

Kosova and the Russian Economic Diplomacy

By Xhavit Shala

The period during which Kosova¹ has been under international administration and the one leading to the resolution of the status has coincided with a revolution in Russia's foreign policy.² The provocative deployment of the Russian military forces in Prishtina,³ the subsequent reduction of their numbers and their complete withdrawal from Kosova in 2003, due to Moscow economic inability to sustain them,⁴ demonstrated that the Russian age of military influence in Europe had ended. Kosova proved to Moscow that it could not be a military superpower without first being an economic superpower.

From that moment on, we notice that Russia's foreign policy has shown signs of pragmatism. Russia has undertaken a number of successful actions in multilateral and unilateral diplomacy in its relations with other great countries by putting the emphasis on what unites Russia with them rather than on what divides them. During the conflicts of recent years, Russia has demonstrated greater maturity and the Kremlin have avoided clashing with the European and American foreign policy.⁵

In the meeting of the Contact Group on Kosova at the end of January in London, in spite of President Putin's statement that "all the principles of the Contact Group on Kosova must be of a universal [application], Russia still did not go against the Contact Group. Russia was in agreement with the final statement said, "The resolution [on Kosova's status] should be acceptable for the people of Kosova." With the Kosovars having clearly expressed their position that they will accept nothing else short of independence, such a statement indicates that the decision on Kosova has already been taken. Kosova will become independent and Russia will not openly oppose that course. According to Pavel Kandel, head of the section on ethnic-political conflicts at the Institute on Europe at the Russian Academy of Sciences, "the fact that Russia has stood behind the joint statement of the Contact Group indicates that it is not ready to go against the partnership established in the Contact Group. It shows that it is not ready to waste all its energies on the Kosova status decision and that it will not enter into conflict with its Western partners over it."⁶

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² The article was first published in the daily "Tirana Observer," February 22, 2006.
<http://www.acnss.com/html/studime/ruse.htm>

³ On June 12, 1999, Russian troops in agreement with the withdrawing Serb troops occupied the Airport of Prishtina while the NATO forces were just entering Kosova (German troops entered Kosova on June 13, 1999, 11h.

⁴ Russian troops leave Kosova on August 1, 2003

⁵ This was the policy followed by Putin until Russia economic status would recover.

⁶ Republika CG, 03.02.2006

The daily "Komersant" of February 2, confirms this same position. The paper says that it is not likely that Moscow will enter into an open disagreement with the West over Kosova. The issue of Kosova, the paper says, can hardly be placed at the top of Russia's foreign policy priorities. Russia puts greater strategic importance to the former USSR sphere where it would still like to exert its influence.⁷

In order for Russia to be able to exert greater influence in the former Soviet Union sphere, it knows that it first has to get economically more powerful. As a function of this ambition, Russia is making great use of its economic diplomacy. In the path of economic empowerment, the Kremlin has employed the powerful weapon of energy resources. Moscow is making use of these resources to regain its status of superpower and to achieve its political ambition in the international arena.

First, Russia is trying to put order in its backyard of former Soviet Republics. By bringing under its control the energy networks, Moscow is trying to replace the former Soviet empire with a new liberal empire. The recent clashes with Ukraine indicate that Russia is taking constant steps to execute this strategy. According to Zeino Baran, an analyst at the Nixon Center in Washington, the recent disagreements between Ukraine and Russia demonstrate that Moscow is ready to use harsh tactics to oppose the expansion of Western influence into the former Soviet Union sphere.⁸ Putin's statement on the principle of "universality" of the Kosova status was meant to be more of a threat to Georgia than to Kosova. It meant to say that if Georgia attempted to leave Russia's orbit altogether, it could experience problems similar to those of Serbia.⁹

Moscow seeks more than just the control of the energy resources in the former Soviet Republics.¹⁰ Russia's goal is to increase Europe's dependence on its energy resources. This would greatly increase the Kremlin's economic clout. "Russia will not be able to regain its military superiority, but the energy dependence on Russia would provide Moscow with greater economic power,"¹¹ Hju Bonds, the director on Russia at the Center for Foreign Policy in London, says.

And Russia's European energy project is moving forward. A new gas pipeline between Russia and Germany that will go under the Baltic Sea is currently under construction. The projected cost of the pipeline is five billion dollars and the construction will be completed by 2012. Billions of cubic meters of gas will flow from Western Siberia to Germany and other Western countries. The project clearly demonstrates the growing energy dependence on Russia. Currently, the EU buys 25 per cent of its natural gas and 30 per cent of its oil from Russia. The EU foresees that by 2020, three fourths of its natural gas will come mainly from Russia. Russia's gas reserves are the biggest in the world with oil coming in second. Certain EU countries such as Slovenia and Finland are

⁷ Moscow, February 2 (MIA): "Komersant: full independence for Kosova upon entry into the EU."

⁸ Jela De Franceschi : " Russia trying to expand its power "- "VOA" 1.02.2006

⁹ Aleksei Malashenko, Carnegie Institute, Moscow- Radio Free Europe, February 2, 2006

¹⁰ Stephen Blank : " Russia, an undeclared gas cartel " ABC no.27- 9.03.2006

¹¹ " VOA " 1.02.2006

completely dependant on Russian oil. The reduction of Russia's gas supply to certain European countries during January, one of the coldest months when demand was the highest, has made these countries understand that they had better start searching for alternative energy resources because the current situation makes them extremely dependant on Russia.

Russia's economic diplomacy tools have been aggressively employed towards central Asia also. Through its State energy monopolies, Gazprom, Transneft and Rosneft, Russia control most of the energy exports in the area. Moscow has carefully studied the global energy situation and it is now planning the construction of a pipeline to supply China and other Eastern Asian countries with natural gas. According to Ilan Berman, an American analyst, "Russia wants to become the sole supplier of China, Japan and South Korea. In the meantime, Moscow is also holding serious discussions on energy with India and the United States."

On Kosova, as a function of its strategy, Russia is trying to get as many benefits as possible without openly going against the international factor. "If the decision on Kosova's independence is already taken, then Russia should try to expand the application of the Kosova scenario in the Soviet sphere, even if the international community will not accept its universality," Konstantin Zatulin, the Director of the Institute of the Commonwealth of Independent States, says.¹²

It is hard to believe that Russia will put the pan-Slav allegiance ahead of its economic interests. President Putin has demonstrated so far that he puts economic interests first. In November of last year he refused to receive the Serbian Prime Minister Kostunica in a meeting and the reason seems to be entirely economic.¹³ The Serb Prime Minister had been close to certain Serb businessmen who out of their own interests had opposed the sale of the Serb ElectroEconomia to Russia, a privatization that had earlier been promised by President Tadic. The second major reason was the refusal by the Serb Governor Radovan Jellashiq and the G17 Plus to allow Russian banks to buy the Serb "Kulska Banka," the Serb daily "Gllas javnosti" says on its issue of November 28, 2005.¹⁴

In closing, Russia's change of course towards an economic driven foreign policy, absent other surprises, may facilitate Kosova's progress towards independence.¹⁵

¹² Republika CG, 03.02.2006

¹³ Lajmet.com 28 11 2005

¹⁴ "Gllas javnosti" , 28.11.2005

¹⁵ Events however demonstrated otherwise, disappointing many analysts. A few months after the start of the talks on the final status of Kosova, Russia completely changed its position not only on Kosova but also on many other international issues also. The Russian foreign policy made a definitive come back to the old policy of permanent tension in international relations.

