meetings, *Zardari openly challenged underground extremist groups and orthodox Muslim parties in his country, when* he named rebels, operating in Pakistani and Indian parts of Kashmir “terrorists”. Before that, they were always referred in Pakistan as “freedom fighters”.

*White House traditionally supported Pakistan in the long-standing border conflict between Pakistan and India.* However, in the situation of growing

economic and military potential of PRC it appears to be necessary developing more close cooperation with this India's geopolitical competitor in the region.

The powerful anti-crisis potential of Beijing forces Barack Obama's administration to send positive signals to Chinese leaders with the purpose to stimulate the latter to engage in a close coordination of their "health-improving" measures for economy with White House. The US State Secretary Hilary Clinton remarked that the USA is prepared to the dialogue with PRC on the wide spectrum of issues. This statement is especially impressive, considering the crisis in bilateral relations, which aggravated after crackdown of anti-government riots in Tibet in spring 2008.

Barack Obama's adviser on foreign policy issues, Zbignev Bzhezinski, has developed and lobbied the idea of political alliance of the USA and China. *According to his opinion, the United States and China should develop their strategic partnership and become the "Great two" (G2) alliance*, which could radically change global situation. This politician claims that because of the normalization of the American-Chinese relations in 1978 the world became a better and safer place.

Bzhezinski proposes to develop and expand the geo-strategic cooperation of the two countries. In his opinion, the direct participation of China in dialogue with Iran is necessary in the process of settling Israeli-Palestinian conflict. Besides, American-Chinese consultations are needed on the issue of India and Pakistan relations, and also on development of coordinated policy concerning global climate changes and the reorganization of the UN.

Bzhezinski asserts that the high dependence on the hydrocarbons deliveries is a common problem for both the USA and China. It is quite possible that Obama's foreign policy team will place its stake on this factor, yet the convergence with Beijing will be only a distracting manoeuvre and will be oriented primarily on the solution of the medium-term problem of overcoming negative consequences of financial crisis. Lately, the "Celestial Empire" aspires for the status of the alternative to the USA in many directions, first of all in the economic sphere and the innovative technologies, so the informal alliance of two states would not match the foreign policy logics of Washington.

In this situation, the so-called "power" political group in Russia, which advocates Chinese direction of energy resources delivery, has visibly increased its activity. Recently, the negotiations about providing Chinese credit to Russian oil companies – "Rosneft" and "Transneft" were successfully concluded. The amount

of credit is \$25 billion (\$15 billion for “Rosneft” in exchange for oil delivery and \$10 billion for “Trasneft” in exchange on using its pipeline for delivering oil to China). In 20 years, Russia will supply to China 15 million ton of oil annually. One more item of agreement was the contract on construction of a branch of the pipeline Eastern Siberia – Pacific Ocean (ESPO) to China. CNPC and “Trasneft” has signed the contract for the construction and operating of this segment.

Yet, another problem for Russia is the intention of China despite some decline of production due to financial crisis, to diversify its foreign policy partners in energy cooperation. Lately, Beijing is intensifying its efforts in developing close partnership with the energy resources rich states in Middle East, Africa and Central Asia, and is considering Europe as one of the markets for selling its production.

#### **4.7. Russia increases activity in Latin American region and in the Middle East countries: “anti-western brotherhood” project.**

The new page was turned by Dmitri Medvedev in the relations of RF and some Latin American countries as early as during his tour to Latin America in November 2008. Later, Russia was for the first time visited by the President of Argentina Cristina Fernández de Kirchner, and on 28<sup>th</sup> January 2009, there was the first after the demise of the Soviet Union visit of the Chairman of the State Council and the Council of ministers of Cuba Raul Castro to Moscow.

Political and economic advances to Latin American countries are an element of Moscow tactical plan for strengthening its position in the Region with the purpose of putting psychological pressure on Washington. Moscow wants to demonstrate that it has powerful allied “rear” with ample resource base (hydrocarbons and arms).

