

*Center for Strategic and International Studies
Russia and Eurasia Program*

“Iran-Azerbaijan Relations and Strategic Competition in the Caucasus”

Monday, April 29, 2013

Opening Remarks:

Dr. Andrew C. Kuchins, *Director and Senior Fellow, CSIS Russia and Eurasia Program*

Dr. Farhad Mammadov, *Director, Center for Strategic Studies Azerbaijan*

Dr. Mammadov began by providing a historical overview of relations between Iran and Azerbaijan. After the Russo-Persian War of 1828 and the signing of the Treaty of Turkmenchay, historical Azerbaijan was divided and a large part of it remained within the political borders of Iran.

In 1920, after the Soviet Union assumed control of the modern-day Republic of Azerbaijan, Iran-Azerbaijan relations essentially became the bilateral relations of the USSR and Iran. After the collapse of the Soviet Union in 1991, a Turkish-oriented national identity increasingly developed in the Republic of Azerbaijan.

Overall, Iran-Azerbaijan relations are characterized by fluctuations between occasional stabilization and rising tensions. There are several dimensions to this dynamic: Iran’s attitude toward the legal status of the Caspian Sea and its energy resources; Iran’s vision of Nagorno-Karabakh conflict; and Iran-Azerbaijan relations in the context of regional and global geopolitics.

In the 1990s, Iran was one of Azerbaijan’s top trade partners, but has lost this position over the past decade. In 2007, bilateral trade between the two countries stood at 540 million dollars. In 2011, this figure fell to 305 million dollars, which represented only 0.8 percent of Azerbaijan’s total trade turnover of 36 billion dollars.

As a result of the Nagorno-Karabakh conflict, Armenia’s borders with Turkey and Azerbaijan have been closed for about 20 years, making relations with Iran and Georgia vital for Armenia. Iran understands this and shows significant interest in relations with Armenia. Iran and Armenia have dramatically increased their trade in recent years. In 2011, their bilateral trade stood at 335 million dollars. Last year, it reached more than 500 million dollars, and the two sides have announced their intention of increasing trade to one billion dollars. Iran is interested in good relations with Armenia for several reasons. These include Iran’s access to the Black Sea through Armenia and Iran’s desire to take advantage of the information and networking resources of the Armenian diaspora in France, the United States, and other countries.

In recent years, Iran has taken several measures to prevent Azerbaijan from strengthening its regional position. The first has been to increase pressure on Azerbaijan’s domestic policy, particularly with

regards to the role of religion in society. Azerbaijan has a Shi'a-majority population and, thus, is of particular interest to predominantly-Shi'a Iran. Iran has tried to export the primacy of religious affiliation above civic identity to Azerbaijani society, but has largely failed. Nevertheless, Iran tries to influence Azerbaijan through television broadcasts and the Internet, calling on the population of Azerbaijan to abandon its secular lifestyle and to establish a regime similar to Iran's.

This external pressure on Azerbaijan should be seen in the context of the overall situation unfolding around Iran over the past 20 years. After the occupation of Iraq by the United States, Iran dramatically increased its activity around its borders, including in Lebanon, Syria, Pakistan, Bahrain, and the South Caucasus. The high price of oil allowed Iran to finance active work in these regions and countries, including funding certain media outlets in both Armenia and Azerbaijan.

Certain circles in Iran see secularism and the economic and cultural development of Azerbaijan as a threat to the current religious and political system of the Islamic Republic itself. Other factions perceive Azerbaijan as a military threat, particularly after it was reported that Azerbaijani territory would be used by Israel for launching strikes against Iran. However, Azerbaijan's President has repeatedly stated that Azerbaijani territory cannot be used as a military staging ground. Azerbaijan has no desire for a conflict that would harm the millions of ethnic Azeris living in Iran. Azerbaijan's government has repeatedly stated that it will not interfere in the internal affairs of Iran; nor will it tolerate any interference in its own internal affairs.

Dr. Mammadov concluded that a change in the bilateral relationship may be anticipated in the short-term in the context of Iran's democratization. If Iran becomes more open and democratic, the opinion of Iran's Azeri population may have more impact. This is the only development that can effect positive change on Iranian policy toward Azerbaijan and the South Caucasus as a whole.

