

# The Mistral Deal – A Cool App for “Strategic Partnership” with Russia?

A case study in contemporary arms transfer politics

Thomas Horlohe\*

**Abstract:** France will deliver two modern helicopter carriers to Russia by 2014. Two more warships are to be constructed in Russia, making the *Mistral* deal the most significant arms transfer between a NATO member state and Russia ever. Nevertheless, it was not discussed in NATO and it did not trigger the EU’s arms export control provisions. Strategic partnership with Russia was used as a convenient pretext for a deal pursued for national economic reasons. The *Mistral* sale is an example for bilateralism in security relations with Russia superseding collective action. It will start a flow of similar transfers, making Russia’s armed forces dependent on Western arms technology.

**Keywords:** Mistral, helicopter carrier, Strategic Partnership, Russian military reform, arms transfer, Russian arms industry, Georgia

Mistral, Hubschrauberträger, Strategische Partnerschaft, russische Militärreform, Waffenlieferung, russische Waffenindustrie, Georgien

## 1. Introduction

There are Christmas presents that last. A package of four warships certainly will. While many Christians prepared themselves for a merry and peaceful Christmas, two full-time statesmen were still in the mood to do business. On December 24th, 2010, Vladimir Putin und Nicolas Sarkozy congratulated each other on finishing what is arguably the most spectacular arms deal of the last several years. After eighteen months of hard negotiations the French President authorized a triumphant press release by his Elysee-Palace: “France has won!”<sup>1</sup> Four state-of-the-art *Mistral*-class helicopter-carriers are being sold to Russia, at the total value of about two billion Euros.

For Russia it is the largest arms import since the end of the Second World War. For NATO it is the first time ever that a member-state signs an arms deal of this size and quality with Russia, erstwhile arch-enemy turned “strategic partner” designate. The deal did not go down well with Georgia and the Baltic States. There were rumblings behind the scenes, but quarrels on stage were avoided. Both NATO and the EU maintained a tense calm and refrained from any comments on the deal. This article traces the origins of the *Mistral* deal, examines the military capabilities of the ship, reconstructs the negotiations between France and Russia, looks at the reactions to the arms-transfer, assesses its potential consequences, and, finally, offers an interpretation of the *Mistral* deal in the context of the “Strategic Partnership” with Russia endorsed by NATO.

\* Dipl.-Pol. Thomas Horlohe is senior desk officer at the Schleswig-Holstein Ministry for Science, Economics and Transportation, is an occasional contributor to the “Streitkräfte und Strategien” broadcast of the North German Public Radio (NDR Info). The manuscript for this peer-reviewed article was finished on March 8, 2011.

1 Quoted in Doreen Carvajal, “Sale of warships raises alarms”, *International Herald Tribune*, Dec. 29, 2010, p. 3. Kim Willsher, „Sale of French warships to Russia raises alarm in NATO”, *Los Angeles Times*, Dec. 30, 2010 translates the press release in a slightly different way: “French shipbuilding has won”.

## 2. The origin: Russia’s Five-Day-War against Georgia

The Russian reasons for the *Mistral* deal can be traced back to its Five-Day-War against Georgia in August 2008, which turned out to be a showcase for the various inadequacies of the Russian military. Russian forces were superior in number, had ample time to prepare their operations, and they had trained for exactly this contingency in a large-scale exercise just a few weeks before. However, both the Russian military leadership as well as the hardware at its command performed hopelessly outdated. The judgement of Western observers was unanimous and unflattering. “The Russian victory was not due to material and technological superiority, but owed to good preparation und quantitative superiority. (...) Their technological backwardness makes the Russian forces look more like an Army from the 20th, than of the 21st century.” (Klein 2008: 4)

In their analysis Western military experts could draw on glaring examples for technical failures, reported by the Russian media with brutal and heretofore unknown openness (Vendil Pallin and Westerlund 2009: 407, 410; McDermott 2009: 72). Army-bashing was new to Russian media. McDermott (ibid: 67) observed a pattern. The critique focused on certain key aspects, like aged hardware and weaponry, ineffective command and control systems, lack of inter-service coordination and failure of intelligence support. No difference could be found between the criticism of the campaign in civilian media and official sources, suggesting “an orchestrated effort by the government to ‘sell’ reform to the military and garner support among the populace”.

After all, military reform had been on the agenda for some time. The Five-Day-War was used as justification and catalyst for a new military reform and modernisation effort (Vendil Pallin and Westerlund 2009:415), explaining why official announcements came surprisingly quick and in rapid succession. On September 11th, 2008, President Medvedev proclaimed a “focus on the modernisation of our armaments”.

Modernising its armaments, however, is easier demanded than actually done, because the Russian arms industry itself is in need of modernisation (Klein 2009: 28). Shipbuilding is a case in point. An aircraft carrier refurbishment job for India is four years late and hundreds of millions dollars over budget.<sup>2</sup> A landing-ship was designed and developed in the 1980ies, the so-called Project 11780. Two vessels were ordered, but – due to the breakdown of the Soviet Union – never delivered. Nowadays, a complete redesign would be necessary but take too long.<sup>3</sup> There was only one answer to what is also a classic question in management: “make or buy?” Procurement of foreign-made arms was chosen as a shortcut to modern armaments.

