

A Comparative Analysis of US-Russia Middle East Energy Strategy

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***Abstract:** “Those who owns the Middle East oil, will have the world.” The world’s major energy consumers - the United States and Russia holding the “energy card” meet in the Middle East. There are consensus and also contradictions in their energy strategies and interests. Based on the comparison between the energy strategy and policy of the two countries, this article aims to provide their experience in the Middle East for China to think and learn.*

***Key Words:** Middle East; Russian Energy Strategy; US and the Middle East*

Energy is the blood of the modern industrial society and a vital factor which has the impact on the world economy and national security. Nowadays, oil and natural gas are the most important strategic resources in the international energy mix. Since the scarce and non-renewable oil has been the driving force behind modern economic growth, every country in the world, whether it is oil-producing countries or consuming ones, are all actively involved in the development and improvement of a national energy strategy in order to secure a favorable position in the world’s energy competition.

I. The Strategic Value of Energy in the Middle East

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The Middle East which connects Asia, Europe and Africa and the Atlantic and Indian Oceans has an important geo-strategic significance. As the richness in oil resources exists there, it has even been called “the world oil depot”.

A. The Status of the Middle East Energy in the World Energy Mix

Since the discovery of oil in Iran in 1908, the oil resource in the Middle East has constantly been developed. From then on, the Middle East has been gradually in the most prominent strategic position in world oil markets. The battle among the world’s major energy consumers is more and more intensified and makes the Middle East the world’s oil center. Up to the year 2007, the proven oil reserves in the Middle East have been 755.3 billion barrels accounting for 61% of the world’s total; The storage capacity is even as high as 82.2%. Production has decreased in 2007, but the daily output still reached 25,176,000 barrels accounting for 30.8% of global oil production. Among them, Saudi Arabia accounts for 12.6%, Iran 5.4%, Kuwait 3.3% and Iraq 2.7%. The Middle East also has rich natural gas resources. At the end of 2007, the proven natural gas reserves have been 73.21 trillion cubic meters, accounting for 41.3% of the total, of which Iran accounted for 15.7% (BP, 2008). “At present, oil resources in many other parts have been nearly exhausted, but the Gulf ones are higher than the world average.” (An, 2004: May). According to the BP estimation in 2003, “Persian Gulf will remain the core of the global oil market and will become even more critical” (Telhami & Hill, 2002) in the next 70 years. Thus, the Middle East has obviously great importance in today’s oil-based energy mix.

B. The Strategic Advantage of the Middle East Energy

In addition to the dominant share of world energy market, the advantages of its oil quality are also obvious. Geographical distribution of the Middle East oil is concentrated. It is located in a small horseshoe-shaped structure zone which approximately ranges

from Iran and Iraq to Saudi Arabia and is known as the Golden Triangle region where oil reserves are 90% of Middle East oil. At the same time, the reservoir burial depth is moderate and oil fields are competitive in number, reserves, oil quality, exploitation and development costs which are only 2-4 dollars per barrel. More important is the geographic location of oil fields which is especially easy for ocean shipping. The oil producing areas are by the sea or are very close to the shallow sea off the coast. Therefore, the Middle East oil with good quality and cheap price has an irresistible allure to the oil consuming countries (Yan, 2007: 198). The current European import oil is 60% from the Middle East and Japan is 80%. According to the OPEC forecast, more than half of the world's oil consumption is from the Middle East in 2010. That is why "those who has the Middle East oil, will have the world."

II. The US Middle East Energy Strategy and Policy

A. The US Middle East Energy Strategy

As the world's largest oil consumer and importer of crude oil, the United States imports more than half of its oil from abroad. The Middle East has been a major source of US oil imports over many years. Although reduced dependence on Middle East oil after the two oil crises, the United States imports from the Middle East region in 2007 were 108 million tons which is still 16.1% of the United States total imports. According to US estimates, the Middle East will remain of paramount importance for the US in the foreseeable future. The United States' access to oil in the Middle East has been one of its primary strategic objectives.

Since the first oil crisis in 1973, the United States has treated the Middle East oil more as a major national interest. The "Carter Doctrine" and the "interdependent economic system with oil-producing countries" have become an important strategic tool for the United States, seeking interests in Middle East oil.

