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“Russia and the Middle East”

TRANSCRIPT

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BEATE SATORY: Thank you everybody for coming to the first public event of the Young DGAP, a new policy forum for young people of the German Council for Foreign Relations. Young DGAP is very honoured to hold its first event in cooperation with the Carnegie Endowment for International Peace. I am very glad that so many came and I hope this public event can convince you that Young DGAP is something new, different, and fresh in foreign policy in Germany.

Young DGAP was founded last summer. We have tried to think about what is of real interest young people who are involved in foreign policy. One format we are trying is 'Privatissimum', where we ask experienced policy decision-makers share that experience with the audience. Another is 'Vorspiel-Nachspiel', with which trying to provide an opportunity for networking before a regular DGAP event and informally discuss the outcomes after the DGAP event. Finally, there is the new mentoring programme. I do not want to say too much about this, but maybe we can discuss it later in the informal talks.

FABRICE POTHIER: Firstly, I would like to thank the Young DGAP for hosting this meeting with my colleagues from Washington and Moscow. I am particularly glad to be here tonight. To why Carnegie Europe has decided to work with and co-host events with Young DGAP, I would like to take one step back and talk about the way the Carnegie Endowment for International Peace is trying to redefine its work as a think tank to become, in fact, the first truly global think tank.

The Carnegie Endowment does not just want to add some nice addresses on the business cards, but is aiming for a truly global outreach. Its headquarters are in Washington D.C.; there is a regional Carnegie center in Moscow that has been operating for close to 15 years, and Dimitri Trenin is heading this center. Then we also have a regional center covering the Middle East in Beirut and one in Beijing focusing on East Asia. Last, but not least, the Brussels center has added to this multilateral approach operating throughout Europe.

The motivation behind this global approach is that we recognize that foreign policy needs to be formulated in a different manner than the usual Western and especially Washington focused manner. Therefore, it is very interesting to be with Young DGAP. The idea of adding new and fresh perspectives, the idea of engaging with new people and stakeholders in the foreign policy debate is core to the ethos of the Carnegie Endowment. That is why we want to engage with the young and bright people to get fresh insight. The Carnegie Endowment cherishes provoking ideas. As such, we are particularly glad to be here tonight.

BEATE SATORY: Thank you very much. Maybe a few words on the new format we are trying out today. It will not be a normal lecture or panel discussion with statements. Instead, we would like to begin instantly with short questions and answers. Try to focus your questions and find out which aspects are interesting to listen to and where the expert can go beyond what you can read in the papers. Ideally, at the end of the discussion, the audience will have a clearer picture about what is going on in the Middle East concerning Russia.

When I tried to engage in this topic, at first, I was wondering, which countries are actually in the Middle East? Concerning Russia's role in the Middle East, was Russia not always against Israel? Maybe this has been changing. It will be quite interesting for all of us to find out how the real experts see it.

The discussion has to be divided into the past and the present role of Russia in the Middle East. Of course, the audience will be happy if the scholars also have a look in the future and estimate what could be the role of Russia.

Certainly, there is potential for a more prominent role for Russia. Concerning Iran, for instance, the Obama administration's letter signals new developments. Nobody knows what the outcome will be, but it could be the first step to a new cooperation between Russia and the U.S.

concerning the Middle East. Iran is playing a very important role in that. To proceed, first there will be some questions on our part and subsequently, you are very welcome to ask your questions as well, but at first I would like Fabrice to introduce the speakers tonight, because he knows them much better than I do.

FABRICE POTHIER: Thank you, Beate. Before introducing the speakers one can expand further on the context. What is particularly interesting about Russia in the Middle East is that the West often talks about the U.S. and the Middle East, or Europe and the Middle East, but over the last years, there has been a re-emergent Russia. This re-emergence is not only about the Russian neighborhood, that means Eastern Europe and the former Soviet republics, but it also applies to other regions. The big question is how, why and with what possible results in the future.

To answer these questions, the audience is lucky to have two great analysts able to cover both questions, the Middle East and Russia. It is really a privilege to introduce them, and I will start with Marina Ottaway on my right. Marina is from Carnegie's Washington D.C. center. She is the director of the Carnegie Middle East program. She has been the driving force behind the new Carnegie Middle East center based in Beirut. She has framed the work that Carnegie has done over the last decade on all Middle East connected issues, especially political reform, post conflict reconstruction, and political reconciliation. Marina's latest book, *Beyond the Façade*, published in January 2008, looked at the state of political reform across the Middle East.

The second great analyst is my colleague Dmitri Trenin, director of the Carnegie Moscow center. Dmitri has been with the Carnegie Moscow center since its conception. He is one of the leading commentators on Russia's foreign policy and he is analyzing and in fact reading Russia's re-emergence. What does it really mean from a Russian standpoint, but also obviously for the Western partners? Dmitri's last book was published in 2008. It was titled *Getting Russia Right* and proceeded along this idea of trying to read better Russia. It had neither on a pro-Western nor on pro-Russian view but trying to find a balance and a very smart approach to Russia. The fundamental question is how Russia could be integrated in the new balance of the world. Now I turn to back to Beate.

BEATE SATORY: To start with something different, I would like to include the audience by asking you now as well as at the end of our little session tonight, 'What is Russia's Role in the Middle East?' Is it rather a spoiler, or is it rather a facilitator? What do you think? Maybe, at the end you will have a different opinion. Who thinks that Russia is a spoiler? And who thinks that Russia is rather a facilitator in the Middle East?

MEMBER OF THE AUDIENCE: What about a constructive partner?

