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The report provides a comprehensive analysis of current events in the Arab world. A number of experts believe that the changes we are seeing today are only the first stage in the region's systemic transformation that will last decades. On the one hand, it predefines important features of the current situation such as the inherent uncertainty, changeability, and volatility. As a result both external and regional players struggle to predict the future course of events. On the other hand, while this instability remains, and for as long the results of this "tectonic shift" remain unknown, external players can to some extent influence the events, forecast them and sometimes direct them to the right track.

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FOREWORD

During the last two years we have been witnessing a fundamental reversal of policy in the Arab world that has already led to regime change in Tunisia, Egypt, Libya, and Yemen, the deployment of Saudi troops to Bahrain, civil war in Syria and reforms in Morocco and Jordan.

These events are variously interpreted as a new “Arab awakening,” the “Arab spring,” or the modernization or democratization of the Arab world. All these definitions highlight different aspects of one and the same process that signifies the renewal of the region and the engagement of the population and political forces that were very distant from politics.

Changes of comparable impact and outcomes (the reforms, revolutions and rebellions of 1919-1920, and the revolutions and coups d'état of the 1950s-60s) have previously led not only to the creation of new states and regimes, but altered the entire political architecture of the Arab world.

Many experts believe that current events are just the first stage in a systemic transformation of the region that may take several decades. On the one hand it predefines the uncertainty, instability, and volatility of the situation. Neither external nor regional players are in any position to predict developments, even in the near future. On the other hand, until the situation has stabilized, for as long as the outcomes of this “tectonic shift” remain unknown, external players have room to influence events, to predict and sometimes even to channel developments. But all this requires a thorough analysis of a situation that is changing dynamically.

I. “ARAB AWAKENING” — INITIAL RESULTS

In late 2012 it became obvious that the “Arab awakening” has already led to a) transformed political systems in a number of states, b) the emergence of new, mainly Islamist, elites on the political arena, c) the downgrading of some states to almost the failed ones, d) expanded political participation and spread of electoral democracy, e) deteriorating security and the expansion of conflicts, including inter-confessional and sectarian conflicts, f) changes in the regional subsystem of international relations, g) significant economic changes.

1. TRANSFORMATION PATTERN

The “Arab awakening” started with riots by modernized strata of the society, mainly young people, seeking freedom, justice, political involvement, or the alleviation of the twin pressures of poverty and unemployment. But their lack of experience and organization, their relatively slim size, and the significant authority of traditional, chiefly patron-client relations combined with existence of tribal systems, allowed other forces, primarily Islamic parties and groups, to benefit from these uprisings and win the elections. As prominent Egyptian politician Amr Moussa noted, the Muslim Brotherhood “stole” the victory from the young people who raised the revolt to topple Hosni Mubarak’s regime¹.

In fact, the secular state model crashed or was severely eroded across the Arab societies when they faced the challenges of globalization, and this ignited a process of re-traditionalization. At the same time, the military elites that played the key role in government maintained their weight and influence.

¹ Amr Moussa interview by Ghassan Charbel // Al-Hayat. 25.11. 2012.

Analyzing the ongoing transformation we can define three main scenarios based on the rate and scale of change, its origin (bottom-up or top-down) attitude to the current political system, and the development outlook.

2. SCENARIOS OF CHANGE

2.1. Scenario One. Reforms

Under this scenario, change takes place via regime-initiated constitutional and legislative reforms. This scenario came to pass in Morocco, Jordan and to a lesser degree in the Persian Gulf states and Algeria. A new constitution was declared in Morocco. Jordan adopted amendments to the old one. Both constitutions liberalized election laws, broadened parliamentary powers (and therefore — the limitation of the monarchical power), extended liberties (guarantees for the press, establishment of human rights protection organizations) and strengthened independence of the judiciary. The moderate Islamic Party of Justice and Development won the elections in November 2011, but several months after announcing these reforms, the Moroccan government cancelled some of the concessions².

The following key conditions make this scenario (with all its variations) viable:

- 1) The unconditional legitimacy of monarchic power (the absence of anti-monarchy slogans in Morocco or Jordan, to say nothing about Saudi Arabia — is indicative, in Jordan the first calls for the king to abdicate were only voiced in November);

- 2) Available financial resources;

- 3) The relative youth of the Moroccan and Jordanian political leaders that enables them to phrase their response to demands voiced by protesters (mainly young people) in “the same language”;

- 4) The co-existence of modern democratic and traditional institutions in the political system.

2.2. Scenario Two. Revolution

In Tunisia and Egypt, the revolutions, having quickly swept away the ruling regimes, did not choose the radical path of razing the existing political and administrative system or legislative system to the ground, instead moving to the relatively controllable stage of reforms within the existing legal framework. The key conditions for this are:

² S. Daley. In Morocco, signs the old guard never went away // International Herald Tribune. 12.12.2012.

1) Mature political institutions (Egypt's Wafd party has existed since 1919, the Muslim Brotherhood — since 1928, and Tunisia's former ruling Neo-Dustur party — since 1934) and the presence of democratic traditions, even if they were simply a formality (decades of pluralism, regular elections);

2) Relatively highly modernized society;

3) The “retention” of patron-client relations by the ruling regimes within limits that allow the system to function;

4) The fact that influential powerful structures disassociated themselves from the actions of the ruling regimes, instead associating themselves with those of society. In Egypt they stood above “the struggle,” in Tunisia — aside from it.

In both the first and second scenarios, the widening of political involvement either took place within the existing institutional and legal framework or was introduced into it. In each country, attempts by all non-mainstream actors, be they Jihadists, radical Salafists or the extreme left, to impose their own paradigm failed.

2.3. Scenario Three: Civil War

The civil war scenario that materialized in Libya, Syria, and partially in Yemen differs significantly from the two others outlined above. Underdeveloped political institutions, the lack or absence of funds to neutralize protest sentiment and inadequate legitimacy of power all contributed to this scenario coming to pass in each case.

That said, the following three causal factors were arguably the most important:

1) External intervention (up to armed intervention) in Libya and Syria or insufficiently strong position of the internal authorities (Yemen) that prevented the ruling regimes from quashing these actions;

2) Societal splits fueled by internal religious, ethnic, tribal or clan elites;

3) The regimes' reliance on certain elite groups that used to enjoy preferential rights to government, material, and financial assets and were supported by the security or law enforcement ministries. The opposition in Syria was ripening for a long time while the authority of the ruling Ba'ath party was declining and long-overdue reforms were still pending.

The third scenario could spread to other parts of the Arab world, primarily to Saudi Arabia, unless the country succeeds in using money or a large number of new jobs to silence the protests taking place against the backdrop of chaos spreading across the region and the rise of Iran. The political crisis caused by the strife within the ruling family during the painful generational shift could have similar effects.

3. NEW POLITICAL ELITES

Whatever an individual country's development model, new forces with little governance experience have taken center-stage in all these states. In some cases they have been incorporated into the existing elite, in other cases — replaced it or engaged it in irreconcilable confrontation.

This is not only a reference to the Islamists, but also to left-liberal parties, and demonstrates the core problems at the heart of today's social and political situation — i.e. the attitude of different groups to the role of Islam in society in general and in the political system in particular.

The analysis of the Islamic groups' role should involve the rough yet conventionally accepted classification of Islamic groups into three main currents: the Muslim Brotherhood (MB), Salafis and Jihadists. While the MB supports parliamentary political struggle, recognizes democratic and even secular procedures and institutions, the second have proclaimed the "Shiitization" of the entire political and legislative system, and the third are the principal opponents of any legal methods of struggle and are ready to employ terrorism to achieve their goals.

Today, questions regarding the relations between these different groups often go unanswered, but expert opinion tends to fall into one of two predominant opposing schools of thought. The first school holds that moderate Islamists (i.e. MB and spinoff structures) are, judging by their political programs, closer to liberal forces than to the Salafis, because they rely on the urban middle classes, demonstrate a pragmatic approach to policy, and employ Islamism as a tool to get power. The Salafis, by contrast, rely on the lowest social strata and are more addicted to the irrational paradigm of political behavior, to "religious idealism."

The second school of thought holds that both moderate Islamists and Salafis set similar tasks, differing only in their chosen methods of struggle, the talk of differences are disingenuous, and are, in fact, different paths to the same goal. This goal is the creation of an Islamic state. This perceived unity is shared and actively disseminated by supporters of secular development. Relations between the two main Islamic groups seem to be undefined and are likely to change. Islamists won post-revolution elections in Egypt and Tunisia thanks to their populist political manifestos that were understandable to most people, their long-established image of victim and to the successful unification of all conservative voters under their banners. One may expect to see a more explicit dissociation between pragmatists and idealists within moderate and Salafi groups alike.