The Russian Navy was spared the scathing criticism showered so lavishly on Army and Air Force (McDermott 2009: 73). One reason may have been that the Black Sea Fleet saw little action against Georgia and the Abkhazian coast. Within its narrow role the Black Sea Fleet performed satisfactorily. Another reason may have been that the Navy was considered less resistant to reform than its sister services. However, once the Georgian War was firmly established as point of reference for future military capabilities, Admiral Vysotskiy, Commander-in-Chief of the Russian Navy, in September 2009 could not resist invoking the conflict as an argument for acquiring *Mistral*-class vessels: “Everything that we did in the space of 26 hours at the time, this ship will do within 40 minutes.”<sup>4</sup> No further explanation has been revealed as to exactly why a *Mistral*-class ship is required for future Black Sea Fleet operations, when the Fleet was obviously up to its task in the Five-Day-War – supporting Army and Air Force operations from sea – without such a warship. What kind of capabilities, then, will the *Mistral* bring to the Russian Fleet?

### 3. The Military capabilities of the Mistral

The *Mistral* is a multi-purpose-ship. It can be configured in various ways. Its basic design is that of a helicopter-carrying dock landing ship. There are six spots for helicopters on the flight deck. The 1,800 m<sup>2</sup>-size hangar-deck beneath can house up to sixteen helicopters. The lowest deck holds an aft dry-dock for four landing ships or two hovercrafts. The decks in between can take up to 60 vehicles, among them thirteen main battle tanks. The *Mistral* incorporates a 850 m<sup>2</sup>-large command center, equipped with 150 workstations. Moreover, the ship comprises a 750 m<sup>2</sup>-large hospital with 69 beds, complete with two ope-

rating theatres, dental operatory and X-ray room. 450 soldiers can be accommodated in cabins, 250 more on short missions.

The design of the *Mistral* offers flexibility to optimize the ship for each of its several roles.<sup>5</sup> When optimized for humanitarian rescue missions, part of the hangar can be used for an additional field hospital with another 100 beds. When optimized for amphibious assault missions the ship can carry 230 vehicles instead of 60, provided there are no helicopters in the hangar. In “mixed version” the *Mistral* would carry 450 Marines complete with 60 vehicles and six helicopters, providing an “early entry” capability for amphibious operations.

*Mistral*-class vessels have little armament of their own. Either they have to be accompanied by warships with much more firepower. Or they are employed towards coastlines with little defensive capabilities, i.e. in low-intensity contingencies. Admiral Komoyedov, former Commander of the Black Sea Fleet and an outspoken critic of Defence Minister Serdyukov’s military reform, did not fail to point out that “*Mistral* is like [a] tin can, not armed with anything, and with [only] one virtue – the diesel-electric power plant. It is good for the fact that it takes up little space... [I]t is possible to base, warehouse, store, service helicopters or personnel. Unfortunately, this class of ship is incapable of operating independently. Her combat stability always has to be assured under as well as above water and in the air. In order to redeploy forces to the Kuril and other islands it is necessary to have the [Mistral-class ships integrated] in a support system.”<sup>6</sup>

Nevertheless, *Mistral*-class ships are tailor-made for force projection, i.e. missions that are offensive in nature. They are ideal for supporting land campaigns from the sea, e.g. to outflank enemy positions or to open a second front. They are useful for robust show-the-flag-missions underlining claims to contested territory. And they can provide an over-the-horizon base for heliborne commando operations. *Mistral*-class warships will improve the Russian Navy’s capabilities in each of these missions.<sup>7</sup>

The Russian Navy’s desire to acquire *Mistral*-class ships follows a well-established international trend. Warships for expeditious operations are very much in demand by all navies (An-nati 2005 and 2007; Stockfisch 2010). In and of itself it does not testify to any more aggressive intentions than, say, those of Japan, South Korea, Spain, Italy, Denmark or the Netherlands who have similar ships in their inventory.<sup>8</sup> Russian Prime Minister Vladimir Putin zeroed in on this point during his visit to France on June 10th last year: “France has such helicopter-

2 Andrew F. Kramer, “Depleted arsenal, wounded pride”, International Herald Tribune, March 13/14, 2010. India bought the Admiral Gorshkov in 2004 for \$ 964 million. Russia has reportedly revised the price, including repair and refit, three times, first demanding additional \$ 1.5 billion in 2007, \$ 2.2 in 2008 and finally asking \$ 2.9 billion in February 2009 [http://theasiandefence.blogspot.com/2009/08/talks-over-gorshkovs-price-likely-to.html; downloaded Feb 17, 2011]. A new \$ 2.3 billion deal was signed in 2010 for delivery of the Gorshkov to India in December 2012. Cf. IISS Strategic Comments, Vol. 17, No. 8, February 2011.

3 “Hubschraubeträger: Mistral & Co. buhlen um russischen Milliardenauftrag”, RIA Novosti, October 20, 2010 [http://de.rian.ru/opinion/20101020/257482365.html; downloaded January 11, 2011].