Aiming at the 1979 Islamic revolution and the Soviet invasion of

Afghanistan, the US government proposed the famous "Carter Doctrine", which declared that "any external forces' attempt controlling the Persian Gulf region will be regarded as the attacks on the US vital interests. For this attack, the United States will repel by any necessary means, including the use of military force (See Chester, 1983: 29). With the continuous development of the international situation, the US oil strategies in the Middle East have become more comprehensive and systematic. In the 21st century, the Bush administration put the Middle East in an important position and advocated to reduce the US dependence on Middle East oil and at the same time, strengthened the control of oil resources in this area. In the second week of George W. Bush taking office, he established the National Energy Policy Department Group led by Vice President Dick Cheney. The Working Group submitted a report named National Energy Policy in May 2001 which estimated that the oil supply only in Gulf region would account for 54% to 67% of the total by 2020. Therefore, the development of the world economy would continue to rely on OPEC members, especially the member states of the Gulf. The report concluded that the fundamental interests and the foreign policy priority focus of the US lies on the Gulf region. In August 2005, Bush signed a new National Energy Policy Act which continued the spirit of the 2001 National Energy Policy Report.

In the international financial crisis, the US economy suffered heavy losses. Since he took office in early 2009, President Obama has adjusted the energy strategy and vigorously promoted the new energy in order to develop new energy industry and re-build the US economy. The new energy economy had been created as a new growing point in future economy.

Obama said that being dependent on imported oil too much will be a threat to its economy and national security. Therefore, he proposed a "new energy plan" to start a new strategy which would make a new energy replace a traditional energy sources, an

advantaged energy replace a scarce one and a renewable one replace a fossil one. He also developed science and technology and put the energy security and environmental protection as its the core.

The package policy which they are taking dose not only subsidy for bio-energy, but is also conducive to the tax preference for consumption behavior. Obama actively promoted the "Clean Energy Security Act" which aims to reduce greenhouse gas emissions and US dependence on imported oil and make the Green energy blueprint for the US.

In March 2010, Obama announced the partial lift of US ban on offshore oil exploration. This represents a change in US foreign energy strategy turning highly dependent on imports from both imports and production. On the grounds of the Mexico Gulf oil spill, Obama emphasized that he will urge Congress to pass energy laws to stimulate the US alternative energy development, reduce dependence on oil imports and ban offshore oil exploration in May 2010.

At the same time, Obama introduced a new Middle East policy to ease the relations with the Islamic world and declared that the US would not be against Islam world. He also withdrew troops from Iraq in 2010, made negotiations with Iran and coordinated the Palestinian-Israeli relations to promote the Middle East peace process. Obama attempted to adjust the energy strategy to reduce dependence on Middle East oil. However, as a hegemon's president, Obama cannot afford to give up the lead and control of energy in the Middle East, even though it was his real thought.

All in all, the US energy strategy in the Middle East objectives is to seek dominance in the Middle East and control its oil resources to manipulate the international oil market and maintain its global hegemony. Through political, economic, military, diplomatic and other means to hold the Middle East in their own hands, the US wants to achieve the aim of "controlling the Eurasian oil demand, preventing the emergence of potential competitors, maintaining 'petrodollars' system, defeating the euro and other strong currencies, controlling

international oil prices and the world economy, and paving the way to build global hegemony" (Dai, 2003: June).

B. The US Energy Policy in the Middle East

Under the guidance of the practical interests, the United States takes the political and economic integration and joins hands of officials and businessmen with the military occupation as its strategic means.

US goals of political and economic integration include the political "Greater Middle East Initiative", economic control and economic sanctions.