On this political landscape, the future of secular forces, be they leftist or liberal, remains uncertain. Their weakness, poor organization, inability and reluctance to simplify their political rhetoric for popular appeal, combined with

their excessive westernization seemingly doom them to be political outsiders. But they are supported by the intellectual and professional elites in Arab societies that have often associated themselves ideologically with the West. The need to engage these people in state governance pushes the moderate Islamists to seek an alliance with liberals and even with the left. At the same time, their relations could deteriorate into heated conflict. This is what happened in Egypt in late November-early December 2012, when President Mohamed Morsi decided to take on special powers, prompting an almost immediate response from liberals, the left, the influential judiciary, a significant segment of the mass media and even some Foreign Service officers .

Incredible as it may seem, the Islamists' victory in these first post-revolution elections may yet play into the hands of the liberals and those on the left. But they can only snatch the reins of power from the Islamists under the following conditions: first, if the new authorities fail to resolve the Herculean social and economic tasks that they currently face; second, if these new authorities adopt measures that prove so unpopular that part of the electorate moves to the opposition; and third, if the authorities are unable to control or master the institutions that protected the previous regimes against revolutions, chiefly the army, police, and the security forces which for the most part have maintained their positions and influence even under the new regime. It is illustrative that during the recent opposition riots in Egypt, the army apparently remained neutral, refraining from interfering with the unfolding events and only at a relatively late stage in the developments, choosing to issue ultimatum demanding that the opposition forces start a dialog.

4. DEVELOPMENT PROSPECTS

The transformation scenarios based on reform and revolution (or “riots” – including those that are externally fuelled or ignited) will, in the long run, contribute to stable political and socio-economic development. This is due to the increased legitimacy of the regime that accompanies the democratization of the political system, strengthened internal sovereignty and better correlation between government actions and the general public's needs. These societies' new political architecture will likely be in harmony with their civilizational identity, more consistently incorporating traditional social institutions and values. This in turn will help guarantee the stability that is so essential in an era of change, even if this stability is relative and precarious. If the present risks are successfully overcome, these countries' most likely development scenario is that of a non-liberal democracy in which formal democratic institutions and procedures (chiefly electoral and parliamentary) will be combined with a broadly non-liberal value system.

The “awakened” countries, however, face grave problems that are difficult to handle even in the medium-term, such as:

1. High economic expectations among the general public that are difficult to meet without external help (which is difficult to provide on the scale needed).

2. The lack of governance experience of the new authorities of Egypt and Tunisia, as well as the lack of trust in them on the part of a sizable proportion of the “creative class.”

3. The fact that these changes occurred under the dictate of “the street”, which makes this direct pressure on the authorities very popular, marginalizing forms of legitimate influence.

As a result, the situation in the region (Libya, Syria, and Iraq) could push conflicts beyond state borders, infecting the whole region or sub-region with instability.

To answer these challenges, the “new regimes” apply the following political tools:

1. Assistance from regional and global players. This assistance can help those parties that benefited from the “awakening” to retain power, but could be counterproductive under certain circumstances.

2. Extension of the social base by borrowing pragmatic postulates. The speed of society’s “pragmatization” also matters: if people who voted for moderate Islamists see they are unable to resolve socio-economic problems, will they switch to back the secular forces or, on the contrary, decide that more extensive Islamization is needed, and vote for the radicals or Salafis? Today, voters in the countries that have seen regimes collapse demonstrate a preference for idealistic populism over purely religious or rational discourse. It is not yet clear whether or not the moderate Islamists will be ready to cede or share power, after their possible defeat at the next elections. Doing so would confirm this explicitly stated commitment to democratic principles. The Islamists’ traditional conviction that power is given to them by God does little to inspire optimism.

3. Allying with other forces that are currently competitors and, as such, wary of the new regimes’ attempt to usurp power. In Egypt, the secular intellectuals share the dominant idea that the Muslim Brotherhood’s ability to control such a complex and vast country unaided is an illusion.

II. REGIONAL ASPECTS

The “Arab awakening” has drawn in not only non-Arab regional players, but also global ones, and the influence of events taking place in the Arab world spread throughout the macro-region. For example, there are signs that this instability may appear across a region stretching from the Mediterranean to Iran, and that this turbulence will spread to the marginal countries of the Middle East and Northern Africa (the Sahel area, after Libya). The global players’ Middle East policy has become more dynamic. The balance of forces between the regional Arab and non-Arab players and extra-regional players has changed. The role and position of the Middle East conflict in the region’s equilibrium also underwent a transformation.

1. GLOBAL AND REGIONAL PLAYERS

The regional influence of global players such as the United States and the EU declined during these events. Both were caught off guard by the “Arab awakening,” and fell into disarray during the first months, but later offered active support for insurrectionary movements and regime change (except Bahrain) via direct coercive intervention and establishing relations with new political forces. At the same time, a U.S. foreign policy that aims to reduce the country’s military presence in the Middle East, the EU’s internal crisis and the negative experience of the political “engineering” using military intervention (as in Iraq, Afghanistan and Libya) do little to stimulate the global players to take broad responsibility for the future development trajectory of the wider Arab world. But the insistence of the West and the “Sunni axis” countries (especially Turkey, Saudi Arabia and Qatar) on overthrowing the Assad regime in Syria at any cost is in clear contradiction with the core interests of the United States, the West and Israel,

as a strategic partner of the United States, because the predicable assumption of power in Damascus by radical Islamists (should the secular regime fail) poses a threat to them.

Striving to gather sufficient arguments to incite an armed rebellion against Bashar al-Assad's regime and continuing to demonize the Syrian leader, in December 2012 western countries started to spread the myth that Assad intends to "to use chemical weapons against his own people,"³ even though he has repeatedly stated that this option is definitely not on the table. Moreover, any such, arguably insane, action not only would not help him win the war against the rebels, rather it would actually make him even more of a pariah figure in the international community. The western press even circulated false allegations that his father Hafez al-Assad had used chemical weapons to suppress the Muslim Brotherhood riots in Hama in 1982. But there are only two verified cases of chemical weapons being used in the Arab world. The British were the first to use them at Sinai against the Turks during the First World War in 1917⁴, and later Saddam Hussein launched a poison gas attack on the Kurds in Halabja village. This "excessive concern" about chemical weapons could be interpreted as a prelude to armed intervention.

The "Arab awakening" increased the weight of regional states, especially Turkey, Iran, Israel, Saudi Arabia, and Qatar. Lacking the recognized status of the regional centers of power, and as they compete with each other for this status, they are attempting to get international support to influence the countries that became the scene of political turbulence and internal confrontation. The roles played by regional organizations (the Arab League, the Gulf Cooperation Council) and international organizations (the Organization of Islamic Cooperation, the Nonaligned Movement, the United Nations) also rose somewhat.

1.1. Saudi Arabia and Qatar

The rulers of Saudi Arabia and Qatar have to date avoided these revolutionary upheavals, and provide financial, information and even military support to the opposition and rebels in Tunisia, Egypt, Libya, and Syria. These actions can be explained by a number of objective and subjective reasons, with the latter being of particular importance since the policy of the GCC states that is defined by a very limited number of actors is highly personified.

Arguably the most significant objective reason is the competition between the Arab monarchies and Iran, and specifically the fear of growth of Iran's regional

³ USA: Syria may use chemical weapons against people // BBC, Russian service. 4.12.2012. URL: http://www.bbc.co.uk/russian/international/2012/12/121203_syria_chemical_weapons.shtml

⁴ Western mass media prefers not to recall this embarrassing fact, but quite recently respected journalist Robert Fisk highlighted it (R. Fisk. The truth about chemical weapons and who may or may not have them // The Independent. 08.12.2012).

role and its perceived nuclear threat. This provides considerable motivation for some GCC states to spend enormous resources on supporting those who have taken up arms against the Assad's regime in Syria.

The subjective reasons include the wish to boost their status, but also the ideologically-driven foreign policy that results in the broad support for Islamists of various orientations: the Muslim Brotherhood in Qatar, and the Salafis in Saudi Arabia. The early breathtaking success of the Al-Jazeera and Al-Arabiya satellite channels owned by Qatar and Saudi Arabia caused a certain "headiness with success" in the ruling families of the Gulf.

Active "overtures" by Gulf States to the Islamists could entail dangerous consequences, particularly given the forthcoming change of power in Saudi Arabia. There, the ruling conservative dynasty is neither regarded as an ally by the Jihadists, nor by the Salafis. Other Gulf monarchies fear the expansion of the Muslim Brotherhood, which threatens to deprive them of their monopoly on power. This is primarily true of Kuwait and the UAE. The law enforcement agencies in the latter even launched a crackdown against the Muslim Brotherhood.

1.2. Turkey

Turkey is as active in the Middle East processes as the Gulf countries. The "Arab awakening" took place after Turkey channeled its foreign policy to the region through Ahmet Davutoglu's "Zero Problems Policy," which allowed the political course to be altered, and lent it a new ideology. In 2011-2012, the West and moderate Islamists viewed Turkey as a possible development model for Tunisia, Egypt, and Libya. It was considered an advanced state with a ruling Islamic party that recognizes secularism, is guided by the principles of market economy, and demonstrates a consistent adherence to democracy.