***The Russia’s successes in consolidation of Latin American “red belt” should not be undermined as well.*** That fact that Miguel d’Escoto Brockmann from Nicaragua presided at the opening of the 63rd session of the UN General Assembly was a bonus for Moscow (Nicaragua was the second after RF country, which recognized independence of Abkhazia and South Ossetia). In his complimentary speech, he sharply criticized foreign policy of Western countries, expressing, in fact, pro-Russian stance. Brockmann was elected the Chairman of

the 63rd session of the UN General Assembly, after his candidature was suggested by the regional group of the countries from Latin America and Caribbean area.

***In August 200,8 the vice-premier of the RF government Igor Setshin visited Cuba “for restoration of relations”.*** At the climax of the crisis in South Ossetia, Moscow decided to provide humanitarian aid to Cuba, which suffered casualties from the hurricanes Gustav and Ike. On 13<sup>th</sup> September, Setshin again visited Cuba with the purpose “to assess the results of aid for people, who suffered from the hurricanes Gustav and Ike. Before that visit, the vice-premier attended, as an observer, the session of OPEC in Vienna, where at Venezuela and Iran insistence (they are two “pro-Russian” participants of the club of oil exporters) the organization decreased quotas on oil production, trying to keep global oil prices at higher level.

Cuba is important for Russian leadership because of its geographic proximity to the USA and former close partnership with the USSR. Russian-Cuban relations which used to be dynamic during Soviet times and then stagnated after the demise of the Soviet Union are rapidly developing now. It is important to note that Cuba is highly respected and is influential in Latin America.

RF and Cuba regularly have conferences at the level of ministers and also the sessions of the intergovernmental Russian-Cuban commission. The latest session was on 23<sup>rd</sup> January 2009 in Moscow and concluded by signing two bilateral agreements for cooperation in various spheres.

In this light, the negotiations of Dmitri Medvedev and Raul Castro on the one hand could be assessed as further continuation of RF expansion into the strategically important for Washington region, and on the other hand, as Cuba's attempts to diversify its contacts in circumstances of the American economic blockade.

***Return visit of Castro provided Cuba many beneficial contracts in economic and humanitarian sphere.*** In turn, Russia, emphasizing long-term nature of its interest in the “Island of Liberty”, decided to provide humanitarian aid to Havana. Cuba will be provided 25 thousand tons of grain from RF free of charge to compensate its food shortage.

***Russia's reasons for developing relations with Cuba are political motives and military deterrence of the USA.*** Washington has been applying economic sanctions against Cuba for the last 46 years, yet Barack Obama not once declared his readiness to make advances to Cuba on economic issues. It was revealed that during Russian president's tour to Latin America, Raul Castro announced his desire to meet with the (then the future) head of White House at “neutral



territory”. Havana’s preparedness to negotiate with Washington is explained by objective economic needs.

In that respect, active contacts of RF with Cuba are, first of all, the signal for the new US administration, meaning that during “the reformer” Barack Obama presidency Moscow will continue defending its interests in the strategically important for Washington regions. Geographic proximity continues playing important role in international relations, which is why the dynamics of Russian-Cuban relations, not least of all, depend on the influence of the American factor. So, in one of his pre-election speeches Barack Obama has declared his preparedness to normalize relations with the “Island of Liberty”.

Aspiring to outrun the USA in financial expansion, ***RF accelerated channelling of state credit in amount \$20 million to Cuba.*** As before, the issue of military and technological cooperation of Moscow and Havana remains topical. For Russia its solidarity with Cuba in security issues is an important argument in negotiations with the US elites. For example, it was not a coincidence that in November 2008 media leak appeared about alleged reanimation of The Lourdes Electronic Radar Station. Later Cuban leadership disproved these rumours, which were one of the elements of Moscow’s diplomatic game with the purpose to test position on the new US administration.

Thus, Russia and Cuba closer contacts are explained both by economic and foreign-policy reasons. It is important for RF to prevent Cuba’s transition (even partial) into the US camp. Cuba used to be for quite a long time (with varying success) an object of bargaining between Washington and Moscow, and RF’s task is ensuring optimally beneficial bargaining position for itself, including sometimes initiation of discussions about deployment of Russian military bases on Cuba.

