

AZERBAIJAN-RUSSIA RELATIONS AFTER THE FIVE-DAY WAR: FRIENDSHIP, ENMITY, OR PRAGMATISM?

Azerbaijan-Russia relations have experienced many ups and downs throughout the modern history of both countries, from closing of the borders and accusing each other of supporting separatism to cordial statement of strategic importance. Both countries, however, have been cautious not to cross the point of no return. Russia remains one of the most important economic and political partners of Azerbaijan. Nevertheless, some issues, such as Russia's continued support of Armenia and procrastination in the resolution of Karabakh conflict have prevented the two countries from becoming strategic partners. Today, Azerbaijan tries to find a fine balance between its own interests and the satisfaction of Russian ones, taking into consideration the results of the Russia-Georgian conflict.

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One can divide the past 20 years of relations between Azerbaijan and Russia into three stages. The first stage, spanning from 1992 to 2000, covers Boris Yeltsin's presidency, when the relations swung from neutral to near hostile. Several issues contributed to these fluctuations including the continued Russian arms supply and political support to Armenia, as well as heavy pressure from Russia on Azerbaijan to join the Collective Security Treaty Organization and halt cooperation with NATO. This first period was also characterized by the titanic efforts of Azerbaijan to build the Baku-Ceyhan pipeline to secure access to Western energy markets and Russia's continued hostility to any project bypassing Russia.

The second stage lasted from 2000 till 2008 and covered Vladimir Putin's two terms of presidency. The Russian government rapidly came to understand the fruitlessness of attempts to disrupt Azerbaijan's movement toward the West and chose a soft and pragmatic approach instead. First, the Putin administration secured Azerbaijan's support in the second Chechen war. Secondly, economic interests overtook political ones and the Russian business elite began to actively cooperate with Azerbaijan. Last but not least, Putin was able to find common ground with both former Azerbaijani President Heydar Aliyev and current President Ilham Aliyev, and break down negative stereotypes. This was a period of joint projects, economic opportunities, and mutual understanding. The Azerbaijani public slowly began to change its attitude and to see Russia as an unbiased broker in resolving the Karabakh conflict. Meanwhile, despite the centralization of power and several of Putin's hardline actions, Azerbaijan moved away from "fearing" an "unpredictable" and "unstable" Russia, which instead began to acquire the image of a pragmatic and constructive partner.

The last stage begins with the end of the Georgia-Russian Five-Day war and recognition of Abkhazia and Ossetia. This stage can be said to be still continuing, and represents a critical stage in Azerbaijan's policy toward Russia. For the Azerbaijani public, it was shocking to see acts of aggression against an independent neighboring state. The fact that Georgian actions were directed toward preservation of its territorial integrity and Russia was seen as acting in violation of international law played a very negative role in shaping the image of Russia in Azerbaijan. Despite the fact that Russia did not take any direct action against Azerbaijan and, in fact, tried to mitigate the impact of war through frequent visits by state representatives and frequent mediation in the Karabakh settlement, a "fear" of Russia re-emerged in the country.

The war also generated a new source of instability and forced most of the states of post-Soviet Eurasia to reevaluate their foreign policies. Azerbaijan, for its part, has tried to avoid antagonizing Russia and has been cautious with regard to its

ambitions for membership in either the North Atlantic Treaty Organization (NATO) or integration with the European Union. Some might describe Azerbaijan's policy as a kind of *Finlandization*, akin to the Finnish pursuit of neutrality after World War II in the face of a hostile Soviet Union.

In fact, Azerbaijan's policy toward Russia can be considered to be like "silent diplomacy," by which Baku is gradually developing Azerbaijan's role in the region using contradictions between powers. Despite the fact that after the Five Day War, some CIS countries such as Tajikistan, Armenia, and Kazakhstan adopted a pro-Russian strategy, Azerbaijan managed to preserve an independent foreign and domestic policy.

Nonetheless, a lack of progress in the Karabakh conflict and the possibility of a resumption of war continue to make Azerbaijan vulnerable. The conflict remains the only factor limiting the actions of Azerbaijan's foreign policy, preventing it from intensifying its Euro-Atlantic integration plans. So far, Azerbaijan and, to a certain degree, Georgia remain among the few countries that can conduct independent policies in the post-Soviet space -along with the Baltic states. If the frozen conflicts of Azerbaijan and Georgia remain the same, or worsen, both states will exhaust their foreign policy opportunities and fall prey to growing Russian influence in the Caucasus.