Exporting American style democracy and values is one important strategy to the US global strategy. The United States administration of George W. Bush believed that there were "rogue states" or "axis of evil" or areas with terrorism especially in the Middle East and Central Asia where Americans are imposing its democratic transformation plans. The US National Security Strategy Report in September 2002 states: "The United States should work more actively than before with the development of democracy in the Muslim world." On February 2004, the Bush administration formally announced its "Greater Middle East Initiative" whose core was to implement American-style democracy by force into the Middle East countries - particularly the Arab countries and reshape their political system in accordance with American values to eradicate terrorism and ensure US security. In fact, democracy-exporting was only an immediate goal for the US terrorism eradication. Its main purpose was to weaken or even control the Middle East oil producers. Former US National Security Adviser Zbigniew Brzezinski was deeply worried that the US failed to include the Middle East oil producers into the values of freedom and democracy and its political system. He said: "although there are unique advantages for the US in Persian Gulf and the Middle East, it may still be superficial and even fragile, mainly because the United States and its Arab client states have no basic contact on common values between the political culture and religion. Besides, Iran is always ready to confront with the United States. It could rely on

neighboring countries that have religious sympathy to it. Because of religious and nationalist opposition to the regional hegemony, the current US advantage in the Middle East is establishing above the beach.”(Brzezinski, 1995: 174). After the Gulf War, the United States has been trying to establish a “new Middle East order” to solve supply worries fundamentally and take oil as a control of other powers, and has sold their “democracy, human rights and market economy standards” in the Middle East to transform the political system and include the Middle East into the American-led political system.

Economic interdependence theory is practiced and makes the oil a double-edged sword. Interdependence is a security mechanism. In the international oil market, if a sole oil exporter has unilateral dependence on oil-importing country, then the importing one will be in an unsafe situation. When the unilateral dependence moves into interdependence, then all stakeholders are in the same situation. . In order to prevent OPEC using the oil weapon, the United States built a strategy of OPEC’s dependence on US, countries, in order to make the oil weapon into a double-edged sword that could be harmful for both sides. In 1978, US Senator William Fulbright clearly pointed out that “If oil producers feel that they have a direct and specific interest in the United States prosperity, and then the US risk will decrease. How to develop this interest now? The most obvious answer is to rely on trade and investment.”(Yang, 2003: March). Thus, the United States made use of the OPEC low absorptive capacity of domestic funds, the continuing high international oil prices and their desires to invest abroad to speed up the absorption of oil dollars to the US and also encourage Gulf countries to buy US Treasury bonds. Second, the US further liberalized the financial market to the Middle East oil producing countries and deepening their dependence on US financial markets to change the US unilateral dependence. Third, the US took the opportunity of oil-exporting countries being eager to diversify their economy and the urgent need to introduce advanced industrial technology from abroad and market provided by foreign companies to support US companies invest heavily in industrial construction of the

oil-exporting countries, so they deepened dependence on the United States' technology and market. The United States also used unstable factors in the Middle East to sell a large number of arms to the oil-exporting countries to strengthen their military's needs.

As for the Middle East anti-American countries, the United States used economic sanctions. After the victory of the Islamic Revolution in Iran, US-Iranian relations deteriorated sharply. The US took unilateral economic sanctions against Iran which included freezing Iranian assets in the United States and taking more than 40 million US dollars sanctions on foreign companies who had natural gas investments in Iran.

Officials and businessmen joined together; the government supported domestic enterprises and the big oil companies to increase the monopoly on Middle Eastern oil. After the war in Iraq in 2003, the Middle East in general has been facing a huge funding gap. The Middle East Energy Investment Outlook report published by the International Energy Agency shows that from the Iraqi war to 2030, the Middle East region needs a total investment of 500 billion US dollars to increase oil production so that it can have the ability to compete with other oil-producing countries in the international crude oil market. Thus, the Bush administration instructed the US Export-Import Bank and Overseas Private Investment Corporation to enhance the strength of US multinationals loans and also called on the international financial institutions to provide financial support for US energy companies in order to ensure tangible benefits in the Middle East (Dong, 2007). In addition, the U.S. multinational oil companies - Exxon Mobil in Yemen, UAE and Qatar; Chevron Texaco in Bahrain, Kuwait, Saudi Arabia, and Qatar also were actively involved in oil and gas exploration, development and cooperation projects on different scales. After the Iraqi war, Exxon Mobil and other companies which had close ties with the US government tried to make use of Iraqi reconstruction and oil development to "take the most advantageous position" (China Institute of Contemporary International Relations, 2005: 69).

Military means of the US included no hesitation to adjust oil policy by force in the Middle East. Since the 9/11 event, the US strong counter-terrorism tendency caused the rising tide of anti-Americanism in the Middle East (especially in the moderate countries). The US hegemony in the Middle East was more and more challenged and its oil interests have also been affected. Bush even triggered a war to adjust its strategic situation and re-establish the absolute US dominance in the Middle East.