4 Kim Willsher, „Sale of French warships ...”, op. cit. (Fn. 1) It should be noted that this quote was first published in a front-page article of the Georgian Newspaper “24 hours” on November 18, 2009, a few days before the port visit of the *Mistral* to St. Petersburg. It has been cited by other media several times. The author was not able to verify the quote independently.

5 That is why different and sometimes confusing specifications are given with respect to the number of vehicles or helicopters on board, capacity of hospital and command center. See Manseck 2007, Jenschik/ Schweiger 2007 and Stockfisch 2010.

6 Quoted in Roger McDermott, “French ‘Tin Cans’ or Technology Transfer? Vysotskiy on the Mistral”, *Eurasia Daily Monitor*, July 27, 2010.

7 The Russian Chief of the General Staff, Makarov, pointed out that “our large amphibious ships are three to four times smaller than a *Mistral*-class ship, consume three times more fuel, while moving more slowly and lacking its multi-functional capabilities”, quoted in Vladimir Socor, “Russia Using Bait-And Switch Tactics in Mistral Negotiations With France”, *Eurasia Daily Monitor*, September 10, 2010.

8 Despite severe pressures on its budget, Vice-Admiral Axel Schimpf recently announced that the German Navy would like to acquire a “Joint Support Ship” as well. See Frank Behling, “Neue Schiffe für die Aufgaben der Zukunft”, *Kieler Nachrichten*, February 2, 2011.

carrying ships. So who is France preparing to attack? Why do people automatically assume that Russia will of course have to use this to attack someone?”<sup>9</sup>

#### 4. The negotiations

It is difficult to determine exactly when the Russian leadership decided to acquire *Mistral*-class warships from France.<sup>10</sup> The intended procurement was first mentioned around January and February 2009. Russia seems to have focused on the French warship early on. Alternatives to the *Mistral* were mentioned in spring and late summer of 2009 only as a threatening gesture during negotiations. The Chief of the Russian General Staff, Army General Makarov, figurehead of the military reform movement, publicly announced the start of negotiations in September 2009. On November 23rd, 2009 the *Mistral* visited St. Petersburg port in what was basically a sales presentation.

At the beginning of the year 2010 the political context of the negotiations changed for the better and the more glamorous. 2010 was celebrated as the “France-Russia-Year”, featuring a year-long list of bilateral cultural, business and political events. On February 8th, 2010, French President Nicolas Sarkozy approved of the sale of one *Mistral*-class ship in principle. More important, he made public receiving a request for three more warships of the same class. This raised the stakes considerably. While leading a delegation of 80 company officials to Paris, Russian President Medvedev announced the start of exclusive negotiations with France on four *Mistral*-class vessels on March 2nd. Prime Minister Putin visited Paris from June 10th to 11th, stating that “this deal can only be interesting if done in parallel with the technology transfer”. He denied any aggressive intentions involved in the *Mistral* acquisition, particularly regarding Georgia. Russian strike capabilities would allow it to undertake any military operation into the full depth of Georgian territory, without the *Mistral*. Reportedly, at this point in time, both sides still had to agree on price, sharing of construction work and technology transfer.<sup>11</sup>

Despite the favourable setting provided by the France-Russia-Year the negotiations suddenly bogged down during summer over two issues: First, how the construction work would be shared between French and Russian shipyards, and, second, how much technology would be transferred together with the vessels. President Sarkozy publicly staked out his position during a visit to the Chantiers de l’Atlantique shipyard in Saint Nazaire on July 22nd, where the *Mistrals*’ front block is manufactured. He pledged that two ships would completely be built in Saint Nazaire,<sup>12</sup> thus securing employment after completion of

the *Mistral*’s sister-ship *Dixmude* at the beginning of 2012.<sup>13</sup> In staking his reputation on a fifty-fifty work-share, Sarkozy in effect declared this point to be non-negotiable. Two days later the Commander-in-Chief of the Russian Fleet, Admiral Vysotskiy, repeated that the deal would not be finalised unless France offered technology transfer along with the ships.<sup>14</sup> An unnamed French naval expert confirmed that the *Mistral*’s NATO-standardised command, control and communications systems had become a bone of contention.<sup>15</sup>

During August 2010 the Russians increased the pressure on the French. On the 20th, Defence Minister Serdyukov disclosed an upcoming international tender for a *Mistral*-analogue power projection ship.<sup>16</sup> In September Spanish, Dutch, South Korean and Russian manufacturers were to be asked to submit their offers for two ships. After almost eighteen months of exclusive negotiations with the Russians the prospect of competition must have been an unpleasant surprise to the French. President Sarkozy responded swiftly by sending the head of his military staff, General Benoit Puga, to St. Petersburg on the 26th. Puga visited the Admiralty shipyard and resumed negotiations with Deputy Prime Minister Igor Sechin, a close confidant of Prime Minister Putin.<sup>17</sup>