Along with political comeback to the “Island of Liberty”, Russia is also demonstrating its spiritual influence. So in October the previous year, the new Our Lady of Kazan cathedral was consecrated in Havana, belonging to Russian Orthodox Church. In addition, the Cuban Ministry of Sciences made a decision to increase the quota of Cuban students attending Russian universities and colleges.

***In the middle of February, the President of Bolivia Evo Morales visited Moscow.*** For Russian leaders the negotiations with Bolivian leader were the continuation of their campaign of penetration to Latin America, which started in November 2008.

Building closer relations with South American countries Moscow attempts to put pressure on Washington. Considering the accession to power of Democratic



administration in the USA, which announced “resetting” of its relations with RF, the latter’s attention to Latin America region is a signal to Barack Obama’s “team” about Moscow’s intention to continue promoting its interests in this region, despite the White House’s request to Moscow to soften its foreign-policy stance.

That is not the only region, where Moscow demonstrates its tough stance: another example is recent negotiations of RF minister of defence Anatoly Serdyukov with his Iranian colleague Mustafa Mohammad-Najjar. Unresolved problem of “Iranian nuclear dossier” along with the growth of defence potential of this country remain important issues in the foreign policy agenda of Obama administration. That is why Moscow’s relations with “anti-Washington” regimes could be considered as testing of Barack Obama’s “toughness” following his recent “conciliatory” statements.

In turn, *Latin American countries also demonstrate their growing interest in cooperation with Russia.* For Bolivia this is in particular yet another opportunity to emphasize the anti-American vector of its internal and foreign policy along with retaining country’s leading position in continental natural gas market. Evo Morales was the third head of the state from Latin America, who during the last 6 months visited RF for the first time. As was already mentioned earlier, the other two were the President of Argentina, Cristina Fernández de Kirchner and the Chairman of the State Council of Cuba, Raul Castro.

During George Bush junior presidency, Latin America remained at the periphery of the USA interests, which in many respects was the reason for its “left-style radicalization”. Because of refreshment of “the Afghan” agenda, Barack Obama was not intending to change significantly his policy concerning neighbours and concentrated his attention on Eastern Asia. This situation provides Russia more space for manoeuvre in Latin America, although it could be limited by the influence of the global financial crisis.

The practical gain from Russian expansion into Latin American countries was realized in signing of the number of contracts during the visits of Russian leaders. In the case of Bolivia the most important item on agenda in cooperation in energy sphere.

*Simultaneously, Bolivia supports the idea of enforcement and development of regional integration.* It is a member of Bolivarian Alternative for Americas and together with Venezuela and Cuba plays leading role in that organization. Morales’s administration is striving to diversify its foreign-policy and economic relations, which is confirmed by his visit to Russia.

***Bolivia owning big hydrocarbons reserves intends to increase its role as a provider of oil and gas at the continent.*** Brazil is the main competitor of Bolivia: last year Brazil signed the preliminary agreement with “Gazprom” on the joint development of fields in Rio de Janeiro state. That is why Russia and Bolivia have common interests in the oil and gas sector. RF can play on the contradictions of Bolivia and Brazil – two major players in the energy sector, with the purpose to consolidate Russian presence in Latin America.

For example, on the eve of Morales’s visit to Russia, Moscow and La Paz agreed the schedule for the development of gas industry in Bolivia up to 2030 year in concordance with earlier approved general plan.

Yet, the problem with short-term projects for gas extraction in Bolivia is that, although these projects look attractive, they are too costly for the situation of financial crisis. Taking into account the scenarios, which are simultaneously realized in Europe and Asia, Russian energy sector “expansion” in Bolivia is risky. Nevertheless, in the long-term perspective, “Gazprom” is interested not only to become one of the main players on the South American market, where plans for creation of integrated gas transporting system are discussed, but also in entering the North American market. For that reason, Russia is interested in stable functioning of the political system in Bolivia, where now there are active discussions concerning Morales’s proposal to conduct referendum of prolongation of his presidential term up to the year 2014.

