Political economy dynamics of Russia's intervention in Syria

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ABSTRACT

This article aims to place the issue of economic benefits obtained by Russia by military intervention in Syria in the larger perspective of its role as a global player shaping Middle East affairs. The essay aims to answer the following question: How much have Russia’s economic interests been impacted by its military involvement in Syria? Russian objectives in Syria extend beyond its geostrategic location to encompass national interests in various strategic areas, particularly maintaining its economic power and bolstering its worldwide influence in Middle Eastern politics. The article will explore the additional advantages that contributed to the expansion of Russian commercial ties in the region, beyond Syria’s geostrategic location. This article assumes that Russia is steadily investing in building its influence and creating geo-economic dynamics to boost its economic national interests. The study examines how Russia has been translating its military participation into economic benefits across several sectors, including arms transactions, oil businesses, economic networking, trade facilitation, and resilience. The paper will rely on signed contracts, official papers, reports, menus, speeches, press releases, declaratory statements, and reports on official visits as primary data. This article focuses on the political economy of Russian military involvement in the Syrian crisis to provide detailed insights.

Introduction

“Russia will do everything it can to prevent a Libyan scenario happening in Syria.”

(Lavrov, August 9, 2011)

During the early 2010s, the Arab Spring significantly influenced the flexibility of foreign policy decisions in the Middle East. Russia's military intervention in Syria in 2015 aimed to prevent the collapse of the Syrian regime and has had significant impacts on Middle Eastern affairs. Russia's recent actions, such as the events in South Ossetia in 2008 and the annexation of Crimea in 2014, are examples of the country using hard power to further its national goals.

Syria emerged as a significant issue in both Middle Eastern and global politics. Russia's military intervention in the Middle East established it as a significant player in global politics, strengthening its strategic position in the energy market and the Mediterranean region, and promoting a new economic policy favoring Russia in the Middle East. The military invasion underlines Russia's strategy to diversify its economic alliances, expand trade channels, and engage with different regional and global governments.

This article contributes by connecting geopolitical strategy with economic goals, providing a detailed study of Russia's military involvement in Syria. Studying Russia's military involvement in Syria reveals the complex reasons behind this geopolitical decision. The article explores how Russia aimed to solidify economic benefits and strategic alliances through its military presence, highlighting the complex relationship between military actions and economic objectives in international relations.

This analytical perspective provides a more profound insight into Russia's strategic placement in the Middle Eastern geopolitical landscape, while also enhancing the worldwide discussion on the economic foundations of military actions.

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The paper provides a detailed viewpoint that enhances our comprehension of Russia's goals and tactics in the region. It also contributes significantly to the discussion on the growing connection between military interventions and economic goals.

**Promoting Russia's military presence in the Middle East: theoretical insights and conceptual framework**

In Russia, there is a prevailing perception that the lack of capabilities was a key factor in the the collapse of the former Soviet Union and restricting Russia global political influence. The last years of the former Soviet Union, coupled with the early years of the new Russia, under Yeltsin's presidency, are profoundly etched in the Russian memory as 'years of weaknesses. Russia’s policymakers and the elite largely believe that ‘the roots of Russia's decline in influence lay in weaknesses in the areas of the military, economy and technology’. (Graham, T. E. (2008) Re-positioning Russia as a global actor and being strong and assertive has been the drive to pursue long-term strategic objectives in the Middle East and on the global scene since 2000. After his advent to power in 2000, Putin worked on introducing Russia as a global actor with newly formed national strategic interests. In this course, Neo-Eurasianism played a theoretical framework to guide Russian Foreign Policy. Neo-Eurasianism has different assumptions that influence Russian foreign policymakers. Classical Eurasianism is based on a ‘geographical dimension (Eurasia) and the ethno-fusion of Slavic and Turko-Muslim peoples of Russia, and it rejects the view that Russia is on the periphery of Europe’. (Laruelle, M., & Gabowitsch, M, 2008) Frederick Matern noted that the Eurasianists ‘believed in a strong State’, and they ‘put more emphasis on culture’ which is ‘combined with the Eurasianist political geography’, which was translated by the elites and policymakers into a ‘programmatic political philosophy’ in many aspects. (Matern F, 2007)

These assumptions evolved and, culminating in a novel aspect of Russian foreign policy known as ‘Neo-Eurasianism. It has a geopolitical aspect that is based on the work of Aleksander Dugan. (Laruelle, M., & Gabowitsch, M, 2008) Since the beginning of the 2000s, the term ‘Neo-Eurasianism’ has begun to be used significantly and became interesting to those were questioning Russia’s position between Europe and Asia. (Laruelle, M., & Gabowitsch, M, 2008) Namely, the Neo-Eurasianist school draws its core inspiration from the ‘realist theory’ of international relations and is driven by an ambition to maintain Russia’s great-power status. It is about promoting and expanding Russia's relations with China, other Pacific countries, the central Asia republics, Middle East countries and North Africa in order to enhance Russia's geo-strategic space. (Laruelle, M., & Gabowitsch, M, 2008) Thus, Neo-Eurasianism reshaped Russia’s foreign policy, steering it in a new direction with an emphasis on strengthening Russian national capabilities, especially enhancing and preserving its economic strengths. It formulates an assortment of diversified policies ranging from arms sales to partnerships in energy markets.