The tender was timed to set the stage for the regular session of the Franco-Russian Council for Security Cooperation scheduled for September 7th in Paris. The *Mistral* deal was a prominent item-point on the agenda. Starting the tendering process offered several advantages to Russia. Competition offered more options and increased financial and political leverage. In particular, it put pressure on the French negotiating team to be more forthcoming with respect to price, terms of payment (credits, gas or oil barter), technology transfer and/or teaming up with Russian shipyards. In addition, actively involving supplier countries that are members of NATO and the EU weakened potential NATO-led opposition to the deal. Every NATO and EU member state submitting offers to the tender would find it hard to argue against a sale later on. Furthermore, the tender advertised Russia as an interesting market for arms sales, raising expectations for more offers for Western arms industries, which face shrinking defence budgets. In a way, the tender was a bait to wear down resistance against the *Mistral* deal among France’s allies and partners.<sup>18</sup>

The deadlock in negotiations was overcome when Russia’s United Shipbuilding Corporation (OSK) and France’s shipbuilder DCNS (Direction des Constructions Navales, Systems et Ser-

9 Carole Landry, “Putin visits France amid warship row”, *Agence France Press*, June 11, 2010.  
 10 Vladimir Socor dates the decision back to “fall 2008, immediately after its Invasion of Georgia”. Socor, “Mistral and Other Arms Sales to Russia Mark NATO’s First Post-Summit Defeat”, *Eurasia Daily Monitor*, January 4, 2011.  
 11 Vladimir Socor, “Moscow Keeps Paris on Edge Over the Mistral Affairs”, *Eurasia Daily Monitor*, June 11, 2010.  
 12 Vladimir Socor, “Russia Counts on Western Input For Modern Arms Production”, *Eurasia Daily Monitor*, August 11, 2010.

13 RIA Novosti, October 7, 2010. The second sister ship, *Tonnere*, was taken into active service in 2006. The last ship of the class, *Dixmude*, was ordered in April 2009 and is planned to be turned over to the French Navy at the beginning of 2012 [[http://de.rian.ru/security\\_and\\_military/20101007/257403837.html](http://de.rian.ru/security_and_military/20101007/257403837.html)]; downloaded January 11, 2011].  
 14 Roger McDermott, “French “Tin Cans” or Technology Transfer?”, op. cit. (Fn 6).  
 15 RIA Novosti August 20, 2010 [<http://de.rian.ru/security-and-military/20100820/257141470.html>]; downloaded January 11, 2011].  
 16 Vladimir Socor, “Russia Launches International Tender for Warship Procurement”, *Eurasia Daily Monitor*, September 10, 2010. President Medvedev was present, emphasizing the intended political effect.  
 17 In addition to chairing the interagency commission on the *Mistral* negotiations, Sechin was also in charge of the OSK shipyard competing for the tender and chairman of Rosneft, Russia’s leading oil and gas extraction company, with business interests in the Black Sea and the Arctic.  
 18 Vladimir Socor, “Russia and France Create Naval Construction Entity Ahead of Mistral Tender”, *Eurasia Daily Monitor*, November 4, 2010.

vices) signed an agreement to form a consortium on November 1st. On December 9th French Prime Minister Fillon visited his Russian counterpart Putin, confirming at a news conference that there was no problem regarding technology transfer. The decision on the sale was communicated in the telephone call between Prime Minister Putin and President Sarkozy on December 24th, 2010. The sequence of events suggests that negotiations were held in abeyance in order not to disturb the NATO summit meeting in Lisbon on November 20th and 21st, but quickly concluded once the Alliance had declared to seek a “true strategic partnership between NATO and Russia, [...] with the expectation of reciprocity from Russia”.<sup>19</sup> On January 25th, 2011, the French STX-shipyard and Russia’s OSK finally signed an agreement for Russian procurement of two French Mistral-class warships in Saint Nazaire, with President Sarkozy and Deputy Prime Minister Sechin attending.<sup>20</sup>

## 5. The deal

Naturally the exact terms of the sales agreement remain secret. But some were leaked and others can be inferred. Two ships will be built at the French STX-shipyard in Saint Nazaire, where the front block will be constructed, and completed at the DCNS-shipyard in Brest, where the aft section will be added. Construction of the first ship will start in Saint Nazaire in 2011, with the first vessel to be delivered by the end of 2013 and the second by the end of 2014.<sup>21</sup> This workload will secure about 1,000 jobs for the next four years. Since DCNS and OSK have formed a joint venture, the technology transfer issue must be considered settled. The joint venture will own the licence for the Russian *Mistral* and build ships No. 3 and 4 at OSK’s Admiralty shipyard in St. Petersburg.<sup>22</sup>

The price for the ships made in France is estimated at € 400-600 million each, indicating that command, control, communications and radar systems are included. According to the Russian News agency RIA Novosti, the first two vessels will cost Russia a total of € 1.37 billion.<sup>23</sup> The Russian *Mistral* will have a hangar deck that is 17 cm higher than the French version, allowing for the taller *Kamow* helicopters. The hull will be reinforced to withstand ice drift in the Arctic Sea. Most likely, the first two ships will be delivered bare of armaments. The Russian Navy wants to install its own air defence systems.<sup>24</sup>

19 NATO Lisbon summit declaration, Paragraph 23 [http://www.nato.int/cps/eu/natolive/official\_texts\_68828.htm?mode=pressrelease; downloaded February 11, 2011].

