



## RUSSIA AND THE MIDDLE EAST

- ANALYSIS  
The Russian–Iranian Relationship: How Solid Is It? 2  
Mark N. Katz (George Mason University)
- ANALYSIS  
Bilateral Priorities in Turkey–Russia Relations 5  
Daria Isachenko (German Institute for International and Security Affairs, Berlin)
- ANALYSIS  
A New Phase of Russian–Israeli Relations after October 7 and Amid the War  
in the Gaza Strip 8  
Lidia Averbukh (Bertelsmann Foundation, Gütersloh)
- ANALYSIS  
No Longer a Colossus on Clay Feet: Russia’s Cooperation with OPEC+ and  
the Future of the Cartel 13  
Nikolay Kozhanov (Gulf Studies Center, Qatar University)

## The Russian–Iranian Relationship: How Solid Is It?

Mark N. Katz (George Mason University)

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### Abstract

Cooperation between Russia and Iran in pursuit of their common anti-American and anti-Western aims has grown strong and appears unlikely to be disrupted by their differences over other issues, including Moscow's good relations with some of Iran's regional rivals in the Middle East. Still, the Russian–Iranian relationship is a somewhat one-sided one in that Moscow appears to receive greater benefits from Tehran than Tehran does from Moscow. This would suggest the possibility that the Russian–Iranian relationship might not remain as strong as it is now. Neither external great powers nor regional ones, though, appear to have the ability to draw Moscow away from Tehran or vice versa.

### Introduction

Since Vladimir Putin's rise to power in Russia at the turn of the century, it has frequently been observed that Moscow and Tehran have several common interests, but also several conflicting ones.

Their main common interest has been that Russian and Iranian leaders have both seen the United States as their principal adversary. Washington's military support for countries in their vicinity (Europe for the Russians and the Middle East for the Iranians) is seen as threatening their security and impeding their ambitions. Both Russia and Iran have also faced expanding economic sanctions regimes, overseen by the US, that have been joined more or less willingly by many, though not all, of America's allies.

The Russian–Iranian relationship grew stronger when both intervened militarily to defend Syria's Assad regime against its many enemies. Their relationship has grown closer still since Russia's February 2022 invasion of Ukraine, with Moscow turning to Tehran for supplies of armed drones and other assistance (Grajewski 2024; Tazmini 2024). In January 2024, Iran's Supreme Leader, Ayatollah Khamenei, reportedly approved a 20-year Russian–Iranian comprehensive cooperation agreement that calls for Russia to upgrade several Iranian airports and seaports, Russian missile sales to Iran, and Russian training of Iranian personnel to manufacture Russian missiles in Iran (Watkins 2024).

### Ongoing Differences

Moscow and Tehran, though, have also had—and continue to have—important differences. The Iranians have a long list of historic grievances against Russia, including territorial losses, occupations, Soviet support for secessionists in northwestern Iran after the First and Second World Wars, and Soviet support for Baghdad during the Iran–Iraq war in the 1980s (Katz 2008). While Iran's current leadership has not let these past grievances become obstacles to current cooperation, there are sev-

eral ongoing differences that must concern them. Chief among them is Putin's cooperation with several Middle Eastern governments that have long worked closely with the US and that Tehran has seen as adversaries. Under the “secret” but well-known Russian–Israeli deconfliction agreement, Russian forces in Syria have not interfered with Israeli strikes on Iranian and Hezbollah targets there (Melkonian 2022). Tehran was also annoyed when, in 2023, Moscow expressed support for the UAE's call for mediation of its territorial dispute over three Persian Gulf islands occupied by Iran since 1971. Tehran opposes mediation on this issue, as it considers the matter to be settled (Motamedi 2023). While for many years Moscow and Tehran both supported Armenia in its post-Soviet territorial dispute with Turkish- and Israeli-backed Azerbaijan over Nagorno-Karabakh, following the outbreak of war with Ukraine in 2022, Moscow acquiesced to Azerbaijan's seizure of Nagorno-Karabakh and supported Baku's ambitions to take control of Armenian territory bordering Iran between Azerbaijan and the Azerbaijani exclave of Nakhichevan—which could negatively impact Iranian trade through Armenia (Kaleji 2023).

In the past, the differences between Moscow and Tehran were seen as significant enough to possibly limit their trust in each other as well as their ability to act as allies (Parker 2019, 9–11). More recently, though, scholars have concluded that Russian and Iranian interests are now so closely aligned that their cooperation—especially against the US—is highly likely to continue despite their differences. Mathieu Droin and Nicole Grajewski (2023) have termed the Moscow–Tehran relationship a “strategic pariah-nership” that is “likely to endure as long as the current regimes are in place.” Ghoncheh Tazmini (2024) has described the bilateral relationship as a “dynamic alignment” in which “tension is mitigated by larger strategic consideration” (p. 44). For Samuel Ramani (2024), the tandem represents “an increasingly intimate if unofficial, axis working to counter the West and its ideals.”

While the Russian–Iranian relationship may not be a formal alliance involving a commitment by each to defend the other in the event of attack, it has clearly become closer on the basis of common hostility toward the West in general and the US in particular—hostility that shows no sign of abating either in Moscow or in Tehran.

Still, the Russian–Iranian relationship seems to provide more benefits to Moscow than to Tehran in that it includes several instances of Russia ignoring Iranian interests or even allowing them to be harmed. Notably, this disregard has continued and even increased since the launch of its war with Ukraine in 2022, Russian dependence on Iranian drones and other weapons notwithstanding. As mentioned above, Russia has tolerated Israel striking Iranian and Hezbollah targets in Syria, supported the UAE’s call for mediation over the three islands in the Gulf occupied by Iran that the UAE claims, and backed Azerbaijan rather than Iran’s preferred partner, Armenia, over Nagorno-Karabakh. In addition, the 20-year Russian–Iranian comprehensive cooperation agreement that Ayatollah Khamenei approved in January 2024 reportedly contains unequal provisions: while the proceeds from Iranian exports to Russia will not be transferred to Iran but held as a credit in the Central Bank of Russia at a markdown to the dollar/ruble or euro/ruble exchange rate, Russian exports to Iran are to be paid for in advance of delivery at an exchange rate more favorable to Russia (Watkins 2024). As Ramani noted, Iranian media outlets “have highlighted Russia’s unappreciative attitude towards its military assistance and have urged Tehran’s foreign policy establishment to end its ‘costly passivity’” (Ramani 2024).

### Stable Relationship

But does Russia’s lack of concern about actions that Tehran sees as damaging Iranian interests—despite Moscow’s increased dependence on Tehran—imply that there is a limit to Iran’s patience with Russian behavior or even that Russian–Iranian cooperation could diminish? This possibility certainly exists in theory—especially in one particular theory. In his book *The Power to Divide*, Timothy W. Crawford theorized how one state can set about weakening an alliance between opposing states through “selective accommodation and its basic influence formula—the use of positive incentives (e.g., promises, rewards, and concessions) to create divergent pressures on members or potential members of an opposing alliance” (Crawford 2021, 10). Crawford then examined several case studies of attempts by great powers to divide their adversaries, some of which succeeded and others of which failed. Crawford pointed out two factors that contribute to the failure of such attempts: opposition by one or more of its allies to a state’s efforts

to offer concessions to their common adversary, and domestic opposition within a state to making concessions to a government widely regarded by public opinion as an adversary (Crawford 2021, 207–09). Considering that two close U.S. allies in particular—namely Israel and Saudi Arabia—as well as American public opinion have been strongly opposed to Washington making any concessions to Tehran, it is hardly surprising that U.S. administrations have been neither willing nor able to offer Iran the sort of concessions that might draw it away from cooperating with Russia. Nor does this appear likely to change.