Therefore, Russia formulated a foreign policy that can concentrate on reinforcing its military, technological and economic capabilities. Capabilities signify power, and power is ‘no longer viewed as monolithic and uni-dimensional, but rather as multidimensional’. (Carlsnaes, W., Risse, T., & Simmons, B. A., 2002) Thus, enhancing and preserving economic strengths is at the core of the Russian Military intervention in Syria. The Middle East Dynamics and Russia’s Geostategic Position: The Middle East and North Africa are viewed as one of the key factors that Russia can use to reinforce its capabilities. In this course, the 2007 survey of Russian Federation Foreign policy stated that: “The Middle East and North Africa region lies within Russia’s sphere of strategic interests by virtue of the geopolitical, economic, religious and other factors. Our principal task in this sector is to develop and strengthen mutually beneficial ties with all countries of the region.

The military-political and economic situation in the Middle East influences to a significant extent in the world energy and arms market and the state of affairs in inter-civilizational relations. The region possesses considerable potential for the import of Russian-made goods and technologies, as also for military -technological cooperation.” (MFAR, 2007) From a geo-strategic view, the Middle East is a region of the geographic epicentre of the ‘world’s fossil fuel reserves’, especially Iraq, Iran, and the GCC, as well as the Mediterranean Sea is a highway of global energy trade which gives strategic importance to countries like Syria, Turkey and Egypt. (Tétreault, M. A, 2008) According to the MEDPRO Energy Reference Scenario, the Levant Basin and the South Coast of the Mediterranean estimated to be one of the world's largest hydrocarbon resources. These estimations and new discoveries of oil and gas give strategic importance to countries such as Syria, Lebanon, Cyprus, Palestine, Israel, Egypt, Libya, and Algeria. This made the region a compelling prospect in terms of geopolitics and economics for Russia. Additionally, a planned web of pipelines that carry oil and gas from Iraq and Iran into the Syrian coast and a proposed pipeline project connecting Nigeria with Libya across the Sahara desert has added strategic importance to the Middle East in the designated Russian sphere of influence.

Consequently, reasserting Russian presence and playing a role in this strategic region gradually increased with the coming of Putin to power in 2000. The purpose has been to increase Russia's visibility on the base of cultivating and reasserting its global actorness and develop a sphere of real influence in the region. Lavrov asserts that Russia ‘never departed from this strategic area' considering it as a ‘vector of Russian foreign policy’ witnessing an appreciable increment in ‘the most diverse fields’. (Hafner, M., Tagliapietra, S., & El Andaloussi, E. H, 2012) In the 2007 survey, the Russian Ministry of Foreign Affairs has framed its foreign policy towards the region within the geostategic sphere in which its involvement as an actor is ‘an indispensable component and an important tool for ensuring the national interests of Russia’ (Lavrov, S, 2007, February 21) Since the second term of his presidency, Putin has been intently focused on the Middle East as a key aspect of foreign policy. In 2007, he marked the first visit by a Russian President to
several countries in the region, including ‘Saudi Arabia, Qatar, Jordan, the United Arab Emirates, and Iran’. The purpose has been to broaden Russia’s influence by strengthening economic, technological, and military relationships with countries in the Middle East.

Therefore, questioning the Russian geo-strategic position in the Middle East has been at the heart of Russia’s foreign policy. The policy emphasizes sustaining robust relations with allies and friends form with former Soviet. In addition, Russia’s access to the Mediterranean has been historically controlled by Turkey and other nations bordering the Black Sea, thus the installation of a military port in this region enables Russia to control territory abroad furthering its political, military and economic interests. Thus, Russia's military actions in Syria in 2015 stood out as a pivotal move with far-reaching consequences for regional and global politics. These insights have synthesized theoretical frameworks with empirical realities, offering a granular understanding of the economic motivations driving military interventions in the current geopolitical context. This intervention has elucidated the intricate matrix within which Russia’s maneuvers in Syria are situated, highlighting the confluence of military strategy and economic ambition. This exploration not only delineates Russia's tactical pursuit of economic advantages but also encapsulates a broader paradigm where geopolitical actions are increasingly intertwined with economic objectives.