Panel I: Current Dynamics of Iran-Azerbaijan Relations

Speakers:

Asim Mollazade, *MP, Parliament of Azerbaijan*

Heydar Mirza, *Leading Research Fellow, Center for Strategic Studies Azerbaijan*

Alex Vatanka, *Middle East Institute*

Moderated by:

Dr. Andrew Kuchins, *Director and Senior Fellow, CSIS Russia and Eurasia Program*

Mr. Mollazade began with a brief overview of the history of Iran-Azerbaijan relations. At the beginning of the 20th century, Azerbaijan established the first secular, multi-parliamentary government in the Muslim-Turkish region. This is significant because, after achieving independence again in 1991, Azerbaijan continued following these same principles. Iran however considers Azerbaijan to be a serious ideological threat and has therefore allied itself with Armenia against Azerbaijan. As a result, Iran is attempting to export the Islamic revolution to the South Caucasus. According to some Iranian sources, from 1992 to 2000, Iran allocated about 48 million dollars to support Islamic groups in Georgia and Azerbaijan. In Azerbaijan, a strong secular tradition did not allow Iran to succeed in this endeavor. As a result, Iran has changed its tactics and now uses the Nagorno-Karabakh conflict between Azerbaijan and Armenia to put pressure on Azerbaijan.

Regionally, there is a “strategic triangle” dynamic: Russia has a regional ambition of restoring the Soviet Union; Iran is afraid of Azerbaijan’s pro-western leanings; and Armenia’s domestic politics are heavily influenced by the presence of Russia’s military in the country.

In regards to the Caspian Sea, Kazakhstan, Azerbaijan, Turkmenistan, and Russia agreed on the division of the sea on the bilateral level, but Iran opposes this division. There is also no multi-party treaty on this issue. In 1921, the USSR and Iran signed a treaty forbidding Iran to have a military presence on the Caspian. After the collapse of the USSR, Russia unilaterally allowed an Iranian naval presence. Interestingly, Azerbaijan, Kazakhstan, and Turkmenistan do not have an access to the Russian port of Astrakhan, but Iran does. Consequently, the Caspian became an area of cooperation between Russia and Iran, leaving newly independent states like Azerbaijan at a disadvantage.

Another important dynamic between Iran and Azerbaijan is the effect of U.S.-Azerbaijan and Israel-Azerbaijan relations. Azerbaijan provides an important logistics hub to NATO and is home to a sizable Jewish community. Trade between Azerbaijan and Israel amounts to more than 4.5 billion dollars, which is two times higher than trade between Azerbaijan and Russia. Trade between Azerbaijan and Iran is only around 300 million dollars. Azerbaijan has tried to focus U.S. public attention on Iran’s influence in the region, because Azerbaijan and Georgia are strategic partners of the United States. The United States and Azerbaijan share a common threat in the region—Iran. Iran is a totalitarian state that has a record of supporting terrorists, including groups like Hezbollah.

Mr. Mollazade concluded by emphasizing the need for a serious effort on the part of all partners of Azerbaijan in improving the security situation in the region.

Mr. Mirza began by saying that many analysts look at the Iran-Azerbaijan relations through the current geopolitical prism, but relationship should be considered from a the historical perspective of Azerbaijan's nation-building.

In 1828, Russia and Iran signed the Turkeymenchay peace, under which some territories went to Russia and the territories south of the Araks River are still under Iranian sovereignty. From that point, the two parts of the Azeri nation developed in different ways.

Religion was the primary form of self-identification for the early 19th century Azerbaijani Turks. Unlike in Europe, where ideas of the Enlightenment weakened the influence of religion on self-identification, the Muslim world was dominated by religiously based identity much longer. However, under the influence of European values brought by Russian colonization, Azerbaijani modernizers recognized that religious self-identification caused cultural and social stagnation. As a result, the birth of Azerbaijani national thought in literature carried an obvious anti-clerical character and gave rise to the secular state of modern Azerbaijan.

It is not surprising then that, when Russian Empire collapsed, the first secular parliamentary republic of the Turkic and the Muslim world was established in Azerbaijan. It was built on three central principles: Turkic identity, Islamic culture, and modernity. In Soviet Azerbaijan, secular values were strengthened even more due to Marxist ideology and official atheism. Nevertheless, despite a secular way of speaking and doing business, it stayed Muslim in character and identity, including after the creation of the new secular Azerbaijani state in 1991.

Recent research conducted by the Center for Strategic Studies shows considerable changes that have taken place in Azerbaijani society in recent years. Islam has become a stronger identifying factor. However, Islam in Azerbaijan is still more a cultural identification than a political philosophy. There is also a lack of awareness in Azerbaijani society about the role and place of religion in society. Because Azerbaijan lacks a local theology school, Azerbaijanis are not able to produce their own *Mujtahids*, persons of authority to interpret the law.