Another proposed avenue for reducing Russian cooperation with Iran and its Shi’a militia allies is for Washington to encourage Gulf Arab states that have good relations with Russia but regard Iran as their adversary “to use their leverage with Moscow to minimize mutual assistance between the Kremlin and the axis” of resistance (Iran and its Shi’a militia allies) (Azizi and Notte 2024). Past Saudi efforts to do just this, however, have been unsuccessful (Katz 2015) and Riyadh appears to have stopped trying. Indeed, the Saudis have sought to improve their relations with Iran since 2023. UAE reluctance to pressure Russia about Iran may stem from fear of losing Moscow’s support for mediation of the aforementioned island dispute, as well as the UAE’s lucrative sanctions-busting trade facilitation between Russia and other parties. Furthermore, even though Israel is especially fearful of Iran and has opposed any American concessions to Tehran, the Jewish state continues to be unwilling to risk damaging its relations with Russia for fear that Moscow will cease to abide by its deconfliction agreement in Syria and will mistreat the Jewish community inside Russia. There do not seem to be any other parties that would be willing and able to drive a wedge between Russia and Iran.

### Outlook

If the Russian–Iranian relationship is ever going to be undermined, then, it seems that this is less likely to occur as a result of third parties pursuing wedge strategies that successfully draw one away from the other and more likely to be the result of irreconcilable differences emerging from within the Russian–Iranian bilateral relationship. Save for regime change in either Russia or Iran (which would not necessarily alter their existing degree of cooperation), such irreconcilable Russian–Iranian differences only seem likely to become potent if American power and influence appear to be in serious decline. Just as the perception of American decline in the late 1960s and early 1970s contributed to the exacerbation of the Sino–Soviet rift as Moscow and Beijing focused more on competing with each other, the perception of American decline

might lead Moscow and Tehran to focus more on their differences.

This might result from the anticipation—or actual occurrence—of a Russian victory in Ukraine due to insufficient American and Western support. If Tehran sees America and the West, having “lost Ukraine,” as unlikely to stop Iran from pursuing its regional great power ambitions, Tehran may feel emboldened to pursue them. If Moscow continues to seek to maintain a balance between Iran, on the one hand, and its regional rivals, on the other hand, then Russia may be faced with the choice of acting more forcefully to prevent Iran from achieving its ambitions (thus harming Moscow’s relations with Tehran) or acquiescing to the growth of Iranian influence in the region even as that of Russia, along with that of the West, declines (thus resulting in Russia losing influence in the region to Iran). Another possibility is that a Russia triumphant in Ukraine might

become less dependent on Iran than it has been during the war and so even less heedful of Iran’s interests than at present. Under this scenario, a beleaguered Iranian government might reluctantly turn to America and the West for support—especially after leadership transitions in either Russia or Iran, which must occur eventually.

But while it is possible that increased rivalry between Russia and Iran might occur as a result of the perception of American decline increasing, this is hardly a perception that either the US or other Western governments will seek to encourage in the hope that this possibility materializes. Whether they do so effectively or not, the US and its Western allies are likely to continue to oppose both Russian and Iranian efforts to expand their influence. This being the case, the Russian–Iranian relationship—however it might be described—is likely to remain close despite the two countries’ differences.

#### *About the Author*

Mark N. Katz is Professor Emeritus of Government and Politics at the George Mason University Schar School of Policy and Government. He is also a Global Fellow at the Wilson Center and a Nonresident Senior Fellow at the Atlantic Council.

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## ANALYSIS

### Bilateral Priorities in Turkey–Russia Relations

Daria Isachenko (German Institute for International and Security Affairs, Berlin)

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#### Abstract

Under the leadership of Vladimir Putin and Recep Tayyip Erdogan, Russia and Turkey have developed complex regional conflict management schemes in Syria, Libya, and the South Caucasus. Since February 24, 2022, the focus has shifted to bilateral relations, particularly in the energy and trade sectors. Given the expectations of Turkey's Western partners regarding its stance toward Russia, this adds a significant economic dimension to Ankara's geopolitical balancing act and cost-benefit calculations.

#### The Turkey–Russia Partnership as a Rules-Based Competition

For Turkey, Russia is first and foremost a neighbor to be taken seriously, not only in the Black Sea region but also in the Middle East. It was in Syria, in particular, that Turkey learned that breaking relations with Russia is costly. After the Turkish air force shot down a Russian fighter jet in November 2015, the Kremlin responded by imposing economic sanctions on the import of certain Turkish products, suspending the visa exemption for Turkish nationals, and banning charter holidays for Russian nationals to Turkey. These measures hit the Turkish economy hard. Normalization followed in June 2016 at Ankara's initiative. The crisis over Syria and the re-establishment of a dialog showed that the Turkey–Russia partnership is based on specific rules that guide Ankara and Moscow in those dealings with each other that go beyond the diplomacy between their respective leaders (Isachenko 2023).

The first rule of Turkey–Russia relations is that there is no default mode. The relationship is a dynamic one influenced by current security priorities rather than shaped by the two countries' conflictual historical legacy. Second, this partnership is based on properly understanding each other's interests, which makes the other side predictable. Third, an important feature that goes beyond understanding, but also involves addressing each other's interests, is the prospect of mutually bene-

ficial cooperation in the future. Taken together, the three rules create an interestbased negotiation process aimed at mutually acceptable (at a minimum) and mutually beneficial problemsolving. This has allowed Russia and Turkey not only to upgrade their bilateral relations, but to reach a level of regional conflict management that is unparalleled in the history of their relationship. Finally, the three rules outlined above work only if Russia and Turkey do not seek to interfere with one another's policies or actions beyond the sphere that touches their respective security interests.

Understanding and addressing each other's interests has led to a high degree of interdependence in Turkey–Russia relations. Furthermore, there is a reciprocal effect between the level of their bilateral relations and their ability and readiness to consult on regional challenges. The war in Ukraine, in particular, has increased the value of Turkey for Russia in the bilateral sphere.

#### Construction, Tourism, and Trade

As in 2014 following the annexation of Crimea, Ankara did not join the Western sanctions against Moscow when Russia started the war in Ukraine on February 24, 2022. Turkey's key argument is that it traditionally follows only sanctions imposed by the United Nations. There is an economic rationale to Ankara's stance as well, given Russia's importance to Turkey in such sectors as construction, tourism, trade, and energy.



