

Azerbaijan and the North Caucasus: A Pragmatic Relationship

By Anar Valiyev, Baku

Abstract

This article provides an overview of relations between Azerbaijan and the North Caucasus. After describing the development of ties since independence, the article examines the main areas of interest that the countries share. Two key factors shape these relations—security concerns and economic ties. The author argues that after years of mutual misunderstanding and suspicions, both Azerbaijan and Russia recognized the importance of the other in providing security in the volatile Caucasus region. Neither Russia nor Azerbaijan can solve the endemic problems of the Caucasus alone and thus they strive to find an appropriate model benefiting both sides.

Developments since 1991

Relations between Azerbaijan and the Northern Caucasus traditionally have been good, friendly, and even brotherly. Sharing a common religion, traditions, culture, and history under Tsarist and Soviet rule allowed the nations and ethnic groups populating this region—usually referred to as *kavkaztsy* by Russia—to share a common identity. 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 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.¹ 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 negative role in Azerbaijan's contacts with the Northern Caucasus. The Azerbaijani public had an ambig-

uous view of the war that started in 1994. Although the Azerbaijani government officially endorsed Russia's campaign against the Chechen separatists, public opinion and sympathies were on the Chechen side. Various NGOs and private citizens helped the Chechen cause. Among the Azerbaijani public, the war also reanimated myths of Imam Shamil's resistance to the Russian conquest during the 19th century.² Azerbaijani hospitals treated wounded Chechen resistance fighters. Even the late President Heydar Aliyev acknowledged that Baku hospitals were providing aid to the rebels, but denied that his country was involved in terrorist activities. The public support for the Chechen cause came from the fear that if the Russian army destroyed the Chechen resistance quickly, then Azerbaijan could be the next target for the Russian military machine.

Azerbaijan was a key destination for Chechen refugees seeking to avoid the atrocities and persecution taking place in their homeland. Up to 3,000 Chechens, mostly women and children, found refuge in the country during 1994–1996. In the course of the second Russo–Chechen war, the number of refugees reached almost 10,000. Azerbaijan's tacit non-military support to the Chechen cause was justified since the country feared that a successful Russian military operation in the North Caucasus would embolden Russian military circles to exert heavy pressure on Azerbaijan to stop its cooperation with the West and halt projects such as the Baku–Tbilisi–Ceyhan pipeline.

Relations with the Russian Northern Caucasus have significantly improved during the presidency of Vladimir Putin. 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 into the stability process in the Caucasus. Leaders of the Northern Caucasus republics

1 *Sadval* was primarily concerned with the secession of Lezgin people along the newly internationalized border between Russia and Azerbaijan. This border separated the Lezgin into two unequal parts. During the early years of independence even some circles of the Lezgin intelligentsia in Dagestan and Azerbaijan initially conceived of a combination of all Lezgin territory into a Republic of Lezgistan. Later on, with the beginning of the Chechen war, the Russian authorities understood the danger of playing the separatist card against Azerbaijan since it later was turned against the Russians themselves.

2 Despite the fact that Imam Shamil's war was primarily fought between the Northern Caucasus and Russia, the conflict had a huge impact on Azerbaijanis' perceptions of Russia. Imam Shamil and his resistance were positively portrayed in Azerbaijan.

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. In the following sections, we consider the impact of each of these factors.

Security Concerns: The Chechen Factor

Baku recognizes 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 country has already experienced these problems during the second Chechen war. Although the majority of refugees crossing the border during that conflict did not present any danger, some of them were followers of *Salafi* Islam (often referred to as "Wahhabis," which, however, is not an accurate description) and were targets of persecution in Chechnya at that time.

