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## **Azerbaijan and Iran: Mutual Hostility but Limited Rivalry**

**Gallia Lindenstrauss and Iftah Celniker**

Over the past year tensions between Iran and Azerbaijan have increased. Temporary closures of border crossings, attempted Iranian terrorist attacks on Azerbaijan's territory, ambassadors called home for "consultations," arrests of citizens of the other country for no convincing reason, and a stepped-up Iranian naval presence in the Caspian Sea are just some of the signs of this tension. This rise in tension should be analyzed through both short and long term perspectives. Relations between the two countries have been strained since Azerbaijan gained its independence in 1991, and therefore the current friction comes as no surprise. At the same time, this tension, unusual compared to previous periods, can be explained by the strengthening of international sanctions against Iran as well as the threat of an attack there. These developments have prompted Iran to adopt a more aggressive policy toward its northern neighbor, and led Azerbaijan to take preventive measures that Tehran sees as aggressive.

The reports of military cooperation between Israel and Azerbaijan, including claims that Israel will use Azerbaijan's airfields in the event that it decides to attack Iran, have added tremendous tension to relations between Iran and Azerbaijan. Azerbaijan's attempts to calm the situation and its declarations that it will not allow an attack on Iran from its territory have been met with suspicion in Tehran. Weapons deals between Israel and Azerbaijan, and especially a 1.6 billion dollar deal for the provision of unmanned aerial vehicles and satellite systems signed this year, are a further threatening development for Iran, which sees the arming of Azerbaijan as a source of concern. This is not only because a militarily strong Azerbaijan can take tougher positions in the dispute over the division of the natural resources of the Caspian Sea, but also because along with its military purchases, foreign advisors and private security firms are assisting Azerbaijan in training its army, which could work against Iran in the event of a confrontation between the two countries.

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Dr. Gallia Lindenstrauss is a research associate at INSS. Iftah Celniker is an intern at INSS.

Azerbaijan's tendency to move closer to the West has also caused tensions. Thus, for example, even Azerbaijan's hosting of the Eurovision song contest in Baku in May 2012 was perceived as problematic by Iran, and Azerbaijan was extensively criticized by religious elements that see the country's secular government as a source for the dissemination of unacceptable Western culture. Azerbaijan, which serves as one of the routes taken by NATO forces into and out of Afghanistan, recently became more important after Pakistan temporarily prohibited these forces from passing through its territory. At the same time, these elements do not erase the factors that taint US-Azerbaijan relations, including the strength of the Armenian lobby in Congress (in light of the ongoing struggle between Armenia and Azerbaijan over Nagorno-Karabakh and nearby areas), and the US reluctance to enter into direct confrontation with Russia over developments in the Caucasus.

A further ongoing bone of contention between Azerbaijan and Iran is the division of territorial waters, especially in light of significant new gas deposits that the Iranians claim were recently discovered in the Caspian Sea. However, this conflict extends beyond Azerbaijan and Iran to all the states that border the Caspian Sea. Only recently, Azerbaijan and Turkmenistan exchanged sharp words on the division of resources there, as did Russia and Iran. On the division of Caspian Sea resources, Azerbaijan would prefer to support Russia's position over that of Iran in a future agreement. Indeed, this is important for understanding Azerbaijan's decision making system. Azerbaijan's ability to act against Russia is limited because there are two Russian bases on the territory of Armenia, which is a Russian ally and an enemy of Azerbaijan.

The increased tension between Iran and Azerbaijan is not necessarily auspicious for Israel. While relations between Israel and Azerbaijan have blossomed because the two see Iran as a significant threat, there is still a limit as to how far Azerbaijan is willing to approach Israel at the expense of its relations with Iran. A notable indication of this is that Azerbaijan still does not have an embassy in Israel. Another worrisome issue is that Azerbaijan's rhetorical efforts to reassure Iran with regard to Israel have been received with suspicion by Tehran, and therefore, it is possible that Azerbaijan will consider more practical measures that will harm relations with Israel. In 2005, for example, in light of the increased tensions with Iran against the backdrop of Azerbaijan moving closer to the United States, Azerbaijan signed a mutual non-aggression pact with Tehran.

Several factors restrain Azerbaijan's policy toward Iran. First, Iran supports radical Shiite movements in Azerbaijan and is attempting to change the secular character of the country, and as such, is a threat to President Ilham Aliyev's continued rule. Second, Azerbaijan is dependent on Iran, *inter alia*, for routes into the Azeri exclave of Nakhchivan, which is located on the Turkish-Armenian border and is cut off from the rest

of the country because of the conflict between Armenia and Azerbaijan. This region is important in the conflict between Azerbaijan and Armenia and is one of the bargaining chips in future negotiations between the two countries.

Beyond these factors, Azerbaijan's economy is greatly dependent on its export of gas and oil, and it has no interest in increasing tensions on the Caspian Sea, which would be likely to affect gas and oil supply and thereby cause grave damage to the country. Since the Azerbaijan leadership is heavily dependent on revenues from energy resources to maintain its rule, it is not inconceivable that if and when the Iranian threat to these resources becomes more intense, it will be prepared to take drastic steps to prevent a violent conflict. While Azerbaijan has amassed a large stockpile weapons since the ceasefire in the conflict over Nagorno-Karabakh in 1994, it still lacks the power to initiate a frontal conflict with Iran. Given that Azerbaijan is not a member of any significant military alliance, even though it would be interested in joining NATO, it conducts a pragmatic foreign policy.

Azerbaijan is very concerned about the sanctions imposed on Iran and their ramifications for its regime. On the one hand, money from American investments in oil drilling in Azerbaijan, together with the supply of gas to Europe, encourages its belief that it will not be abandoned by the United States and the European Union, which considers gas from Azerbaijan to be of the utmost importance as an alternative to the supply from Russia. On the other hand, it fears that a response by Tehran to an attack on Iranian nuclear facilities will not be launched against Western countries, but against those countries that are perceived as their friends, namely, Azerbaijan and Georgia. The attempted terror attacks against Israeli targets in both of those countries reveal that Iran does not fear the consequences of violating their sovereignty. Azerbaijan's failure to respond to the attempted attacks, both on Israeli targets and during the Eurovision, despite the clear footprints left by Iran, show that the regime in Baku fears initiating an open confrontation with Iran.