The most commonly overlooked aspect of Turkish–Russian economic relations—and one that is similarly unrecorded in the balance of trade—is the work of Turkish construction companies in Russia (Isachenko 2021, 13). Thanks to the Natural Gas Agreement of 1984, Turkish companies gained access to Soviet Russia and other Soviet republics. A few projects stand out from the vast number of shopping centers and hotels: the restoration of the White House in Moscow after the constitutional crisis of 1993, as well as two of Europe’s tallest buildings, namely the Lakhta Center in St. Petersburg and the Federation Tower in Moscow. In 2018, the total volume of Turkish construction projects in Russia since Turkish companies first entered the market was estimated at US\$71.8 billion, making Russia the leading foreign market for Turkish construction businesses (19.6 percent of the total), followed by Turkmenistan (12.9 percent) and Libya (7.9 percent).

In recent years, Russian tourists have usually comprised the largest share of foreign visitors to Turkey, contributing to an industry that is viewed in Turkey as “a critical revenue source for the country seeking to curb its chronic current account deficit” (Daily Sabah, 2024a). In 2023, the 6.3 million Russian visitors represented 12.8 percent of all tourists, a 20.7-percent increase as compared to 2022.

Trade relations between Turkey and Russia have also been boosted dramatically. In 2022, Turkey became Russia’s second-most important trading partner behind China. At a joint conference in Sochi on September 4, 2023, Putin mentioned that the trade volume between Russia and Turkey had reached a record US\$62 billion in 2022, an 86-percent increase as compared to 2021 (President of Russia 2023b). The Turkish estimates for 2022 cited by Erdogan put bilateral trade at US\$69 billion.

Since at least 2010, Turkey and Russia have been aiming to achieve a trade volume of US\$100 billion. In 2023, however, the trade volume decreased to US\$57 billion, with Turkey exporting such key products as citrus fruits, spare parts, and trailers and importing oil, oil products, gas, iron, and steel (RIA Novosti 2024). Even though Turkey did not join Western-led sanctions against Russia, the payment procedures and, correspondingly, trade relations between Turkey and Russia have been affected by the 12th sanctions package introduced by the EU, as well as by the U.S. president’s decree of December 22, 2023, on secondary sanctions. Accordingly, Turkey’s exports to Russia dropped by one-third in the first quarter of 2024 compared with the same period of 2023 (Samson et al. 2024).

### Expanding Energy Ties

Energy ties are a cornerstone of Turkey–Russia relations. The 1997 agreement for the construction of the

Blue Stream gas pipeline helped Ankara and Moscow to reconcile their security interests regarding the PKK and Chechnya in the mid-1990s. TurkStream, Russia’s replacement for the South Stream, in particular, made Ankara an indispensable partner to Moscow, enabling Russia to bypass Ukraine as a transit country. First announced in 2014, TurkStream has been operational since 2020, with two pipelines of 31.5 billion cubic meters annual transport capacity delivering Russian gas to Turkey as well as southern and south-eastern Europe.

The war in Ukraine has further increased Ankara’s indispensability to Moscow as an energy partner. At their meeting in Astana in October 2022, Putin invited Erdogan to build a gas hub in Turkey that would be primarily for European customers. Turning Turkey from a transit country into a hub is a long-held dream of Ankara’s. The prospects of the plan, however, remain unclear. The establishment in Turkey of a gas trading platform is still being negotiated between Russia’s Gazprom and Turkey’s BOTAS.

Together with India and China, Turkey has become an important importer of Russian oil. In December 2023, a record 444,000 barrels of oil per day were shipped from Russia to Turkey, accounting for 13 percent of Russia’s total maritime shipments, while India and China together accounted for 76 percent (Kozlov 2024). According to some assessments, “considerable amounts of Russian fuel” have found their way to the EU market via Turkey: in the period between February 2023 and February 2024, the 105-percent increase in Turkey’s fuel imports from Russia coincided with the 107-percent increase in Turkey’s fuel exports to the EU (Jack 2024).

In addition, Turkey and Russia are increasingly bound by their cooperation in the field of nuclear energy. The inauguration of the Akkuyu Nuclear Power Plant (NPP), built by Russia’s Rosatom, took place on April 27, 2023, with fuel delivered to the first power unit. Erdogan emphasized that the Akkuyu plant represented Turkey joining “the league of world’s nuclear powers, even if belatedly after a 60-year delay.” He was also keen to highlight that the European Commission considers nuclear energy to be green energy. Putin, in turn, described Akkuyu as “a flagship project” that “brings mutual economic benefits to both partners and certainly promotes our versatile bilateral cooperation that rests of the principles of friendship, mutual respect and consideration for each other’s interests” (President of Russia 2023a).

Akkuyu is the largest nuclear power plant in the world and also the biggest foreign investment in Turkey, at an estimated cost of US\$23–24 billion (TASS 2023). The construction of Akkuyu on the Mediterranean coast in Mersin—based on the Build-Own-Oper-

ate model—dates back to a 2010 intergovernmental agreement between Russia and Turkey. This NPP is planned to have four power units with a total capacity of 4,800 megawatts; they will run for 60 years, with a possible extension for another 20 years. The plant has required the involvement of around 25,000 specialists from both sides. Once fully operational, Akkuyu is expected to generate 10 percent of Turkey's electricity needs. This will allow Ankara to decrease imports of natural gas, saving the national budget US\$1.5 billion per year.

Ankara aims to continue developing its nuclear energy sector. Talks with Russia's Rosatom about the construction of a second nuclear power plant in Sinop on the Black Sea coast are under way, as are discussions with China about building a third nuclear power plant in the Thrace region. Ankara's current goal is to have 12 reactors with a total capacity of 15,000 megawatts across three locations. Nuclear energy is expected to contribute to Turkey's target of net-zero emissions by 2053, as well as helping meet growing industrial demand for energy (Daily Sabah 2024b).

### Economic Balancing: A Challenge for Ankara

When it comes to relations with Russia, for Ankara the key question is not whether to decouple its relations with Moscow, but rather how close relations with its neighbor should be. Even though the opposition parties in Turkey criticize their country's economic dependence on Russia, they nevertheless see functioning relations

with Moscow as essential, "if not by choice, then out of obligation" (Coşkun and Ülgen 2022, 26). This view is reflected in Turkish public opinion. In a survey published by the European Council on Foreign Relations in February 2023, 55 percent of respondents in Turkey consider Russia a necessary partner, 14 percent an ally with shared values and interests, 18 percent a rival, and eight percent an adversary.

However, the increasing confrontation between Russia and the West adds a significant economic dimension to Ankara's geopolitical balancing act and cost-benefit calculations. Given Western expectations of Turkey's full alignment with the West when it comes to Russia, Ankara's stance is closely observed in Moscow. During a meeting with international press agencies on June 5, 2024, Putin commented on the efforts by the "economic bloc of the government in Turkey" to attract Western financial support as follows: "That's probably not a bad thing. But if this is connected with restrictions on trade and economic ties with Russia, then there will be more losses for the Turkish economy than gains. In my opinion, such a threat exists" (President of Russia, 2024).

The partnership between Moscow and Ankara has been able to develop because it has not been subjected to maximalist expectations. Instead, the focus has been on what is mutually beneficial and (at least) mutually acceptable. The current challenge for Ankara appears to be to manage the shift from the beneficial to the acceptable in its relations not only with Moscow, but also—and even more so—with its Western allies.

