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Russia's interest in the Mistral: the political and military aspects

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The negotiations over Russia's purchase of French Mistral-class multipurpose assault ships, which were intensified in 2010, have gained a significant political dimension. The prospects of such a spectacular acquisition of large and expensive assault ships from one of NATO's member states are being used by Russia to demonstrate that it has opened a new stage of relations with Western Europe. Paris has welcomed Russia's desire to embark on military cooperation; for France, the Mistral deal has become a convenient tool to prove that relations with Russia are becoming increasingly normal, and that Russia poses no threat to the European security.

Considering the prolonged negotiations over the purchase of the Mistral-class ships and the declarations made by high-ranking Russian state officials, it may be concluded that Moscow is using the French ship deal to pursue its political and economic objectives, which are as follows:

- to accelerate the process of tightening cooperation between Western states and companies and Russia in the field of security and defence;
- to extend the scope of its economic cooperation with France;
- to use the Mistral ships for the modernisation of the Russian armed forces and modify the strategy of how they are deployed;
- to obtain Western technologies for the Russian military and industrial complex;
- to support the financial interests of those members of the Russian ruling elite who are in charge of the shipbuilding industry.

The Mistral case as an attempt to test the West's political intentions and NATO's security procedures

Russian-French military relations, including the purchase of Mistral-class helicopter carriers, drew observers' attention in late November 2009, during PM Vladimir Putin's visit to France. Official talks concerning the sale of French ships to Russia started in March 2010. The public aspect of the subsequent rounds of negotiations has elevated the Mistral ships to a symbol of Russian-French cooperation, although the negotiations themselves were dominated by political issues. Similar issues were discussed during the meeting in Paris on 7-9 September, when Russian Foreign Minister Sergey Lavrov and minister of defence Anatoly Serdyukov met French President Nicolas Sarkozy and took part in an annual meeting of the bilateral Security Cooperation Council alongside the French foreign and defence ministers, Bernard Kouchner and Hervé Morin. This meeting has once again confirmed France's ambitions of becoming a leader in shaping relations between Russia and

Western Europe. For its part, Russia has stressed how significant Moscow and Paris's contacts have been for the construction of a new European security architecture (cooperation in the missile defence sphere, creating a new formula of relations with NATO, and economic cooperation).

It seems notable that during the aforementioned ministerial meeting, the issue of the possible sale of the Mistral helicopter carriers to the Russian Navy was the last item on the agenda. It can be assumed that the Russian party has thus considered its initial plan to have been implemented; this was to put the possibility of purchasing this type of ship on the agenda, and to point out that NATO and EU member states have not conducted a coherent policy towards Russia in the sphere of military cooperation. The information that the US may protest against the sale of ships with full electronic equipment also confirms that Russia has used its negotiations with France as a test of NATO's internal procedures concerning the coordination and sale of arms equipped with sensitive technologies to third parties.

An analysis of statements made by representatives of the Russian government and General Staff suggests that the purchase of the Mistrals, after France has declared its support for Russia-EU and Russia-NATO dialogue, is gradually losing its political significance, and is turning into the subject of difficult financial negotiations. It has to be stressed that despite the declarations made by the Chief of Russian General Staff Nikolai Makarov on 26 August, the Russian Navy currently remains unprepared to use this type of ships in combat operations. Neither is there a strategic concept for the use of this ship. Makarov mentioned the possibility of using the Mistral in the

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Black Sea, although this would be inefficient and risky: this ship is designed to act in the ocean and requires the cover of a squadron of warships that would provide underwater and air defence. The likeliest scenario is that the Russian military are considering the option of using this type of vessel for a 'flag demonstration' in waters that Russia regards as its own backyard (such as the Arctic region). At this point, it should be mentioned that the implementation of the Russian 'maximum plan', that is, introducing four Mistrals into se-

vice in the Russian Navy, can be finalised no sooner than in 2020. According to Russian military sources, the acquisition of two ships has been included in the new state armament programme for 2011-2020, but nothing suggests that funds have been allotted for the two remaining vessels.