But the "Zero Problems Policy" obviously failed. Relations with close neighbors either did not change or deteriorated, as can be seen with Israel, Iran, and Armenia, to some extent — with Azerbaijan, Cyprus and Greece, and also with such remote partners like France and Germany. Turkey's position as a "role model" for Arab countries is also doubtful due to its completely different political culture and power structure.

Moreover, Turkish efforts in the Middle East carry negative implications within the country. There is a close link between political infighting and the lurches and corrections of the foreign policy. The Justice and Development Party's (JDP) Middle East policy is limited by the weakened military elite and political opponents, mainly the Republican People's Party that criticizes the JDP's policy on Syria.

The probability of an outcome to the Syrian scenario that is "negative" for Ankara is very high due to concerns over an impending humanitarian disaster

resulting from the ever-growing number of refugees in the country's south-east, a frustrated Alawite minority, more frequent armed conflicts, inflow of radicals and aggravation of the Kurdish problem. If the situation changes for the worse, the ruling regime's popular appeal will fall considerably due to Turkish voters' high volatility. The forthcoming election will require more cautious and circumspect steps from the JDP (calls for them to "to step on the brakes" have been made just recently) and, possibly, a correction of the political course.

1.3. Iran

The Islamic Republic of Iran (IRI) is yet another country that is keen to take the role of the regional hegemon. The Iranian leadership, which enthusiastically welcomed the Arab revolutions, initially interpreted them as in some way similar to Iran's 1979 Islamic revolution and in parallel with Turkey suggested the Iranian regime as a model for the regimes created by this "Arab awakening." The IRI's leaders, keen to strengthen their position, managed to improve relations with Egypt thanks to the standpoint of the new regime, which expressly prioritized the need to normalize relations with Tehran⁵. But Tehran's position became more complicated after the crisis in Bahrain, and particularly after the marked aggravation of the Syrian crisis. It was clear that, if Assad's regime falls, Iran would lose its only ally in the region, and the position of Nouri al-Maliki's friendly government in Iraq and the Hezbollah party in Lebanon would be jeopardized.

At the same time, a tightening of the international isolation the country faces and the growing negative impact of sanctions complicate the socio-economic environment within Iran and emphasize that the need to "reach agreement with the West" is one of Tehran's priorities. However, hopes of resolving the nuclear issue within the 5+1 are waning, and the idea of establishing contacts with the United States is expressed increasingly frequently. Some of Iran's religious and political leaders understand that real steps can only be taken after the Presidential elections (June 2013) and are currently looking for a candidate who would be capable of gaining the West's trust. Some circles show a considerable interest in the development of contact with western countries. If this initiative succeeds, it will open up potentially favorable prospects for industrial development, resource development and the further humanitarian evolution of Iran, thus contributing to the country's transformation into the regional superpower.

If the United States and the EU further tighten their policy towards Iran and refuse to make concessions, religious sentiments may become more radical, the

⁵ On August 30, 2012, Egypt's President Morsi attended the Nonaligned Movement summit that took place in Tehran. It was the Egyptian leader's first visit to Iran after the diplomatic break between the countries in 1979. Moreover, President of Iran from the first time since 1979 came to Egypt on February 5, 2013 to participate in the summit of the Organization of Islamic Cooperation.

political elites struggling for power may consolidate around the country's spiritual leader urging all forces and efforts to stand against the IRI's "enemies."

1.4. Egypt

Post-revolutionary Egypt is likely to become a key regional player. The new authorities, preoccupied with the country's security and strategic interests are trying to win back the leading role in the Middle East that the country once played, and which was diminished in the final years of Hosni Mubarak's rule. Revolutionary Egypt declared independence, non-alliance with any groupings and a revision of relations with some countries (e.g. Iran) as new underlying principles of its foreign policy.

In November 2012, Mohamed Morsi skillfully handled the crisis in the Gaza Strip. On the one hand, in acting as mediator, he boosted the international reputation of both the regime and himself, and also allayed the West's fears about the current status and prospects for Egypt-Israel relations. On the other hand, he distracted people from the existing and potential failures in domestic and socio-economic policy, appealing to their patriotism and national pride. This foreign policy success enabled the President to take further political steps to consolidate his power. In assuming prerogatives, he somewhat overestimated his abilities, prompting highly-charged protests by the liberals, secular and leftist forces who once again called their supporters out onto the streets. The resulting public disorder proved that it was too early to speak about the stabilization in the largest Arab country of the region, despite public approval for the draft constitution in December's referendum.

1.5. Israel

Israel boasts a special role in the Middle East. Due to historical, cultural, civilizational and political factors, Israel has historically been treated by the majority of the Arab world as alien to the region, as a pariah country. At the same time, until recently, it could also claim broadly stable relations with its Arab neighbors. But the situation in the region prompted the Israeli government to reshape their regional policy. Formerly, Israel used to believe that potential terrorist threats could come from Libya, Syria and the Gaza Strip. Now, in light of recent developments, they fear a threat on the fourth front — Egypt, comparable with the other three combined. The most pessimistic politicians predict terrorist attacks and shellfire on the borders from four sides and fear that Israeli society will not be able to withstand the resulting moral, physical and economic pressure.

Today, Iran is believed to be Israel's main strategic enemy and this confrontation is the core component in Israel's regional strategy. Though the chances of a real nuclear strike on Israel are minimal, one cannot completely

exclude the possibility that Tel Aviv may take radical steps up to a preventive military operation.

Israel's support in the region is on the wane, in the context of this new wave of hostility. The Jewish state is becoming more isolated within the international arena. A marked reduction in foreign states' ability (primarily the United States) to define the trends and events in the Middle East further deepens Israel's isolation. Politically-motivated violence against Israel and the United States threatens to increase.

Having spoiled relations with Egypt and Turkey, Israel tries to compensate it by forming new alliances. It actively seeks to strengthen its relations with Russia, the countries of the Balkan peninsula, Greece and Cyprus, and seeks a better rapport with Saudi Arabia, its Gulf neighbors and Azerbaijan.

For Israel, the main domestic outcome of these events is the tightening of defense policy and the readiness to use extremely tough measures if needed.

2. MIDDLE EAST CONFLICT (MEC)

Involvement in conflict resolution is a key aspect of Moscow's interests in the Middle East. Participation in a Middle East settlement within the international quartet of mediators with all its routine and nominal results, offers Russia the opportunity to chalk up a high-profile example of successful cooperation with the United States and the EU, while other Middle East and Asian issues elicit ever-more differences. Involvement in conflict resolution is traditionally seen as proof of a country's "leading world power" status.

Comparing the impact of the Middle East conflict and the "Arab spring" on Russian security may lead us to conclude that the instability and strategic uncertainty caused by the Arab events pose a more serious challenge than the unresolved Palestinian issue, despite the regular aggravation of the situation around Gaza. In fact, the clash between Israel, Hamas and Islamic Jihad in November 2012 demonstrated that the threat to Israeli security can be minimized by the "Iron Dome" system which proves a highly effective defense against Palestinian missiles. With this system's further enhancement, the balance of forces in the region may change considerably. The Israeli government would be able to protect its population against rocket attacks, and the Palestinians have no other weapon in their hands.

Nevertheless, it is true that the radicalization of the broader Islamic world that stretches beyond the boundaries of the Middle East, and the mobilization of populations across the region take place against the backdrop of the Palestinian problem. The MEC is used as a political tool by elites in Arab countries, by Iran and Turkey and by crowds which can be easily ignited against domestic rulers as

well as against those countries that either maintain or are expected to maintain relations with Israel.

In Russia and Central Asia, the activities of Hizb ut-Tahrir al-Islami (HTI), which was founded as a political party in 1953 in Jerusalem, places a new “Middle East” topic on our collective agenda. They pose a threat to secular nationhood and aggravate sectarian and inter-confessional tensions. The Middle East conflict has a domestic policy aspect for the Russian Federation because a lot of Russian citizens live in Israel and in Arab countries, so protecting their rights and their security is a cornerstone of Russian foreign policy across the region. The attitude of some Russians, political groups and experts demonstrates the continuing perception (though to a lesser degree) of the Middle East as a locus of opposition to the West’s intrigues that aim to reduce Russian influence in the international arena and force it out of priority regions.

The international mediation quartet (the United States, UN, EU and the Russian Federation) remains the principal settlement mechanism. Today it comes in for sharp criticism, and the contribution made by Tony Blair in particular is viewed as having been absolutely useless⁶. As yet, there is no alternative to this quartet, but the need to find new approaches is becoming increasingly acute. Among all the various proposals put forward by experts, the idea of enlarging the number of countries involved by inviting those in the BRICS (together or individually) is worth mentioning.