The obvious example is that the United States created a war against Iraq in March 2003 in the name of Iraq possessing mass destruction weapons. The US could not find weapons and since the war, the Iraqi people are still in poor living conditions. The Iraqi Cabinet approved a new oil law draft developed by the US government in March 2007. It stipulates that “foreign companies will develop 65 Iraqi known oil fields out of total 80; Iraq will sign production sharing agreements with those foreign oil companies whose initial interest sharing are as high as 75% and the contracts is up to 15 to 35 years (Iraqi War for 4 Years, 2007: March 20). The Iraqi parliament passed the draft in July, 2007 so that the United States would have an attractive role in the giant oil interests. Thus, the US’ real intention of the Iraqi war also became apparent.

III. Russia’s Energy Strategy and Policy in the Middle East

Russia is a great energy producer. Energy has played a pivotal role in the Russian national economy. In the more favorable international market energy situation, Russia played the “energy card” to revive the Russian economy. The energy diplomacy became an important part of Russian diplomacy, which is the diplomatic, foreign economic and energy sector with energy companies carrying out a variety of practical activities to achieve the purpose of external energy policy (Zhiznin, 2005: 45).

A. Russia’s Energy Strategy in the Middle East

Russia is one of the world’s oil and gas producing countries. The

Russian government formally approved the Russian Energy Strategy 2020 Forecast on May 22, 2003: Russia's petroleum resources are 440 million tons. The natural gas reserves are the first in the world. Its proven natural gas reserves are 46.9 trillion cubic meters which accounts for almost 1/3 of global reserves. In recent years, Russia has consistently improved its domestic energy industry and took it as a major force to stimulate the economy and as a tool of foreign policy implementation.

Russia and the Middle East energy export nations naturally became rivals. Although the Middle East's oil advantage still exists, the world's energy importing countries are trying to find new sources of imports in order to reduce energy dependence on the Middle East, Russia has been a very good choice. The Middle East also has strategic significance to Russia. The Russian diplomatic strategy in the Middle East has been missing, but after Putin came to power, more attention and adjustment of the strategy showed the importance of the Middle East. From the geopolitical perspective, the Middle East is an important factor related to the security of the Russian homeland and especially the southern part. From the energy perspective, the conflict and cooperation about oil between the Middle East and Russia was a major issue for Putin's diplomatic and economic development. Especially after the 9/11 situation, the price war between Russia and OPEC became the main performance.

The newly elected Russian president Dmitry Medvedev in 2008 paid more attention on the energy diplomacy. The international financial crisis stroke the Russian economy and made the macro-economy into recession. The falling oil prices gave a serious blow to the Russian energy companies.

In this respect, the Russian government used various means to reduce the burden in the Russian domestic oil and gas companies and maintained and nurtured the viability and competitiveness of energy enterprises. In the external area, Russia adjusted the energy policy according to the new situation to maintain oversee energy interests

and enhance the status of great power. The adjustment of overseas had been rapid and effective.

From January to July during 2009, the international oil prices have raised gradually from \$ 42 to \$ 64 per barrel. The Russian budget deficit was lower than expected and the major economic indicators were stabilized. In September 2009, Russia has not only become the world's largest natural gas exporter, but also become the world's largest oil exporter which represented that although Russia's energy economy was hit, it is still the "giant" in the world's energy system which can not be ignored.

Medvedev actively promoted the "Russian Energy Strategy in 2030" which aims to make the most effective use of its energy resource and strengthen Russia's position in world energy markets and then get the maximum benefits for the national economy. "Energy Strategy" pointed that the main goal of the Russian fuel and energy sector development is to turn traditional oil, gas, coal and so on to other unconventional ones such as nuclear energy, solar and wind.

Dmitry Medvedev visited Syria and Turkey in May 2010 and signed energy cooperation agreements. He was welcomed the nuclear fuel exchange agreement with Iran, Brazil and Turkey. In October the president also visited Algeria to deepen the strategic partnership. Russia has also spent heavily in the modernization in order to reduce the Russian economy dependence on oil and gas exports.