All Quiet on the Karabakh Front

The Karabakh conflict remains the main topic in relations between Azerbaijan and Russia. Since their independence, Russia has been the main player in mediating between Azerbaijan and Armenia. However, the Russian policy in this conflict has never changed. The Russian establishment has continued to support its "outpost in the Caucasus" while trying not to antagonize belligerent Azerbaijan.

The status quo of the conflict benefited Russian interests more than those of Armenia and Azerbaijan. The conflict allows Moscow to keep both countries, to varying degrees, in the orbit of its influence. While Armenia has become totally dependent on the Russian economic and military aid, Azerbaijan's progress toward the West was limited and even halted. At the same time, Russia had been imitating mediating activity, pressing on both sides to keep ceasefire. All the while, for years, the Karabakh conflict continued to be an *exchange coin* in negotiations between Moscow and Baku. Whether it is the Nabucco project or Gabala Radar Station, the Russian side has always tried to use the conflict as leverage to get beneficial terms. Last, the threat of war resumption was also used by Russia to block the Western interests from actively penetrating the region. Thus, the resolution of the Karabakh conflict was successfully frozen by Russia for more than 14 years.

Since 2004, mediators and the foreign ministers of Armenia and Azerbaijan drafted a document entitled the Basic Principles, or Madrid Principles. This document has undergone further fine-tuning, and in late 2009, the co-chairs of Minsk Group unveiled a new, more explicit variant encompassing 14 points. Both presidents at various stages have agreed on the *basic principles* and analysts began to talk about the settlement of the conflict in the near future.

However, neither side has been able to agree on three major issues. The first is the time frame and sequence in which Armenian forces will be withdrawn from seven districts of Azerbaijan, contiguous to Mountainous Karabakh. The second issue is the so-called Lachin Corridor that forms an overland bridge between Karabakh and Armenia. And, the third issues is the nature of the “interim status” to be accorded to the unrecognized republic pending an “expression of popular will” at some future juncture in which the region’s population will decide on its future status.

Nine meetings held between the presidents of Russia, Azerbaijan and Armenia culminated in a meeting in Kazan on 24 June 2011. The public of both countries expected that documents defining the road map for conflict settlement would be signed. However, these hopes were not fulfilled and the presidents left the meetings without any signed declaration or document.

Many local and international analysts argued that it was Baku’s initiative to slow down the process and take time-out. As some media reported, President Aliyev came to the meeting with nine or ten amendments to the Madrid principles that was objected to by Armenia and that were not expected by the Russian side.

The reason behind Azerbaijan’s sudden move was unfavorable timing and terms of agreement. It was naïve to expect that a peace solution document prepared under the aegis of the Russian establishment would take into consideration Azerbaijani interests. It is speculated that the draft the document proposed by Russians did not stipulate the sovereignty of Azerbaijan over the Lachin corridor, which is a vital piece of land.

Baku zealously opposes the return of Russian troops to Azerbaijan, in any form. It is not excluded that the Russian proposal had also envisioned deployment of Russian peace-keepers along the border between Azerbaijan and Karabakh, building up a new Russian strategy, cleverly called *Pax Russica*, by one analyst.¹ In this case, Russian mediation and Medvedev’s plan would bring Russian troops back to Azerbaijan. Exactly the same strategy was used by the Russian establishment

¹ Thomas de Waal, “Can The ‘Medvedev Moment’ Be Saved for Karabakh?” *Radio Free Europe*, 28 June 2011, http://www.rferl.org/content/medvedev_moment_saved_nagorno_karabakh_kazan/24279692.html.

in Ossetia and Abkhazia, eventually leading to their recognition. Deployment of Russian troops in Azerbaijan would freeze the conflict and keep Azerbaijan and Armenia on a short rope for a longer period.

Azerbaijan was suspicious that Putin is behind the whole game. Meanwhile, the Baku leadership is fully aware that Medvedev's tenancy of the Kremlin may not last much longer and therefore he wants extra guarantees that his peace plan would be implementable. At the same time, by freezing negotiations, Baku wanted to send a signal to Washington and Brussels that the Russian mediation and Western abstinence from the resolution of conflict would lead to greater Russian role in the region.