20 Vladimir Socor, “France, Russia Sign Mistral Agreement”, *Eurasia Daily Monitor*, January 26, 2011.

21 Socor, “Mistral and Other Arms Sales ...”, op. cit. (Fn. 10). DCNS is owned by the French state (75%) and the French Thales high-technology group (25%). STX is owned by the French state (33.34%), the French Alstom high-technology group (16%) and the South Korean-Norwegian STX Europe (50%).

22 According to the International Institute for Strategic Studies, OSK will build the third and the fourth ship at a specially constructed new shipyard on St. Petersburg’s Kotlin Island. 20% of the components for the first, 40% for the second and 80% for the third and fourth ship will be manufactured in Russia. Cf. “Russian navy’s regeneration plans”, *IJSS Strategic Comments*, op. cit. (Fn 1).

23 Ibid.

24 RIA Novosti, October 20, 2010 [http://de.rian.ru/security-and-military/20101020/25748265.html; downloaded January 11, 2011].

There are no official statements on the terms of payment. However, there are speculations that part of the deal is financed on credit. And there is circumstantial evidence that part of the deal is paid for in Russian gas or oil deliveries. When Russian President Putin was welcomed by President Sarkozy in Paris on June 11th he had an appointment with the chairman of the French oil company TOTAL, Christopher de Margerie, on the same day. What is more, Igor Sechin personifies the link between shipbuilding and trade in oil and gas. As Deputy Prime Minister, chairman of both Rosneft and OSK and in charge of the negotiations with the French, he was in an ideal position to control every aspect of the Russian side of the deal.<sup>25</sup> Furthermore, there is an implicit energy angle to the French side of the deal as well. President Sarkozy stated several times that the decision to sell *Mistral* ships was “political” in nature, a message repeated by French ministers and diplomats in explaining the deal to allies and friends. One interpretation was offered on the editorial page of the French Daily *Le Figaro*, preferred outlet for messages from the Elysee Palace: “It is out of the question for France to allow Germany alone to profit from the new Eastern frontier. Even if the Germanic enterprises are way ahead, France must play all its cards.”<sup>26</sup> The energy sector appears to be among those areas of business where German companies seem to be well-positioned in comparison with their French competitors.<sup>27</sup>

## 6. The Reactions and Repercussions

### 6.1. Georgia and the United States of America

Georgian Foreign Minister Vashadze raised the *Mistral* issue with the US-Ambassador in Tbilisi in November 2009. He pointed out the symbolism of France, broker of the August 12th, 2008-caesefire, now selling a major offensive weapon system to Russia, despite Russia’s non-compliance with Point 5 of the ceasefire agreement, i.e. withdrawing its troops to pre-conflict positions. Vashadze mentioned a firm Russian commitment not to deploy the ship to the Black Sea as a possible compromise. Two days later the Georgian newspaper “24 hours” published a front-page article with the by now famous quote from Admiral Vysotskiy, that the *Mistral* could have accomplished in 40 minutes what took the Black Sea Fleet 26 hours during the Five-Day-War against Georgia. The article was obviously intended to call attention to the *Mistral* making port in St. Petersburg on November 23rd, 2009. The Georgians were also working their connections on Capitol Hill to the effect that six Republican Senators expressed in writing to the French Ambassador

25 Interestingly enough, offshore oil and gas exploration is central to Rosneft’s expansion plans, with fields on the Russian Arctic shelf and under the Black Sea currently as the most promising projects. In early March 2011 TOTAL decided to buy a 12% share of the Russian natural gas producer Novatek for \$ 4 billion and become partner in a project to produce liquefied natural gas in the Russian Arctic. Cf. Andrew E. Kramer, “Russia reaps benefit as Arab tumult rattles oil market”, *International Herald Tribune*, March 8, 2011.

26 Quoted in Vladimir Socor, “Mistral Saga: Igor Sechin Se Moque De Paris”, *Eurasia Daily Monitor*, July 17, 2010.

27 Thomas Gomart, Russia expert at the French Institute for International Relations, makes the same point: “Today France’s main objective is more economic than strategic. France wants to do business in Russia.” Quoted in Katrin Bennhold, “France to sell warship to Russia”, *International Herald Tribune*, February 9, 2010.

in Washington their concern about France’s acquiescence to Russia’s “increasingly bellicose and illegal behaviour”.<sup>28</sup> This initiative prompted the representatives of the French Defence and Foreign Affairs ministries to defend the prospective sale during the Third US-France Strategy Dialogue in Washington, on January 20th. They stated that the *Mistral* would be sold without armaments and stressed the “political nature” of the sale.<sup>29</sup> Since the ship’s armaments are modest and purely for self defence, the first point was diversary and mute. The second point, however, indicated that there was more to the sale than met the eye and that France was determined to see it through.