The power of the *Mujtahids* is a tool that Iran is using against Azerbaijan. The conservative part of Tehran's clergy is trying to politicize Islam in Azerbaijan and "Islamize" the political agenda through Azerbaijanis' reliance on *Mujtahids* from Iran. In Shia Islam, each Muslim has to follow a scholar, or *Mujtahid*. That scholar must be living and possess the right of *fatwa* or issuing religious commands. His authority is not bound by state borders. Thus, if a *Mujtahid* in Iran issues a *fatwa* to a Muslim to overthrow a government or carry out a bombing outside of Iran, his followers are religiously bound to obey, regardless of where they live. Three Iranian Ayatollahs are particularly active in this way: Ayatollah Makarem Shirazi, Ayatollah Noori Hamedani, and Ayatollah Jafar Sobhani, who have all issued *fatwas* of an aggressive character. They are the semi-proxies of Iran in the Azerbaijani community who try to gain influence through spreading their teachings and messages.

Iran's foreign policy documents say that no problem from Lebanon to Kabul, from Derbent to the Gulf, can be solved without Iranian participation. This also includes the conflict between Armenia and Azerbaijan over Nagorno-Karabakh. Iran has been continuously supporting Armenia, particularly through economic and infrastructural development. Since 1995, Iran has built three electricity lines connecting the two countries. There is a gas pipeline between the two countries with a capacity of 1.2 billion cubic meters, and the gas-electricity exchange plays an important role in these bilateral ties. The two countries are also discussing the possibility of opening free economic zones and other forms of cooperation.

Ultimately, it is very difficult to predict the development of Iran-Azerbaijan relations. On one hand, Baku demonstrated a considerable ability to stay neutral against any provocations from Tehran. On the other hand, it showed a considerable ability to exert pressure on Iran too when necessary.

Mr. Vatanka began by pointing out that Iran-Azerbaijan relations are characterized by ups and downs. This up-and-down pattern has been continuous over the past two years and it will likely continue. However, Iran simply cannot afford another crisis on its foreign policy agenda at the moment. For Iran, Azerbaijan is not an insignificant issue, nor is it highly significant either, as Iran's is currently preoccupied with other issues. Nevertheless, certain circles in Iran do have an interest in Azerbaijan because, from Iran's point of view, Shia Azerbaijan is one of the most natural destinations for the export of the Islamic Revolution.

The issue of Azerbaijan is sensitive because of all of the religious, linguistic, and historic linkages between Iran and Azerbaijan. Azerbaijan is not an ordinary foreign policy issue for Iran because it could have larger ramifications for Tehran. The hardliners in Iran, who want to support Islamist entities in Azerbaijan and elsewhere, are the controlling political force even if they are a minority, due to their proximity to the Supreme Leader Ayatollah Ali Khamenei. However, should this minority of hardliners lose power, the question remains as to whether alternative pragmatic forces can become more influential in the Iranian leadership.

With the upcoming presidential elections, there are three schools of thought in Iran: the circle around Khamenei and the top of the Islamic Revolutionary Guard Corps; the pragmatic forces around Ayatollah Zanjani and the "green reformist movement"; and the people around Ahmadinejad promoting a populist agenda in their approach to foreign policy. Such a diversity of forces may result in a future shift in Iran's foreign policy after the elections and away from the idea of exporting the Islamic Revolution to Azerbaijan and the South Caucasus.

Moreover, the Arab World is where Iran is learning its lessons. Hamas and the Muslim Brotherhood have quickly turned their backs on Iran and Egypt's Mohamed Morsi has not been very receptive to Iran either. Such events may indicate to Iran that exporting the revolution is not feasible and that national interests are to be put first. As a result, there are many in Iran who consider the export of Iran's culture instead of the revolution as a more effective way to gain influence in the post-Soviet South. This idea is supported by the majority in Iran, but this group is not heard due to systemic political restrictions. Nevertheless, the experience of the previous Iranian President Mohammed Khatami demonstrated that moderate policies within the regime are possible. In the absence of regime change, the Supreme Leader may adopt this more moderate approach.

Discussion

The discussion began with a question about a potential fracture of Iran after the elections and whether, in this case, Azerbaijan would welcome unification with Iran's Azerbaijani minority.