**Developing a balance of interests in the energy context**

Russia is one of the World's biggest oil and gas Exporters which are vital components of Russia’s economy. Thus, developing balance of interests in energy context is crucial for Russia to ensure a stable and diversified returns. The Russian intervention in Syria came as a geo-strategic step that allowed Russia to preserve and enhance its shares in energy industries and engage with multiple energy producers and partners to upgrade its influence and maintain its economic interests. It allows Russia to penetrate the Middle East and North Africa for deeper access to the Middle East and North Africa’s energy market and play a key role in policymaking of energy pricing and production volumes that can contribute to stable energy markets, which is essential for Russia's national interests.

For an extended period, Russia has been actively seeking opportunities in the oil and gas sectors, including the development of oil and gas pipeline networks. Maintaining and enhancing Russia’s oil and gas industries is one of the main motivations for Russian foreign policy which was in 2016 responsible for 36% of economic activity and comprises around 48% of total Russian exports (Borschchevskaya, Blank, & Karasik, 2018). Russia notably already dominates the European energy market as it accounted for 60% of total energy imports (Borschchevskaya, Blank, & Karasik, 2018). Gazprom, the Russian state-owned firm, thus looks south to expand for a relatively untouched market. Economic sanctions from the West in tandem with increased volatility of the global energy markets have led to increased reliance on petroleum revenues as the Russian economy slow down and has placed greater emphasis on securing the Middle-Eastern market (Borschchevskaya, Blank, & Karasik, 2018).

Moreover, Russia sees natural-resource rich countries of the Middle East as partners and competitors simultaneously and hopes to regulate competition to continue serving its interests in Europe (Trenin, 2010). Thus, Russia seeks to develop and boost its relationships with other oil and gas producers in the Middle East to reduce the volatility in oil and gas prices and maintain a stable revenue for the Russian Economy. It has been estimated that Russia, Iran, Qatar, and Syria could have control of more than 70% of global oil reserves (European Commission - Eurostat, 2020), in an effort to stabilize and control international oil prices. Furthermore, Russia is seeking to create a “balance of interests” by developing its relationships with oil and gas competitors in the Middle East that enables Russia to undermine the European strategy of diversifying its natural gas suppliers, a position of leverage Russia seeks to keep in addition to aid the delivery of more oil and gas to Asia as a whole.

In 2004, Russia made its entry the Saudi fuel market, when Lukoil Holdings, the Russian oil company, was ‘awarded the right to explore and produce natural gas in one of the largest oil fields in Saudi Arabia’ (Eke, 2007). In addition, Russia has shown interest in taking part in exploring and producing gas and oil in the Levant (Eastern Mediterranean) Basin. In this vein, Russia signed different agreements and deals such as: agreements for operation with Israeli gas companies, along with a memorandum of understanding signed with Lebanon in 2013 for cooperation in the energy sector. Enhancing Russia's Shares in The Energy Sector: In May 2016, Energy Minister Aleksandr Novak said, ‘Syria has asked our companies to participate in rebuilding oil and gas projects, infrastructure development, and pipeline construction’ (Syria asks Russia to rebuild its energy sector, (2017, July 12) In the years before the uprising, many contracts and deals signed between Russia and Syria. Russian companies have been taking part in promising projects such as ‘the construction of oil refineries in the towns of Deir ez-Zor and Furklus, the Zenobia oil pipeline and central mainline gas pipeline, rebuilding the Kirkuk-Baniyas oil pipeline, and modernising the oil refinery at Baniyas’ (Medvedev, 2010). In 2003, TATNEFT became the first Russian company to win an open international tender with Syria, (FDD, 2011) and then In 2004, a Russian Oil and Gas company, SuyuzNefteGaz received licenses for exploration in many Blocks in the South East Syria. (Stroytransgaz, 2017) Yury Shafranik, a former Russian energy minister and the president of SuyuzNefteGaz has played a key role in strengthening Russian Syrian relations.

This environment facilitated the signing of ‘the Declaration on Developing and Deepening Friendly Relations’ during Bashar al-Assad’s visit to Moscow in December 2005. Since then, Russia has become a key partner in different Syrian economic sectors especially in infrastructure and energy industries such as SuyuzNefteGaz, Stroytransgaz, and Tatneft. (Stroytransa, 2017) Accordingly, Russian companies had a considerable investment worth $1.1 billion in 2010 and investment in the country was valued at $19.4 billion in 2009, there is a lot at stake (Stroytransa, 2017). The figure is widely believed to have increased by $1 billion since 2011, the year of the Syrian uprising. (Ayas, 2015) On April 7, 2010, Al Bou Kamal Petroleum Company, a collaborative
venture between TATNEFT and the General Petroleum Corporation of Syria, established on a ‘parity basis, started crude oil production from the South Kishma oil field in Syria’ (TATNEFT, 2013).