FABRICE POTHIER: To start with the past and the present, I will address the first question to Dmitri: What has guided Russia's positioning in the Middle East so far. What are the key drivers? Let me first make a small reference. It seems that there is a kind of tension in Russia's policy in the Middle East. On the one hand, there are economic interests that link Russia and Israel, but also Russia and Iran. On the other hand, there are political interest, meaning that Russia has traded arms with both Hamas and Hezbollah. Certainly, Russia's position contradictory, which does not mean it is a bad policy, it just means it is complex. Dmitri if you could tell the audience, what have been the driving factors for Russia's positioning in the Middle East so far.

DMITRI TRENIN: Before I answer your question, I will take Beate's question. If you were asking me about Russia being a spoiler or a facilitator, I would be voting with both hands. There is a truth on both sides of the aisle. As long as one can describe what is meant by spoiler and what is meant by facilitator. Russia is not a newcomer to the Middle East, although you may know that Russia has a concept of the Middle East, which is slightly different from the concepts that are used in the United States.

When Russia first arrived in the region it was moving alongside the axis leading to Turkey and the other one leading to Iran. The axis leading to Turkey was aimed at what the Russians called the Near East. I know that in German there is a term, which exactly says, 'The Near East'. That used to be the former Turkish empire, the former Ottoman empire. The axis leading to Iran was going to the Middle East. From a Russian perspective, this includes Iran, Afghanistan and partly Pakistan. Together these countries formed the Russian concept of the Middle East. Of course, Russia also has the Far East that is symbolized in Vladivostok, bordering on China, Korea, Japan, and all those nice places.

Now, the key drivers have been changing all the time. It was in many ways geo-politics but it was also faith driven in the days of the Czars. The Russians fought a war and lost one over the issue of who owns the keys to the Holy Sepulchre Temple in Jerusalem. That was otherwise known as the Crimean war in 1853 – 56. The Soviet Union was also doing a lot for geo-political and ideological reasons and with the Soviet Union you never knew where geo-politics stopped and ideology began or the other way around. It was very much welded into some kind of a symbiotic relationship.

Today, the good thing is that there is no ideology in Russia's foreign policy. The bad thing is that perhaps there is no sense of direction either. You pay as you go; you have a set of interests. They are all yours, but some of them are not necessarily working at cross-purposes. The top Russian interest is to promote its economic interests. Russia's place in the world economy, could be summarized very quickly. Essentially, it is energy and arms. Both are richly present in the Middle East and Russia has been pursuing both. That is one thing.

Another fairly new development, is a Russian minority, or at least people who speak Russian and identify themselves with Russia living in the Middle East. In Israel, for example, there are a lot of people speaking Russian the way you speak Russian, which means that in their sub-consciousness, they have more or less the same mental mind set.

I was first struck, years ago, when I was walking past a group of young Israeli soldiers in Tel Aviv, young girls and young boys, and my wife and I were speaking Russian and then we were addressed by those young people with arms in their hands, and they were all speaking perfect Moscow Russian. Another example was on a bus in Jerusalem where a girl in combat gear with a weapon picked up her cell phone and started talking Russian to her mum. There are people who form a bond with Russia in that part of the world.

Not to keep it very long, there are also clear security motives. One security problem for Russia, as well as for the West, is Afghanistan. If one includes Afghanistan in the Middle East, which is highly debatable, then it becomes a major security issue. One could assume that Afghanistan is far away, but one shouldn't have too many illusions; there is not a single barrier between Moscow and Kabul. There's no secure border between Kabul and Moscow, and much of the drugs that go out of Afghanistan are consumed in Russia. This is a huge problem.

Another problem of course under that security rubric is Iran and one can discuss Iran at length. I will just say that the United States is rightfully concerned about Iranian nuclear ambitions, but Russia lives close by, and she cannot be unconcerned about Iran.

FABRICE POTHIER:

Thank you very much, Dmitri. I will have to press you on Iran later on because this is a key question about Russian ambivalence and even contradiction in its own interest in the Middle East. However, I want to reverse the perspective and turn to Marina to ask her, from her experience travelling throughout the Arab world, what do Arab countries think of Russia's traditional role and presence in the Middle East? How is Russia perceived? Is it perceived as an honest broker, an alternative player to the U.S.? Or is Russia perceived as part of and merely a different element of the West?

MARINA OTTAWAY: Arabs do not think of Russia as a broker. Russia has never played the broker's role. Before the end of the cold war, there is no doubt that Arabs looked to the Soviet Union as an alternative to the West. Some Arab countries liked the alternative and other Arab countries did not like the alternative. Although they perceived Russia as a threat, many Arab countries tried, to play one power against the other whenever they could. The ultimate aim was to get support from both.

Most Arab countries have not given much thought to the role of Russia until recently. Between the end of the cold war and now, Russia appeared to have stopped being a factor in the politics of the region. Ideologically there were two drivers of the Soviet Union policy towards the Arab world. Ideology is no longer a factor to the extent that there is an ideology that has an impact in the Arab world. Ideology today is clearly Islam and it is not socialism any longer. Therefore, Russia no longer appears on the ideological world map of Arab countries.

Concerning geo-politics, there is beginning to be a realization in the last few years that Russia is not totally out of the picture. Russia is making a re-appearance and has the potential of becoming a player in the case of Iran, and that it is still a potential source of support in the balancing act that some of the Middle East countries are still trying to play. Because one thing that Russia can do is to provide arms. The policies of Saudi Arabia, which is a pro American country, clearly reflect this fact. When Saudi Arabia does not get much satisfaction from the United States in terms of putting pressure on Israel – for example when trying to get the peace process going again – Saudi Arabia deliberately and openly turns to Russia to start negotiating arms deals. In the end they are often not concluded, because the goal was not to actually get a new supply of arms from Russia, but it was an exercise to provoke the United States and to convey the message that Arab concerns have to be heard. Otherwise, Arab states will have to turn to an alternative.

