

## Azerbaijan-Iran Relations: Quo Vadis, Baku?

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Anar M. Valiyev  
*Azerbaijan Diplomatic Academy*

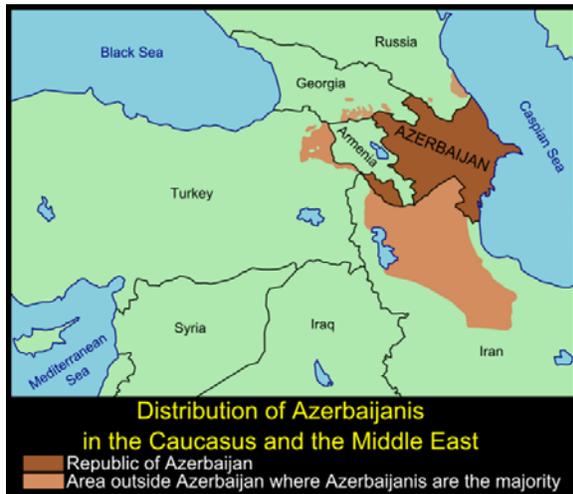
Azerbaijani-Iranian relations are among the most complicated in the region, having experienced radical transformations over the last 20 years. Cordial friends and brotherly nations at the end of the Cold War, Baku and Tehran almost engaged in armed conflict a decade later and relations have since remained tense.

Several factors underlie the relations between the two states. The first is the presence in Iran of a 22-30 million strong Azerbaijani ethnic minority, the largest in the country. Ever since Azerbaijan's independence, Iran has been suspicious that Baku might use the ethnic card to pressure Iran. Second, the secular nature of Azerbaijan's regime annoys Tehran. Azerbaijan continues to be a model of development not only for Iranian Azerbaijanis but also for other ethnicities. About 40,000 Iranians cross the Azerbaijani-Iranian border during the Novruz holidays in March to celebrate the holiday in a secular state. Moreover, Tehran considers Azerbaijani soft power, including its music, films, and lifestyle, to be dangerous. It is not surprising that the Eurovision song contest held in Baku in May 2012 frustrated Iran and led to the recalling of the Iranian ambassador from Baku for the duration of the contest. Last but not least are Iran's constant attempts, sometimes successful, to establish a pro-Iranian support base in Azerbaijan. The activities of the Islamic Party of Azerbaijan and numerous protests by Iranian-backed religious youth are vivid examples of Iranian attempts to exert influence in Azerbaijan's public sphere. Despite the fact that Baku has successfully thwarted attempts by pro-Iranian groups to increase their role in Azerbaijani politics, these efforts have slowly been on the rise. What is the deeper nature of the relationship between the two states and what does the future hold?

### **History that Matters**

In order to understand contemporary relations between the two states, we should first consider certain historical memories that have shaped perceptions in both states.

To begin with, many Iranians consider Russia’s conquest of Azerbaijani principalities (*khanates*) from 1813 to 1828 as an historical tragedy. Many Iranians still consider “northern” Azerbaijan to be an historical province of Iran. From the other side, many Azerbaijanis look at Iran as a prison in which millions of their brethren are deprived the right to use their own language. Second, Iranian elites remember the events of World War II and its aftermath, when an independent Azerbaijani People’s Government, headed by Jafar Pishevari, was established in northern Iran (those in Baku call it southern Azerbaijan). The government ceased to exist after Soviet troops withdrew from Iran and halted assistance to the Pishevari government. The young republic was crushed, and thousands fled to Soviet Azerbaijan.<sup>1</sup> These events had very strong implications for Iranian governments since. All of them have tried to quell any political movement stemming from the Azerbaijani areas of Iran. At the same time, Azerbaijanis have played significant or even major roles in all of Iran’s revolutions, including the 1979 Islamic Revolution.



During the early years of Azerbaijan’s post-Soviet independence movement, Baku considered Tehran a natural ally. This stemmed from Ayatollah Khomeini’s statement condemning the Soviet Army invasion of Baku in January 1990, the return of Azerbaijanis to their (mostly Shi’a) Islamic roots, the opening of borders, and Iranian humanitarian assistance—all this made Tehran a hero in the eyes of average Azerbaijanis. Portraits of Khomeini even occasionally appeared at mass rallies in Baku. All this changed during the rule of the second president of Azerbaijan, Abulfaz Elchibey. Proclaiming a Western orientation and accusing Iran of violating the rights of Azerbaijanis in Iran, he alienated the Iranian establishment. Iranians, in turn, supported Azerbaijan’s rival, Armenia, providing fuel and economic assistance critical to Yerevan’s victory in the Karabakh war.