The basic idea of Russia's energy diplomacy towards the major exporting countries has been to strengthen communication, promote cooperation and fair competition and jointly maintain world energy market stability. Russia competes as well as cooperates with OPEC to jointly promote the international energy order which is beneficial to the oil-producing countries.

It shows that Russia's strategic objectives in the Middle East have been to treat countries in the Gulf region as the "energy partners", actively involved in oil and gas development and processing and providing oil and gas production equipment. Russia has made use of

energy cooperation to strengthen relations with the Gulf countries and actively participates in Middle East affairs, has broken the US energy monopoly and has improved its international influence to lay the foundations for the establishment of a “gas OPEC”.

B. Russian Energy Policy in the Middle East

In the face of the US monopoly and penetration in the Middle East, Russia has taken the energy as its international media emphasis has strengthened political, economic and diplomatic contacts and cooperation with other countries and has challenged the US hegemony in the Middle East in order to protect the oil and strategic interests and reshape its image as a great power.

In terms of politics, Russia has taken the initiative to restore its relationships with big countries in the Middle East and has actively participated in Middle East affairs while keeping good relationships with the main energy powers. After Russia participated in the Munich Security Conference on February 11, 2007, Putin visited Saudi Arabia, Qatar and Jordan. During the Cold War, the Middle East used to be a long and bitter fighting area between the US and Soviet Union. The post-Soviet Russia faded out in the Middle East. The Russian President Putin’s Middle East tour was Russia’s first re-entry into this area. Putin’s visit to Saudi Arabia was also the first visit for Russian head to Saudi Arabia in 80 years. Energy cooperation was the important issue for Putin’s visit. It is reported that Russia and Saudi Arabia agreed to create a joint committee to coordinate the price of oil to protect the global oil supply flow, promote the international oil market stability and balance the interests of suppliers and consumers. Putin, accompanied by a large economic and trade delegation, had a wide range of contacts and discussions with Saudi counterparts. The two sides signed agreements in economic, energy and information fields to strengthen cooperation (Huang, 2007: February 15). In addition, Putin also discussed the Palestinian issue, the Iraqi situation and other regional and national issues with the three leaders. The important role of Russia in promoting the peaceful settlement of the Middle East issue was reaffirmed which improved Russia’s political

influence and its status in the Middle East.

In terms of the economy, Russia has been an active part in the development of Middle East oil and sold the "gas OPEC" idea. Because of the US sanctions against Iran and thus no US participation in Iran's oil development company then Gazprom is actively involved in the development of Iranian oil fields. It was reported that the 3rd largest oil company in Russia TNK-BP which is a joint venture formed by the Russian Tyumen Oil Company and BP is researching some Middle Eastern countries including Iraq, Yemen and Jordan to find the possibility of oil and gas projects (Russia's Third-largest Oil Company Intends to Enter the Middle East Oil and Gas Projects, 2009). It shows that Russia has gradually fulfilled its Energy Strategy 2020 goal in the Middle East energy development - to expand Russia's presence in the geographical scope of the international market.

In the gas sector, Russia has been showing greater interest and more initiatives. In 2005, the President of Russian Commerce Chamber Yevgeny Primakov, visited Doha. In 2006, the Russian Foreign Minister Sergei Lavrov met Qatar Foreign Minister Hamad Jassim and both sides confirmed the willingness to enhance bilateral energy cooperation. Russia and Qatar have more benefits in gas sector, because the Middle East controls the world's third largest gas reserves - 11.2 trillion cubic meters. If Russia and Qatar set up a "gas OPEC" together with Iran and Algeria, the natural gas market share they controlled will be much greater than the one held by OPEC. In the talks with the Emir of Qatar Sheikh Hamad on February 2007, Putin said that "there is no objection to establish a natural gas cartel similar to OPEC. Natural gas exporting countries are indeed necessary to coordinate their actions." Iran's Supreme Leader Ayatollah Ali Khamenei has said that Iran and Russia could build a gas cartel which is similar to OPEC. Putin's saying was the first Russian proposal on Iran to respond positively. Although the "gas OPEC" was just a preliminary idea with little reality, the fact that Russia then ranked first in the world natural gas reserves and Qatar and Saudi Arabia in third and fourth place this matter itself received more international

and regional attention.