In the Levant Basin, The Russian company “SoyuzNefteGaz” signed a 25-year contract in 2013 with the Ministry of Oil and Mineral Resources for exploration along Syria's Mediterranean coast. The agreement covers an 845-square-mile area stretching southward from the government stronghold city of Tartous to Baniasand extends about 45 miles into the Mediterranean. (Bulos, 2013). In 2015, Gissa Guchetl, the executive director of the Russian Union of Gas and Oil Industrialists, estimated the Russian business in Oil and Gas of $ 1.6 billion which would be resumed in case Assad came into power. (RT, Russia May Resume $1.6bn Oil and Gas Projects in Syria, 2015). However, the prolongation of the war suspended the project in 2015, to resume in 2019 under less risky conditions. Syria is not only a transfer state for Oil and Gas pipelines but also has significant reserves of Oil and Gas and Russia has long-standing energy contracts are one of the key factors behind its military intervention. Securing its energy assets, existing contracts, and maintaining related infrastructure became one of the main objectives of the invasion.

For Russia, energy assets in the international market play a crucial role in consolidating and developing its national economies. It has valued-added contributions to capital inflow that can help stimulate economic growth, finance new ventures and drive overall economic development. To enhance access to a global market by helping the Russian companies to compete and collaborate with local energy companies or setting up new energy companies that enable Russian companies to remain competitive in the global energy market. Additionally, enhancing Russian collaboration with local energy companies in the Middle East enhances networking and business alliances, which bolster and fuel economic expansion for Russian energy companies, bringing in efficiency-improving technologies, knowledge and expertise sharing that can lead to the development of partnerships in energy industries. Accordingly, Russia entered joint ventures and acquired stakes in energy companies in many Middle Eastern countries, which played a role in securing access for Russian energy companies to vast energy resources and strengthening its position in the global energy market.

**Institutionalization of the Russian Syrian economic and business partnerships**

In the aftermath of the invasion in 2015, the emerging economic ties between Russia and Syria are based on the “Government to Government” (G2G) modality mostly. (Matveev, 2019). Which is a narrow approach to materialize its presence by enhancing and strengthening its economic interests in Syria. Therefore, to build longer-term, and stable and sustain economic ties, Russia has established the Syrian-Russian Business Council (SRBC) as a platform to enhance and strengthen economic and business cooperation between the two countries. The SRBC aims to promote trade, facilitate business, open new avenues for collaboration, and facilitate capital flaws to further economic cooperation in the energy sector, infrastructure, real estate, and transportation. The council consists of seven committees covering the Russian economic interests in the Syrian economy which include: oil and gas, trade, communication, tourism, industry, engineering, and transportation. (SRBC, 2023)

However, the council focuses on the modality of business-to-business (B2B) interactions that enable direct communication between Russian and Syrian businesses. It is essential to build a grassroots relationship rather than an official one. Building trust and grassroots partnerships leads to establishing strong business relations for collaborations, joint ventures, and strategic partnerships. This form of economic engagement allows Russian companies for to have deeper and more defensible partnerships that leverage existing business networks and make it easier to empower Russian companies to dig deeper into Middle Eastern economics. Thus, Russia is building a long-term economic presence in Syria to serve its geostrategic objectives as a global player in the region.

**Additional bargaining power in OPEC: energy market dynamics**

The military presence in Syria has provided Russia with a more prominent role and bowler bargaining in negotiations with OPEC members, especially the world's largest producers in the region: Saudi Arabia, Iraq, Kuwait and UAE. It helps and facilitates coordinating related energy policies at the international level, particularly oil production policies and pricing issues. The military presence provided Russia with additional support and enhanced bargaining power to coordinate oil production policies with the largest OPEC producers, to stabilize oil prices that are at the center of Russia’s national security strategy. In the last two decades, stabilizing oil and Gas prices stated as a strategic objective in its national security concept. (Miller, 2014) In regard to that, Russia has strategic interest in stabilizing oil and gas prices to enhance its economic growth and preserve economic stability and development. Namely, Oil and Gas revenue plays a major role in the Russian strategy for economic growth and development.

Since 2016, Russia and Saudi Arabia have been involved in in high level of dialogue to coordinate energy polices such as production quotas and pricing strategies in order to stabilize oil prices in the global market. This high level of cooperation and coordination between two of the biggest oil companies became a “hallmark and a feature of the global energy landscape” and continued to aggressively cut oil production on Oct. 5, 2022, despite the opposition of the USA in the context of the Russia-Ukrainian war (Kristian Coates Ulrichsen, Mark Finley, Jim Krane, 2022). That is, by coordinating output and adjusting production quotas with OPEC's large producers in the Middle East, Russia increasingly maintained its market share and projected itself as a key player in the energy global market which enhanced its economic interests and strengthened its position in energy-related policies. Russia’s military presence in Syria forced governments in the Middle East to broaden and improve their political and economic relations with Russia by offering opportunities for Russian companies to expand their business in the energy market. This is the significance of Russia’s Economic interests such as: bolstering Russia’s energy leverage over the region and strengthening its position as an energy investor in the Middle East especially in Iraq, Iran, and GCC countries. This leverage enabled Russia to increase its share in energy investment in
many Oils and Gas fields over the region as well as enhance coordination and cooperation regarding production quotas and pricing strategies between Russia and the major oil and Gas producers in the Middle East.