US-Secretary of Defense Robert Gates raised the *Mistral* sale with his French counterpart, Hervé Morin, on February 8th in Paris, using exactly the same line of argument as Georgian Foreign Minister Vershadze had with his US-interlocutors in Tbilisi in November. Gates emphasized, his concern was not about the military capability of the *Mistral*, but about political messaging. Morin took up this point, reminding the US Secretary of Defense of the “restart” of relations with Russia, initiated by the US-government and followed up by NATO’s efforts at “full Strategic Partnership” with Russia. “Morin asked rhetorically how we can tell Russia we desire partnership but then not trust them.”<sup>30</sup> Moreover, he talked down the contribution of a single *Mistral* to Russia’s military capabilities, in light of its severely degraded naval production ability.<sup>31</sup>

Apparently Georgia’s demand for assurances not to deploy the *Mistral* to the Black Sea, amplified by its US protector, did register with the French and the Russians. Russia consistently proclaimed that the warships were to be deployed with its Northern and Pacific fleets, first. Prime Minister Putin’s remarks during the press event on June 11th, that Russia could easily fight a second war against Georgia without a *Mistral*, can be interpreted as a tacit concession of non-deployment to the Black Sea clad in very strong rhetoric.

There is circumstantial evidence that Georgia’s President Saakashvili played a weak hand to maximum effect. He managed to make the US government impose his no-first-deployment condition on the French. And, in exchange for his acquiescence to the sale, he supposedly received French promises of support for Georgia’s aspirations to become an associate member of the EU, gain a free trade agreement and visa liberations.<sup>32</sup>

## 6.2. The Baltic States, NATO and EU

The Baltic States were not amused by the *Mistral* sale either. Having been occupied by Soviet forces for decades and subjected to Russian energy cut-offs and cyber attacks in the more recent past, the coastal states Estonia, Latvia and Lithuania loathed to see Russian amphibious power projection capabilities upgraded. They were particularly sensitive after Russian President Medvedev signed a new military doctrine on February 5th, which explicitly allowed for interventions to protect Russian citizens in foreign countries (Klein 2010: 33). On these very grounds Russia invaded Georgia. While this provision in the new military doctrine is subject to different interpretations and may apply only to Russian minorities in Abkhazia and South-Ossetia, but not Russian-speaking citizens of Estonia, Latvia and Lithuania, it was no comfort for the Baltic Republics.<sup>33</sup>

The permanent representatives of Lithuania and Estonia complained about the prospective *Mistral* deal during an informal lunch before the North Atlantic Council meeting on February 10th, 2010, taking the US and the French ambassadors to NATO by surprise. The arms transfer had not been a topic of debate at NATO prior to that.<sup>34</sup> But NATO Secretary General Rasmussen apparently did not want to see this contentious issue on the agenda of the alliance. A debate on arms sales to Russia might have derailed, at least disturbed the Strategic-partnership-with-Russia policy supposed to culminate at the Lisbon summit later in the year. On March 5th, 2010, Secretary General Rasmussen stopped the unfolding debate in its tracks by simply announcing that Russia would not use the warship against any NATO member.

However, he could not stop Latvia’s former President Vike-Freiberga from citing the *Mistral* case as an example for a general trend towards bilateralism in relations between major European countries and Russia on security issues, bypassing NATO, during her address to NATO’s Parliamentary Assembly in Riga on May 28th, 2010. She found it “shocking that such a deal would be conducted without discussion inside the Alliance”.<sup>35</sup>

Latvia and Lithuania also called for consultations on arms sales at the informal meeting of EU defence ministers on Majorca on February 25th, 2010. Latvian Minister for Defence Liegis demanded “EU member states should consult among themselves on issues that might compromise the security of other member states before clinching strategic and military deals”. His Lithuanian colleague asked for a more “clear and firm policy on rules for military export control”, adding: “There are no clear rules now.”<sup>36</sup>

Actually, there are rules. What is more, they are applicable to the *Mistral* sale. The Council Common Position governing the control of exports of military technology and equipment is meant to prevent that arms transfers “contribute to regional in-

28 Quoted *ibid.*

29 Jacques Audibert and Michel Miraillet according to State Department cable, Para. 12, February 17, 2010 [www.wikileaks.org].

30 Cable from United States Embassy Paris, Para. 19, February 12, 2010 [www.wikileaks.org].

31 French officials stuck to two talking points and stayed on message throughout: (A) Emphasize “political” nature of sale; (B) Talk down military value and implications. The French ambassador to Estonia went as far as to call the *Mistral* without armaments a “practically civilian ship”.

32 French Foreign Minister Kouchner said as much publicly during his visit to Tbilisi in July 2010, one month after the Georgian President visited President Sarkozy in Paris, on the day before Russian Prime Minister Putin arrived. *Le Figaro* quoted an anonymous Georgian diplomat saying “We need a big country of the Union to support us”. Isabelle Lasserre, “Paris warms up its relations with Georgia”, *Le Figaro*, June 11, 2010.

33 I am grateful to two anonymous reviewers for their helpful comments on both the possible interpretations of the new doctrine and the minority issue.

34 Cable of US ambassador to NATO, February 12, 2010 [www.wikileaks.org].

35 Quoted in Vladimir Socor, “NATO Can Use Article Four to Consult About Arms Sales”, *Eurasia Daily Monitor*, June 11, 2010.