Analysis of Russian actions shows that Russia, whether under Medvedev or Putin, is not genuinely interested in the solution of the Karabakh conflict. It goes against the Russian revivalist intentions to keep former Soviet republics in the orbit of its influence. Mediation is used by Russia to stall the resolution of conflict and to prolong the status quo that benefits the Russian side. Meanwhile, Russian monopoly on mediation does not allow other regional players such as Turkey to participate in the resolution of conflict. Examples of Turkish-Armenian rapprochement, discussed further, is a very good example of how Russians took advantage of the contradictions between Turkey and Azerbaijan to gain additional benefits.

Unholy Alliance: Turkish-Armenian Protocols and Russian-Azerbaijani Opposition

On 10 October 2009, Foreign Minister of Turkey Ahmet Davutoğlu and his Armenian counterpart Edward Nalbandyan signed Protocols on the Establishment of Diplomatic Relations between the two countries. Signing the Road Map between Armenia and Turkey in April of 2009 preceded the Protocols. The documents stipulated opening of the Armenian-Turkish border within two months after ratification in the parliaments.

However, the whole process deteriorated relations between Azerbaijan and Turkey; which was a situation skillfully used by the Russians to increase their influence in the region and to attempt to derail some regional projects.

In negotiating border opening with Armenia, Turkey was hoping to achieve several goals. First, Ankara hoped to improve its relations with Yerevan. (Ankara and Yerevan have no diplomatic relations since 1993 when Armenian forces occupied the Kelbajar region of Azerbaijan). Second, Turkey wanted to play a more active role in regional affairs. By opening borders with Armenia, the Turkish government

would be binding the Armenian economy to the Turkish economy. This would give Turkey more opportunities to influence Armenia through economic incentives. Armenia, then, would be softer on the Karabakh issue and the conflict would eventually be solved.

The major concern of the Azerbaijani side was the exclusion of the Karabakh issue from the protocols. The major argument that Azerbaijan makes against the protocols and the possible opening of borders is that such a move would make settlement of the Karabakh conflict impossible.

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Analysts pointed out that Armenian rhetoric after the adoption of the “road map” became harsher. Turkey might have hoped that the road map and protocols would soften the Armenian position and spur Karabakh negotiations but it did not work out that way. Instead, the road map and protocols emboldened Armenia to take an unconstructive position.

With the protocols signed and the possibility of the border opening, Azerbaijan and Russia would lose one of their important levers over Armenia. For a certain period of time, relations between Azerbaijan and

Turkey deteriorated –to the great benefit of Russia. Moscow’s policy in the wake of Armenian-Turkish rapprochement is understandable. Moscow tries to take maximum advantage of the divide between Turkey and Azerbaijan, seeking political and economic dividends from the situation. Moscow perfectly understands that, at the end, it could easily manipulate Armenia and prevent the opening of borders even if Turkey agreed to open them.

Azerbaijan’s disappointment served Russia well. With the strategic partnership between Azerbaijan and Turkey under threat, Russia seeks to utilize this unique opportunity to secure its position in the Caucasus.

The deterioration of Azerbaijani-Turkish relations negatively affected the regional power balance and the Baku-Tbilisi-Ankara *union* came under threat. For years, these countries have been supportive of each other and most of the regional economic and political projects have involved all three.

If the Azerbaijani-Turkish alliance had drifted apart and Azerbaijan then relied more on Russia, Georgia's position would be significantly weakened. With increased Russian influence on Azerbaijan, Azerbaijani-Georgian relations eventually would have also been demoted from a strategic partnership to merely an average relation. In the absence of Azerbaijan's economic support to Georgia, Tbilisi would become an easy prey for Russian influence.

Ever since Azerbaijan's independence, Turkey was not only a staunch ally of Azerbaijan, but a link for the country to the West. With relations between the two countries severed, Azerbaijan would have left with the choices of having closer relations with Iran or Russia.

Azerbaijan and Russia “Rivalry” in the Post-Soviet Space

Ever since its inception, the Commonwealth of Independent States (CIS) has been considered a club of pro-Russian states and served Russian strategic and tactic interests. Kremlin summoned all summits, and other members of CIS approved all initiatives proposed by Russia, usually unanimously.