The Arab-Israeli conflict has taken second stage to the “Arab awakening,” elections in the United States and Israel, and the EU’s ongoing economic problems. To some extent this has been due to the waning of the Oslo process, which has run its course, and the fact that the continuing need for new ideas and approaches remains unsatisfied. No changes have taken place since January 2012, when a meeting of the quartet’s special representatives, with the participation of Israeli and Palestinian negotiating teams (Isaac Molho and Saeb Erekat), took place in Amman at Jordan’s invitation. The Israeli government has not shown any discernable interest in negotiations that could bring the return of territories, evacuation of settlements and compromise on the Jerusalem issue. This stance is likely to continue as the Likud-NDI coalition won the elections in January 2013, with Benjamin Netanyahu as Prime Minister.

Amid this deadlock, the nascent reconciliation between Hamas and Fatah stalled along with the possible creation of a joint government. The UN General Assembly resolution granting observer status to Palestine introduced a new ingredient into this situation, but it should not be overestimated. From the Israeli

⁶ M. Kalman. Useless, useless, useless: the Palestinian verdict on Tony Blair // The Independent. 16.12.2012.

leadership's perspective, this formal recognition may uphold the dented position of Abbas but does nothing to change the situation on the West bank. Palestinians' complaints lodged with the Hague Court may be an irritant, but no serious reprisals can be expected from the international community, particularly as the United States made its negative view of the recognition of Palestine evident.

The Israeli government's immediate response looked like an attempt to achieve political and economic "reprisals" against the NPA, but everything has its limits. Israel with the ongoing occupation of the territories is not only exercising its alleged right, but also has to fulfill a number of obligations to provide for the essential needs of the Palestinian community in the West Bank.

Given these unfavorable conditions, there are still some options on the table at international and regional level that could revitalize the settlement process.

Middle East experts are increasingly focused on the possible creation of a UN special commission that brings together reputable, recognized persons who would travel to the region for regular meetings to establish which kind of settlement would be most acceptable for Israeli and Palestine. After these initial open and transparent hearings it would then be possible to draw up a settlement plan and submit it to the UN Security Council that, in its turn would present it to the relevant governments. This would essentially be parallel diplomacy with UN support and direct public involvement in the settlement process. Russia has relevant experience of civil diplomacy that could prove very useful in this case. Of course, this approach would be fraught with difficulties, but public support for possible compromise might push their governments to accept a new formula for the resumption of the talks. Impartially documented public opinion is also needed to provide the UN and quartet with ongoing monitoring data they need to ensure that their decisions correlate to public opinion. And finally, any failure in this approach would not inflict any reputational damage.

This idea may be best implemented in a bilateral Russian-American format, i.e. by creating a commission led by high-profile figures such as Evgeny Primakov on the Russian side and Bill Clinton or Henry Kissinger on the American side⁷.

One also could return to the interim steps that were envisaged in the road map. While the territorial issue plays an important role in negotiations, some of the territories in C area on the West Bank could be put under Palestinian control.

Russia should not push the idea to call an international conference. However, organizing and supporting public efforts, involving Russian NGOs in monitoring the situation, contacting conflicting parties and establishing channels of influence may become an important direction in Russia's policy on the Middle

⁷ This idea is supported by a number of influential American experts.

East. Today, this direction is virtually non-existent. The main focus is made on official channels. Of course they take priority, but unfortunately, in the absence of any direct results (which is frequently the case when it comes to the Middle East) they may just devalue the efforts.

It is important to state explicitly that Russia condemns shellings of the civilian population that aim to cause maximum damage. Usually these condemnations are followed by so many caveats that ordinary Israelis interpret these measured Russian statements as direct approval of the actions of Hamas and Iran.

It seems that, in the UN Security Council, by force of habit we still prefer to push our ideas through, in part to earn respect for our position. But other Security Council members do not always perceive this position as the only approach, and the result is that Russia remains somewhat isolated, in policy terms. Obviously, significant efforts should be applied to developing compromises that will not deprive Russia of this room to express its own views and approaches but will also allow it to remain a key player in the “settlement team”.

Today, Russia is not yet able to advance its own Middle East initiative. This is due to lack of funds and other resources, despite good relations with all the parties involved. A complex and controversial settlement process could see contradictions emerge between various political vectors.

In early November 2012, Mahmoud Abbas attracted significant attention by an interview with Israeli TV’s second channel. He said that, although he is a refugee from Safed, (his family left in 1948), and although he feels he has the right to visit the town, he does not think he has the right to live there, and accepted the 1967 borders of Palestine (with its capital in East Jerusalem). The rest, he said, belongs to Israel. This statement was in fact an indirect withdrawal of the key Palestinian demands — to recognize the Palestinians’ right to return. Answering the question about the possible new third intifada, he stated that no new intifada would take place while he heads the Palestinian Authority⁸. Abbas’ comments elicited criticism from numerous Palestinians and Hamas. It is clear that Abbas was making a desperate gamble to persuade the Israeli leadership to move to reconciliation, while at the same time attempting to get international support for the recognition of Palestine’s independence. On November 29, 2012 the UN General Assembly granted Palestine observer state status with an overwhelming majority. Hamas’ leaders welcomed this decision, having supported Abbas. But during his first ever visit to Gaza in December 2012, Hamas chief Khaled Mashaal disavowed the compromise position of Abbas (and his own possible concessions) saying that Hamas will not cede an inch of Palestinian land and does

⁸ Despite this statement by Abbas, Israel’s politicians and military announced preparations for the third intifada. See: Asaad Tilhami. Israel... expects the third intifada // Al-Hayat. 11.12.2012.

not recognize Israel⁹. It is difficult to say whether his statements were populist rhetoric or whether they signaled a return to the previous hard-line course. This, and the mere fact of the UN's symbolic acceptance of Palestine, hurt Israel.

There are few chances for peaceful reconciliation, but hope remains.

Given these circumstances Russia must pay closer attention to the Middle East settlement process, the Middle East quartet should be more realistic in assessing its capabilities while also making efforts to increase its efficiency.

The Middle East peace process remains a priority issue for the international community, even though it may have slipped down the agenda. Our country should retain a role in the mainstream process and expand this role as is realistic should the opportunity arise.

⁹ Sabbah Fathi. Mashaal ends his visit to Gaza with a tighter position against reconciliation // Al-Hayat. 11.12.2012.

III. RUSSIA AND THE REGION

1. ADAPTATION DIFFICULTIES AND MUTUAL PERCEPTION ISSUES

The international community adapts with difficulty to the abruptly changing situation in the Middle East and political “scuffles” between regional players (Russia and China on the one hand and the West on the other) and, to a lesser extent — between various western states.

Numerous experts believe that the United States and Europe managed to readjust to the new realities more rapidly. But this does not mean that their political approach to the whole package of regional issues is measured, long-term and ultimately in the West’s own interests. For the United States in particular, relying on the political capital that they could potentially gain from solidarity with this wave of revolutions and upheavals in the Arab world, would mean misinterpreting the development of transient processes in the countries undergoing these transformations.

The beginning of the “Arab awakening” did not reveal any major differences in the positions of Russia and the West, though each party’s approach has its own nuances. For example, unlike the United States and France, that mainly for pre-election reasons “idealized” the Arab revolutions, Russia, having long supported the justified aspirations of the Arab people and their right to a better life, emphasized the inadmissibility of external interference for the sake of regime change and the need to resolve domestic issues through political dialog. The Arab issue was only thrust onto the international agenda with the wave of Libyan and Syrian events, when differences between Russia and the West escalated into open dispute surpassing regional boundaries.

However the opportunities for exerting external influence on the chaotic processes in the region dwindle, they already have an international status (de-

facto and even de-jure), mainly thanks to the Arab states. Regionally and globally, Russia is suffering reputational damage that could be unfavorable for our political, economic, and other interests in the Greater Middle East. At the same time, we should not follow the examples of some authors, and magnify the scale of such damage, or believe in the alarming forecasts of the “frosts” that are apparently set to cast a chill over Russian-Arab relations.

One should remember that, in the Middle East, Russia is perceived as a country with a congenial civilization, belonging equally to Europe and Asia, to Christianity and Islam, and not ultimately attributable to the world of European “oversecularism” unacceptable to the Middle East societies, especially in this “post-spring” period¹⁰. At the same time, the values promoted by Russia — stability, social peace and justice, conservatism and several options for social development — are viewed as inherent to its political regime and predefined by its own historical development.

Historically, the Russian interpretation of universal values was more welcomed by the Arab world than the Western one. The “Arab spring” showed that the liberal approach, with its typical emphasis on the personal rights and freedoms, was appreciated only by active and advanced Arab communities, and only the concepts of personal freedom and justice really became popular demands.

Our inherent mistrust in the concept of democratic transition and the reservations we have expressed regarding the West’s rhetoric on human rights are not always perceived by the Arab world. Russia’s position during the “Arab awakening” is often interpreted as ossified, poisoned by the Cold War heritage and derogatory for Arab communities that, under this paradigm, become not the subjects, but the objects of the international policy and action-plans proposed by global players. This negative approach is only worsened by the inherent weakness of the Russian information space. At the same time, the continuous assertion of our own independent position inspires respect and raises the possibility of strengthening it.

The origins of our problems can be divided into two groups.