#### *About the Author*

Dr. *Daria Isachenko* is an Associate at the Centre for Applied Turkey Studies (CATS) of the German Institute for International and Security Affairs (SWP), Berlin.

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## ANALYSIS

## A New Phase of Russian–Israeli Relations after October 7 and Amid the War in the Gaza Strip

Lidia Averbukh (Bertelsmann Foundation, Gütersloh)

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### Abstract

After the Hamas terror attack on Israel on October 7, 2023, Russia adopted a critical stance toward Israel, marking a new phase in Russian–Israeli relations. Neither Putin’s personal sympathies toward Israel, which shaped the relationship in the 2000s, nor Israel’s neutrality in Russia’s war in Ukraine, which ran counter to the efforts of Western allies, could prevent the rupture. Russia subsumed the war in the Middle East under its overarching foreign policy logic that holds the West—and in particular the US—responsible for all current conflicts. In response, Israel sharpened its tone toward Russia. However, few changes in actual policy can be observed.

### Russia’s Reaction to October 7 and the War in the Gaza Strip

After the Hamas terrorist attack on Israel on October 7, 2023, Russia adopted a critical stance toward Israel. It took ten days for Putin to offer condolences to Israeli Prime Minister Benjamin Netanyahu, and he avoided describing the atrocities as a terrorist attack. In the months that followed, it became clear that Russia’s position on the Middle East conflict followed the same logic as its stance on the war in Ukraine. Putin claimed the war in Gaza was a consequence of Western ambitions, particularly the United States’ policy of “monopolizing” the Middle East conflict and disregarding international order (*RBC.ru* 2023b).

The war in Gaza, he argued, is part of the imperial ambitions of the West and targets anti-colonial movements of the so-called global South. “We, Russia, fight not only for ourselves but also for those who seek true freedom. Those who defend truth and justice fight

against evil and oppression, against racism and neo-Nazism that the West promotes, standing now at the forefront—in Donetsk, Avdiivka, on the Dnipro—where the fate of Russia and the entire world, including the future of the Palestinian people, is being decided,” said Putin at the end of October 2023 (*Akopov* 2023). As in the war against Ukraine, Putin draws historically distorted parallels to the Second World War, comparing the Israeli army to Nazis and the blockade of Gaza to the siege of Leningrad (*RBC.ru* 2023a).

Russia uses the war in the Middle East to fuel the narrative that the West always argues with double standards. While the accusation is that the West turns a blind eye to the suffering of Palestinians in Gaza and applies international law selectively, Russia supposedly stands up for the Palestinians and thus for international law. For instance, on October 18, even before the ground operation in Gaza started, Russia called an emergency session of the United Nations regarding the actions of



the Israeli military and brought several resolutions to the Security Council calling for an immediate ceasefire, although almost all of these failed due to a U.S. veto. As the war progressed, the Security Council was increasingly used to directly confront the US. Together with China, Russia sought to prevent the inclusion in the resolutions of any condemnation of Hamas (US Mission Israel 2024). Additionally, Russia supports South Africa's lawsuit at the International Court of Justice in The Hague accusing Israel of genocide against the Palestinian people.

### **Russian–Israeli Rapprochement Since Putin**

The events since October have marked a new phase in Russian–Israeli relations. During the Soviet era, there was strong hostility toward Israel, rooted in deeply ingrained anti-Semitism and accusations of dual loyalties among Jews. Soviet Jews were not allowed to emigrate to Israel. Meanwhile, the Soviet Union established relations with the Palestine Liberation Organization (PLO) and Arab states, offering young Palestinians the opportunity to study in Moscow. Some of these students later became prominent PLO and Fatah functionaries.

After the collapse of the USSR, there was a significant wave of Jewish migration from Russia and other post-Soviet countries in the 1990s and early 2000s. By the time Putin took office in 2000, over a million Israelis had familial ties to the former Soviet Union. Putin himself has personal connections to Israel: he has spoken on several occasions about his favorite German language teacher who emigrated to Israel, for whom he bought an apartment in Tel Aviv upon her retirement. These personal connections seemed to shape Russian–Israeli relations in the early 2000s. Putin often referred to the Russian-speaking population of Israel as “our compatriots,” seeing them as an opportunity for Russia to strengthen its ties with Israel.

The shared perception of the threat posed by Islamist terrorism at the beginning of the millennium also fostered a convergence between Russia and Israel. Against the backdrop of the Second Intifada (2000–2005), then-Israeli Prime Minister Ariel Sharon not only refrained from criticizing human rights violations by Russian forces during the Second Chechen War (1999–2009), but also followed the Russian definition of Chechen separatism as terrorism and drew parallels with the actions of Palestinian militants against Israel (Klein and Averbukh 2018).

In 2012, a Jewish museum opened in Moscow. During this period, Putin began positioning himself as a protector of the Jewish diaspora. Against the backdrop of growing anti-Semitism in Europe, he in 2016 called on European Jews to move to Russia. Putin likes to present himself in the company of high-ranking Jewish author-

ities, such as Berel Lazar, the Chief Rabbi of Russia, who remains one of his closest confidants.

Putin also historically had good chemistry with Israeli Prime Minister Netanyahu. For Netanyahu, the relationship with Putin was an opportunity to present himself as a world-class politician. In 2019, Netanyahu launched his election campaign with a billboard on a skyscraper in Tel Aviv that showed him shaking hands with Putin under the tagline: “Netanyahu. A Different League.”

One of Putin's foreign policy priorities was maintaining relations with all Middle Eastern actors in order to be able to speak with conflicting parties and act as a mediator if necessary. Russia's cooperation with Iran and Hezbollah in the Syrian civil war, on the side of the Assad regime, from 2015 posed a threat to Israel. However, this threat was mitigated by the so-called “deconfliction mechanism” established immediately after Russia's intervention. According to this agreement, Israel could strike Iranian positions on Syrian territory after warning Russia, without endangering Russian military personnel or fearing retaliation. Netanyahu boasted that his personal friendship with Putin was crucial for this concession from Russia.

Russia's massive regional presence since the war in Syria has led Israeli politicians and military experts to refer to Russia as a regional neighbor. In the mid-2010s, Putin enjoyed seeing himself not only as a protector of Jews in Russia, but also as a security guarantor for Israel.

### **Israeli Neutrality Following the Russian Invasion of Ukraine**

Unlike other Western states, Israel has not significantly changed its Russia policy since the invasion of Ukraine. Both Israeli governments since February 2022—the tandem of Naftali Bennett and Yair Lapid, and the current government of re-elected Prime Minister Netanyahu—differed in their tone toward Russia but not really in their actions. Although Yair Lapid made a few statements critical of Russia at the beginning of the war, Israel has not imposed sanctions on Russia and has declined, despite repeated requests from Ukrainian President Volodymyr Zelensky, to supply weapons to Kyiv.