Baku tried to attend most of the formal meetings but restrained itself from signing useless declarations and statements. Thus, Azerbaijan abstained from joining CSTO (Common Security

Treaty Organization - *ODKB*), Eurasian Economic Union, and initiatives for the protection of common borders of CIS. Azerbaijan uses CIS forums for discussion of issues that cannot be solved through bilateral contact or negotiations. Baku uses the same policy officially towards other organizations such as GUAM.

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Initially hailed and supported by the United States and the EU, GUAM later lost its attractiveness to the West. The absence of visible actions from the member-states made this organization more like a club of countries dissatisfied with Russia. However, anti-Russian rhetoric was not enough to cement the weak military, economic, and political ties between the member countries.

The last attempt to revive GUAM was made in July 2008 in Batumi when the presidents of Azerbaijan, Georgia, and Ukraine urged the organization to become more active in resolving the so-called “frozen conflicts” existing in three member countries (Georgia, Azerbaijan, and Moldova) and adversely affecting Ukraine, the fourth GUAM member.

The Russian invasion of Georgia became the first test for the organization since its establishment. While Georgia and Ukraine took firm stands against the Russian invasion, Azerbaijan, and Moldova did not rush to support their Caucasian ally. There were a few reasons for that: Baku perfectly understood from the very start that the West was not going to intervene. It would have been naïve to believe in Western help after the Russian army captured Gori and other Georgian sites.

Azerbaijan's siding with Georgia could inflict Russia's wrath toward Azerbaijan. Of course, it would not lead to an invasion but it could result in border closures, persecution of Azerbaijani migrants, and the provoking of anti-Azerbaijani hysteria in Russia, as well as Russian support for Armenia in the resolution of the Karabakh conflict. All of these were considered in the assessments of the Azerbaijani government.

If Azerbaijan were to take Georgia's side as Ukraine and other Eastern European countries did, it would not have helped Georgia but could have harmed Azerbaijan in many ways. Instead, Azerbaijan chose to support Georgia economically and to do so based on bilateral relations rather than within the GUAM framework.

It is likely that GUAM as an organization will not be active for a certain period of time. With a pro-Russian government in Ukraine, continued Russian occupation of Georgia's territory, the unresolved Karabakh conflict, and the Transdniestrian conflict in Moldova, it is difficult, if not impossible, to strengthen relations within GUAM.

Azerbaijan and Moldova will try to divert the anti-Russian direction of the organization, and make it more neutral. But all of this can change in the near future. It is easy to see that GUAM, as well as Azerbaijan's aspiration to join NATO, is used by Baku as leverage in its relations with Moscow. If Azerbaijan could successfully "sell" these factors to Russia for a favorable outcome on the Karabakh conflict, then, Baku would ignore GUAM and would continue a soft policy toward Russia.

Azerbaijani and Russian Caucasus: From Self Destruction to Mutual Benefit

Azerbaijan continues to be one of the important elements for the security architecture of the turbulent Northern Caucasus. Russia clearly sees that a stable Azerbaijan is a guarantee for the stabilization of the diamond of the Caucasus-Dagestan. However, such understanding came after years of mutual distrust and enmity.

Among all Northern Caucasus republics, Azerbaijan traditionally had the tightest contacts and cooperation with Dagestan due to its proximity just across the

border. Meanwhile, the presence of an Azerbaijani minority in Dagestan, and Lezgin and Avar minorities in Azerbaijan, combined with close trade relations, made Azerbaijani ties with Dagestan much more substantial than with any other North Caucasian republic.

The collapse of the Soviet Union in 1991 severed Azerbaijan's contacts and relations with the republics of the Northern Caucasus, particularly Dagestan. The early years of independence for Azerbaijan were marred by the threat of separatism coming from its Lezgin minority living in the northern part of the country. Several nationalistic organizations, including *Sadval*, freely operating on the territory of Russia, instigated this separatism. Meanwhile, part of the Russian establishment played the separatism card in order to gain political leverage vis-à-vis Azerbaijan. Moreover, the terrorist attack in the Baku subway carried out by *Sadval* members in 1994 antagonized relations between Azerbaijan and Dagestan in particular.

The Russian–Chechen War was another factor that played a significant role in Azerbaijan's contacts with the Northern Caucasus. Having understood that stability in the North Caucasus can not be achieved without Azerbaijan's cooperation, the Russian establishment started actively to seek ways to involve Azerbaijan in efforts to stabilize the north Caucasus. Leaders of the Northern Caucasus republics became frequent guests in Baku. At the same time, cross border trade and cooperation significantly intensified. Azerbaijan looks at relations with the Northern Caucasus through the prism of security and economics.