FABRICE POTHIER: Thank you Marina. Thus it is sometimes depending on the geopolitical interests. In the case of arms supply, Russia is seen as a tool to pressure the U.S. On the arms question I wanted to press Dmitri on what Russia is doing with Iran? What type of game is Russia playing with Iran? Russia supports and develops the Bushehr nuclear plant, which was officially opened last week. Simultaneously, Russia is providing long-range missiles to Iran. Yet, Russia is part of the effort to actually reduce Iran's nuclear ambitions. Can you explain Russia's logic.

DMITRI TRENIN: First of all, let me correct you on a minor issue. It is an important aspect, but it looks minor. Russia was not providing long-range missiles; Russia was providing air defense missiles. This is a different thing. This is also problematic, but for different reasons. Russia actually sees Iran's missile ambitions to be a problem, alongside with its nuclear ambitions. However, if you ask Russians what they think about Iran, they will reply that Iran has always been part of the Middle East. Countries like Afghanistan, Iraq, Pakistan and Saudi Arabia have all existed for several decades, but Iran has been part of the Middle East for 2,500 years. It is the longest surviving state in the world after China.

The Russians have respect for Iran as a major player in the region; a distinct culture; a fellow empire, if you like. In the past Russia has grabbed half of that empire and joined it to the Russian one. When looking ahead, Iran can be seen as a country with a fairly important future. It is certainly a rising power, despite being a rogue state for some people. The Russians believe that Iran will become the new regional power.

MEMBER OF THE AUDIENCE: Or the Russians want it to be the new regional power?

DMITRI TRENIN: That is another question. The Russians have learned that not everything they wish for becomes true. They will have to live with some unpleasant realities, and one of those realities, will be that in about four decades, the population of Iran will be bigger than the population of Russia. That makes you think that Iran is a country, which needs to be taken into account.

If you have a country of that size, with that future and that ambition – because the nuclear program is a reflection of Iran's ambition to become a regional power – the Russians would say, the only way you can make them forego the nuclear option is through negotiating with them. Give them a deal; give them something that they want to achieve through the possession of nuclear weapons, but make sure they do not possess nuclear weapons.

From the Russian perspective, a war against Iran would be worse than an Iran with nuclear weapons, because a military solution cannot guarantee complete annihilation of all underground nuclear installations in Iran. A few years later, the international community would still have a nuclear problem, but by then Iran is an enemy and hostile Iran with nuclear weapons is a very bad thing.

FABRICE POTHIER: It seems to me that there is a fundamental contradiction here, because as you said earlier, Iran is in Russia's neighborhood, so Russia does not have an interest in having a nuclear Iran, especially along this prospective Iran as a huge regional power.

Yet the Russian view to negotiate with Iran in order to contain its nuclear ambition has not worked over the last years. It has allowed the Iranians to divide the Americans, the Europeans and the Russians. This has exacerbated the weakness of the international community.

One of Carnegie's leading non-proliferation experts, Pierre Goldschmidt, is frequently asked what should be done about Iran? His reply is to do Russia. The international community should get Russia to play a coherent articulated role with the West. Maybe Marina, you also want to add something to that.

MARINA OTTAWAY: What I wanted to add to the position of Russia is very similar to the position of the Arab countries. Particularly the Gulf states and the Arab states in close proximity are concerned, as North Africa is geographically too distant. If the Russians worry that at some point the population of Iran is going to overtake that of Russia, imagine how Bahrain or the United Arab Emirates feel.

They are confronted with this very large country and they consider it to be very dangerous. They consider a nuclear-armed Iran the ultimate danger that faces them, and they are reacting by trying to find ways to get along with Iran. It is not within their power to try to stop Iran from acquiring nuclear weapons, but they were very much opposed to the idea – the Bush administration – of stopping Iran from acquiring nuclear weapons by using force.

The Arab states and the Gulf States were convinced they would be the first victims of Iranian retaliation. When dealing with a country that can be truly dangerous, it is a very common reaction to try to find a way to get along with it. One of the reasons why the Cold War remained a cold war is that the United States and the Soviet Union were scared enough of each other to find a way not to go to war with each other. It is a very normal reaction.

BEATE SATORY: I would like to go back to what Dr. Trenin said. Did I get you right? On the one hand Russia wants to prevent Iran from being a regional power with nuclear weapons, but on the other hand Russia is giving them regional power status because it cannot avoid it? Is that a common understanding among regional powers like Russia in the CIS and Iran in the Gulf?

DMITRI TRENIN: First of all Russia is in no position to give status to any country, including Iran. Russia is no emperor of the Holy Roman Empire to give king's status to this or that. We live in the world of self made powers; people don't ask whether they can become regional or global powers. Powers or nations just do it. China is doing it; India is doing it; Iran is doing it, and others will be doing it. The sky is the limit.

I have no interest in supporting or defending the Russian position. Like any country Russia is a collection of interests and lacking democracy does not make it monolithic. There are different groups, clans and interests. Some people want to sell Iran weapons, because they profit. For each tank, submarine or rocket, they will be getting a profit. They have their own representation of the councils of the Russian state.

Other people do not think much of Iran but want to have a better economic relationship with the United States of America. When interested in a nuclear energy agreement to be concluded between the United States and Russia then one will not support Iran. Especially since the U.S. Senate basically made ratification of the agreement dependent on the Russian support vis-à-vis diplomacy versus Iran. There are interests of the arms lobby on the one hand, and the interests of the nuclear lobby on the other hand. The nuclear lobby was also interested in completing Bushehr, but Bushehr is done. Therefore Russia has to move to greener pastures which happen to be in the United States and not in Iran. As there is a lack of ideological institution that is controlled by a single vision of a great leader, Russia is more difficult to analyze.