Instead, Israel has become a destination for Russian oligarchs. Sanctioned individuals continue to travel to Europe with Israeli documents, and Russian companies like Yandex have expanded their activities in Israel. At the same time, a vibrant civil society critical of the Kremlin has formed in Israel, consisting of new Russian emigrants and Ukrainian refugees. But despite their public activities, the war in Ukraine has not become a political priority for most Israeli parties; indeed, it played hardly any role in election campaigns in the fall of 2022.

Nevertheless, the relationship with Russia cooled. Israel attempted to strike a balance, expressing demonstrative neutrality while occasionally showing sympathy for Ukraine to comply with Western pressure. Russia responded by seeking to make Israel feel that Moscow had the upper hand in many respects. In the summer of 2022, for instance, the work of the Jewish Agency office in Moscow, an organization that facilitates global Jewish immigration to Israel, was suspended due to alleged legal violations.

This harassment of the Jewish diaspora was reminiscent of the Soviet-era travel ban. Antisemitic ramblings were suddenly allowed at the highest political level: Foreign Minister Lavrov claimed in May 2022, for example, that Hitler was of Jewish descent (Fedotova 2022). The dispute over the Alexander Courtyard in Jerusalem, which Russia considers its territory, flared up again. Even more critical for Israel was the concern that Russia's tolerance of Israeli attacks on Syrian territory might decrease. While the West, led by the US, has striven to isolate Russia and expected the same from its allies, Israel has continued to interact diplomatically and economically with Russia for security reasons.

After the Israeli election in November 2022, new Foreign Minister Eli Cohen reaffirmed the country's neutral course vis-à-vis Russia. He announced in his inaugural speech that there would be "less talk about Ukraine" (TheCradle.Co 2023). Before contacting his Ukrainian counterpart, he first spoke with the Russian Foreign Minister. During his inaugural visit to Ukraine in February 2023, the highest-ranking visit by the new Israeli government to date, he avoided mentioning Russia at all.

But despite Putin's originally positive feelings toward Israel and Israel's cautious neutrality in the war in Ukraine, Moscow pursued the path of *Realpolitik* after the October events and turned away from Israel.

### Break in Relations and Israeli Reaction

In response, Israel now portrays itself as having supported Ukraine from the outset. During the commemoration of the second anniversary of the invasion, Israeli Ambassador to the UN Gilad Erdan delivered a speech before the General Assembly. He highlighted Israeli humanitarian aid and the establishment of a field hospital—measures undertaken by the Bennett–Lapid government—and asserted that both Ukraine and Israel are fighting for their territorial integrity and national sovereignty. In so doing, he implicitly drew a comparison between Hamas and Russia.

Similar to Russia, Israel strategically links disparate conflicts to bolster its own argument. By comparing its situation to that of Ukraine, Israel seeks to underscore its criticism of the UN. Erdan argued that the lack of

support for both Israel and Ukraine demonstrates the moral bankruptcy of the UN and the paralysis of the Security Council. He claimed that actors of international terrorism, against whom Israel and Ukraine are fighting on behalf of the entire world, have managed to co-opt parts of the UN for their cause. Erdan concluded his speech with a rallying cry: "To the Rest of the Free World, I say: Wake up!" (Erdan 2024)

Remarkably, Erdan openly accused Russia of ideologically belonging to the so-called "Axis of Resistance," which consists of Iran and the actors it supports, such as Hamas, Hezbollah, and the Houthis. In an interview in January 2023, when it was already known that Russia was using Iranian weapons in Ukraine, Netanyahu refrained from addressing the growing ties between Russia and Iran (CNV 2023). Certainly, Moscow's increasing dependence on Tehran was concerning for Israel even then. Russia, cut off from Western markets, was buying Iranian drones (Warrick et al. 2022). The exchange of technology and know-how was also steadily intensifying. U.S. intelligence officials described this development as a deepening strategic partnership between Moscow and Tehran since Russia's full invasion of Ukraine (Warrick 2024). Nevertheless, Netanyahu, who used to be referred to as "Mr. Security" due to his uncompromising approach toward Iran, separated the issue of Iran from Israel's strategic dealings with Russia. Russia's use of Iranian weapons by Russia did not prompt him to reconsider his Ukraine policy. However, the situation has since changed, and Israeli government officials are now more openly critical of the Russian–Iranian partnership, which can no longer be overlooked. After the brief but violent Iranian attack on Israel in April 2024, Russia even adopted the Iranian narrative of self-defense in a public statement by the country's Foreign Ministry (Foreign Ministry of Russia 2024b).

Erdan's speech was also a response to the visit of various Palestinian factions, including terrorist organizations such as Hamas and Islamic Jihad, to Moscow on February 29. For Hamas, which is not classified as a terrorist organization in Russia (nor in Ukraine), this was the second trip to Russia since October 7. Hamas possesses Russian weapons, which likely made their way to the Gaza Strip via Iran. Additionally, Russia is reported to have granted Hamas a license to produce Kalashnikov rifles. Hamas also funds itself, among other means, through Russian cryptocurrency exchanges (Kleemann 2023).

Russia claims that its relationship with Hamas improves its negotiating position when it comes to freeing the Israeli hostages who were abducted to Gaza on October 7. Indeed, Russia is using its communication channels with Hamas to free hostages with Russian citizenship (Foreign Ministry of Russia 2024a).

At the same time, however, Russia's efforts to take pressure off Hamas at the Security Council are proving to be an obstacle to negotiations over the other hostages (Belenkaya 2024).

The Russian stance is bringing Israel back to the Western camp. After Putin won his fifth term in the Russian election in March, Israel joined a statement issued by the US, the European Union, and others condemning the "illegitimate attempts to organize Russian presidential elections in temporarily occupied areas within the internationally recognized territory of Ukraine" (US Mission Russia 2024).

Previously, the foreign policy of Netanyahu, who has been leading the country since 2009 with a one-year break, has focused on avoiding a clear alignment with any camp. This was not evident solely in the neutral stance on the Ukraine war. For years, great diplomatic effort was expended to win over states in the so-called Global South so that they would vote in favor of Israel at the UN. Sentiment in certain European countries and among supporters of the Democratic Party in the US having become increasingly critical of Israel in light of the ongoing occupation of the West Bank, Israel's response was to diversify its foreign policy. Netanyahu himself, to the annoyance of Western allies, invested much political capital in trying to establish Israel as an independent actor capable of maintaining good relations with China and Russia—that is, with states that Israel believed would not interfere in its domestic affairs.

Russia's support for the two-state solution exists only on paper. Participation since 2002 in the so-called Middle East Quartet, a platform consisting of the EU, UN, Russia, and the USA, gave Moscow a stage to present itself as a mediator, but concrete results were lacking. Russia showed verbal presence but traditionally invested little political capital in the peace process.

#### *About the Author*

Dr. *Lidia Averbukh* manages the Israel Project at the Bertelsmann Foundation. She previously served as a program manager at the European Leadership Network (ELNET) and as a researcher at the German Institute for International and Security Affairs (SWP). Averbukh earned her doctorate on the Israeli legal system from the University of the Bundeswehr in Munich in 2021.

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Against the backdrop of the current war, however, Russia appears to be gaining support among the Palestinian population. According to a recent survey, Russia enjoys the highest level of trust of all non-regional actors (Palestinian Center for Policy and Survey Research 2024).