**Leveraging military capabilities and preserving clients in the Middle East's arms market**

However, for Russia, keeping and developing military capabilities, especially high-tech weaponry, needs financial resources, which should be diversified beyond the traditional governmental budget under the rules of the market economy that Russia became part of. For a long time, Russia, the successor of the USSR, has been ‘the second world’s largest arms supplier’ to the Middle East with 14.2 per cent, second only to the USA (Kalinina, 2013). Arms exports are very important for the Russian Economy. Rajan Menon argues that the Russian military budget had significant cuts in size relative to the Soviet period, so if Putin wants to keep people employed in the military complex, he needs to increase exports of armaments. Under the market economy system, weapon items are commodities which need to preserve current customers and open new markets. In order to achieve these goals, new Arm items should be tested and prove their effectiveness in the real battlefield. Syria became the test battlefield for Russia’s new weapon items. According to Sibri, the Middle East has been one of the largest Arms markets. In 2022, the Middle East was the World’s largest arm importer by 31% of the global arm sales. (SIPRI, 2022)

During the last decade, a number of international events have affected Russia's global actorness in the Middle East. The American occupation of Iraq in 2003, the UN sanctions on Iran and the wave of uprisings that overwhelmed the Arab World in 2011 which had overthrown a number of dictator regimes have heavily affected Russia's global actorness and influence in the region. Russia has lost a number of arms sales contracts following the fall of the Sadam regime in Iraq, the sanctions on Iran and the overthrow of the Gadhafi regime in Libya. The Libyan deals totalled $4.5 billion. (Treisman, 2012) Kremlin diplomats are determined to avoid a replay of the Libyan scenario in which a NATO-led force facilitated the toppling of Moammar Gadhafi. The conflicts in Libya and Iraq have resulted in significant economic losses for Russia and have made it clear that such scenarios should not be repeated in Syria. Lavrov said in August 2011, “Russia will do everything it can to prevent a Libyan scenario happening in Syria.” (Hearst, 2011)

Russia fears the loss of its arms contracts with Syria in case Assad has fallen down. Russian weapons accounted for 50 per cent of Syria’s arms imports before the uprising against Assad began in 2011. Syria remains a key partner in the Russian arms market, even if its purchases do not match those of some Middle Eastern states. Syria received 6% of total Russian arms exports in 2010, and it is “critical for some [Russian] companies’ financial survival.” (O'Toole, 2012.) Syria as a battle-tested field and its marketing effects: Since the invasion in 2015, - Russia-made weapons have been battle-tested on the ground and approved their efficacy. Namely, Syria became a testing ground for a wide range of weaponry. In February 2018, Vladimir Shamanov, head of the Russian Duma’s defence Committee, claimed that Russia had tested 200 new weapon systems in Syria, including aircrafts, tanks, cruise missiles and air defence systems. Selling Russia’s Military in Syria2018, (, August 23) It assessed the effectiveness and performance of these weapons in actual warfare, which is an invaluable aspect of military development and an opportunity to boost Russia’s reputation and attract customers, which has positively impacted Russia’s arms sales which rose in 2016 to exceed $15 billion (Mason, R., & Suchkov, M. A., 2021). This has caused ‘marketing effects’ that increased the Russian share in the international weapons market. Countries such as Algeria, Pakistan, Vietnam, Indonesia and a string of Latin America, where most of them clients of the USA and China, show a strong interest in buying Russian weapons. Ruslan Pukhov, director of the Centre for Analysis of Strategies and Technologies, said that the Russia’s military operation in Syria has the “extremely positive effects” of enlarging Russia’s arms sales by showing Moscow has effective weapons and can challenge Western influence.

Moscow has effective weapons and can challenge Western influence. He added, “Russia basically proved it has the political will, it has balls because normally people don’t buy weapons from losers.” (Luhn, 2016, ) As reported by Russia Today, in 2016, Russia's share in the Arms market increased from 14% to supplying %25 of the total world arms. (RT, Russia Has 25% of Global Arms Sales, Second Only to US, 2016) That is using Syria as a weapon test and showcase, Russia has demonstrated its military capabilities that have generated several marketing effects such as increased demand, building trust, diversification of markets, and showcasing a full-spectrum arsenal.