Russian-French cooperation in the shipbuilding industry

One of the important aspects of the Mistral deal is the prospect of tightening cooperation between the Russian and French shipbuilding industries. Currently, one of the Russian government's priorities is to sustain the potential of its military and industrial complex, including the shipbuilding industry. Therefore, an important objective of the ongoing negotiations concerning the ships is to limit the scope of the Mistrals' construction in French shipyards, and to transfer as much production as possible to Russian shipyards. During the prolonged talks, two scenarios have been discussed: either two ships are constructed in France and the remaining two in Russian shipyards, or one in France and three in Russia. The total sum of the contract negotiated is to exceed €1.5 billion (one ship is to cost about €450 million). It should be noted, though, that the cost of the ships to be purchased would only be a small percentage of the expenses on arms and military equipment that Russia is

planning to bear until 2020 (according to reports from 22 September, over €540 billion is at stake). Should the negotiations over the ships purchase with France be resolved positively, the first ship could reach Russia as soon as 2011. This would mean that the Russian Navy would buy one of the two Mistral-class ships currently used by the French Navy. By that time, Russia has to create a coastal infrastructure so that ships of this class can be stationed there, and to equip the vessel with its own arms and communications and reconnaissance systems. It seems unlikely that this contract will enable Russia to obtain NATO military communications systems.

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In this case, Russia will have failed to implement one of its declared objectives (according to the statements made by the General Staff representatives), namely to acquire equipment that the Russian armament industry is unable to produce, and obtain new technologies which are strictly military in character. If the ships are constructed in Russian shipyards (which is another of Russia's objectives), it will only result in the setting up of a joint shipbuilding company, and perhaps in obtaining the hull construction technologies which are currently not used in Russia.

Russia is playing for high stakes

Over time, the Russian stance concerning the formula of the contract with France is being adjusted. The Russian defence minister Anatoly Serdyukov has repeatedly stated that the purchase of these French helicopter carriers by Russia will be resolved positively. However, the conditions of the contract are changing. In May 2010, Serdyukov stated that one of the ships would be constructed by the French partner, two more ships would be built in France with Russian shipyard workers, and only the fourth would be constructed with Russia's full involvement. In September the Russian press reported that Moscow had changed the negotiations tactics. The ships are to be constructed in a '2+2' formula: two in France and two in Russia by a company that would be set up for this purpose. Russia will

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also seek to reduce the unit price of the ship (which is probably intended to signal Russia's dissatisfaction with its inability to obtain fully equipped ships), and to make the implementation of the whole contract dependent on cooperation in other fields of military production, such as the joint

construction of unmanned aerial vehicles. It can be assumed, though, that the Russian statements are also a part of the negotiation tactics. The information coming from the Russian defence ministry suggests that tenders for the construction of assault ships will be held this year. Another problem the Russian government has to solve is the reconciliation of its political interests with the needs of the domestic shipbuilding industry. The Russian-French negotiations over the purchase of Mistral met public protests from Roman Trotsenko, the head of the United Shipbuilding Corporation; Trotsenko opted for the construction of this type of ships in Russian shipyards. A similar stance was taken by deputy PM Igor Sechin, who presides over the Board of Directors of the Corporation, and who has been supervising

the negotiations over the Mistral. The resistance from the corporation resulted in the adjustment of the Russian negotiation stance: the Russian party insisted on constructing at least two vessels in Russian shipyards. The deputy PM Igor Sechin took advantage of the situation, and indicated that the Admiralteyskaya Verf shipyard in St Petersburg would be able to construct this type of ship. It cannot be ruled out that Sechin's stance on this issue results from his personal financial involvement in the St Petersburg shipbuilding industry.

Conclusions

1. The cost of the Mistral purchases seems to be a low price that Russia is willing to pay for its political success, namely overcoming the atmosphere of mistrust in its relations with the West and establishing cooperation with French companies that can contribute to the modernisation of Russian industry.
2. The military dimension of the Mistral purchases shows that political interests and a wish to raise the prestige of the Russian armed forces prevail over the rational possibility of using the purchased ships in the course of a possible military conflict.
3. It also seems disputable whether Russia will be able to obtain new technologies simply by purchasing French ships; obtaining the communications and command systems that are sensitive to NATO security does not seem possible without US consent.
4. Negotiations over the Mistral purchases have also revealed the problem of the possible impairment of the Russian shipbuilding industry's economic interests. Under pressure from representatives of the United Shipbuilding Corporation, the negotiation tactics was altered so that the conditions of the contract were maximally favourable to Russia (setting up a joint Russian-French shipbuilding company, transferring shipbuilding technologies, reduction of the unit price per ship).
5. If France fails to meet Russian demands concerning the contract conditions, and if resistance on the part of the Russian shipbuilding industry escalates, it cannot be ruled out that further negotiations will be suspended.



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