#### **Changed Rhetoric, Unchanged Policy**

Apart from the shift in Israeli sentiment toward Russia, few changes in actual policy can be seen. While the state has still not imposed sanctions, Israeli banks have been freezing the accounts of Russian oligarchs since November 2023 in accordance with EU sanctions. At the same time, Israel continues to conduct airstrikes along the Syrian border without a response from Russia. There are reports from within Russian military that not all strikes by Israel are announced anymore. However, such complaints predate October 7. Yet the earlier agreements appear to remain tacitly in place. In addition, Israeli attacks on Iranian targets in Syria have become even more numerous.

Israel has also announced plans to supply Ukraine with early warning systems against missile attacks (Erdan 2024). Whether and when this happens remains to be seen. Israel continues to avoid a visible rapprochement with Ukraine. After October 7, Zelensky is said to have announced a solidarity visit to Israel. The plan was leaked to the Israeli media by Israeli officials, and thus the visit has not taken place to date. In the meantime, Ukraine seems to have lost patience with Israel: after a number of European states recognized Palestine as a state, Zelensky made similar comments, sparking criticism in Israel (Petrenko 2024).

All in all, despite the heated rhetoric, it seems that the Israeli leadership is most likely waiting to see whether Russian hostility continues to manifest itself and hoping that this phase will pass.

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## No Longer a Colossus on Clay Feet: Russia's Cooperation with OPEC+ and the Future of the Cartel

Nikolay Kozhanov (Gulf Studies Center, Qatar University)

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### Abstract

Considered a “colossus on clay feet” during the first years of its existence, OPEC+ evolved into a durable and sustainable structure capable of influencing the situation in the global oil market, and one that also enjoys a relatively long-term planning horizon in the current times of unpredictability. Not the least role in this was played by the development of the Russian–Saudi dialogue, as well as by the Kremlin's growing responsibility as an OPEC+ member. The rationale behind the Russian behavior is more complicated than it might seem: the Kremlin's strategy toward OPEC+ has been shaped not only by Russia's need to ensure funding for its war in Ukraine, but also by its serious economic concerns related to the future of the global oil market.

On June 2, 2024, OPEC+ decided to extend the current oil production quotas until the end of 2025 and maintain the voluntary reductions until mid-autumn 2024. This prompted market observers to talk again about the important role that OPEC+ plays as a market regulator by taking a substantial volume of oil from the market, which has helped to stabilize oil prices at between US\$75 and \$85 per barrel (pb) for almost two years (Tikhonov 2024).

Indeed, despite the contradictions within this structure and the difficulties it faces, OPEC+ has managed to grow from a seemingly temporary association of the traditional OPEC members and the oil-producing countries that joined them in 2016 to regulate the global oil market into a fairly stable and sustainable structure. An important role in shaping this transformation was played by the dialogue between Saudi Arabia, the informal leader of OPEC, and Russia, the second-largest oil producer outside of the initial cartel.

If their interaction initially resembled a “marriage of convenience” in which Russia was constantly looking for opportunities to cheat on the partner and minimize the volume of its own oil production cuts, then since February 2022, Moscow has increasingly demonstrated its loyalty to the OPEC+ agreement—including, on at least two occasions (in March 2023 and in early 2024), assuming additional obligations to limit its oil production (and exports) (Tikhonov 2024). Putin's invasion of Ukraine might to some degree explain this evolution of Moscow's behavior. Yet Moscow's stance on OPEC+ is somewhat more complicated and not always related to the war. This complexity of Russia's motivations, in turn, makes the Saudi–Russian tandem in OPEC stronger than it may seem.

### The War Will Write Everything Off

Of course, the Russian invasion of Ukraine can explain a lot. As soon as the Kremlin realized that, instead of

conducting a victorious blitzkrieg in February–March 2022, it had dragged itself into a protracted military conflict with very opaque prospects and accompanied by tense economic confrontation with the West, it became concerned with maintaining a stable level of income to finance Putin's military adventure.

Given the decline in the revenues that the Russian budget has received from natural gas exports since 2022, keeping oil revenues high has become of paramount importance for the Kremlin (Bloomberg 2024). In light of Western restrictions on Russia's oil trade (including the price cap), high administrative costs, and the need to provide significant discounts to consumers who are still willing to take the risk of buying Russian hydrocarbons, this goal has not been easy to achieve (Bloomberg 2024).

Nor has Russia's task been facilitated by the general economic environment. For several years, the global economy has been in a state of so-called “multicrisis.” The negative economic consequences of COVID-19 and the war in Ukraine, the restructuring of world commodity flows, and the accelerated processes of the fourth energy transition have led to long-term economic instability provoked by the simultaneous presence of many divergent trends. In the case of the oil market, these trends could (and, indeed, did) lead to nearly permanent instability of prices. Under these circumstances, OPEC+ remained the only effective instrument capable of regulating the market. As a result, after the outbreak of the war, Moscow not only increased its loyalty to OPEC+, but also assumed voluntary quotas to limit production in 2023–2024 in order to ensure greater cooperation with and support from the latter's members.

### Nothing Personal, Just Business

On the other hand, the post-February 2022 global redistribution of hydrocarbon export flows, which has seen Russian oil go to Asian markets instead of to the EU,

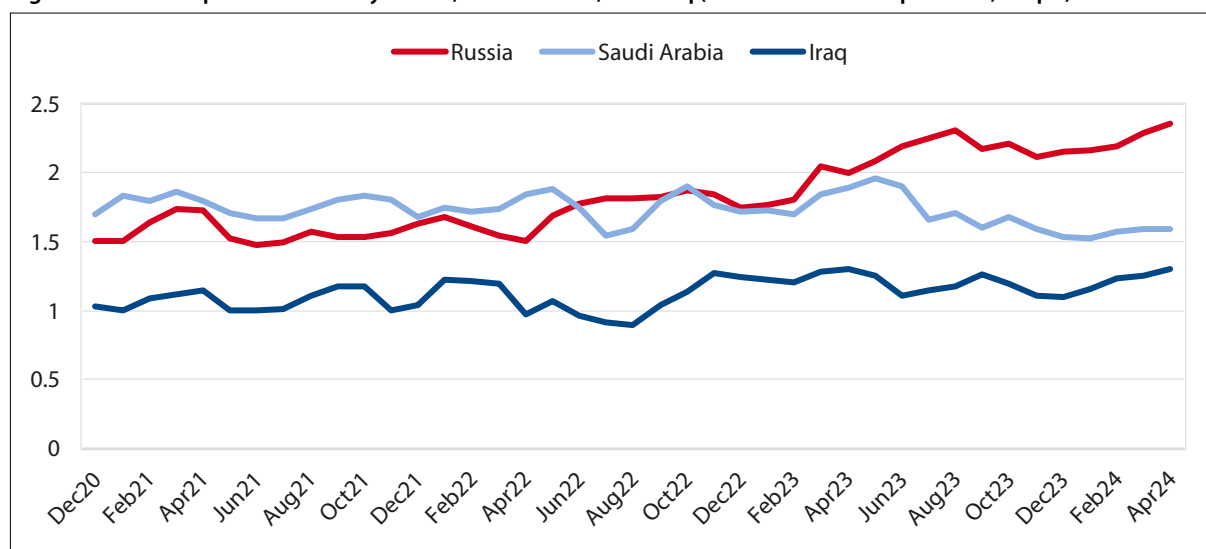


requires maintaining good relations with the cartel and its leadership. By 2022, the Asian oil markets were considered traditional consumer markets for the leading OPEC countries. The inflow of Russian hydrocarbons therefore came as an unpleasant surprise for them: by mid-2024, Russia had “squeezed out” part of OPEC oil from India and part of Saudi oil from China (see Figure 1) (Verma 2024; Cockayne May 24, 2024). These were losses for which some OPEC countries had to compensate by reorienting their own oil supplies to Europe, filling the space vacated by Russia (Ingram 2024c; Ingram 2024b).