In considering diplomacy: Russia has indicated that it was anti-war but not anti-American in the Iraq war. On the Iranian nuclear issue, it has adhered to the principle of flexibility. Both China and Russia joined the UN Security Council sanctions against Iran, but both pushed for milder sanctions than requested by the US, UK, France, and Germany. Before the war in Iraq, Russia made it clear its anti-war stance. In fact Russia has been considering more economic interests in the Middle East, because before the Gulf War Russia was Iraq's largest trading partner. According to the UN official statistics, from the end of 1996 to July 31, 2002, Russia sold Iraq a total of 41.8 billion US dollars of goods, including food, medicines and oil equipment. It ranked the first among all countries involved in "oil for food program." Russia also benefited greatly from oil production and sales in Iraq.

Compared with the practical interests, Russia has been more worried about Iraq's oil resources and production potential falling into the hands of the United States: on one hand, and on the oil prices falling and having a direct impact on Russian oil revenues which thus has affected the revival speed of the Russian economy. When the United States would begin to control Iraqi oil, the interest over oil cooperation with Russia could be greatly diminished (Pang, 2006: January).

Although Russia is anti-war, it has not made radical statements. Putin took the war as a "political mistake" rather than "aggressive strategy" which was based on the "anti-war not anti-American" stance (Li, 2005: November). On the Iranian nuclear issue, in spite of US opposition, Putin insisted on continuing the development of nuclear cooperation with Iran to help it build its nuclear power plants. It was earlier also against the international community's sanctions to the Iranian nuclear issue, when Putin was Russia's President. . This was because the Bushehr nuclear power plant which was to be built by Russia and Iran would be worth for over 800 million US dollars and is expected to be immediately put into use. If the Iran was in larger

sanctions, then Russia's trust would be greatly reduced in the eyes of Iran which would affect both the trading of military weapons and cooperation between Russia and Iran. In addition, facing the United States' aggressive strategy of squeezing Russia's space in Central Asia and Eastern Europe, Russia has needed to have a good grasp of the Iran card and to adjust its geopolitical policies to increase bargaining chips with the Western world.

IV. Comparative Analysis of US-Russia Middle East Energy Strategy

A. Similarities

1) The strategic purpose in the so-called "energy security" has provided a protection status that the civil, society and the state could have a reliable and continuous supply of primary energy and electricity to prevent internal and external threats. It reflects the importance to maintain national security and economic security. For most developed countries which rely on imports to maintain their energy supply, their first energy security resides in acceptable economic conditions to ensure their long-term continuous import energy from outside.

Thus, the United States has reduced its energy dependence on the Middle East, but at the same time has strengthened its control to ensure its absolute superiority to expand its energy import sources and actively promote the diversification of energy sources to maintain its strategic objectives. For Russia, an energy exporting country, it is important for the energy industry's development and security and even for economic security to maintain the high energy prices and stable operation.

OPEC, especially its members in the Middle East, play a particularly important role for oil prices. Under the influence of the financial crisis in 2008, it is estimated that the price of crude oil per barrel dropped several US dollars; but Russia's fiscal revenue could shrink 2 billion US dollars. Thus, Russian President Dmitry Medvedev

said "Russia is also a oil-producing country, as well as an exporting country. Russia hopes that the oil could maintain a stable and predictable price." (Yin, 2008: October 27).

2) In relation to strategy implementations the Middle East area has geo-strategic significance. Meanwhile, its rich oil and gas resources make it a competitive field for all major countries. As an important part of the US global strategy, the Middle East oil is definitely important, but maintaining a strategic advantage in the Middle East is a more important goal. Thus, the United States established good economic relationships with Saudi Arabia and other Middle East oil-producing countries, and at the same time it also built a number of important military bases, such as Jubail in Saudi Arabia, Manama in Bahrain (the residency of the US Middle Eastern Naval Command; the US 5th Fleet as a resident) and Dhahran in Saudi Arabia and other US Air Force bases. In order to maintain its energy security, it was essential to have the control of the political situation in the Middle East. For the Middle East political issues such as the Arab-Israeli conflict, the US has held a great power mentality and lobbied Israel, Palestine, and the Arab states actively, though with little success.