First, there is the victory of political Islam in free elections and Russia’s stance towards Islamic forces.

Second, there is the Syrian crisis and the difference in the attitude of Russia (supported by China and some other states) on the one hand and Western countries joined by influential regional states on the other hand.

It is clear that we cannot avoid all contact with the Muslim Brotherhood that has come to power, or at least taken a prominent place in parliaments or executive

¹⁰ Ibrahim Kalin, advisor to the Prime Minister of Turkey and one of the leading ideologists of the JDP in his speech to the participants of Istanbul forum of 2012 named Europe’s “oversecularism” as one of the main reasons that the European development model is unacceptable for Islamic communities.

bodies, in a number of Arab countries. There are at least two issues to be taken into account. First and foremost — which kind of Muslim Brotherhood group (or organization that developed from it) are we dealing with? Is it moderate or radical? Does it seek to expand its influence to other countries? And if so, what level of threat could these activities pose to Russia?

From one perspective, our foreign political and economic interests necessitate the development of relations with these countries (such as Egypt) and therefore the establishment of contacts with those political forces that are in power. Islamism per se should not be an obstacle, as we have close relations with Turkey, where the ruling party stems from the Muslim Brotherhood and ideologically is very close to it. On the other hand, our foreign political and economic interests are intertwined with domestic policy and the question of how developing relations with Islamic regimes may impact our domestic Muslim community is far from being merely of academic interest. A situation in which domestic policy is hostage to foreign policy is obviously untenable. The ideological influence of Muslim Brotherhood over Russian Muslims should not be held in check by shutting down political contacts, but rather through other means. Labeling all Muslim Brotherhood organizations as extremist would only harm our interests.

In making decisions on these issues, we should ensure we have a clear understanding of the timeline for the “Arab awakening.” We view this as a long-term phenomenon (some experts suggest that this period of turbulence will last decades) as the mere word “awakening” evokes a different wave of massive political activity across the Arab world, which resulted in decolonization. But while that activity was one of national liberation and was promoted by secular nationalists and left forces, the activities of 2011-2012 mainly stem from the urge for renewal, democratic modernization (even with an “Islamic” face) and their key exponents were Islamists and, to a lesser degree, liberals. That’s why the urge for modernization paradoxically resulted in an archaism that inevitably brought Islamists to prominence on the political scene. Religion occupied an empty niche as has happened in other cases when prevailing ideological systems discredited themselves. Today the divide has occurred along “Islamism-secularism” lines, and manifestations of extremism can be seen on both sides. However, there is an acute confrontation brewing within the Islamists between the different groupings that are struggling for power and influence.

This should not be dramatized, nor should the threat it poses be overstated. Neither the “Arab awakening” nor the “Arab spring” should be actively extrapolated to the domestic situation in Russia or other CIS countries. Any parallels between the “Arab spring” and the “orange revolution” that appear in the mass media via certain Russian analysts and that are interpreted as our official positions do not correspond to the national interests of Russia and present us as a weak state,

constantly seeing danger from all sides. We are a strong, resilient state, capable of resisting whatever challenges the “Arab awakening” throws at us and at the broader international community. A dynamic and creative policy is needed for this purpose. Thorough and well-planned establishment of relations with new regimes and political players in the Middle East is in our interests. But this should be done as quickly as possible or we risk losing many of the opportunities on offer.

2. THREATS AND CHALLENGES

Of course we should not forget about the threat that the strengthening of Islamists across the Middle East poses to the domestic situation in Russia. Growing confrontation between followers of Hanafiyah, traditional in Russia’s Turkic community, or Shafi’i and Sufism that are practiced in the North Caucasus on the one hand, and proponents of Salafism, Wahhabism and ideas of the Muslim Brotherhood on the other hand cannot but raise concerns. We must counteract the impact of intrusive extremist groups that damage Russian statehood (e.g. the dangerous uptick in the activities of Hizb ut-Tahrir al-Islami in the Volga region). But the extreme scenarios put forward by some analytical centers that are viewed by Muslims as Islamophobic do not contribute to the success of these efforts. As a result, foreign missionaries get an additional boost and the pressure on us increases.

Excessively extreme rhetoric employed by many Russian political scientists who, when interviewed on Russian TV networks, project events in the Middle East onto the Russian reality, emphasizing only the negative consequences of the revolutionary changes in the region, prevent a pragmatic approach being formulated towards foreign political Islam. The negative aspects of the “Arab spring” are highlighted with a primitive anti-American rhetoric that is often neither relevant nor helpful. In the Arab world this is perceived as Russia’s official position, and leaves a bad aftertaste. Arabic public figures are resented when the movements, caused primarily by internal reasons (however much supported from the outside) are presented in isolation from the national environment and their leaders look like stooges. Politically-charged statements in a number of Russian mass media outlets targeting the domestic audience in no way correlate to the balanced and measured speeches of Sergey Lavrov and officials from the Ministry of Foreign Affairs. The former nullifies the political effect of the latter, even discrediting to some extent the state’s foreign policy as implemented by the Ministry of Foreign Affairs.

It is good that there is a diversity of views on this topic in Russian society but the mass media must also present the opinions that accurately represent and explain our official standpoint, otherwise the available comments will always

be treated as the reflection of our official positions or major discords between decision makers. Any general criticism of the “Arab spring” in Russian mass media is immediately picked up by Arab mass media, and Russia is presented as a state resistant to change, even where this change is supported by the population of the country or countries involved. During the last two years, our image was badly damaged by the absence of coordination and some inconsistency in foreign policy in the Middle East¹¹. A number of experts feel that our Arab policy obviously became more consistent from the end of 2011. In this context, we should actively highlight such beneficial elements of our foreign policy as the adherence to international law, if we are to demonstrate more convincingly that our policy is not based on geopolitical or pragmatic interests (such as the benefit the Russian Navy derives from Tartus port facilities) but on philosophy or respect for the world order.

This bifurcation in how Russian officials and experts understand the “Arab awakening” was possible because, generally speaking, revolutionary changes in the region were contradictory and ambiguous, and as such were not publically assessed at the top level. Some comments made on particularly concerning events in Syria or Libya can hardly be regarded as a proper and full expression of the state’s position.

In view of the above, it would be advisable to publicize Russia’s official position on the phenomenon of “Arab awakening” and the Islamic parties that have quickly established themselves in political scene and taken the lead in the post-revolution rebuilding of Arab states — in the process gaining international legitimacy. Without this, it would be difficult to establish business partnership relations with, e.g. Egypt, which has every chance of recovering its leading role in the Arab world. Simultaneously, universal support should be granted to secular politicians, as their rise would counter-balance the influence of Salafis and Jihadists.

A great deal will depend on the outcome of the incipient struggle within political Islam, as the three groups mentioned above try to coexist under the same umbrella organization — i.e. the Muslim Brotherhood and related organizations that promote non-violence and adhere to the principles of elections and pragmatism in their policies, the Salafis that adhere to medieval interpretations of Islam on state structure and public life and the Jihadists who have not abandoned the methods of political terror. The United States and Europe, offering financial, economic and political assistance and simultaneously striking at Jihadists in

¹¹ The experts give as an example the situation when our Minister for Foreign Affairs at a certain stage of the crisis in Libya said that Moscow fully relies on the initiative of the League of African Nations supported by the Russian leadership and shall not make any independent steps while Mikhail Margelov, Presidential special representative for Africa went to Libya as an intermediary (and Gaddafi refused to see the senator).

Yemen, Iran, Pakistan and Afghanistan, bet on the strengthening of the moderate wing in the Egyptian government represented by MB leaders.

The tactics the Americans used regarding Algeria long before the “Arab awakening” proved efficient, which also broadly complies with Russian interests, and may offer common points for business and political interaction with the United States.

The problem of political Islam raises a number of questions, for example — the ratio between modern development and national religious traditions; or whether the modernization should go ahead in compliance with Islamic rules (in their moderate interpretation) or it whether it should end up as westernization with the active attempts of the West to impose its system of values on Arab communities. The political transformations that took place in the Arab world explicitly demonstrate that a democratic modernization project can only bring the expected results if it heeds historical traditions. And vice versa — political reforms will not succeed if implemented as an alternative to Islam and perceived by the Muslim community as a challenge to their religious values.

So, the strategy of democratization that can be discussed at senior levels with the West must be aimed at the integration of the Muslim world into global process but while taking account of Islamic values (including political and legal values) that are compatible with the generally accepted democratic principles which have been reviewed to take into account contemporary realities. This approach will stimulate Muslim scholars to modernize the theory and practice of Islam.

If Russia’s principled position is made public in the President’s speeches, it would eliminate these numerous uncertainties and ambiguities, and facilitate the planning of further steps to protect Russian interests in the Middle East. It would also be a timely signal to Russia’s Muslim community that takes into account the complex and disturbing processes underway there.