**Creating geo-economic dynamics: economic networking and building business alliances**

Russia has been interested in enhancing its geo-economic interactions and relations with many regional and international countries that have economic interests across the region, especially regional countries like Türkiye, Iran, Egypt, Algeria, Gulf states particularly Saudi Arabia, UAE, and Qatar, and global powers such as China, EU and USA. The Military presence in Tartus base enables Russia to create geo-economic dynamics through materializing this geostrategic presence into economic infrastructures and facilities.

**Establishing a transport hub at highway of global trade**

Strategically, Russia has a long-term plan to establish a Transport and Grain Hub in Syria. By reinstating the Tartus military base that dissolved in the aftermath of the collapse of the Soviet Union. The base is designed to serve military and economic purposes. It was designated to boost Russia’s economic interests in the Middle East with the establishment of certain infrastructure and facilities that are designed to serve as transport and Grain Hubs on the Mediterranean Sea, which is a highway shipping route close to the Suez Canal. It is clear that Russia intends to enhance its long-term logistic presence in the region in order to underpin its economic leverage.
and enhance its actorness in logistic services and the global Grain market. In this vein, Moscow and Damascus came to an agreement in 2017 that expanded the territory of the Russian Navy’s logistics facility situated in Tartus which is expected to be completed in 2023. The document is quoted as stating ‘the current agreement will stay effective for 49 years and be automatically prolonged for 25-year periods. The terms in the initial agreement also stipulated that Syria would have to refrain from any business that may potentially interfere or compete with Russia, as well as the logistics base has full immunity from Syrian civil and administrative jurisdiction (TASS, 2017). Moscow justifies this increased geopolitical presence by protecting its economic interests in the country and as a Moscow-based naval expert explained ‘from the coast of Syria, there is an opportunity to control not only the eastern part, but the entire Mediterranean Sea’ (Jamestown Foundation, 2020).

Furthermore, in 2019, Russia concluded an agreement with Assad to establish a “Grain Hub” at Tartus port on the Syrian Coast, which Russia rented out for 49 years starting in 2017. According to Yury Borisov, the Russian Deputy Prime Minister, the Grain Hub was designed to store large volumes of Russian grains to meet the increased demand from the Mediterranean and African countries (Reidy, 2019). The agreement, according to Syrian Transport Minister Ali Hammoud, calls for building a “large-scale infrastructure project” to connect the Grain Hub with neighbouring countries. It designated to build a railway to link the port of Tartus on Syria’s Mediterranean Coast to the Arabian Gulf across Iraq (Reidy, 2019). According to the Financial Times, Russia, in late 2019, made a $500 million investment into the Tartus base to continue to project as the most powerful player in a crucial region (Financial Times, 2019). This is also seen as the largest investment into Syria and signifies the long-term commitment that the Kremlin is willing to use Syria as the cornerstone of its long-terms strategic economic projects.

Setting up the largest hub for wheat exports in Syria is aligned with Russia’s broader national interests to expand its geopolitical influence and economic leverage both regionally and globally. It creates geo-economic dynamics that are essential to becoming the world’s biggest exporter of grain. The Hub provides Russia with improved access to African and Asian markets, building strategic partnerships, and fostering closer bilateral ties with their governments. That is, positioning itself as “the World’s biggest Grain Exporter” allows Russia to wield economic leverage strengthening its position as a “global actor” in Middle Eastern politics and extending its influence over neighbouring countries in Asia and Africa.

Therefore, the Tartus port forms the gateway through which Russia can achieve, besides military presence, the desired economic interests. Such as projecting Russia’s power in the transport movement of goods and energy between Europe, Africa and Asia, attracting businesses and investments regionally and globally, promoting trade cooperation with different countries in the region, and protecting Russia’s economic interests. Moreover, establishing a transport and Grain Hub on the Syrian Coast gives Russia access to multiple regions of interest as the Black Sea flows into the Mediterranean and Arabian Sea.

Economic networking with regional and global power

Russia’s long-term plan developed to establish a land corridor by connecting the Hub on Syria’s Mediterranean Coast to the Arabian Gulf across Iraq. It is designed to bolster Russia’s broader geostrategic goals to diversify export routes for wheat and other goods and extend its geopolitical presence through trade and logistic ties with key regional players in the Arabian Gulf. It serves as a catalyst for broader economic cooperation opening up opportunities for trade and investments with Gulf countries and strengthening partnerships with regional and international key players within the Middle East. In 2011, a deal of $10 billion was signed with Syria, Iraq and Iran to carry natural gas from Iran’s huge gas field in the South Pars to Iraq and Syria and eventually onto the European market. (NBC, 2007) Furthermore, Iran has been working on a major railway project that connects her with neighbouring countries. The international North-South Transport Corridor is the most significant that stretch from the Caspian Sea in the North to the Arabian Gulf in the South. Russia has been playing a major role in developing this corridor through different Russian companies (Shokri, 2022). The Corridor presents an opportunity for Russia to enhance its connectivity to reach the Arabian Gulf. It provides Russia access to the Gulf and South Asian markets bypassing traditional routes such as the Bosphorus and Suez Canal. Also, presents an opportunity to connect Russian ports on the Caspian Sea to Russia’s military base on the Mediterranean Sea via Iran and Iraq. In this context, Iran has designed a land corridor or a land bridge to reach the Mediterranean across Iraq. The Iranian Plan to establish logistic routes started in 2016 (David Adesnik, H.R. McMaster, and Behnam Ben Taleblu, 2019), a year after the Russian military invasion of Syria. The Russian invasion of Syria brought Iran close to Russia in terms of energy transit, trade facilitation and market access.