My task is to try to make sense of what Russia does, in terms of Russia's policies, but Marina's presentation of the Arab's views of Iran are very precise. I will just give you a short anecdote. A couple of years ago, I took part in a discussion on strategic issues among American, Chinese and Russian people. We gathered in a place called Dubai and were hosted in the local financial centre. The person presiding, an American, said, Ladies and Gentlemen, there are no restrictions in our conversation but one. On the demand of our hosts, the people of Dubai, you are prohibited from uttering one word, and the word is 'Iran'. Can you imagine, a bunch of Americans, Chinese and Russians gathering within a few dozen miles of Iran, and prevented from mentioning the word Iran. Well, you cannot do much about that, but we decided to call Iran 'Iowa', so we spent the next couple of days discussing Iowa, and its nuclear ambitions.

FABRICE POTHIER: Before I turn to Beate who will ask more open questions, I would like to talk about another tension of Russia's presence in the Middle East, which is on the question of Israel and the Arab militant groups. That is going to be a question partly to Dmitri and partly to Marina. Dmitri, Hamas have been welcomed with open arms by the Russian regime in Moscow. How can one explain Moscow's openness when Russia had a problem with Islamic groups in Chechnya as well? What does it say about Russia's changing interest and changing views on those groups?

DMITRI TRENIN: Actually it says a lot. The war in Chechnya wound down, because Russia was essentially making peace with its enemies. The Governor installed in Chechnya as the strong man, Mr Kadyrov, was a battlefield enemy of Russia during the first Chechen campaign. Putin got one thing right: Chechnya, or any other Muslim country or territory cannot be ruled by an outsider. Many of my liberal friends in Russia were urging Putin to appoint a Russian Governor General. Putin insisted that it is not only a Chechen, but a Chechen who had fought against Russia. Who are Russia's best friends in Afghanistan? The Mujahadein of the Northern alliance – the very same Mujahedin that drove Russia out of Afghanistan 20 years ago are Russia's allies today.

The Russians have learned in the Middle East, that you cannot impose yourself directly on those countries and those people, but that yesterday's enemy is tomorrow's ally. Equally, today's ally could be tomorrow's enemy. It is often about money, not so much about the ideology, not even so much about religion. The Russians did what they did with Hamas. They were received in Moscow because no-one else was receiving them. Marina said, very rightly, that for a long time Russia was not visible in the Middle East. Basically Russia was a piece of furniture.

BEATE SATORY: Are you saying that Russia received Hamas to get their attention and to be present in the Middle East?

DMITRI TRENIN: Yes, to get attention and to re-enter the region as a player. Hamas was welcomed to Moscow, primarily for that reason. Another reason why Hamas was welcomed to Moscow is that foreign policy is about reality and less about ideals. One may have ideals, but one deals with the realities. The reality in Gaza is Hamas. The Russians are in no position to broker any agreement, especially singlehandedly. They know that their brokerage power is very small if at all present, but they want to be part of the Middle East Quartet that looks at the Israeli-Palestinian situation. The Russians are negotiating with Hamas to appear on the global stage as a great power.

FABRICE POTHIER: That is the rationale behind Russia's decision to engage with Hamas and Hezbollah, but now I would like to turn to Marina and ask, what can you achieve when you engage with such groups? From your analysis and your experience with these groups, what can be achieved in terms of trying to generate a peace process?

MARINA OTTAWAY: The problem for Russia in terms of being an active participant in the peace process is that it has absolutely no leverage over Israel. One of the problems with being a broker in that peace process is that you need somebody who can reach out to both sides. You cannot be a broker, honest or otherwise in a peace process, if you do not have contacts with both sides. The problem for the United States is that it has very good contact with Israel, but under the Bush administration it put itself out of a position where it could also be an interlocutor for the other side.

The difference between the position of the United States and that of Russia is that Russia could never gain that leverage over Israel or that relationship with Israel that would allow it to play the role of the broker, even if it has very strong relationship with Hamas or all other Palestinian organizations. The United States or the European Union could become a broker again and have an impact if they managed to re-establish relations with the Palestinians that were made ineffective by placing Hamas on a terrorist blacklist. They tried to exclude Hamas from the equation and thereby lost the ability of being a mediator. For Russia it's much more difficult to be more than a second tier player on that issue.

DMITRI TRENIN: There is no compelling interest for Russia to be an active participant in that situation. The United States is deeply involved through its long-term and almost historical commitment to Israel. The United States is also a global power. The European Union is, of course bankrolling the Palestinians. For Russia, that is not a major issue.

FABRICE POTHIER: Could Russia not get a great power status by playing the facilitator in the Middle East Quartet?

DMITRI TRENIN: Russians like status, that is true. They want to be part of the Quartet because that confirms status. The problem is that Russia is an unaffiliated medium-sized great power. It is not a member of the EU, it is not a member of NATO, Russia is not a trusted ally of the United States. Status will protect you in a pretty dangerous world, but there's one important thing, if you exclude or include Russia, it will remain a spoiler. The main problem is that Russia trades weapons. It is neither nice for Europe nor for America, to have a weapons trading Russia against you.

BEATE SATORY: I would like to finish the picture, because we have talked about Iran, about the Israeli-Palestinian conflict, especially concerning Hamas and Fatah, but we did not talk so much about the Russian connection with Israel itself. Do immigrated Russian Jews still feel Russian? Another question we have not touched upon Russia's role in Syria and Lebanon? Maybe we can very shortly deliberate on that as well, before going to the future.

MARINA OTTAWAY: I can talk about the way it looks from the Arab point of view. Syria is not interested in a stronger future relationship with Russia, but that does not mean that Syria wants a bad relationship with Russia. Syria is trying to do everything it can to get

back into the good graces of the Western European countries and of the United States. The policy of Syria right now is totally geared towards being accepted back as a normal member of the international community with normal relations with the United States. Syria, as you know started having indirect talks with Israel while relying on Turkey as a mediator. Their greatest aspiration, is to get the U.S. to act as the mediator. Syria will probably continue to cross the United States, one way or another, but they will rely on the maintained relationship with Iran rather than looking to Russia. Thus, Syria is not looking for a stronger relationship with Russia, it is looking for a stronger relationship with the West.