Since 1993, relations between Azerbaijan and Iran have fluctuated. However, neither side risked crossing the point of no return and refrained from harsh actions. This changed in 2001, when Iranian military ships threatened an Azerbaijani geophysical vessel, preventing it from conducting seismic works at an oil field in the Caspian that Iran also claimed. A tense time ensued. Iranian planes constantly violated Azerbaijani airspace, but this stopped after strong statements from the Turkish military and demonstrative exercises by the Turkish air force over the Caspian Sea. Azerbaijan-Iran

<sup>1</sup> For more on these events, see Jamil Hasanli, *At the Dawn of the Cold War: The Soviet-American Crisis over Iranian Azerbaijan, 1941-1946*, Rowman & Littlefield, 2006 .

relations returned to their usual mode, with sporadic accusations, arrests of Islamists in Baku, and demonstrative Iranian cooperation with Armenia.<sup>2</sup>

### **Negatively Neutral Relations**

Looking at the development of both states over the last 20 years, we could characterize their relations as “negatively neutral,” whereby both states have consciously tried not to provoke each other. For instance, Azerbaijan toned down its cooperation with Israel and did not join in criticizing the Iranian nuclear program, while Iran stopped irritating Azerbaijan with attempts to cooperate with Armenia in Karabakh and supported Azerbaijan’s territorial integrity. Both political establishments sporadically engaged in mutual accusations but relations later returned to “normal.” Economic development also showed some capriciousness. Up until 2007, trade turnover increased every year, reaching \$539 million. However, it dropped precipitously to \$168 million in 2009, mainly due to a significant decrease in Azerbaijani oil exports to Iran. Trade turnover increased again to \$304 million in 2011, on the basis of increased Azerbaijani gas exports.

Since 2011, however, relations between Tehran and Baku have again deteriorated. Surprisingly, Azerbaijan was the main catalyst for this. If Baku tried not to irritate Iran before, now it began to behave more boldly. In February, regional media reported that Azerbaijan had purchased \$1.6 billion worth of Israeli weapons, including unmanned aerial vehicles and drones. Baku tried not to disclose this deal but eventually confirmed it. Subsequently, Baku dispatched Defense Minister Safar Abiyev to Tehran with assurances that the Israeli arms purchases were directed not against Iran but Armenia. However, certain weapons could not be intended for use against Armenia. Anti-ship missiles, for instance, could only be used by Azerbaijan in the Caspian Sea. The S-300 anti-missile system purchased from Russia last year could hardly be used against Armenia either.<sup>3</sup>

It has thus become clear that Azerbaijan is intensively preparing for a possible conflict with Iran. Baku fears that in case of a U.S. or Israeli attack against Iran, the latter might retaliate against their partners in the region. Azerbaijan’s military capabilities are still insufficient to withstand an Iranian invasion, but they would be enough to inflict serious damage or neutralize Iranian aviation or maritime forces. Furthermore, the United States has shown interest in strengthening Azerbaijan’s military capacities. For example, the Caspian Guard program launched by the United States in 2003 helped Azerbaijan (and Kazakhstan) to build naval security forces to protect critical infrastructure as well as to prevent illegal trafficking and smuggling in the Caspian. Local experts believe that due to fierce U.S. Congressional opposition to arms sales to

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<sup>2</sup> Iranians made several attempts to launch joint ventures with Armenia in Nagorno-Karabakh and the occupied territories around it. Only after decisive protests from Azerbaijan did Iranians reverse their decisions.

<sup>3</sup> In case the Karabakh conflict resumes, it seems unlikely that Armenia would use military jets or missiles against Azerbaijan, as this would be considered a direct act of aggression against the latter. Karabakh forces, for their part, do not possess any helicopters, planes, or missiles that could threaten Azerbaijan’s vital infrastructure.

Azerbaijan, the U.S. government did not oppose the arms deal between Azerbaijan and Israel.