Mr. Mirza said there are numerous opinions on this issue. The estimates of Azeris in Iran range from 30 to 50 million people. Azerbaijan has a population of nine million. Within this population are people who would welcome unification and people who believe that, since the Treaty of Turkmenchay, the two parts have changed so much that they have two different psychologies and mentalities. It is difficult to say whether a unification of such different people is politically feasible. Azerbaijan's population is also much smaller than the population of Iran's Azeris, which begs the question of whether it would be Azerbaijan that would be integrated into South Azerbaijan and not vice-versa.

Mr. Mollazade added that Azeris in Iran are in a very difficult situation due a lack of ethnic minority rights. They do not have any schools, universities, or opportunity to develop their culture and language. The culture of "North Azerbaijan" is also a very strong influence on "South Azerbaijan" and, hence, Iran.

The next question asked, with the upcoming elections in Iran, what results one may expect and what policy outcomes they may yield.

Mr. Vatanka said that this is uncertain because the list of candidates is not yet known. The big question is who will be approved by the Guardian Council to run in the election. Currently, the applicants are very cautious in their statements on foreign policy issues because of this approval process.

However, the key foreign policy issues relating to the United States and the nuclear program are controlled by Khamenei. Thus, elections may not have a net effect on Iran's position on these matters. On the other hand, Khamenei is also sufficiently pragmatic to listen to the advice of those outside of his immediate circle, which is saturated with hardliners. Some people like Sadegh Kharazi, who are married into Khamenei's family, do have more moderate views, even if there is a lot of self-censorship.

The next question was about the differences between the Azerbaijanis of the Republic of Azerbaijan and the ethnic Azeri minority in Iran. Azerbaijanis of the Republic of Azerbaijan consider the *Book of Dede Korkut*, a pan-Turkic tale, as their epic story. But the people in the North of Iran consider the Persian *Shahnameh* as their epic tale.

Mr. Vatanka answered that 200 years have passed since Russia captured the South Caucasus from the Persian Empire. Consequently, a lot of differences, such as linguistic preferences, emerged between the two groups. On the other hand, the idea of a "Greater Azerbaijan" seems to be gaining more prominence among young Azeris in Iran. However, this phenomenon may be better explained by a local dissatisfaction with the Iranian government, rather than the ethnic kinship.

Mr. Mollazade added that *Dede Korkut* is written in Turkish, whereas *Shahnameh* is in Persian. Since Turkish identity is forbidden in Iran, unlike in Azerbaijan, where Azerbaijanis have more chance to learn their own history and literature, the two groups develop differences.

The discussion concluded with a question about the effect of the Armenian community in Iran on Iran-Azerbaijan relations.

Mr. Mollazade said that this Armenian community, despite small numbers, has more rights than any other ethnic group in Iran. For instance, this community is allowed to produce alcohol, which is forbidden for other Christian and Jewish communities in Iran. In return, the Armenian business community plays an important role in circumventing the sanctions regime on Iran, by using its business links with banks in Armenia. Moreover, Iran also favors Armenians by using the Nagorno-Karabakh issue to project its influence into the region. For instance, Iran provides energy supplies to the regime in Karabakh, against Azerbaijan's interests. The Armenian community in Iran may also be playing a role in that. Ultimately, Armenia and Azerbaijan need the help of the international community to overcome the conflict between the two states and break Iran's influence in the South Caucasus.

Panel II: Iran-Azerbaijan Relations: Regional and International Implications

Speakers:

Dr. Sergey Markedonov, *Visiting Fellow, CSIS Russia and Eurasia Program*

Dr. Nigar Göksel, *Editor-in-Chief, Turkish Policy Quarterly*

Moderated by:

Dr. Jeffrey Mankoff, *Deputy Director and Fellow, CSIS Russia and Eurasia Program*

Dr. Markedonov began by stating that the topic of Iran-Azerbaijan relations is a very complex one that covers a variety of topics. Dr. Markedonov concentrated his argument on three primary topics: general trends in the security development of the South Caucasus over the past year; the role of Iran; and the role of Russia in regional security and its attitude toward the South Caucasus and Iranian engagement there.

Since 2008, a new status quo has emerged for the Caucasus region. The first status quo was formed after the collapse of the Soviet Union, and provoked many ethnic conflicts and much instability. Even to this day, the South Caucasus remains one of the most unstable and unpredictable areas of the former Soviet Union. Three out of four de facto states exist within this region, and six out of eight ethno-political conflicts have taken place there. With Russia's recognition of Abkhazia and South Ossetia in 2008, many of the region's problems transformed and a new status quo was created.