willingness to cooperate with OPEC/OPEC+. The evolution of classical OPEC into its current form began long before Putin’s invasion of Ukraine and was the result of the coincidence of several factors, including the results of the turbulent shale revolution of the late 2000s–mid-2010s and the intensification of the processes of the fourth energy transition (see Yergin 2020).

The shale revolution significantly weakened the cartel’s position; influenced price cycles, contributing to the 2014 price collapse; created the threat of an excessive supply of hydrocarbons; and changed the structure of the oil market, turning the US from one of the

**Figure 1: Oil Exports to China by Russia, Saudi Arabia, and Iraq (December 2020–April 2024, mbpd)**



Source: Middle East Economic Survey (MEES)

Consequently, OPEC+ began to play the role of a platform where Russia could explain its position, seeking to avoid an unnecessary trade war with the Gulf oil exporters by emphasizing that the influx of cheap Russian oil to Asian markets has not been intended to threaten the interests of Arab oil producers. The existence of the body also allowed Moscow to appease partners by making additional commitments to cut oil output. In addition, according to some market analysts interviewed by the author on condition of anonymity, there is an unspoken principle within OPEC+ not to politicize or take advantage of other members’ economic problems for one’s own enrichment. Thus, as a member of OPEC+, Moscow can be equally confident both that its steps in the market will not be interpreted as malevolent toward OPEC+ and that it will not face harm from third countries.

### Not by the War Alone

However, the war is far from the only factor that has influenced Moscow’s approaches and determined its

main consumers of oil into its largest producer, as well as redirecting export flows from the West toward Asia.

The energy transition, in turn, raised the question of possible stagnation and decline in long-term global oil demand. Consequently, by the mid-2010s, Saudi Arabia’s strategy of maximizing its own market share through moderate prices and squeezing out competitors with higher production costs stopped working. Instead, the Saudis, as well as the other OPEC members, turned to maximizing the monetization of their natural resources in order to generate the funds necessary to rebuild their economies to meet the needs of the ongoing energy transition. This approach implied, among other things, a more active role for OPEC, which was tasked with keeping the cost of a barrel of oil at the highest possible level by regulating production volumes.

At the same time, in the second half of the 2010s, to maintain its position in the global oil market and ensure the interests of key OPEC members, the cartel was forced to take some drastic measures. Chief among

them was expanding itself to strengthen its influence in the market and reduce the number of “freeriders” who benefitted from OPEC’s production cuts without bearing any of the costs.

Another important change was the beginning of OPEC’s cooperation with Russia, whose leadership by the the mid-2010s had concluded that the previous policy of distancing from the cartel had exhausted itself. The active rapprochement of OPEC (primarily Saudi Arabia, the UAE, and Kuwait) with Moscow led to the creation, in 2016, of the so-called OPEC+. Although relations between its members were initially far from smooth (the discipline of the participants when it comes to the implementation of production quotas was and remains a problem), leading even to a short-lived 2020 price war between Saudi Arabia and Russia, OPEC+ was able to stop the fall in oil prices and contribute to a certain stabilization of the market situation during the 2020–21 COVID pandemic, demonstrating the renewed cartel’s ability to influence the oil market situation. Putin’s invasion of Ukraine in 2022 was only a new test for OPEC+—one that its members have so far withstood.

### We Are Here to Stay

Moreover, OPEC+’s proven effectiveness recently led to a transformation in perceptions of OPEC+ among its own members. As noted by Ingram in May 2024, “OPEC+ producer alliance is becoming entrenched, OPEC has now switched the terms of reference in its Monthly Oil Market Report (MOMR). Previously the report referenced and tabulated, OPEC and non-OPEC production, but it has now replaced this with ‘Declaration of Cooperation’ (DoC, that is to say ‘OPEC+’ countries) and ‘non-DoC’ production” (Ingram 2024a). This implies an important change: originally created as a temporary structure designed to deal with the consequences of oversupply created by the shale revolution

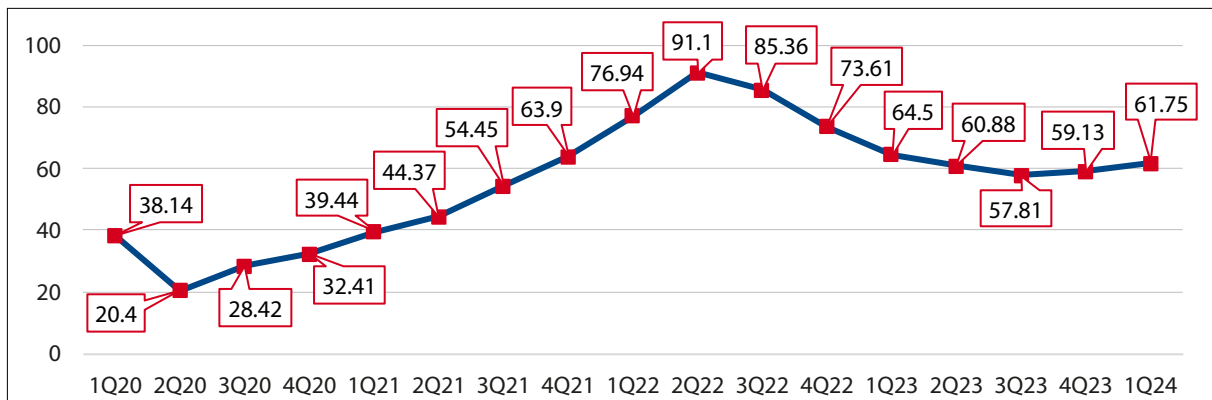
of the 2000s and early 2010s, OPEC+ has turned into something much more durable and united. Global economic and political circumstances have played a major role in this: in recent years, one economic crisis has followed another, creating for OPEC+ a sense of living under endless challenges, in the face of which OPEC+ has demonstrated its ability to keep prices at a relatively high level. Under these conditions, its transformation into something permanent was inevitable (although not always predictable).