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Baku also recognized that any instability in the Northern Caucasus would immediately provoke problems in Azerbaijan's north because of the flood of refugees, infiltration of guerrillas, emergence of religious radicals and eventually the spread of conflict into Azerbaijan.

The Azerbaijani government came around to the view that Russia played an overall positive role in the North Caucasus, even though it caused hardship for the population at the time. The perception was that a weakening of Russia in the region would not necessarily benefit Azerbaijan. To the contrary, Baku feared that a Russian withdrawal from Chechnya and Dagestan would immediately unleash a civil war between the different ethnic groups in the North Caucasus that could

eventually spill over to Azerbaijan. In that case, Azerbaijan would face revived Avar or Lezgin separatism.

It was against this background that the Azerbaijani ruling establishment came to the view that a Russian success in Chechnya was necessary in order to maintain peace in Dagestan, and Baku, thus, would need to do everything possible to help Russia in this process. Despite the fact that Russian-backed Chechen President Ramzan Kadyrov faces heavy criticism in Europe and the U.S. for abusing human rights and repressing opposition to his rule, the Azerbaijani establishment has been helping Kadyrov to establish himself and win legitimization. The Azerbaijan government invited the Chechen president to Azerbaijan several times and Kadyrov visited Baku and met with its president in November 2009. Allahshukur Pashazade, Sheikh ul-Islam and Grand Mufti of the Caucasus, who is based in Baku, is also officially backing the current Chechen president, providing crucial support for legitimizing Kadyrov's rule.

The gas deal between Azerbaijan and Russia is another factor in cementing economic, as well as political, relations. Starting this year, Gazprom is buying around two billion cubic meters of gas per year from Azerbaijan and planning to increase that volume. There are two factors driving gas cooperation between the two countries. First, Russia pursues a policy of trying to decrease the attractiveness of the EU-favored Nabucco-project by demonstrating that the proposed pipeline from Azerbaijan to Europe would not have enough gas to fill it. Second, the Kremlin is trying to secure energy supplies to the North Caucasus. In bringing gas to this remote area, Russia wants to avoid transporting energy from its own heartland, which would be more expensive. Thus, by buying gas from Azerbaijan, Russia saves money on gas transportation. So, it is not surprising that Russia offers a price for Azerbaijani gas that is similar to the price at which it sells its own gas to Europe. Russia wins economically and politically in any case. For Azerbaijan, such cooperation is beneficial since the country can sell its gas at market prices. At the same time, the gas supply to Dagestan and other republics of the North Caucasus is making Azerbaijan an important player in providing economic security to the region.

Most of the time relations between Azerbaijan and the Russian South were hostage to overall relations between Baku and Moscow. However, recent developments suggest that the roles have changed. Today, with active cross-border cooperation and common security concerns, the Russian establishment is careful not to spoil relations with Azerbaijan, fearing that such actions would negatively affect the Northern Caucasus, and especially Dagestan. Azerbaijan was thus able to link its own interests with those of Russia, ensuring that Moscow is not only interested in

maintaining good relations with Azerbaijan, but also in maintaining economic and political stability there.

Conclusion

Twenty years of independence demonstrates that relations between Azerbaijan and Russia are defined by misperceptions and bias. Russia continues to believe that if Karabakh conflict gets solved at all, Baku would immediately rush into anti-Russian alliances or NATO. The unresolved Karabakh conflict remains the only leverage that Russia can use against Azerbaijan in order to keep the latter from *unfriendly* actions.

However, the Russian establishment does see that desires of Azerbaijan and Georgia for closer cooperation with NATO or EU is coming from the hope that these organizations would help them settle the conflicts based on the principles of international law.

Azerbaijan perfectly understands that a good and neighborly relation with Russia is the promise of prosperity for country. Russia is the largest trade partner of Azerbaijan (without counting oil export) and will remain so for a long period of time. Millions of Azerbaijanis live and work in Russia. Without exaggeration we can say that stability and prosperity of Azerbaijan is dependent on stability in Russia. However, Russian policy in the South Caucasus at this stage leads Azerbaijan to drift, with Georgia, toward the West with the hope that that the U.S. and EU can be more reliable partners than their “great and mighty” northern neighbor.