BEATE SATROY: So, what is Russia thinking about that?

DMITRI TRENIN: Russia is not in competition with the United States the way the Soviet Union was in the Middle East, so they do not care about Syria as a military ally.

What they care about in Syria is three things. First, they still continue to sell arms. Unfortunately the Syrians are not paying. The Syrians have agreed to buy on condition that Russia discounts their Soviet time debt which is several times more than the things that they sign. Secondly, Russia wants is to build gas pipelines to become more involved in the Middle East as an energy supplier. Syria and Israel in fact are the potential customers. Thirdly, Russia is also talking – and I think this is something that they should do more carefully – they are talking about nuclear energy deals with Syria. Syria is probably not the country that you would offer a nuclear energy deal to at the moment.

Apart from that, there is one other little thing, the Russian Navy, to the extent it is still afloat, wants to have some facilities in that part of the world that it can use, and Lathqiyah is the one facility that the Soviets were using and the Russians, in principle, could be using. Actually it's now being manned by a small group of Russians. That is as far as Syria is concerned.

Israel is a more interesting case. The beauty of the Russian-Israeli relationship is that it is virtually all non-political. Russians love to come to Israel to spend Christmas or Easter in Jerusalem. Israel abolished visas for Russians, which is a fairly rare case. One can just buy a flight ticket and go to Israel. Russians feel at home in Israel. There are several local Russian newspapers and TV stations; there are Russian theatres etc. There is no need to get involved in politics. Politics is not cool. The relationship is non-political.

However, it was Mr. Putin, whatever else you may think of him, who strengthened the Russian-Israeli relationship beyond anything imaginable before. Netanyahu has been feted in Moscow, all major Israeli figures come to Moscow and have talks, not that Israel is an ally, not that Russia has any leverage, but it wants to keep itself in the play. The relationship is very strong in terms of people and whether they are Russians or Israelis is a very interesting question, because in Israel they are considered Russians, and in Russia they are considered Israelis. Quite frankly, Israel will be the place on the face of the earth where the Soviet Union will die last.

BEATE SATROY: There was a lot about the past and current role of Russia in the Middle East, but before going to reflect a bit more on the possible future role, are there any questions from the audience?

MEMBER OF THE AUDIENCE: I just have a question on what you just said about Israel and the Soviet Union. Is it not more of a feeling? A lot of people who created the Kibbutz came from the Soviet Union and they fled the Soviet Union, but the ideal that they want is Communism, or Marxism. Do you think that this feeling is more of nostalgia towards building a Communist or a Marxist society, rather than having nostalgia for the Soviet Union. Thank you.

DMITRI TRENIN: I think people who come close politically, close but not quite could be their worst enemies. Socialists and communists under circumstances could be each other's worst enemies. Although a lot of the traditional Jewish socialist movement was close, you

might argue, to Communism, in reality, it was nothing of the kind. Stalin, as we all know, made that mistake. He supported strongly the creation of the state of Israel, and the Soviet Union was among the first countries to recognize Israel. However, the idea that Stalin nurtured – and this shows you how detached he was from reality – was that the carriers of socialist ideas coming from Eastern Europe would be the Soviet Union's natural allies in the fight against British Imperialism. Within one year, he knew how badly he had miscalculated.

I am no expert on Israel or Jewish socialism, but the so-called Russian Jews that emigrated from the Soviet Union are among the most anti-communist people anywhere. You go to the United States and a lot of them vote Republican, and a lot of them would vote for the far right Republican. The same is true in Israel, you have the party which is called, The Home is Israel. That is how bad the Soviet Union was for those people, but when they had a chance they did just the opposite, 180 degrees.

MARINA OTTAWAY: Let me just add one point on this. The people you are talking about – the early settlers, the ones that came with the socialist ideas that created the kibbutz movement, the way it was in its pioneering days – that generation is dead. The kibbutz in Israel have become quite different and they have very much lost that status of communal spirit that they had at the beginning. The settlers of today are not kibbutz; they do not have that kind of ideal, so you are really talking about something which was historically very true, but it is no longer a reality in Israel today.

BEATE SAOTRY: Thank you very much. We have heard a lot about the past, but it seems to me that especially this year, 2009, due to the financial and the economic crisis, might be a chance. A lot of things might change – maybe we can have a look at the future. I would like to ask you, Mr Trenin, if you would be the president of Russia and would have to decide on...

DMITRI TRENIN: Or Prime Minister... First you become President then you become President.

MARINA OTTAWAY: Both at the same time. We will give you all the power you need.

DMITRI TRENIN: Just call me Czar.

BEATE SAOTRY: If you would be the strongest power in Russia and would have to decide on a very new strategy concerning the Middle East, which three steps would you take first? Very concrete ones in order to achieve your goal, which seems to me to be status, status and again status?

FABRICE POTHIER: And money.

BEATE SAOTRY: And money, yes.

DMITRI TRENIN: Well, no, no. Status is important for the people who are running the place right now. I have status, I do not need more. I mean, I feel relaxed about status.

MARINA OTTATWAY: What more than being the director of a Red Car Magazine?

DMITRI TRENINI: Senior sales director is a God-given position! More seriously, I would do three things. I would do Iran in a smart way. I would do a deal with the United States without damaging my long-term relationship with Teheran. I would hope to engineer a settlement, help engineer a settlement that would prevent both war over Iranian

nuclear capabilities and the emergence of a nuclear-armed Iran. At least I would try. I mean, it does not wholly depend on me, but this is the one thing I would start with. This new start could then be used to change my entire relationship with the United States. The problem is that you have something which passes for Russian foreign policy, and I would agree with 35% of that, disagree with another 35%, and do the rest differently. It is difficult. It is not as black and white as you may suggest.