The first *Salafi* missionaries arrived in Azerbaijan from the northern Caucasus in the mid-1990s. The majority of them came from Chechnya and Dagestan where the *Salafis* had some influence, in large measure due to the Russian–Chechen wars. For a short while, *Salafis* made some inroads in Chechnya and were even able to create their own self-ruled area in the Dagestani villages of Karamakhi and Chobanmakhi. However, *Salafis* did not stop in Chechnya and Dagestan, but extended their activities into Azerbaijan. Initially, they did not gain wide support among Azerbaijanis, as nationalism and pan-Turkism were much more popular than Islam. However, later on, the number of *Salafis* began to grow. The government of Azerbaijan became concerned with the expansion of a non-traditional sect of Islam as well as with the growing number of Chechen and Dagestani *Salafis* in the country who were fleeing Russia. In 2001 Azerbaijani authorities started to crack down on *Salafi* cells. Since the majority of the *Salafis* in the country were Chechens, the purge hit Chechens the hardest. At the same time, Azerbaijani officials launched a covert campaign against Chechens, forcing them to leave the country. Some of them were extradited to Russia as terrorists and guerrillas. In May 2001, Aslan Maskhadov, the unrecognized president of the Chechen Republic, called on Chechens to leave Azerbaijan due to the danger they were experiencing there. As a result, up to 5,000 Chechens left the country.

It is not difficult to understand the reasons for the Azerbaijani authorities' exertions in pushing Chechens out of the country. From the point of view of the Azerbaijani government, the Chechen community presented a threat to the country's internal balance. The radical outlooks of many of them, as well as their military back-

ground, could easily be used by external or internal forces to destabilize the situation in Azerbaijan. Baku was worried about the Chechen community's active recruitment of young local Azerbaijanis to fight in Chechnya, which they feared could have a detrimental effect for their own country. Azerbaijanis who went to fight in Chechnya could return home with radical ideas combined with the zeal to change the country's regime. Their situation was reminiscent of the situation of the Saudi *mujahedeen* who came back from fighting in Afghanistan at the end of the 1980s and were eager to change the regime in Riyadh.

Despite its sympathies for the Chechen people, the Azerbaijani government came around to the view that Russia played an overall positive role in the 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. He was recently invited to return to Baku in the near future. 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 Georgian and Russian Factors

Another security concern high on the list is Georgia, and the recent war between Russia and Georgia. Despite the fact that Azerbaijan supported Georgia during and after the war, this position did not impact the country's relations with the North Caucasus. First of all, Azerbaijan's relations with North Ossetia, the main stakeholder in the war, were never very important. Relations between the two sides were simply not developed enough. Second, and more importantly, the war did not affect Azerbaijan's relations with Dagestan as it did not see Baku's support for Georgia as detrimental to bilateral relations.

The Russian establishment also began to understand that security and stability in Azerbaijan were beneficial to its southern republics, and began to take a more constructive stance in its relations with Baku. For example, border delimitation between the two countries (namely between Dagestan and Azerbaijan) had been creating problems over a long period. In September 2010, both countries signed an agreement on the delimitation of borders that became the first such document concluded between Azerbaijan and any of its neighbors. It is interesting that two villages—Khrakhoba and Uryanoba—populated by Russian citizens were officially transferred to Azerbaijan and recognized by Russia to be under Azerbaijan's sovereignty.³

Another important agreement between the two countries addressed water issues. Water intake became an extremely serious problem for Dagestan's southern agricultural regions, whose population considered the practice of giving most local water to Azerbaijan as unfair. According to the previous agreement signed in 1967, 16.7 percent of the water went to Dagestan, 49.6 percent to Azerbaijan, and 33.4 percent was designated as ecological waste water. Under this agreement, Dagestan controlled the river's hydraulic system. In the new agreement, water usage (beyond the 33.4 percent designated as waste) will be shared evenly. Accordingly, Azerbaijan will be entitled to take less water from the Samur River, but, as compensation, Baku received the right to jointly operate the hydraulic system. The Samur River feeds the Ceyranbatan reservoir that provides fresh water to Baku and the Absheron peninsula.

In previous years, it would have been considered harmful to the country's security to sign an agreement that limited its water resources. However, Baku has calculated the risks of such actions. By the end of 2010, the government launched a new water pipeline delivering fresh water from inland Azerbaijan to Baku. Now Baku and its vicinities do not depend solely on the Samur River. Meanwhile, by giving up the right to extract a larger share of water from the Samur, Azerbaijan demonstrated its goodwill toward Dagestan which had experienced difficulties irrigating its lands.

Economic Interests

Trade is one of the most important factors affecting relations between Azerbaijan and the Northern Caucasus.