If in this policy towards the Islamic world we assert ourselves as a force that is willing and able to reconcile different camps, we should exploit our traditional relations and whenever possible work together with the EU and the United States, rather than seeking to counterbalance their efforts in our policy. At the same time we should distance ourselves from their mistakes, first of all — the unacceptable interference in the internal processes in the region, armed intervention included. That said, even the Americans have learned their lessons from the failed experiments to orchestrate developments in Middle East, and the most realistically thinking politicians speak about the threat that this kind of interference can pose to the long-term interests of their country. But it would be useful for us to take more active steps to balance the relations with different partners benefiting from their wish to diversify foreign policy. It should be noted

that Russia and the United States share the desire to prevent Syrian chemical weapons from falling into the terrorist hands.

The dynamically-changing balance of forces in the region must also be taken into account when steering a course for reconciliation and selecting relevant political instruments. For example, the pressure on Iran is increasing and the country is suffering from economic sanctions. But on the other hand, Iran is developing and sometimes scores foreign policy successes — e.g. Tehran managed to get a leading position in the “revived” Nonaligned Movement that it will head for the next four years. To some extent, the Nonaligned Movement will act as a counterweight to the Organization of Islamic Cooperation (former Organization of Islamic Conference) in which Russia has observer status. Russian presence in both organizations is a useful asset for it.

While the normalization of relations with Islamic forces is inevitable, Russia must also act to protect the interests of Christians in the Middle East. Our slackness contradicts our role as the leading Orthodox state and one of the pillars of Christianity. The mere fact that Russia has never engaged in religious wars can be productively used in the regional policy. And the Russian Orthodox Church could be more active in this direction.

Will democratic modernization under Islamic slogans be successful? Will states ruled by Islamic organizations join the developed economies and expect their values to be understood? Time will tell, but many states maintain their uniqueness drawn from centuries-long traditions while also being some of the most developed countries in the world (e.g. Japan, countries of South-East Asia, and China).

Returning to the American strategy of constructive contacts with “moderate” Islamists, we cannot but admit that, despite serious failures, it seems to work. The United States has managed to somehow reduce the level of anti-Americanism in the Arab world despite its ongoing unlimited support for Israel and military operations in Afghanistan and Pakistan (with whom Washington’s relations are worsening). But the United States could fall into the trap that it itself set during the war in Afghanistan, having nursed the force that later turned against America after the withdrawal of Soviet troops.

3. RUSSIA’S POLICY ON THE SYRIAN CRISIS

Our policy on the Syrian crisis is impeccable from the viewpoint of principles, but needs some corrections to take into account the reputational costs and the dynamic developments in and around the country. Actually, these corrections are already underway as demonstrated by recent comments made by our senior diplomats.

The Russia-China foreign policy tandem created on the Syrian crisis is one of our greatest achievements. This tandem has every chance of becoming permanent, despite differences in priorities and interests. As for the United States, one should note that its policy on the Syrian crisis has been flexible, which boosts hopes that it will be possible to reach the understanding that we need to confront these common threats. The United States is greatly concerned by the rise to power of religious extremists and terrorists within the anti-Assad movement. They have, in all likelihood, understood that their unconditional support for the armed rebellion discredits the values proclaimed by America. If those who today are fighting Assad were to come to power, it would not benefit Washington, but would rather enhance the threat faced by the United States and their allies in the region¹².

That is why the Americans have not only refrained from supporting the calls of some European countries to recognize the doomed Syrian National Council (SNC) comprising “emigrants and professors” as “the only legitimate representative of Syrian people” that was prompted by Libyan scenario, but have even tried to “change horses.” This sparked the creation of the initiative to reorganize the SNC and form a new opposition political organization that formally unites all oppositionists (even if it is just on paper). This initiative was implemented by the United States together with Qatar in the form of the National Coalition for Syrian Revolutionary and Opposition Forces (NCSROF). Its creation came as Obama’s strategy changed when, on the eve of elections, he tried to score at least some kind of success in the Syrian crisis and instead of purely Sunni-oriented actions, attempted to enlist the Alawites and the Christians into the opposition. To some extent this initiative was targeted on Saudi Arabia, which is regarded as the United States’ ally but which does not generally enjoy its trust, is instead viewed as a source of danger and sharply criticized by some American political establishment (mainly by the “neocons”). It is worth recollecting that the late French-American analyst Laurent Murawiec in 2002 suggested seizing Saudi oil fields and even occupying Mecca.¹³

The American initiative did not find unanimous support among the rebels; to say nothing of the Salafis and Jihadists that are becoming numerous in Syria. They were particularly displeased by the fact that Washington included Jabhat al-

¹² As the International Crisis Group wrote: “By the first weeks of 2012, opposition ranks were debating whether to declare jihad against the regime – a very long propounded on more militant, hard-line forums but until then considered taboo among the mainstream oppositions. This shift coincided with the emergence of the uprising’s first two prominent Salafi armed groups: Jabhat al-Nusra [the Support Front] and Kata’ib Ahrar al Sham [the Freedom of Syria Battalions], both of which unambiguously embraced the language of jihad and called for replacing regime with an Islamic state based on Salafi principles” (Tentative Jihad: Syria’s Fundamentalist Opposition. Middle East Report № 131 // International Crisis Group. 12.10.2012).

¹³ See: V.V. Naumkin. Islam and Muslims: culture and policy. M-Nizhny Novgorod, Mediana, 2008, p. 574.

Nusra (The Support Front for the People of Syria) on the list of terror organizations. The recognition of NCSROF as the only legitimate representative of the Syrian people first by France, the UK, and the GCC countries and later by other states, including the United States (but only as a “legitimate representative”) opened the floodgates to the escalation of military confrontation in Syria and direct foreign intervention. On the sidelines at the Manama Dialog, December 7-9, 2012, Western representatives expressed the deepest concern about the comments made by some Arab participants that the rebels are not demanding that their western allies push through the decision to create a no-fly zone in Syria similar to Libyan one, because they expect to establish such a zone by themselves¹⁴. It is clear that should the rebels get hold of such sophisticated weapons they would inevitably proliferate extensively and would be used against Western targets. There is an obvious incongruity of the United States and NCSROF positions on the key issue: the Americans urge not to repeat the two major mistakes of Iran (de-Ba’athization and the dissolution of the army) that brought the chaos to the country, and the leaders of the NCSROF announce the wish not only to overthrow Bashar al-Assad but to “dismantle” the whole regime.

It should be noted that then the American administration refrained from transferring heavy weapons to armed groups of Syrian rebels, as after the murder of the U.S. Ambassador in Libya they feared that these weapons could get into the hands of terrorists and later be used against Americans.

It’s illustrative that some changes in the positions of our western colleagues were due to Russia’s firm stance. For the time being, the Syrian regime demonstrates stability but is still losing ground. We should carefully consider various scenarios for the further developments in that country, including the post-Assad era. Some steps should be taken today, such as blaming all parties to the conflict for the bloodshed and condemning the brutal and dangerous actions of Jihadists. We should actively express compassion for the victims of the conflict, and participate in the international organizations’ initiatives to provide assistance to them. For instance, China, notwithstanding the common standpoint with Russia on the Syrian problem, also provides humanitarian aid to Syrian refugees who accept it.

The civil war that started in Syria due to sectarian disputes is becoming protracted. When Kofi Annan’s mission ended, the Syrian army was not able to use the “full discretion” it obtained to suppress the armed resistance. Neither party is yet able to achieve a game-changing success, despite the rebels’ significant military success, and this situation could continue for a long time, unless there is an abrupt destruction of the regime from inside as happened in Egypt. In this stalemate, Russia’s losses will be more and more painful, but their long-term

¹⁴ Manama dialog papers 2012.

impact on Russian interests should not be overstated. Certain tactical adjustments are already being introduced into our diplomacy. Russia clearly stated that it does not advocate for the Syrian regime, and that all issues, including the possible resignation of Assad, should be resolved by the intra-Syrian dialog.

At the same time, an abrupt change in position will not serve Russia's long-term interests. As Sergey Lavrov said, "If all parties are telling the truth when they say that the top priority is ending the bloodshed and saving lives, then the Assad issue should be set aside, all parties must declare a ceasefire, UN observers should be brought in and the conflicting parties should be brought to the negotiation table without any preconditions like 'getting rid of the Syrian president.'"¹⁵

Having blocked the excessively assertive diplomacy of Saudi Arabia and Qatar, Russia demonstrated that, even with Western support, regional players cannot push for the region to be reorganized along lines that suit them without considering Moscow's position. At this point in time the priority for Russia must be restoring relations with this significant group of countries. In official contact with their leaders Russia should draw a clear distinction between politics and the economy, suggesting further development of economic cooperation despite different political approaches towards the Syrian crisis. It is clear that Syria is less of a "battlefield" for Russia and the West, than it is for the two regional powers — Saudi Arabia and Iran. We should consider the opportunity to become an intermediary in these regional powers' conflict of interests, amid escalating tensions between Sunni and Shia Islam. Here Russia can use observer status in the Organization of Islamic Cooperation and resources in the revived Nonaligned Movement.