***Venezuela created the precedent for the change of Constitution, which can serve as example for Bolivia.*** On 15<sup>th</sup> February 2009, as a result of all-national referendum about amendments to the Constitution the president Hugo Chávez has got an opportunity to be re-elected as a president unlimited number of times.

Venezuela’s scenario, in turn, will facilitate decrease of investment risks for Russian activities in this country. Russia until recently was cautious concerning Venezuela, rather creating impression of counter-play against the USA in Latin America, yet not signing any official political or economic agreements with Hugo Chávez’s regime.

The reason for this caution was that ***Russian elites prefer rather painless tactics of “minor diversions”***, such as joint Russian-Venezuelan military manoeuvres, and the partnership in energy and military technology spheres. In this context is also interesting to mention media leak about possible Moscow joining to the ALBA – Bolivarian Alternative for Americas group, which surfaced following Dmitri Medvedev’s participation in ALBA summit last year. This international organization was created with the purpose to assist trade and

cooperation of the socialist states and to withstand the projects of free trade zones creation, promoted by the USA.

*During the last two years Chávez signed in Moscow contracts* for arms purchasing worth \$8 billion. Military partnership also includes Air Forces and Navy. In the middle of September 2008, two Russian strategic bombers TU-160 landed in Venezuela, which earlier were flying for training purposes over neutral waters. And in few days the vessels of Russian North Fleet left Severodvinsk Navy base, since they were commanded to participate in joint manoeuvres with the Venezuelan Navy.

Following Russian-Georgian conflict, the US Navy vessels moved to the Black Sea, and the expansion of military cooperation with Karakas was intended as Russian response to American “power” initiatives. The presence of Russian Navy vessels in the Caribbean sea was severely criticized in the USA and by all appearances, attracted attention of the new presidential administration. According to opinion of some American politicians, Russia’s alliance with Nicaragua and Venezuela – two countries, which supported Russian activity in the Caucasus, could be threatening the main trading artery of the United States.

While the USA administration’s international prestige is rather declining, Karakas is actively trying to consolidate its positions in the “anti-Washington” space.

*Internal political instability became another factor, stimulating Chávez activism in the external economic sphere.* Regional governments in Venezuela (especially at the states level) have a considerable degree of autonomy from the central government, which is why any serious project could be realized only if it had political support of local authorities. The purpose of Chávez’s power consolidation efforts is to minimize the threat of the opposition protests, the latter prefers more close cooperation with the USA on the number of issues.

Since, the US administration was not fully operative owing to the electoral campaign, Russia undertook a number of foreign policy actions with the purpose to clarify future foreign policy of Barack Obama, including the policy in the Middle East. Mahmoud Abbas, the head of Palestinian national administration (PNA) visited Moscow two times in 2008. These actions have both power and diplomacy nature. Their purpose is from one side to demonstrate that RF has its independent foreign policy course, and from the other side – to “find out” the future US policy on a number of important directions.

One among them is the Middle East. In 2008, Russia actively strived to increase its significance in the Middle East conflict settlement. Currently, USA

has a status of the leading “peacemaker” in this process and RF’s role is a secondary one.

Washington traditionally positions itself as the regional ally of Israel, yet after Barack Obama took White House, the situation could be changed. Despite the fact that during his election campaign Obama visited Israel, sending this way the direct “positive” signal to the Jewish Diaspora in the USA, which is a sizable share of electorate, position of Barack Obama’s team in the Middle East is relatively diversified. So, Obama in contrast to his predecessor has rather loyal attitude toward Arabian elites. In that respect there is a high risk that PNA will try to counter-play against RF, hoping that the US loyal attitude to it will provide PNA maximal possible dividends. It is especially likely, considering damage to image of Fatah (Mahmoud Abbas is among leaders of this organization) resulting from Israeli artillery shelling in Gaza strip.

Russian delegation did not once participate in international “Foursome” Summit, yet, it failed to insist on the realization of its main project – international conference in Moscow with participation of all interested parties. On 16<sup>th</sup> December 2008, “the Foursome” approved holding a conference in Moscow in 2009, yet to some degree the “pro-Arab” stance of Barack Obama might become a key of obstacle for the conference. It is already known that the leaders of Hamas organization, which is fighting with Fatah, and now controlling the Gaza strip, will not be invited to Moscow’s conference, because it is not provided by the format of the conference. At present, the diplomats intend to invite to the conference the Israeli leaders, representatives of Palestinian government and also representatives of those countries, which can help Palestinians and Israelis in peaceful settlement in the region.