Azerbaijani-Iranian relations again worsened when, a few months after the Azerbaijan-Israel arms deal was revealed, it was reported that Israel had obtained access to airbases in Azerbaijan from which it could conduct bombing operations against Iran. The reporting was based on inside information received from anonymous U.S. diplomatic and military intelligence officers. However, Azerbaijani military and civil officials dismissed such claims. Indeed, such a move by Azerbaijan would be suicidal. If Israel were to attack Iranian nuclear facilities from Azerbaijani territory, Baku would face the brunt of an Iranian retaliatory strike. Azerbaijan's military capacity would not be enough to protect the country's critical infrastructure. Moreover, even though the sympathies of Iranian Azerbaijanis do not lie with the Iranian establishment, they would perceive any actions by Baku to enable Western or Israeli bombing of Iran as a betrayal by their ethnic kin. Last but not least, Azerbaijan's constitution and military doctrine prevent foreign bases or forces on its territory. Although the rumors were dismissed, this did not help improve relations with Iran.

At the height of these events, Azerbaijan's State Border Service (SBS) successfully completed tactical exercises in the Azerbaijani sector of the Caspian Sea which again underlined a focus on the potential for conflict with Iran. This was not the first time Azerbaijan conducted military exercises in the Caspian Sea. However, the character of these exercises suggests that Azerbaijan is seriously worried about the security of its vital infrastructure in the Caspian. The exercises involved around 1,200 marines, 21 ships, 20 speedboats, and 8 helicopters. The marines practiced neutralizing a conventional terrorist group. The group was eliminated with the help of the *Igla* anti-aircraft missile system, which suggested that the terrorist group was using a helicopter or other kind of aircraft. Another exercise practiced detecting and destroying an enemy submarine. Considering the fact that the Caspian Sea is a landlocked basin, it is hard to imagine terrorist groups arriving to the region with helicopters, ships, and submarines. It is also worth mentioning that the Iranian navy recently formed a new division with responsibility for the Caspian Sea that is equipped with speedboats, a small torpedo-armed submarine, and mini-submarines used for intelligence gathering and subversive actions.

Meanwhile, the growing influence of pro-Iranian groups in Azerbaijan has Baku worried. In 2011, law enforcement agencies jailed the head and seven other members of the Islamic Party of Azerbaijan. Analysts argued that the party was a "fifth column," which Tehran could use to stir up the domestic situation. In March 2012, Azerbaijani security services arrested 22 individuals accused of conducting espionage against Azerbaijan. These individuals were allegedly given special instructions by Iran's Islamic Revolutionary Guard to collect information on certain embassies in Baku, including the Israeli embassy. The arrests coincided with news of an alleged Iranian bomb attack against Israeli diplomats in New Delhi and another thwarted bomb attack on an Israeli Embassy car in Tbilisi. Iran previously has also accused Azerbaijan of assisting in Israeli-organized assassinations in Iran.

In response, Iranian authorities arrested two Azerbaijani poets who were visiting Iran and accused them of spying for Israel. If found guilty, they could face the death penalty. Following these arrests, Baku issued a statement warning Azerbaijani citizens not to visit Iran. Moreover, in early July, the Central Bank of Azerbaijan annulled the license of Iran's locally-operating Royal Bank. The bank was under suspicion of illegal banking operations and money laundering of Iranian funds.

### **Conclusion**

Relations between Azerbaijan and Iran currently depend more on regional and global issues than on mutual interests. It is hard to predict how increased pressure on Iran would affect Tehran's behavior toward Azerbaijan. However, strengthening international sanctions against Iran, an intensification of civil war in Syria, or targeted strikes on Iran can be expected to further harm relations between Baku and Tehran.

Iran may escalate conflicts across multiple borders, including the one it shares with Azerbaijan. Because of unresolved territorial claims in the Caspian and ongoing militarization, the Caspian Sea remains an area with high conflict potential. Furthermore, judging by Iranian behavior in the Hormuz Straits, if Iran comes under pressure, it may seek to demonstrate to the West that regional infrastructure, including Azerbaijani oil and gas platforms and pipelines that supply the West, are fair game. Iran could also spearhead various provocations. Agents could enflame pro-Iranian elements within Azerbaijan. Having refrained from the threat of force since 2001, Tehran may no longer believe it prudent to restrain itself militarily against Azerbaijan. In the end, Baku pursues "normal" relations with Iran while keeping on standby a range of contingency plans.