The anti-Russian attitude could be neutralized to some extent if we could exert greater pressure on the Syrian leadership, not denying support but demanding more flexibility. Numerous Russian experts believe that Syria abuses the "political backing" it enjoys from Russia and China. Our steps and arguments should be more visible. In the long run, it was the Ba'ath leadership that has driven Syria to this dangerous situation, with its traditional stubbornness and unwillingness to estimate the circumstances realistically.

Against the backdrop of ongoing and future changes in the different countries of the Arab world, we should strongly defend our political course. It must be fully transparent and understandable for all global and regional players, including those who back these changes. Speeches by our officials and experts should carry the clear message that Russia's course is defined not by opportunistic interests but by principles. With the internationalization of the "Arab spring" as demonstrated

¹⁵ Answers by the Russian Minister of Foreign Affairs Sergey Lavrov to mass media on the result of Russia-EU summit in Brussels. 22.12.2012. URL: http://www.in.mid.ru/bdomp/brp_4.nsf/2fee282eb6df40e643256999005e6e8c/a81db48408de76fd44257adc004d10c7?OpenDocument

by Libyan and Syrian events, the issue of state sovereignty topped the agenda. Today some experts, including Russian ones, believe that the disintegration of the Westphalian system started long ago, as can be seen by the departure from the priority of state sovereignty, and try to convince us that this carries no danger. The arguments they give in support of this thesis are that we are well protected, stable and capable of protecting our closest allies, and that there is nothing to gain from risking our interests to defend the sovereignty of third “small” countries that lie outside the orbit of our concerns. This reasoning stirs sharp criticism among other, more numerous groups of experts, who believe we should consistently support the unconditional preeminence of state sovereignty.

IV. ECONOMIC COOPERATION BETWEEN RUSSIA AND THE ARAB WORLD

1. PREREQUISITES AND STATUS

Russia is one of the world's wealthiest nations¹⁶ and as such can assert itself as a global power. This is of particular importance at the moment, as globalization expands to embrace most states and actively incorporates them into the global trade and industrial networks, defining the vectors of intra- and inter-continental trade and commercial relations. In the background we can clearly discern the struggle for the preferential export routes where the most mobile and aggressive actors become beneficiaries.

In this environment, the economic anchoring of Russia in the Middle East is an important factor in safeguarding its national interests. This region boasts continuous high demand for products from the fuel and power industry, military and defense cooperation, investment tools etc. This acts as a stimulus for Russia to foster its domestic modernization, to upgrade its scientific and technical potential to meet the requirements of these sizable Eastern markets. Pursuing this course, Russia will really be able to demonstrate to the Middle East its ability to act as a counterbalance in the complicated relations between Middle Eastern countries and Western capital. Moreover — Russia will take a prominent place on the vast but volatile Arab market. These considerations should define the economic content of our Eastern policy.

From the beginning of the century, Russia has sought to enhance its economic contacts with the Arab world. Annual trade is growing steadily (from \$1.4 billion in 2000 to \$8.4 billion in 2012)¹⁷. The overall result benefits Russia — 90 percent of the overall transaction value comes from supplying fuel and energy

¹⁶ Wealth of Nations // The world Bank. URL: http://data.worldbank.org/sites/default/files/total_and_per_capita_wealth_of_nations.xls

¹⁷ UN Trade Statistics Database. URL: <http://comtrade.un.org/db/>

products, metal, timber, food, machinery, and equipment. Imports comprise food, petrochemicals, and textiles. Our main trading partners have been Egypt, the UAE, Morocco, Syria, and Yemen (70 percent of the total Russian-Arab trade volume). This economic cooperation includes infrastructure facilities, investment, and contracts on single projects that yield rather moderate annual results, with a maximum of \$100-300 million.

In absolute values, cooperation between Russia and the Arab world lags far behind comparable activities with Central Asia and the Middle East. In 2011 the five Central Asian republics' share in Russia's total trade turnover amounted to \$28 billion. For Turkey and Iran the same indicator equaled \$32 billion and by 2015 it can be expected to triple through trade with Turkey alone. In other words, the gap between the Russian Federation and Arab countries is very likely to become deeper¹⁸.

2. RUSSIA: POTENTIAL AND INTENTIONS

Even given the current situation, Russia's leadership is in a position to be optimistic¹⁹. As was underlined in early 2011, "we shall develop relations in full scope" and in early 2012, our intention to "promptly recover our economic position" in the region was reiterated. In others words, these phrases demonstrate our political will to deliver on further positive actions in this direction.

Russia is taking steps to improve the situation. The most recent initiative is the creation of the Export Credit Insurance Agency to protect capital against risk. The Russian direct investment fund was established to bolster joint investment in Russia and outside its borders, including the Arab world. These two institutions are designed to resolve frequent problems that arise impacting capital flow. The next step is the creation of the Arab-Russian bank as a catalyst for joint projects.

However, these are purely technical measures. Russia needs more efficient tools to fully rectify the situation. For the time being, this region is not a priority in the Russian Concept of National Security and in Russia's foreign trade activities, although that is something that can easily be changed.

Political actions should be comprehensive and consistent, have fine-tune measures to tackle strategic challenges.

In international trade, Russia should focus on profit volume rather than growth rate. As Russia has already laid the groundwork in high-tech and applicable research, water use, agriculture, environmental protection and other areas, it can complement the signing of investment contracts with the use of alternative forms

¹⁸ International Trade Statistics 2010-2011. URL: <http://comtrade.un.org/db/>

¹⁹ See: Vladimir Putin. Russia and the Changing World // Moscow News. 27.02.2012.

of cooperation, which may increase investment base due to the involvement of small- and medium-sized enterprises. Cooperation ties and successful business relations with as many institutions, companies, and individuals as possible are good not only for business but also help create support and agents of influence — as was achieved in the Soviet era.

The main format for cooperation may also change: instead of focusing on 2-3 countries or 5-10 large projects we should distribute the risks by increasing the number of counterparts and extending the scope of capital investment in the Arab world and Russia.

Another important topic is involving Islamic banks in this cooperation. We mean those banks that have proved efficient in Arab and other Muslim countries. For obvious reasons Muslim financial institutions could only be invited to participate in overseas projects.

3. PREPAREDNESS OF THE ARAB WORLD

The Arab world, which is currently going through a cataclysmic period, will suffer from what could be termed “post-spring” syndrome for quite some time in its socio-economic sphere and on the market. The Arab world has become yet more differentiated: the macroeconomic conditions in those parts that are capital-poor have deteriorated significantly, while the capital-rich segments are holding their breath, figuratively speaking, in the hope that so far the Arab monarchies have been able to contain events by pumping \$150 billion into social projects²⁰.

The financial base of many countries was undermined, already impacting the population and foreign economic potential of regimes that were forced to cut spending on food imports and now face much dimmer prospects for purchasing goods or modernizing weapons.

The Arab world has already demonstrated its capacity for instability, which does not benefit Russia, as the events of the Arab Spring abruptly unsettled Russia’s long-standing economic partners, such as Egypt, Libya, Syria and Yemen. In Libya alone the lost profits amount to \$4 billion, to say nothing of other costs. In other cases, no estimates of the damage incurred are available, but the figures would no doubt be impressive.

Extremely cautious and risk-fearing, Arab capital has yet to decide which structures to deal with in Russia. With some residual confidence in state-run companies, Arab business is not yet willing to cooperate with private capital. The

²⁰ K. Vicky. Arab Spring cost GCC \$150 bn // Emirates247.com. URL: <http://www.emirates247.com/business/economy-finance/arab-spring-cost-gcc-150bn-2011-09-06-1.417045>

latter is not regarded as a trustworthy partner, unless it is involved in international projects or has proved its efficiency operating independently from the state.

In this context, the region quite swiftly settled on the pragmatic approach to international economic cooperation that dominates to this day. Potential cooperation partners are viewed through the prism of their competitiveness, the adaptability of its products to local market needs and the profitability of potential deals are carefully calculated and compared to other exporters. Transactions and supplies are chiefly based on tenders, and non-competitive contracts dating back to Soviet times are inadmissible because the Eastern markets fear being labeled as dumping ones.

These factors, taken alone, create tangible barriers to the development of our foreign-economic activities (FEA) and could complicate Russia's future on regional markets. However, the need to protect their economic interests may force these "spring-born" regimes to correct their position on the global market, introducing a new focus on, and engagement with the Russian Federation. Checks and balances will be strongly demanded in relations with the West, and an ample case in point is provided by the deal worth \$4.3 billion concluded between Russia and Iraq in the sphere of military-tech cooperation.²¹

4. CHANCES AND PROSPECTS FOR RUSSIAN-ARAB COOPERATION

The turbulence in the Arab world echoes the incompleteness of Russia's transition to "civilized" capitalism. While Russia continues to be a key global energy resources producer, it has lost "great industrial power" status. So far, Russia lacks the productive forces for fifth-generation technology, is not considered a major or regular international supplier of state-of-the-art products with high added value, and is less competitive than its rivals operating in the Arab world. Exports in industrial volumes are restricted to raw materials and energy products, metals, pipes, timber, and certain types of machinery and equipment.