Meanwhile, it is clear that Russia wants to return to the Middle East with an energy card in hands. It makes use of the common interests' advantages on energy exports cooperation and soon can have close contacts with major oil producing countries with a further penetration into the Middle East. In the Arab-Israeli conflict, being different from the United States' pro-Israel policy, Russia had actively made contacts with Hamas and greatly enhanced its political influence in the Middle East.

B. Differences

1) The different positioning of the energy strategies considering the power of the two countries in international comparisons shows a different position. So the overall strategic positioning is different. For the United States as the world's only superpower has as its overall global strategy objective is to maintain and strengthen its world's

“leadership”. In fact, it is still the world hegemony. In terms of its geopolitical strategy, the United States has always attached importance to the Middle East which is an important guarantee to achieve its global leadership. The performance of the energy strategy through the Iraq war was partially intended to strengthen its control of Middle East oil and greatly enhanced its influence on the world economy and the threat of OPEC while it has also effectively cut off parts of the economic sources of terrorism.

After the Cold War, Russia has been in a period of economic transformation and its influence on the international stage was not as strong as before. As a country in transition and an energy superpower, Russia’s rich oil and gas resources and its huge export potential has been the objective material basis of its energy strategy development and implementation of a complete energy diplomacy. By drawing the world’s major national energy strategy development experience and absorbing a variety of factors at home and abroad, the Russian government gradually formed its own unique energy strategy. The Russia’s Energy Strategy 2020 summarizes its Energy Strategy very clearly that is to maximize the national interest through energy diplomacy. With the development of its economy, by using energy as a tool, Russia has strengthened exchanges and cooperation with Middle Eastern countries to challenge the US hegemony.

2) Different degrees of diversification of energy policy have emerged. Because of the comparisons of US-Russian strength, different degrees of diversification are more obvious in the policy implementation strategy in the Middle East. The US global strategy has been constantly deepened in history which makes the strategy more systematic. Political, economic, military, and diplomatic policy work closely together and support each other.

With the combination of President George W. Bush’s political “Greater Middle East Initiative” and economic “oil dollars” system, the government paved the way for monopolizing more capital in the Middle East. More importantly, military attacks and occupation built the foundation for the United States to seize more oil interests. Diverse

policies gave the US space for different weights and measures making its diplomacy more flexible.

Russia also took note of the energy policy diversity. Energy cooperation is not only the diplomatic means to protect their own economic interests, but also narrows the gap with major oil producing countries. Russia has taken a relatively independent policy from the US and the EU in order to lay a good foundation for returning to the Middle East. However, because of national restrictions, the Russian military forces could not have the real penetration in the Middle East; so Russia's special interests caused by the different positions making Russia more active Iran than the United States has done.

3) Relating to different means of energy diplomacy, the diversification of energy policy has created differences between the two countries diplomatically. The United States has had a more diversified diplomatic method in the Middle East, such as the visiting of leaders. Bush visited Kuwait, Saudi Arabia and seven other countries in January 2008 the new Secretary of State Hillary Clinton visited the Middle East within less than two months after taking office in March 2009, which indicates the importance of the Middle East. In addition, the United States set up the Middle East envoy, former Senator George Mitchell to solve the Middle East crisis. Of course, Russian President Vladimir Putin's trip to the Middle East in February 2007 and Russian Foreign Minister Sergei Lavrov's visit in March 2008 are both instances of Russian leaders' diplomacy. However, compared with the impact of international oil prices, the US has had more advantages on oil dollar manipulation and control of oil production in Iraq than is so far possible for Russia.

The US unilateral economic sanctions against Iran, and more recently the UN Security Council sanctions have also affected the pattern of international energy. The financial instruments of Russia, particularly the international embargo had less impact on the Middle East and has been not enough to compete with the United States.

C. Common Interests

1) The United States and Russia both want to lower OPEC's

control on international oil prices. As an energy importer, the United States has its best interests on low prices oil, but OPEC (especially the Middle East oil producing countries) affecting oil prices through the control of oil production, really gave the US serious problems. The invasion of Iraq and the occupation its oil resources were partially intended to break the OPEC oil production restrictions and the impact on oil prices. The high oil prices and stability have been important for Russian energy security. However, OPEC's influence is so great that Russia has received little advantages in terms of oil exports. Thus, the United States and Russia both appear to want to break OPEC's monopoly in international oil prices.

