

## *“Russia, Davay do Svidaniya”*

### ENTERING A NEW ERA IN AZERBAIJANI-RUSSIAN RELATIONS

PONARS Eurasia Policy Memo No. 270

July 2013

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The year 2013 may be a critical one for Azerbaijani-Russian relations. Last year’s re-election of Russian President Vladimir Putin, the end of the lease of the Gabala Radar-Location Station (GRLS) to the Russian military, and the reluctance of Baku to join the Moscow-backed Eurasian Union are defining issues between the two states. Moreover, Azerbaijan’s presidential election in October of this year makes the political situation in the country fluid and open to manipulation. The political establishment in Baku believes that Moscow will try to do everything possible to capitalize on Azerbaijan’s vulnerability to secure concessions and so interpret most political events in the country through the prism of Russian intentions. Despite the fact that on the surface, the two states have friendly relations, Russian authorities view Azerbaijan as an unreliable partner and will exert efforts to check Baku’s regional ambitions.

#### **An “Ivanishvili Scenario” for Azerbaijan?**

A flow of oil money and Azerbaijani President Ilham Aliyev’s prudent policy not to irritate Russia have allowed Azerbaijan to largely neutralize Moscow’s influence. The absence of any pro-Russian forces or parties in Azerbaijan and its energy independence from Russia have let Baku ignore Moscow’s interests in the Caucasus. The Nagorno-Karabakh conflict is really the only tool the Russian establishment could use against Azerbaijan, but Moscow has abstained from overtly capitalizing on the issue, taking into consideration the high level of tension between Azerbaijan and Armenia. The fear that conflict would break out and both sides would engage in a full-scale war prevents Moscow from using the conflict to coerce Azerbaijan. Another tool for Russia is its considerable influence on the Azerbaijani diaspora in Russia, which numbers up to two million people. Baku has always worried about this soft power mechanism, and Azerbaijani diaspora organizations have been under tight watch by Baku.

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<sup>1</sup> The views expressed here are solely those of the author and not those of the Azerbaijan Diplomatic Academy.

It was thus a surprise to witness the establishment of a new diaspora organization in Russia that seemed to be beyond Azerbaijan's control. In September 2012, former Vice Prime Minister Abbas Abbasov (a staunch ally of former president Heydar Aliyev) together with former KGB agent Soyun Sadigov helped establish the Union of Azerbaijani Organizations in Russia, becoming the union's informal chairs. A few prominent members of the Russian business establishment, such as Lukoil president Vagit Alekperov and businessmen Araz Agalarov, Telman Ismayilov, and Iskander Khalilov, became honorary members of the new organization. Intriguingly, even Ramazan Abdulatipov, president of Dagestan, also joined the Azerbaijani diaspora organization, even though he is not an ethnic Azerbaijani. So far, this newly established diaspora organization has not made any moves or actions that Baku could consider hostile. However, the fact that the organization does not take instructions from Baku makes the Azerbaijani political establishment nervous.

Baku believes that the Kremlin created this group to influence the presidential election. Events in neighboring Georgia reinforce this; the election of billionaire Bidzina Ivanishvili made Baku suspicious that the newly elected prime minister is a person "managed" by Moscow. Moreover, some diplomatically imprudent comments by Ivanishvili relating to the State Oil Company of Azerbaijan Republic's (SOCAR) interests in Georgia and the fate of the Baku-Tbilisi-Kars railroad increased Baku's concern.

Azerbaijani authorities view the new diaspora organization in Russia as an "Ivanishvili scenario" that seeks to bring a pro-Moscow coalition to power in Baku. However, they cannot openly blame Moscow for such an "unfriendly" act without spoiling relations. Thus, the long-standing ally of Azerbaijan, Georgian President Mikheil Saakashvili, took the role of "delivering" Baku's message to Russia. After an official two-day visit to Baku in late February 2013, Saakashvili made several noteworthy statements in Tbilisi, saying that during his visit to Azerbaijan he "clearly saw the danger Azerbaijan and Georgia are facing." Georgia faces disintegration, while Azerbaijan encounters Russia-sponsored regime change. According to Saakashvili, the threat is coming from the new Azerbaijani diaspora organization in Russia. Even more pointedly, the Georgian president argued that the major goal of this organization is to oppose Aliyev.

### **The End of Gabala**

In 2012, Azerbaijan made a move that shook Russian interests in Azerbaijan. The Gabala Radar-Location Station (GRLS) was Russia's last outpost in the country. Moscow had been leasing the site since 2002 for a period of 10 years and was urging Azerbaijan to extend it for another 25 years. Meanwhile, the Russian government wanted to substitute the old station with a new mobile modular station that would be Russian property. The GRLS was Azerbaijan's property, and Russia could not share the information it collected with any third party. If a new, entirely Russian-owned radar station were deployed in Azerbaijan, Moscow would not even need to share the information it collected with Baku. From a military perspective, Moscow does not really need the GRLS—it has already constructed a new radar station in the Krasnodar region able to provide security

for Russia's southern regions. Nonetheless, Moscow was seeking to maintain its foothold in Azerbaijan with whatever means it could.

For Baku, the new Russian proposal was unacceptable for several reasons. First, according to Azerbaijan's 2010 military doctrine, as well as the constitution, Baku cannot host a foreign military base. Second, the Russian side did not guarantee that information from the second base would not be shared with its ally Armenia, which currently occupies Azerbaijani territory. Last but not least, the base would watch over Russia's potential rivals, Pakistan and Turkey, among Azerbaijan's most loyal and staunchest allies.