Moreover, China has been working with the Iraqi and Syrian governments to establish a land corridor as part of the New Silk Road. Iraq signed memorandums of understanding with China in December 2015 (Tiezzi, 2015), and Syria signed in Jan 2022 (NDRC, 2022). Al-Faw port which lies on the Arabian Gulf is the cornerstone of the Silk Road on the Iraqi Soil. The Plan is to connect the Al-Faw port with the Syrian Coast on the Mediterranean by rail and road network. It was designed to turn Al-Faw into a transit hub on the Arabian Gulf. Thus, China and Iraq have to coordinate and cooperate with Russia to push this project forward. Both Russia and China have shared interests in transforming Al-Faw port on the Gulf and Tartus on the Mediterranean into Transit hubs. Therefore, establishing a transport and energy Hub at Tartus Port enhances Russia’s economic reach and presence as well as collaboration with various stakeholders in the region.
Attracting foreign investments

After its annexation of Crimea in 2014, Russia has lost capital flaws from the West due to sections imposed on its financial market. The EU has restricted Russia from accessing European primary and secondary capital markets for its crucial banks and institutions such as state-owned Gazprombank and Vnesheconombank. These measures also include a ban on export and import ban on arms trading, an export ban for dual-use goods for military use or military end users in Russia in addition to limiting access to certain technologies and services that are of use in oil exploration and production (European Council, 2020). The sanctions created a gap in foreign investment in Russia, thus it has been eager to attract rich Gulf countries. Accordingly, the military presence in Syria brought Russia closer to the financial markets in the Gulf Countries and became a bid to replace capital that had been lost from the West.

On the other side, most of the Gulf countries like Saudi Arabia, Qatar, Kuwait, Bahrain and Oman have established an investment economic in their national programs for economy transformation and diversification. By positioning itself as a key player in Middle East politics, Russia created an environment that is more conducive to attracting direct and in-direct foreign investments from the Gulf countries. It created an environment that needs to be softened by Russia’s harsh actions in Middle East in terms of interdependency. This is the re-positioning of Russia in the Middle East politics paves the way for investment agreements and bilateral treaties to promote cooperation and joint ventures and investments in different strategic sectors. Gulf States’ sovereign funds have increased the level of their investments in the Russian market, especially in energy companies, infrastructure and real estate, trade and business partnerships, agriculture and food sector, banking and insurance, and technology and innovation. That is, the financial connectivity between Russia and Gulf countries is growing rapidly to overcome the sanction on foreign capital that is imposed on Russia.

For example, King Salam paid the first Saudi King state visit to Russia in Oct. 2017, in which he signed an agreement to establish a ‘joint energy investment fund worth US$1 billion’. (Shamseddine,R, 2017, October 2) However, Mubadala, a sovereign investor of the Government of Abu Dhabi, in partnership with Gazprom Neft and the Russian Direct Investment Fund (RDIF) have announced on the 5th of Sep. 2018 the completion of a transaction to establish a joint venture, in which Mubadala holds 44 per cent, to develop oil fields in Western Siberia, and on Dec. 2021 Mubadala Acquires 1.9% Stake In Sibur- the largest integrated petrochemicals company in Russia and one of the fastest-growing companies in global petrochemicals (Mubadala, 2018).

Despite of the military intervention in Syria, the UAE expanded its investments in Russia with a portfolio of about 50 investments in oil and gas, infrastructure, real estate, commodities, banking and technology. (Mubadala, 2018) Qatar have also extended its investments in Russia. Emir Sheikh Tamim bin Hamad al-Thani paid three official visits to Russia since 2016. In a meeting with the Emir of Qatar on the sidelines of the summit of the Conference on Interaction and Confidence-Building Measures in Asia in Oct 2022, Putin said that investment activities are ‘highly diversified, with investments made in many fields, including such highly required areas as pharmaceuticals, the production of fertilisers and infrastructure’ (Putin, 2022). However, defence cooperation between Russia and the Gulf States has increased gradually, especially with KSA and UAE. Thus, Russia’s military presence fosters closer diplomatic and political ties with most of the Gulf countries which materialized in bilateral economic ties and a wide range of investments in various sectors, including energy, infrastructure, technology, agriculture, and real estate.