36 Andrew Rettman, “Latvia and Lithuania call for tighter EU rules on arms sales”, *euobserver.com*, February 25, 2010 [http://euobserver.com/9/29559?print=1; downloaded January 11, 2011].

stability”.<sup>37</sup> EU member states profess not to allow arms transfers “if there is a clear risk that the intended recipient would use the military technology or equipment [...] aggressively against another country or assert by force a territorial claim”. The member states shall take into account “a claim against the territory of a neighbouring country which the recipient has in the past tried or threatened to pursue by means of force” and the “potential effect of the military technology of equipment to be exported on their defence and security interest as well as those of friendly and allied countries”. However, Article 4, No. 2, states that „[t]he decision to transfer or deny the transfer of any military technology or equipment shall remain at the national discretion of each Member State“.<sup>38</sup> While the EU rules are applicable to the *Mistral* sale, there is no such thing as an EU decision making process on arms transfers.<sup>39</sup> The interpretation of the Council’s Common Position rests entirely with the member states. And in the *Mistral* case France chose to interpret the Council’s Position to the effect that did not preclude the transfer of the warship to Russia. President Sarkozy made it abundantly clear that the sale is “a political choice for France, for which France takes full responsibility.”<sup>40</sup>

Apparently it was not so much the substance of the sale the Baltic States took issue with, but rather the complete lack of prior consultation both in NATO and EU. Officials learned about the imminent sale from the media.

What may have avoided an escalation was the parallel and related issue of NATO’s “Eagle Guardian” war plan. Originally devised for a contingency with respect to Poland, the war plan was extended to cover the Baltic States, who were pressing hard for more solid security guarantees in the wake of the Five-Day-War. NATO’s decision on the revised war plan was taken in January 2010.<sup>41</sup> Having just received a first-class security guarantee made it difficult for Estonia, Latvia and Lithuania to raise hell on the *Mistral* sale, arguably a matter of lesser concern.

## 7. Deployment

The Russians made it clear right from the start that they intend to deploy *Mistral*-class warships with each of their four fleets, the Northern Fleet, the Pacific Fleet, the Baltic Fleet and the Black Sea Fleet.<sup>42</sup> From a military standpoint this is the only reasonable deployment concept, because, as Admiral Komoyedov

emphasized, this type of warship needs to be embedded in a larger naval force. As shown above, the Russian leadership seems to have assured the French not to deploy the first ship with the Black Sea Fleet. Taking into account that the first two ships built in France will be equipped for service in arctic regions as well as several references to the Pacific Fleet, a pattern emerges: Most likely the first vessel will be deployed with the Pacific Fleet in 2013<sup>43</sup> and the second one with the Northern Fleet in 2014. The third and the fourth vessel, to be constructed at a shipyard in St. Petersburg, will be deployed with the Baltic and the Black Sea fleets respectively. Due to the sorry state of Russia’s shipbuilding the timeline for their delivery is everyone’s guess.

President Medvedev’s visit to the Southern Kuril island Kunashir in November 2010 and the strong Japanese reaction to it focused attention on the unresolved territorial dispute over the Kuril Islands. According to some observers, however, it is not the dispute with Japan that makes Russia attend to its Pacific Fleet, but China’s rising naval power. “Arguably, Moscow is contemplating turning its Pacific Fleet into its main fleet to ensure the security of its energy deposits and the integrity of the Russian Far East, as this area becomes more central to Russia’s strategic future.”<sup>44</sup>

Russia’s National Security Strategy, adopted on May 12, 2009, made future development of energy resources in the Arctic a priority. It is estimated that thirteen percent of the world’s untapped oil resources and thirty percent of the remaining natural gas resources are located in the Arctic.<sup>45</sup> With oil and natural gas making up about sixty percent of its exports, the Russian economy is heavily dependent on energy resources. With the Siberian fields about to mature within the next decade, exploitation of offshore fields in the Arctic becomes imperative. Although the known Russian offshore fields are not actively contested by other states, the *Mistral* is a robust way to show where Russia’s economic future is at stake.

On April 21st, 2010, Ukrainian President Yanukovych and Russian President Medvedev signed an agreement prolonging the Russian Black Sea Fleet’s basing rights by another 25 years beyond the 2017 expiration date. Subsequently Moscow announced modernization plans for the Black Sea Fleet, adding one cruiser, several frigates and several submarines by 2015. A Russian-made *Mistral* could join the fleet no earlier than that. The Montreux Convention of 1936 regarding access to the Black Sea through the Bosphorus and Dardanelles Straits does not prohibit helicopter carriers from entering the Black Sea. A *Mistral* deployed with a modernised Russian Black Sea Fleet would add significantly to its intervention capabilities and be a major irritant to all littoral states. Reportedly, the work at Russia’s Tartus naval station in Syria has picked up after the basing agreement with the Ukraine was extended. The Soviet-era infrastructure is being upgraded to accommodate large ships.<sup>46</sup> Deploying the

37 Council of the European Union, Council Common Position defining common rules governing the control of exports of military technology and equipment, Brussels, December 8, 2008 (15972/1/08) [http://www.bits.de/frames/currentd.htm; downloaded March 8, 2011].

38 Ibid.

39 On May 26th, 2010, the prospective *Mistral* sale prompted questions by Members of the European Parliament to the European Council of Ministers. Whereas the answer of the Council unfortunately is not part of the record accessible online, contributions to the parliamentary debate indicate that the sale was discussed in the Council working group on conventional arms exports (COARM), an intergovernmental body that regularly comes into play when identical arms sales are refused by one EU member state, but about to be approved by another. It remains unclear how COARM dealt with the *Mistral* sale and whether it was ever raised to the level of the Council of Ministers proper [http://www.europarl.europa.eu/sides/getDoc.do?type=oQ&reference=O-2010-0076&language=DE; downloaded February 20, 2011].