The second thing I would do is to get Afghanistan right. I would help NATO and the United States, but at the same time would engage with the United States and NATO in looking for a realistic outcome for Afghanistan.

My third thing would be to put at the centre of my policy in the region a country which a lot of people would not include in the region but which is a close neighbor of Russia and a very important country, namely Turkey. I would go for Iran, Afghanistan and Turkey, and I would have a jolly good relationship with Israel, but frankly, I am satisfied with the relationship that we have.

I have not mentioned a single Arab country. I spent a year in Iraq a long time ago, I have a certain appreciation of the place and I think you can manage it, but I would not put my policy in a situation in which the Middle East hinges on my relations with the Arab world. It is an important neighborhood, but again, my three priorities will be countries bordering on the former Soviet Union - countries with which Russia has had hundreds and hundreds of years of history; which matter enormously to Russia's future, again, Iran, Afghanistan and Turkey.

FABRICE POTHIER:

But what would you do with Turkey specifically?

DMITRI TRENINI:

There is a very booming trade relationship between Russia and Turkey. Turkey is in a very important geographical position. I would turn it into a strategic partner worth the name. I would engage them along a very broad front. I will not do anything that Russia has not been doing, but maybe I would have a closer strategic consultation, reaching out to them, listening to what they have to say, and also to have a Muslim country and you need Muslim friends. Not Iran, not Malaysia for that matter, but Muslim countries with a good standing, and Turkey is such a country, in my view, and it will also help me in the caucuses, I hope.

BEATE SATORY:

Well, having heard what the Russian Czar, Dmitri Trenin is saying, it seems to be that the United States is an important factor in this play, and that Russia is willing to deal again with the U.S. in a more complex way. Marina Ottaway, if you would be the State Secretary of the United States and would have to decide on the new strategic policy concerning Russia in order to solve the United States-Middle East problem, what three things would you decide upon to solve the problem?

MARINA OTTAWAY:

First of all, I do not think any kind of relationship with Russia is going to solve the United States-Middle East problem, because the United States-Middle East problem is really not based on the relationship with Russia. The center of the problem for the United States, is really the policy towards the Arab-Israeli conflict. This conflict is at the center of the difficulties that the United States has with the Arab world. It is also at the center of the longest standing problem that the United States has in that area. I will come to Iran later. Russia cannot solve that problem. No policy towards Russia can change that basic equation. Russia has the capacity to make it work.

One thing that the United States should do, is to stop promoting Russia. In the last few years the Bush administration has followed some extremely provocative policies towards Russia that are in nobody's interest. Fortunately, the Obama administration appears to be pulling back from some of the mistakes, the missile shield to be located in Eastern Europe was to prevent Iranian missile attacks, of which Iran is currently not able of. It seemed to be a senseless policy and it certainly

had the potential for creating additional complications. In terms of the basic problem of the Arab-Israeli conflict, probably that is all that you can do.

The problem with Iran is different, and here the United States needs to listen to Russian concerns, because the problem of a nuclear-armed Iran is going to be a problem for Russia, the United States, the Gulf countries and all countries in the neighborhood. Instead of looking at Russia and China as the potential spoilers of sanctions, or a policy that the United States puts in place, the question would be how can the United States and Russia work together towards what I think can be the only solution – a new security architecture for the Gulf. That really should be the thrust of U.S. policy towards Russia on that point. Russia is another country, which has an interest in finding a solution to the security problem there.

There is a third to mention. It is the entire issue of pipelines, which is very often neglected. It is very important to the whole relationship between Russia and Turkey as well as the United States and Turkey. There are crisscrossing and intersecting pipelines in the Arab countries in the Levant. A lot of gas and oil is coming from all directions. There is Iranian oil, there is Iraqi oil, there is the oil coming from Central Asia etcetera. There has been a lot of antagonism and it is an issue that really needs to be tackled in a much more cooperative way. I am not really an expert on pipeline diplomacy, thus I cannot discuss the details of that, but maybe Dmitri wants to add something.

DMITRI TRENIN: Thank you, Marina, for bringing up the issue of pipeline diplomacy. When I was referring to Turkey, I actually had that in mind, because in Turkey many pipelines crisscross. It is a major issue and this will be on the increase. It will be driving geo-politics, it will be driving foreign policies in the future, more than it has been driving them in the past. I agree to any deal with Iran, any arrangement, security architecture.

First of all, I should say that I very much agree with Marina's assessment of Iran being primarily a U.S. problem. Russia could be a help or it could be a spoiler, but this is of secondary importance. I fully agree with that. If one assumes that a solution to Iran can be found at some point, Iran will start exporting gas. Iran has not been a gas exporter, but is one of the richest nations, in terms of its natural gas reserves. This is clearly an important aspect for Europe's energy security.

If you are looking for a real alternative or maybe a complimentary source of gas that Europe gets from Russia, Algeria, Norway, then Iran is the solution. This is extremely important, especially as gas can also be exported to India or other customers. This is a wholly new geopolitical and geo-economic aspect in the region. Primarily one has to think of the Middle East as a crossroads in terms of east-west connections and north-south connections. The Middle East has entered a period of transformation. The Middle East will change – not in terms of its culture, but in terms of its connectivity to the rest of the world.

BEATE SATORY: Obviously, there is the willingness on both the Russian and the American side. There is a willingness to listen. When looking at Turkey, there are some aspects also Europe and Germany are neglecting. The floor is open for further questions.