***The latent purpose of having conference in Moscow is to take over peacemaking initiative from the USA.*** The first round of peaceful negotiations on Palestinian-Israeli conflict took place in American town of Annapolis in 2007. Israeli authorities’ and Palestinian leaders’ objective was to sign a peace agreement before 20<sup>th</sup> January 2009, when the US president George Bush had to leave the White House. Yet, the Israeli-Palestinian negotiations became complicated because of the Israeli military operations in Gaza strip and continuing rocket attacks of the South of Israel by Palestinian militants.

Another tentative move, which was used by the Russian side with the purpose to undermine peacemaking image of American Democrats were media leaks about the possible sale to Iran of the S-300 anti-aircraft complex. Last time, the RF Ministry of Foreign Affairs disclaimed the possibility of selling S-300

complex to Iran in October 2008. In general, the information campaign dealing with “selling” anti-aircraft complexes to Teheran was a part of diplomatic bargaining in which Moscow was trying to force Western countries and Israel to provide Moscow some preferences, using the fact the S-300 complex is one of the most advanced anti-aircraft systems in the world. This complex has a high level of jam-protection and it can simultaneously shoot up to 24 targets, with homing on the target 2 rockets from one launcher or 4 rockets from two launchers.

One more applicant to the partnership with Russia is Syria. In Sochi, several days after the “five day war”, negotiations were held between Dmitri Medvedev and the President of Syria Bashar al-Assad. The key topic of negotiations was bilateral military cooperation. In the situation of the long-standing confrontation between Russia and Ukraine concerning the base of Russian Black Sea Fleet in Sebastopol, there were some media leaks about possible relocation of Russian Navy base into Syrian port Tartus. Later, this project was mentioned by Syrian president on the eve of his negotiations with Medvedev.

Yet, according to the statements of Russian and Syrian officials this issue was not discussed during the negotiations and his actualization could be explained primarily by geopolitical subtext. In the situation of the new competition for the spheres of influence between RF and the USA, *Moscow needs to demonstrate that it has some space for manoeuvring. “The alternate airfield” in Syria could become Moscow’s response to NATO’s (first of all for the USA) active involvement in the Caucasian conflict.*

*Damascus is also interested in more close relations with Moscow.* During the period of international tension Syria expects to get even more preferences from Russia. It needs new shipment of military equipment. According to the foreign minister of RF Sergey Lavrov’s statement, “it is necessary for Syria for supporting the balance of power in the region”. It is not a coincidence that Bashar al-Assad openly supported RF actions in South Ossetia.

*Syria’s President’s visit to Russia has seriously concerned Israel.* Tel-Aviv is dissatisfied with military and technological cooperation of Moscow and Damascus, because Tel-Aviv considers this cooperation as “military sponsorship” of Asad’s regime and Hezbollah organization, despite the fact that recently the relations of Syria and Israel has somewhat improved. Two countries have agreed to continue their negotiation through mediation of Turkey, although only at the level of premier’s offices.

The Press Secretary of then Israeli Prime Minister Ehud Olmert announced that in the medium-term perspective, the head of Israeli government might also

visit RF. By all appearances, the purpose of this visit would be not just clarification of RF position concerning joint military projects with Syria (Damascus declared that it was prepared to deploy at its territory Russian missile complexes “Iskander” as a response to the deployment of American ABM systems in Europe), but also to alleviate tension in Russian-Israeli relations caused by the situation in Transcaucasia. Israel also needs the loyalty of Russian elites to continue pressure on Iran. Tel Aviv, to all appearances, assumed that Moscow could establish even closer relations with Tehran in a response to the anti-Russian campaign in the USA. By the way, Olmert did not visit Moscow; however, Israel still decided to react quickly to Russian complaints and publicly announced that it would stop military cooperation with Georgia.