In turn, the transformation of the organization from a loose forum based on a temporary contract into a long-term structure with its own discipline and code of behavior inevitably affected the psychology of its leaders (Saudi Arabia and Russia), bringing them closer together and forcing them to work more actively together. An additional role in this has been played by the fact that OPEC+ is not at all a beneficiary of the problems of the global economy. Admittedly, military and political crises such as the beginning of Putin’s invasion of Ukraine in 2022 and the creation of threats by the Houthis to navigation in the Red Sea periodically create temporary opportunities for the enrichment of OPEC+ members (Ingram 2024c). However, much more complicated and longer-term economic factors threaten to push oil prices down. As a result, in 2020–2024, both oil prices and the incomes of OPEC+ exporters were extremely high only in the first months after the outbreak of the war in Ukraine (see Figure 2). The rest of the time, the cartel was engaged in a constant struggle to keep them from falling (see Figure 3).

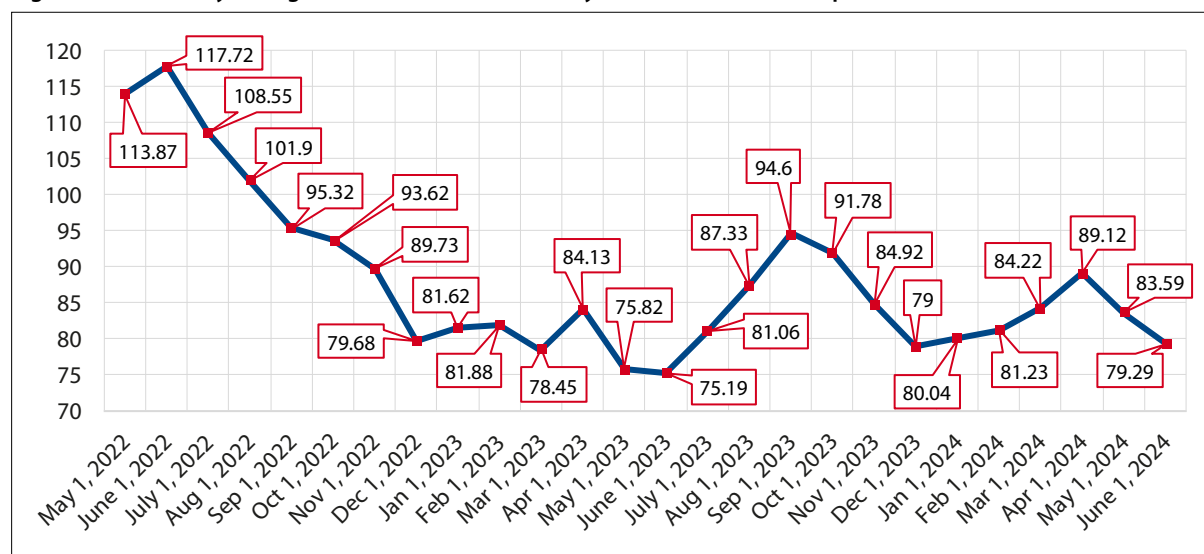
### The Crisis Never Ends

In other words, the cartel sees itself in a defensive position. Its actions are aimed not at extra-enrichment, but at protecting against the threat of price drops: for many of its main participants, a decline in the oil price below US\$70–75 pb threatens a budget deficit that might call

Figure 2: Saudi Oil Export Revenues (2020–2024, bln USD)



Source: MEEES

**Figure 3: Monthly Changes in OPEC Basket Price, May 2022–June 2023 (USD pb)**

Source: OPEC

into question the success of their economic development programs (PWC 2024). Russia's motivation here is, of course, somewhat different, but the need to finance a war puts it in the same trench as other OPEC+ members, bringing them closer in many ways. Moreover, the size of the threat is significant and excludes cheating behavior on the part of the main players.

First of all, the current multi-crisis will not end soon. It is expected that in the next three decades, the decline in hydrocarbon consumption in some regions of the world and the slow growth of their consumption in others will still be associated not with the spread of renewable energy, but with a slowdown in the global economy under the influence of the current shocks on commodity markets and subsequent slow recovery (BP 2023, 21–25).

Moreover, shale and other unconventional oil should not be written off as a challenge for OPEC+ producers. Many experts agree that the real “OPEC era” (when the cartel will dominate the oil market and its influence will peak) will come no sooner than the early/mid-2030s. Until then, the main increase in oil production will come from countries outside the cartel or its expanded version, OPEC+, such as the US, Brazil, and Guyana. Their production will peak by the early–mid-2030s (at 11–16, 5, and 2 mbpd respectively), and only after their subsequent reduction in output will the cartel be able to increase oil production to fill the vacuum. By 2050, OPEC is expected to control up to 65 percent of the market (BP 2023, pp. 21–25, 44–45).

However, until 2030–2035, the cartel will be forced to assume the role of a price regulator and ensure a more or less acceptable level of oil prices by reducing its own production, leaving more space and providing higher

prices for non-OPEC members (BP 2023, 44–45). Not all OPEC+ participants are ready to play the long-term game of limiting production. At the end of 2023, Angola left OPEC+; Qatar had done the same in 2018 (Shmeleva 2023). And this is another factor that forces Russia and Saudi Arabia to interact within OPEC+.

### Discipline Goes First

OPEC+ members pay for maintaining high prices not only with market share, but also with their own development. Given the prominent role of the oil sector in the economies of many OPEC+ countries, including Saudi Arabia, limiting production entails a decrease in GDP growth, the deterioration of macroeconomic parameters and a decline in investment attractiveness (Magdy 2024). The role of the regulator limits the development of OPEC+ countries' production capacities. This, in turn, also has a negative psychological impact on the microclimate within OPEC+: some states consider the quota system unfair (UAE), while others are afraid of not being able to win the necessary market share when restrictions are lifted (Angola). Under these circumstances, the change in Russia's behavior is understandable: being interested in the long-term effectiveness of OPEC+ as a regulator, playing in tandem with Saudi Arabia, and acting as one of the leaders of the expanded format of the cartel, it had to take initiative, assume much greater responsibility, and demonstrate a willingness to follow restrictions. In other words, Russia was required to set an example to strengthen discipline within OPEC+. In such a situation, Moscow cannot afford obvious cheating, of which it was periodically accused in the pre-war years.

## The Long Road Ahead

Within the last seven years, OPEC+ has developed substantially, evolving from a temporary agreement into a player that aims to be present on the market for a long time. Important roles in this evolution were played by the economic situation—characterized by contradictory,

but mostly gloomy, forecasts—and the war unleashed by Putin in Ukraine. These two factors have forced the key OPEC+ players—Russia and Saudi Arabia—to interact more actively and closely with each other, refuting earlier claims that OPEC+ is a colossus on clay feet.

### About the Author

*Nikolay Kozhanov* is a research associate professor at the Gulf Studies Center of Qatar University. He is also a non-resident scholar at the Energy and Economics Program of the Middle East Institute (Washington, DC).

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Research Centre for East European Studies at the University of Bremen • Country Analytical Digests • Klagenfurter Str. 8 • 28359 Bremen • Germany

Phone: +49 421-218-69600 • Telefax: +49 421-218-69607 • e-mail: [laender-analysen@uni-bremen.de](mailto:laender-analysen@uni-bremen.de) • Internet: [www.css.ethz.ch/en/publications/rad.html](http://www.css.ethz.ch/en/publications/rad.html)