40 Quoted in Socor, “Moscow Keeps Paris on Edge...”, op. cit. (Fn 35).

41 Scott Shane, “Fearing Russia, Baltics turned to NATO”, *International Herald Tribune*, December 7, 2011, p. 1.7.

42 Socor, “NATO Can Use Article Four...”, op. cit. (Fn 35).

43 RIA Novosti December 14, 2010 [http://de.rian.ru/security-and-military/20101214/257890899.html; downloaded January 11, 2011].

44 Stephen Blank, “Russia’s Navy Muscles Up and looks East”, *Eurasia Daily Monitor*, February 2, 2011. Cf. RIA Novosti, December 16, 2010 [http://de.rian.ru/opinion/20101216/257901901.html; downloaded January 11, 2011].

45 Anna Bryan, “Russia’s Role in the Arctic”, Center for Strategic and International Studies, August 17, 2010 [http://csis.org; downloaded January 13, 2011].

46 Vladimir Socor, “U.S. Policy on Defense Assistance to Georgia Neither Yes or No, Perhaps Sometimes”, *Eurasia Daily Monitor*, September 23, 2010.

*Mistral* together with a naval task force to Tartus would signal Russia’s ambitions, send a signal to the nations of the Middle East and extend the Black Sea Fleet’s range.

Summing up the different options for *Mistral* deployment, no single one stands out as particularly aggressive or threatening, but each and every one would destabilize, at least seriously complicate the respective security environment.

## 8. Interpretation and conclusions

The *Mistral* sale is a multi-faceted affair. In one respect the arms transfer is a function of great power politics. The US government launched a “restart” of its relationship with Russia in order to gain support for several item points on its foreign policy agenda: anti-proliferation, Global War on Terror/ Afghanistan, New START, balancing and containing China. US interests merged with those of senior European NATO allies, notably Germany, into an attempt at a “true strategic partnership” with Russia. France, pursuing its mercantilist and nationalistic competition with Germany, elegantly turned “strategic partnership” into a self-fulfilling prophecy and used it as a perfect shield against criticism from its allies. For President Sarkozy the *Mistral* sale was a means to gain better access to the Russian market. Domestically, it serves his re-election campaign, probably the decisive motive in the first place. The French president could pretend the *Mistral* deal to be an application of “strategic partnership”, whereas, in truth, it worked the other way around: “Strategic partnership” was invoked to justify the sale. In this regard, the *Mistral* sale is an example for an ongoing paradigm change. Security considerations give way to the pursuit of business and economic interests. However, in doing so France pursued its national interests like every other member of the alliance, only in a high-profile manner.

The Russians drove a hard bargain. In order to get a larger share of the Russian market the French had to throw in sensitive command, control and communications equipment at the end. Security implications took second place. This was well understood by the US, the Baltic States and even Georgia, the latter trading its silent assent for pledges of French support for its ambitions regarding the EU, economic in nature.

The *Mistral* sale forced the Baltic States and “New Europe”, as former US-Defense Secretary Rumsfeld called the Eastern Europeans, to face the consequences of “strategic partnership” with Russia, a concept pushed by “Old Europe” in tandem with the US. Finding neither NATO nor the EU receptive of their concerns must have been a sobering experience. Consultations were ignored and deliberations discouraged. For the Baltic States the *Mistral* meant *nomen est omen*: “Mistral” is the name of the fall wind blowing towards the south of France, drying the soil and increasing the danger of forest fires. The *Mistral* episode does not bode well for alliance cohesion.

Both NATO and the EU Common Foreign and Security Policy have failed badly. If a senior member state like France does not even bother to inform about the largest arms sale to Russia ever, then what does it take to trigger consultation mechanisms? This sorry picture was compounded by Spain and the Ne-

therlands falling for the Russian tender-trap, while Italy and Germany negotiated separate arms deals with Russia, possibly happy to see the French taking the flak. If nothing else, the *Mistral* sale was a demonstration that the EU Council’s Common Position on arms transfer is a piece of paper subject to national interpretations in light of national interests. The Position is far from being a common process or policy. The sale is paving the way for a number of arms deals with Russia, some already under negotiation or in the pipeline.

Whatever their potential for mischief, two *Mistral* ships alone will not turn the Russian fleet into a first-rate fighting force. The problems of Russia’s armed forces are severe and structural in nature. Importing arms made in the West is no cure at all, not even a quick fix. From a purely military point of view a sober assessment of the sale does not raise any alarms now. However, it raises eyebrows. Taking the fast lane towards modern armed forces, Russia is becoming dependent on Western military technology. This is a truly strategic decision. Russia is about to bank its status as a major military power on Western arms technology transfer. Date of delivery and quality of the first Russian made *Mistral* will show whether this will work out for Russia. In the meantime, NATO and the EU might reconsider their record on truly collective security and coordinated arms transfer controls.

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