Azerbaijan's tactic was thus to increase the leasing fee over fortyfold, demanding \$300 million a year from Russia instead of the existing \$7 million. Azerbaijan saw the renegotiation of the lease as a golden opportunity to put an end to the Russian presence. If in 2002 Azerbaijan's position was shaky and Baku needed Moscow's support, by 2012 Azerbaijan was strong enough to ask the Russians to leave. Baku knew perfectly well that Moscow would hardly pay such a price for the station, but it tried to leave some room for authorities to maneuver. Also, the Gabala region has become something of a tourist mecca, and the presence of a military facility there would have a negative impact on business. Finally, there is the Nagorno-Karabakh conflict, in which Moscow has hardly been a neutral broker. If initially Baku hoped that the leasing of the Gabala station would help the country secure Russian assistance, such hopes have long evaporated. Moscow sought to persuade Baku to accept its terms, but not even visits by high-ranking Russian authorities could get Baku to yield. Russia eventually gave up its efforts to extend the lease; it withdrew from Gabala in early May 2013.

### **The Ethnic Card**

Beginning in September 2012, certain developments led Baku to believe that Moscow had returned to a policy of using ethnic minorities against Azerbaijan. Armenians, Talysh, Avars, and Lezgins are the country's major ethnic minorities. For a long time, Moscow abstained from playing any ethnic card against Azerbaijan as it was preoccupied with Russia's own ethnic separatism in the North Caucasus. Nonetheless, several conferences were held in Moscow and Dagestan dedicated to rights violations among Lezgins and Avars. Minority organizations like the Federal Lezgin National-Cultural Autonomy, Talysh Diaspora Organization, and the Talysh Youth Organization were established. Although all these organizations are weak and do not have power to influence policy, they add to Baku's suspicion of Moscow. In June 2013, a Lezgin organization in the Dagestani town of Derbent protested against the naming of a city street after the late Heydar Aliyev. Baku does not believe Moscow would seriously use such organizations against it, but their existence provides Moscow with additional leverage against Baku. If these organizations were to join the Union of Azerbaijani Organizations, it would be an additional headache to Baku.

### **Eurasian Union: To Be or Not to Be**

Since independence, Azerbaijan has viewed all integration processes in post-Soviet Eurasia with skepticism. In most cases, Baku has interpreted these processes to be the product of Russian ambition to restore its dominance throughout the region. Azerbaijan did not join the Customs Union, the Common Economic Space, or the Collective Security Treaty Organization (CSTO) (it refused to join the latter after the Collective Security Treaty expired in 1999).

Baku believes that all Russian policies toward Azerbaijan over the last year serve one purpose: to bring Baku into the fold of the Eurasian Union integration project or at least force Baku to emulate its policies. One of Baku's biggest fears is of losing its independence in energy policy. Recent Azerbaijani studies have emphasized that the Eurasian common energy policy would require the harmonization of member states' policies – uniform domestic energy policies among members and a common external policy toward nonmembers. Such a policy would throw Azerbaijan out of the European market completely while increasing Baku's dependence on Russian energy strategies and policies. Although there might be some financial benefit to be had in joining the union, Azerbaijan's political significance to Europe would greatly diminish. Another concern is that the Eurasian Union would turn into a political organization and require all its members to join the CSTO, thereby burying all prospects of Azerbaijan ever joining NATO. Last but not least, joining the Custom Union can negatively affect the Azerbaijani economy, specifically its emerging non-oil sector. Overall, membership in the Customs Union, let alone a full future Eurasian Union, appears to be of little benefit to Azerbaijan, while it would significantly strengthen Russia's regional energy and geopolitical standing.

### **Conclusion**

Russia is not that interested in Aliyev losing power or otherwise destabilizing the situation in Azerbaijan. Russia understands perfectly that stability within its southern neighbor is the key to stability in neighboring Dagestan, where Avar and Lezgin separatism could still flare up. Nonetheless, Russia tries to maximize Aliyev's vulnerabilities.

With Georgia's political uncertainty, Azerbaijan remains the only post-Soviet state (with the exception of the Baltics) that is conducting a policy clearly contradictory to Russian interests. Whether it is the intention of SOCAR, the state oil company, to build an oil refinery in Kyrgyzstan (thereby contributing to the latter's energy security) or its rush to save the Belarusian enterprise "Belaruskaliy" from privatization by a Kremlin-controlled oligarch, Baku has acted independently.

With upcoming elections in Azerbaijan, Moscow's use of several standard tools of manipulation cannot be ruled out. First, Russian authorities may use the Nagorno-Karabakh conflict and the fear of a resumption of war as leverage against Baku. Moscow could easily initiate military clashes on the contact line between Armenia and Azerbaijan, for example. Military clashes would not be allowed to turn into a full-scale war, since that would undermine Russian efforts to maintain the status quo, but fresh

hostilities would put pressure on the Azerbaijani establishment. Second, as in the 1990s, Moscow might exert pressure on Azerbaijani migrant labor and create bureaucratic hurdles for workers at border crossings and checkpoints. The return of hundreds of thousands of Azerbaijani laborers from Russia would be a real nightmare for Baku. Another lever could be the diasporic “club of billionaires” and its influence over domestic politics, which could be used against the Azerbaijani establishment. Also, Russia will continue to prolong negotiations over the Caspian Sea’s status, so long as a Transcaspian pipeline from Turkmenistan to Azerbaijan and on to Europe remains on the agenda. Meanwhile, Azerbaijani authorities fear that Georgia under Ivanishvili will slowly become more pro-Russian; they wonder if the strategies they believe were devised to bring Ivanishvili to power could be employed against Baku. In turn, bolstered by developments in Tbilisi, Moscow may make moves that endanger Azerbaijan’s energy and transportation projects. The range and intensity of such instruments could serve to bring Baku back under Russian influence, even as the Aliyev government has done its best to remain autonomous.

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