Conclusion

Russia's military action in Syria is motivated by more than just preserving its geostrategic position. Countries in the Middle East and North Africa surrounding Syria, such as Iraq, Lebanon, Saudi Arabia, Qatar, UAE, Oman, Egypt, Sudan, Libya, and Algeria, hold importance due to their energy resources, strategic geopolitical locations, financial reserves, pivotal trade routes connecting Europe, Africa, and Asia, and significant arms and grains markets. This strategic goal necessitates a combination of both physical and soft power. There is a widespread belief in Moscow that enhancing Moscow's influence and presence in the Middle East and North Africa depends on a hub-based strategy. This strategy is defined by a strong military and economic presence, demonstrated by the establishment of strategic ports, airbases, berths, and specialized centers focused on grain, energy, and transportation.

In 2007, Putin made history by being the first Russian President to visit significant countries in the Middle East and North Africa, such as Saudi Arabia, Qatar, Jordan, the United Arab Emirates, and Iran. This key time emphasizes the significant geopolitical and geo-economic value these regions hold for Russia, demonstrating Moscow's strategic focus on developing and strengthening its connections within this vital geopolitical domain. The goal is to establish a significant presence in Middle Eastern Politics to enhance its geostrategic position, which will benefit its economic interests through trade diversification and market access. Russia aims to broaden its economic activity, strengthen trade relations, explore investment opportunities, and develop scientific and military connections with Middle Eastern and North African nations.

Developing a balance of interests in the energy sector is crucial for Russia's economy. The military invasion of Syria is a significant strategic move for Russia to protect its national interests in oil markets. Russia's invasion boosted its ownership in Syria's energy sector and established itself as the primary investor in the industry. Furthermore, it has been crucial in strengthening Russia's bargaining power in global energy markets and increasing its involvement with energy-producing nations. Furthermore, creating energy, trade, logistics, and grains centers on the Syrian shore enhances Russia's influence in the region. Russia's economic strategy focuses on developing partnerships in various sectors such as oil and gas, refining, storage, agriculture, food security, manufacturing, and industrial sectors. This strategy aims to expand Russia's economic influence and presence in the Middle East, ultimately.
enhancing its resilience and asserting its role in the region. Moscow's diverse strategy demonstrates its dedication to use strategic assets to strengthen its geopolitical influence and status as a key player in the area.

Russia aims to establish a soft power strategy in its Middle Eastern diplomacy in addition to utilizing hard power. Using military force or coercion is not cost-effective and can be detrimental to long-term relationships. Russia is transforming its military presence into economic influence by actively participating in constructing economic networks and fostering interdependency within the grassroots economies of the Middle East. Russia is developing business connections with countries in the Middle East and North Africa to support their economic development. Russia's military presence in Syria prompts countries with economic and geopolitical interests to enhance their maneuverability by seeking to expand mutual economic benefits. This involves attracting Russian state-owned and private companies to do business in their markets and increasing direct foreign investments in the Russian market. That is the The military action in Syria prompted several countries to acknowledge the significance of strengthening economic relations as a means to facilitate closer communication for sustaining diplomatic connections with Russia.

Russia is expanding its economic and geopolitical connections by focusing on shared interests and stabilizing elements to establish a solid and enduring relationship. By enhancing its soft power, the country strengthened its position as a significant power by increasing its influence in Middle Eastern Politics to protect its energy and economic interests in the region. Testing Russia's military capabilities also boosts Russia's arms sales. It has grown its market share from 14% to 25% of global arms sales. The invasion has been drawing in buyers and strengthening Russia's position in arms sales. (RT, 2016) Russia holds a 25% share of global arms sales, ranking second only to the US. Furthermore, the military intervention has strategically placed Russia in a position to develop and execute a thorough long-term plan to create a crucial Transport and Grain Hub at Tartus Port. This development is not only a strategic maneuver but a substantial undertaking that is in line with Russia's overall national interests. Establishing this center at Tartus Port is crucial for expanding Russia's logistical and economic presence in the strategically important areas of the Middle East and North Africa. It plays a crucial role in enhancing Russia's trade channels, strengthening its trade resilience and volume. This strategic project aims to enhance corporate relationships and develop Russia's economic links with countries in the Middle East, North Africa, and South Asia. The planned Transport and Grain Hub aims to strengthen Russia's position as a significant economic player by improving the movement of goods, services, and economic transactions across regions, ultimately increasing its influence and presence in key areas.

Russia has expanded its area of influence in the Middle East and North Africa. Russia has projected strength and decisiveness by assertively intervening militarily in Syria, showcasing its power internationally. Russia's strategic military presence has boosted its position significantly, enabling it to carefully manage a balance of interests in energy and economic partnerships. Russia is a key participant in the regional geopolitical landscape and has the potential to influence the dynamics of the Middle East and North Africa for years to come.

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