2) The United States and Russia want to reduce their dependence on Middle Eastern oil. From the US perspective, it is a priority to reduce energy import dependency from the volatile region and achieve a diversification of energy imports. Although there is much oil in the Middle East, because of security considerations, the United States has been decreasing its share of Middle East oil imports and puts its target toward the Caspian Sea, Africa and Russia.

As a competitor with the Middle East, Russia also has hoped that the United States gradually shifts the focus from the Middle East and begins to pay attention to Russia, which will be more possible to make the share of Russia's energy exports increased.

D. Conflicts

1) The conflict on strategic positioning and energy development in terms of a series of US energy policy and energy diplomacy is to maintain its dominant position and protect its interests in the Middle East. After Russia enhanced its economic strength, its active involvement in the Middle East affairs can become a challenge to the US hegemonic position. In the field of energy development, the United States controlled Iraq's oil resources and squeezed out other countries, particularly those countries which had close economic ties with Iraq such as Russia. In Iran, Russia's multinational corporations have available place along with China, since the US companies cannot legally participate in energy development there.

2) Russia does not want the United States to have full economic control of Iraq, and thereby to reduce dependence on Russian energy. The US military occupation of Iraq made its control of Iraq's oil production more favorable. One US major energy policy has been to increase Iraqi oil imports by low prices which has not been good news for Russia, because it would reduce the amount of Russian energy exports.

3) On one hand, Russia hopes to build a "gas OPEC" and strengthens its position; on the other hand, the US fears the creation of a gas OPEC which is Russia's energy diplomatic concept. As an energy producer and exporter, Russia has already been passive in oil exports affected by OPEC. If Russia were not dominated in the gas sector, then it would be a great negative impact on its energy strategy. Thus, Russia has actively strengthened the energy dialogue with Qatar, Iran and other countries and promoted the concept of its natural gas OPEC. The United States has been worried that if Russia really built a "gas OPEC" and has the dominant control over such a development, then Russia's strength would grow faster. It would be an inevitable competition between Russia and the United States in Europe.

4) Russia's attitude on Iran - nuclear energy cooperation and gas collaboration placed the United States in a somewhat passive position. Russia held different positions from Western countries on the Iran issue which can be shown from the natural gas and nuclear cooperation where Russia has taken an initiative on the Iranian nuclear issue. The earlier US and European Union sanctions against Iran not only made the US lose the opportunity of oil development in Iran, but also made their confrontation more obvious and acute. Iran has become a strong block between Russia and the United States. The US President Barack Obama wrote a "secret letter" to Russian President Dmitry Medvedev in February 2009. Obama told him that if Moscow helped the United States to get Iran stop developing long-range weapons, then as exchange, the US would also stop the deployment of the new missile defense system in Eastern Europe (Tang, 2009: March 3).

V. Summary

The great powers competed in the Middle East because of its extremely important geopolitical position and its value of an energy strategy. The United States and Russia gradually developed their own relatively comprehensive energy strategy and policy in the Middle East that are an important part of its Eurasian energy strategy. After the Cold War, the United States adopted an offensive policy. In contrast, Russia adopted a defensive policy after its economic rise because of its energy strategies. The advantages of the US are economic strength, military coercion, skills, experiences; the disadvantages are the geographical distance and the anti-American sentiment in the Middle East. Russia's advantage is an adjacent geographic position, common interests and their traditional historical ties. Its disadvantage is a presently relatively weak economy. Of course, the two countries' energy strategy and policy are not easy to implement, because of the financial crisis which formed adverse effects on both sides. On energy issues in the Middle East, the United States and Russia not only have common interests, but also contradictions. Their competition and cooperation are related to their traditional positions in the Middle East and their influence on the region, even accompanied by new factors, such as geopolitical factors under the name of energy diplomacy and economic attempts under the guise of political interests. The contrastive US and Russian strategic policy in the Middle East shows that the interest game in the Middle East is not a simple zero-sum game but a more variable one. The choice of both sides is more based on maximizing national interests' principles.

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