MEMBER OF THE AUDIENCE: In November or December 2008, a Russian delegation was sent to Dubai and Cairo to negotiate a membership into the Organization of Petroleum Exporting Countries. Since many OPEC member countries are located in the Middle East, I think Russia will find a lowest denominator with many Middle East countries. Especially concerning the export of oil. Since it is OPEC that wants Russia to join the organization, I would like to ask does this somehow strengthen the position of Russia to negotiate with certain Middle Eastern countries?

FABRICE POTHIER: Thank you. There is another question.

MEMBER OF THE AUDIENCE: When talking about Iran, we always consider it to be a powerful, stable player. Is that really true when taking a mid-term perspective in terms of demography and economic situations? Is Iran really becoming a powerful player? Secondly, as you have shown yourself somewhat skeptical about the leverage Russia has in the Middle East conflict, what do you make of this recent talk about the possible Moscow conference? What is this about, and to end on a positive note, is this doomed to fail?

FABRICE POTHIER: I think there was another question.

MEMBER OF THE AUDIENCE: It has been a while now that since Tony Blair, the former British Prime Minister, was made the special envoy of the Middle East Quartet. Since he has been appointed to this position, he has been terribly quiet, to say the least. I was just wondering, what is the Russian evaluation of Tony Blair's performance?

FABRICE POTHIER: These are some good questions. Shall we start with Marina and then Dmitri? Marina, you can take the questions in any order.

MARINA OTTAWAY: I will only address a few of them because I think mainly they were really for Dmitri. Iran is there to stay. Iran is going to be a powerful player in the area for a long time to come. No matter what the demographic situation might be, Iran is going to remain an important actor. Keep in mind that not only is it a rich country in terms of the resources it has, it also controls one side of what it calls the Persian Gulf and the Arabs call the Arabian Gulf. It is bound to remain the major player in the region.

One of the most stupid statements that ever came from the Bush administration was that the United States was going to be the major player in the Gulf. There is no way the United States can be the major player in the Gulf, and there is no way in which Iran is not going to be the major player in the Gulf. Particularly now, that Iraq is not the country it used to be anymore, and even under the best of circumstances it is going to take a long time to really come up to snuff.

Concerning Tony Blair, I do not think that this was expected to be an important position. It was a reward for having been a good ally of the United States. He was given an economic portfolio in an area where everything is driven by politics and not by economics. You are not going to solve the Arab-Israeli conflict by economic issues. He has kept silent in a sense, because that is what he was expected to do. I will leave the rest to you.

DMITRI TRENIN: On OPEC, it is one thing to talk to OPEC and to be seen talking to OPEC. It gives you credit, especially if they come to Russia and bid for entry. Joining OPEC, however, is another, and it is out of the question. Why should you limit your freedom of action? Russia will be doing what it is doing for itself. I see zero prospect of Russia joining, but I see Russia liking being courted by the OPEC people.

FABRICE POTHIER: What about this talk of a gas OPEC?

DMITRI TRENIN: There is no such thing. There cannot be any such thing because unlike oil, there is no world market for gas. If there was a world market for gas one day, that idea could become a reality, but Russia sends its gas through pipelines and then the amount of liquefied natural gas is fairly small in the world. Thus, there is no sense to talk about a gas OPEC.

Again, it is imagination that gives you some credit. People say Russia must be important. They may be doing whatever, they may be establishing gas OPEC, we need to treat them a little bit more carefully. Try to think sometimes of nations as people. After all, nations are led by people. Iran, well, I think it will last a long time. I would not be surprised if Iran lasts longer than Russia.

FABRICE POTHIER: The Middle East Moscow conference.

DMITRI TRENIN: This is status. This is about not being a piece of furniture. The Russians agreed to support the Annapolis conference on condition that the United States supports the next conference in Moscow. Israel has been lukewarm on that, but if the United States decides to go for that, Israel would join. They are lukewarm, but they are not totally dismissive. The Israelis in Moscow do not see the Russians as their best friends or their allies, but there is no antagonism either. Tony Blair, well, too bad that the market is down. He would have made a wonderful representative for a Russian company in that part of the world. I am joking of course. If there are any Brits here, I profoundly and profusely apologize.

BEATE SATORY: Okay, one more round, I would say?

FABRICE POTHIER: Yes, and then the final vote.

SAWSAN CHEBLI: Sawsan Chebli, Member of Parliament. I have one remark and one question.

My remark is addressed to you, Marina. I agree with almost everything you said. There is just one point I disagree with you on - on the fact that Russia's position on Iran can be compared to the Arab States position on Iran. I disagree with you because of several points, and I want to mention two. While Russia sees Iran, to use Dmitri's words, as a fellow empire, the Arab States are certainly interested in containing Iran's ambition to become a regional power in the Middle East. This is a great difference.

The second difference is that neither of them are interested in an Iranian State that possesses nuclear weapons. But the Arab States, for that part, are not interested in close relations between Russia and the United States, because they are afraid that these relations could be too close. Then, their security interests could be ignored. This is certainly another great difference between the two positions on the Iranian issue.

The short question is addressed to you, Dmitri. The title of the event is Spoiler or Facilitator: Russia and the Middle East, I have a question on the spoiler part. You said if you do not engage the Russians in the Iranian issue they will be the spoiler. What exactly can the United States do in order to engage Russia constructively on the Iranian issue? Thank you.

FABRICE POTHIER: I will just add that there is another difference between the Gulf States and Russia on the Iran nuclear issue, namely that Russia is a nuclear power and the Gulf States are not. That creates a difference in the strategic balance. However, there were other questions.

MEMBER OF THE AUDIENCE: Dr. Trenin, I would like to come back to the very first question for the evening. Mr. Pothier asked, 'What are the key drivers for Russia engaging or acting in the Middle East?' My position is that being, or acting as a spoiler or a facilitator, are both tactic means in a bigger strategy. My question is, what is your impression of the added value that Russia gains of the situation in the Middle East? How can this situation provide big benefits for Russia in maybe five or ten years?