3 Khrakhoba and Uryanoba were transferred to the Dagestan Autonomous republic in May 1954. In 1984 the Council of Ministers of the Azerbaijani Soviet Republic prolonged the agreement for another 20 years until 2004. By 2004, the majority of village residents had adopted Russian citizenship. The September 2010 agreement recognized Azerbaijan's sovereignty over these two villages.

By the end of 2010, approximately 38 Russian republics and regions had signed agreements on economic development and trade with Azerbaijan. Given a common border and historically close ties, Azerbaijan has the largest trade turnover with Dagestan. Around 70 percent of the goods turnover between Azerbaijan and Russia comes from the cross-border cooperation between Dagestan and Azerbaijan. In 2009, the trade turnover between Azerbaijan and Dagestan was \$171.5 million; while Moscow city was in second place with \$149.6 million.

Despite the fact that the share of other North Caucasus republics in trade with Azerbaijan is marginal, the future might see an expansion of cooperation. During his visit to Baku, Ingushetia President Yunusbey Yevkurov expressed interest in attracting investments from Azerbaijan to his republic's economy. Other republics have also invited Azerbaijani businessmen to the southern region of Russia as investors. Knowing that Azerbaijan has considerable oil revenues, the Russian government is trying to create favorable conditions for Azerbaijani investments in order to bring economic opportunities to the region. While Russian businesses fear to invest in the North Caucasus, Azerbaijani business may succeed, especially in Dagestan, taking into consideration the long history of cooperation.

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 order to bring 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 really 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.

Conclusion

The history of relations between Azerbaijan and the Northern Caucasus must be analyzed within the con-

text of relations between Azerbaijan and Russia. 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 continuing economic and political stability there.

About the Author

Anar Valiyev received his Ph.D. in Urban and Public Affairs from the University of Louisville in Kentucky, USA. His interests include the public policies of post-Soviet republics; democracy and governance; and urban development and planning. The statements made and views expressed here are solely the responsibility of the author.

The North Caucasus: Bone of Contention or a Basis for Russian–Georgian Cooperation?

By Paata Zakareishvili, Tbilisi

Abstract

The troublesome situation in the North Caucasus, which after the end of the Chechen wars is in a state of permanent low intensity conflict, affects not only Russia, but the entire Caucasus region. All parties involved, including neighboring Georgia and Azerbaijan, should thus have an interest in contributing to help turn this volatile frontier into a zone of stability and peace. This article examines the Georgian government's current policy vis-à-vis the North Caucasus, showing that it is doing a poor job responding to the North Caucasus challenge.

Not Only Russia's Problem

Russia's "Achilles heel" is its volatile North Caucasus region where simmering ethnic and religious divisions and estrangement from the state have become permanent. One possibility that would pose a grave danger to Russia's national security and call into question its survival is the entire North Caucasus spinning out of control.

The absence of civilized ways for addressing regional problems in the North Caucasus is worsened by the fact that the region borders on Georgia. The August 2008 Russian–Georgian war had a negative impact on regional stability. Instead of cooperating with each other to reduce tensions in the North Caucasus, Russia and Georgia are doing their best to provoke conflict, blaming each other for being the cause of the trouble.

Any reasonable policy would recognize that both countries have a vital interest in making the situation in the North Caucasus stable and predictable. The mounting unresolved problems in the North Caucasus should not be viewed as a challenge to Russia only. Although they do not pose any direct threat to Georgia's national

security, they can represent a security risk for both Georgia and another regional player, Azerbaijan, in terms of both regional and internal stability. That is why it is necessary to analyze the Georgian government's current policy toward the North Caucasus and assess how adequately it responds to the growing challenges from this region.

The North Caucasus in Georgian Policy

There is no denying that before August 2008 the North Caucasus was conspicuously absent from Mikheil Saakashvili's agenda. Despite the snowballing antagonism and hostility between Russia and Georgia, which began escalating in June 2004, the problems of the North Caucasus played no role in the Russian–Georgian confrontation. During that period, Georgian foreign policy completely ignored regional concerns, limiting policy to a minimum level of formal relations with neighbors. Few were concerned with the situation in the North Caucasus in post-Shevardnadze Georgia. The country's new leadership announced that Georgia's institutional inte-