However, today the world (including the Arab world) is moving towards being a truly "technetronic" civilization. Russia, with its less than 1 percent share on the global electronic equipment and components market, has very limited room for maneuver. Besides, it is too early to say how Russia's accession to the WTO will impact its national economy, as the balance of benefits and losses is not yet clear. Therefore, the immediate future of Russia's economy in general and its foreign trade in particular can be only described in neutral to positive tones.

²¹ Russian Press: Iraq-Russia Deal Under Jeopardy // BBC, Russian Service. 12.11.2012. URL: http://www.bbc.co.uk/russian/russia/2012/11/121112_rus_press.shtml

This reveals the disagreements within the Russian establishment on Russia's Middle East policy after the "Arab awakening." While the situation is neither entirely positive nor wholly negative, Russia must ensure it adapts to these new realities thoughtfully and in a relevant way. Even if some Arab regimes turn towards Russia, this would not supersede the blunt negative line taken by others. Hence, it is important not be driven by emotion, but to calculate rationally all the options open in terms of Russia's FEA in the region, ensuring due regard is paid to the worsening situation and direct challenges.

At the same time, Russia evidently has the chance to make progress in its activities in the Arab world.

4.1. Cooperation Potential in Energy Resources

Russia as a major producer of crude hydrocarbons and extracts more oil than Saudi Arabia²². There are no grounds to suggest that, in the foreseeable future, Russia will not continue to develop its energy potential by carrying out further exploration activity.

Russia is not tied to Arab oil exporters by any systemic export/import agreements, but as a country with massive resources, Russia is dependent on the general situation on the oil market. Russia is willing to ensure stable supply and demand, and also to block a downturn in prices by managing its production capacity. Therefore Russia cooperates with OPEC on some issues, although this cooperation does not mean identical interests and views. However, close contact should be an imperative in future relations with OPEC. This precondition should be seen as a factor that would help control the supply and demand of hydrocarbons, and also to restrain the organization's monopoly.

We recall that, due to changes on the global gas market, by 2020 LNG might account for as much as 65 percent of the total gas supply volume. It would be wise to consider the prospects for our future participation in the global gas market today, and start building our position in the global LNG trade. There are weighty reasons to motivate such steps, i.e. the worsening situation in pipeline gas supplies to Europe and exploration of new deposits in areas where pipeline construction is difficult.

The severity of the current struggle on the gas front is evidenced by unrealized projects such as "gas OPEC." Disagreements that engulfed this initiative, the fierce competition between Russia and Qatar, and vehement protests from the United States ensured it was relegated to the background. However, in potential collisions of a global or regional magnitude "gas OPEC" could acquire key importance.

²² Russia's 2012 Oil Output Hits Post-Soviet High // Voice of America. 02.01.2013. URL: http://www.voanews.com/content/russias_2012_oil_output_reaches_post_soviet_high/1576511.html

Programs for the peaceful use of nuclear energy could play a significant role in the expansion of Russia's economic cooperation with the Middle East. The contract covering the construction of a nuclear power plant in Turkey, and the protocol signed with Kuwait on a similar subject could evidence the recognition of Russia's reputation in the nuclear-energy industry.

4.2. Potential for Military-Technical Cooperation

This type of foreign economic activity incurs high risks resulting from fierce rivalries and unforeseeable political complications in end-consumer countries. It would be in Russia's interests to operate very carefully in this area in the region, bearing in mind the deficit of financial resources in the "post-Spring" countries and the Arab monarchies' bias toward Western-made weapons. Russia should also seek to diversify debt settlement methods, adopt flexible payment procedures, offer benefits and credits, and even to accept lower returns on the arms trade. It would also be rational to consider offset transactions to enhance the competitiveness of Russian military goods — not only in sample quality but also in transaction terms.

It is important to recall that Russia's prestige as an active player in the Eastern market of military equipment may suffer from occasional publications in Russian mainstream media describing Russian weapons as outdated, saying that they do not meet the needs of modern warfare. This negative information is relayed readily to the Middle East and presented as evidence that Russia cannot compete in this arena. This is why the problems faced by the defense industry complex must of course be made public, but experts should take a greater role in sharing this information, so as to avoid creating a pretext for campaigns that could be detrimental for Russia.

Russia's reputation could be damaged by domestic competition for foreign orders among Russian design engineering bureaus, each of which is a world-famous brand. Undermining trust in them would risk infringing Russia's vital interests in the region.

It would also be in Russia's interests to streamline some important points in defense-sector trade. In particular, this relates to the habit inherited from Soviet times of supplying spare-parts and materials for equipment sold without linking them to the item-list of principal supplies. This kind of negligence irritates trading partners and could even reduce the end users' willingness to enter into new deals.

4.3. Potential for Attaining Food Security

Russia, with its vast land and water resources, can actively contribute to solving the food problem in the Middle East. As we know, Middle Eastern countries rank

among the world's leading importers of food and agricultural products, especially since cereals account for over 50 percent of the local population's diet.

Russian exporters have scored successes on this highly competitive market without any government assistance. State support, however, would do a great deal to help Russia consolidate its positions in this important part of the world. For promotional purposes, it would be reasonable to export at least some of the bulk products in packages giving the country of origin, so that the local population knows the source of their food supplies.

A "grain OPEC" of Russia, Ukraine and Kazakhstan could play a key role in protecting the interests of Russia and the CIS. This kind of specialized trading bloc would enable the countries within it to act in unison or individually to protect their positions on the global grain market, thus enhancing their presence on Middle Eastern markets.

Apart from direct supplies, Arab countries could be offered other options, such as leasing idle fertile lands to set up agricultural holdings, joint ventures, or other forms of enterprise. And we have some experience in this sphere, such as Iran's limited agricultural operations in Russia.

Cooperation with the broader Middle East could be supported by "oil for food," transactions which can be adapted to other needs. This type of transaction could be offered along with an energy component, the elements of which could serve as an equity contribution in establishing companies, or in exchange for other mutually beneficial acquisitions — such as food for contracts or real estate in Arab countries, shares in non-oil or other promising spheres of business.

In partnership with entities in the Arab world, Russia could help enhance the general level of agriculture through infrastructure development, new agricultural technologies, intensification, and the modernization of transport and logistics. Progressively, this kind of business activity would incentivize improving the economic performance of agricultural enterprises in the area by giving a demonstrable success story and through the transfer of experience gained at those modern production facilities.

Russia should prioritize high health and safety standards in the produce for export — in particular grain quality, as sometimes this has fallen short of meeting international standards. Any such incident entails additional expense and could harm future cooperation.

4.4. Prospects for Railroad Communication

Russia can offer its rich experience, advanced technologies, and skilled personnel in railroad building — an activity that has great importance for the broader Middle East region. Russia has accomplished a great deal in this sphere to date — participating in railroad construction projects in several countries in

the region. These projects have then gone on to contribute to their economic growth.

In the crisis-ridden circumstances of the global economy, capital-intensive projects function as a rare stabilizing factor, and the most critical of them involve the modernization of existing railroads and construction of new ones. These projects involve significant investment and are planned in a number of capital-poor and capital-rich Arab states. Russia is eager to take an active role in them and is hoping that they will open up new opportunities for cooperation.

Railroad transportation is a highly efficient way of developing regional and international economic ties as it helps rationalize natural resource use and catalyses international labor division. These aspects are viewed positively in the countries of the greater Middle East, where political decisions being taken on railroad construction have the potential to expand the network beyond the territory of the region. Russia has every reason to seek to participate in any such projects relating to transportation infrastructure construction.

This is even more apparent, since Russia's beneficial geo-strategic position gives it considerable competitive advantages in the global system of transport communications and enables it to develop ties with many regions and countries.

The North-South international transport corridor project is gradually gaining momentum; it is open to new participants and may increase the carrying capacities of railroads connecting Europe with the Gulf area and South Asia as well as enhance the competitiveness of interested states going forward. It would be wise to use this time lag to promote Russian Railroads' capabilities and demonstrate Russian transport-and-transit potential by all available means, seizing every available opportunity and forum. Reviving railroads across the world and in the Arab world must surely bring benefits for Russia, which has such a clear interest in undertaking a mega-project of global scale on its own territory.

These four vectors of Russia's cooperation with the broader Middle East are most promising in terms of investment and would demonstrate Russia's growing ability to implement efficient foreign-economic activities. This in no way means that other diversified areas of economic interaction with the broader Middle East would be less fruitful. Every segment of the region's industrial and production systems should remain in the focus of Russian foreign economic policy. Only a comprehensive approach to the problem, mobilizing state and corporate structures, involving private medium and even small companies in our business contacts with the Arab world can help ensure this process is fruitful. The main challenge is properly prioritizing our business relations with the Middle East for each participant based on its potential.

Russian International Affairs Council

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