FABRICE POTHIER: Thank you. Two more questions.

MEMBER OF THE AUDIENCE: Firstly, what was Russia's reaction to Europe's efforts to diversify its energy supplies by approaching Algeria and Tunisia.? How has it been received in Russia?

Secondly, I find it hard to believe that really all old ties between the Arab world and the Soviet Union slash Russia have vanished. So many people have been educated in Russia, they speak

Russian, and especially the Islamists are very anti-Western and anti-liberal market. Is there not some kind of connection or at least a nostalgia for the good old times?

FABRICE POTHIER: Thank you, and the last one.

MEMBER OF THE AUDIENCE: Dr. Trenin, do you think Russia will have the financial resources to play such a powerful role in the Middle East?

FABRICE POTHIER: Thank you. I think we have to ask you to be acrobats and to answer in like one or two minutes each. Shall we start with Marina?

MARINA OTTAWAY: Okay, I am willing to start. Very briefly, my comment about the similarity in the reaction of Russia in light of the Arab countries really only focused on one point and one comment that Fabrice made. It is not uncommon for a country that is afraid of a neighbor that may be dangerous, to find a way to get along with it. That is all I meant. I did not mean that there were similarities across the board and it would take far too long at this point to discuss all the differences that exist there.

The issue of the old ties to the Soviet Union in Arab countries and whether it is nostalgia. First of all remember that many of the regimes that had close ties with the Soviet Union no longer exist. All these Arab nationalist regimes that had established close ties to the Soviet Union, beginning with the Nasser's regime, no longer exist. There is still a generation, but it is a dying generation. One can forget how much time has gone by. There is a dying generation that has a nostalgia, for the socialist ideas and the Arab nationalist ideas. I see a lot of nostalgia for Nasser in certain sections of the Arab world, but I have never seen anything that indicates a nostalgia for the ties to the Soviet Union or to Russia.

FABRICE POTHIER: Dmitri.

DMITRI TRENIN: A spoiler or a facilitator? Absolutely correct. That is tactical means. Basically, what Russia does is to promote its own interests. As Russia, you are in this nationalist mode; you promote your own interests. You also think in terms of global issues, global security, because it can also concern you – like non-proliferation – but essentially you lay premium on your interests. There is no grand strategy for the Middle East in Russia, which does not surprise me. There is no grand strategy for anything in Russia yet. At least, if there is a piece of paper that says grand strategy, I would advise you to take it with a huge grain of salt.

What the United States needs to do in order to engage Russia so that it does not become a spoiler? I think the United States is actually moving in that direction. If you have been following the news recently, it is not a quid pro quo, it is not that approach. The basic approach, something that Russia has not heard from the Bush administration and now it is hearing from the Obama administration, is that we have problems and we want you to resolve them, help us resolve them. What problems do you have? The Bush administration said 'we have a problem, now you help us, right?'. The new approach has a better chance.

The good scenarios for Russia in five or ten years from now? To a large extent, this is promotion of business interests - all sorts of business interests. Iran is a major country on the economic radar screen in Russia, from gas to arms, even to some things that other countries are not buying, like aircraft. It is an important trade conduit, that is important. If Russia helps the United States and the rest of the international community resolve the Iranian issue, it will also be a huge boom for Russia.

Afghanistan, if we manage to contain Afghanistan, if we manage to stamp the flow of drugs, outflow of drugs out of Afghanistan, that will be a great thing, and we need to pray. We have not uttered that name. When we talk nuclear, we talk Iran but there is one country in the vicinity that has been nuclear, but unlike Iran, has not been a State for 2,500 years. That is Pakistan, and you

worry. Russia started worrying about Pakistan in the early 1990s. Russia is much more worried about Pakistan than about Iran, for reasons I have no time to go into, but you understand.

Diversification of Europe: it should be clear to everyone that the more pipelines we have, the more sources of energy we have in the world, the better. It is stupid for Russia to try to undermine other projects like the Nabucco pipeline.

It is equally not wise, as far as Europe is concerned, to talk too much about dependency on Russia because at some point Europe will have to ask the question, where do you get your energy from? There is not enough energy around. The time when people will be asking that question may not be that far away. It could be 2015, 2020. There will be precious few new supplies. If you listen to what the energy people are saying, the industry people are saying, there will not be too much on the market. You will be grateful for any cubic meter that you will be able to buy somewhere, and you will have to pay the price.

Financial resources to play a powerful role in the Middle East? The Russians have reversed their basic concept of foreign policy – thank God. They used to be big spenders. They used to treat foreign policy as a casino where you spend money. You buy friends, you influence, you do this, you do that. Nowadays they look at foreign policy as a field where you make money. You go to the Arab world not to spend money; you go there to earn money. That is the change. Thank you very much.

FABRICE POTHIER: Thank you very much.

BEATE SATORY: Thank you very much for your very open and complex thoughts that you shared with us. I hope that the picture is a bit clearer now. I would like to ask the question I posed at the beginning, - after all we have listened to - how do you see Russia? Well, it is maybe hard to pose it correctly because of course there is the ability and the willingness and the outside view and the inside view, the future and the past, but the question should still be asked. Will Russia be a facilitator or will Russia be a spoiler in the future, having heard all what is changing in the world right now. Who is thinking that it will be rather a facilitator? Please put up your hands now.

FABRICE POTHIER: It is the same number. Different people, but the same number.

BEATE SATORY: Who is saying it is a spoiler? Who has changed their mind?

FABRICE POTHIER: There are more undecided people than before.

DMITRI TRENIN: They are confused, but they are confused at a higher level.

FABRICE POTHIER: Thank you very much for confusing people.