Iran is also a significant and influential actor in the security development of the South Caucasus. Though the Iranian nuclear program stands out on the international agenda, Iranian foreign policy remains much more diverse than that one singular issue. In spite of Iran's concern about the foreign policies of its neighboring states, the South Caucasus are not at the frontline of Iran's foreign policy agenda—more attention is given to the Persian Gulf region and the greater Middle East. Nonetheless, the role of Iran in the Caucasus is crucially important in terms of a possible transfer of challenges and problems from the Middle East to the Caucasus.

Dr. Markedonov argued that Iranian foreign policy appears to be a combination of pragmatic approaches and loud revolutionary rhetoric. Moreover, Iran is concerned by the influence of non-regional actors in the region. This is why Iran is the one of the only countries that has protested the updated Madrid Principles. One of the points of the Madrid Principles recommends the presence of international peacekeepers in the region. In Iran's eyes, the presence of peacekeepers from non-regional powers such as the U.S., Europe, or China, could be considered a threat. Iran's perception is that it is the largest regional actor, as well as Turkey and Russia. For example, it is no coincidence that after the events of 2008 and the Turkish Caucasus Stability and Cooperation Platform, Tehran proposed its own 3+3 initiative consisting of Georgia, Armenia, and Azerbaijan, plus Iran, Turkey, and Russia.

Russian-Iranian relations are not wholly defined by the Caucasus. Part of this relationship dates back to the two Chechen Wars, where Iran supported the territorial integrity of Russia. Even during the second military campaign, when Iran was the chair of the Organization of Islamic Countries (OIC), Iran

supported the Russian position and stressed that it was not dealing with separatists or with Sunni Islamist radicals in Chechnya. This does not sound right. Moscow WAS dealing with these two things. At the same time, the relationship between Moscow and Tehran cannot be overestimated because problems remain, particularly the Caspian Sea delimitation. Additionally, while the West is afraid of a strong Russia, Iran, on the other hand, fears a weak Russia, where Putin could play the role of a puppet figure to Western policymakers.

Russia's policy in the Caucasus today can be characterized as selective revisionism. Before 2008, Russia preferred to be a status quo power. Facing the unfreezing of the conflict between Georgia and its breakaway provinces in 2004-2008, Russia changed this approach in only vis-à-vis Georgia. Its preference for the status quo in the Nagorno-Karabakh conflict and other post-Soviet spaces remained the same.

Russia's approach to Azerbaijan-Armenia relations can be considered a "swing" policy. By recognizing the independence of Abkhazia and South Ossetia in 2008, Russia lost many resources for direct pressure on Georgia. On the one hand, Russia could be considered a "winner" after 2008 because NATO cooperation with Georgia was practically suspended. On the other hand, there was a loss of influence on Georgia and Russia's relationship with the West further declined. Those contradictions still exist and thus shape Russia's relationships with Armenia and Azerbaijan. However, Russia treated the situation in Nagorno-Karabakh very differently. Russia has argued that it respects the territorial integrity of Azerbaijan and refuses to recognize Nagorno-Karabakh as an independent state.

Armenia is considered one of the most important military and political allies of Russia in the South Caucasus. Russia's military base in Gyumri and the bilateral cooperation along the border are proof of this close relationship. But the Russian-Armenian relationship should not be characterized as a perfect partnership. Armenia is very interested in having the military support of Russia and cooperating in the framework of the Collective Security Treaty Organization (CSTO), but does not want to join the Eurasian Customs Union because there is no shared border between Armenia and other customs union members. Russia is also dissatisfied with the level of cooperation between Armenia and NATO. Armenia is not interested in losing its connections with NATO. Russia views the cooperation of international organizations (such as the EU and NATO) with these South Caucasian countries as neither threatening nor beneficial. Nevertheless, the competition for NATO in one direction, and that for Russia in the other plays a crucial role in the relations of Armenia and Azerbaijan, as well as the larger South Caucasus region.

Dr. Göksel began by reiterating Dr. Markedonov's comment that the Caucasus is of secondary importance to Iranian foreign policy. The same is true regarding Turkish-Iranian relations. Because of the Arab Spring, the global focus has shifted toward the Middle East as the primary area for foreign policy discussion between Iran and Turkey. Nevertheless, Turkish-Iranian relations are important as they relate to the Caucasus.

Turkey's value in the Caucasus is to act as a regional counterbalance to Iran and Russia. For Azerbaijan and Georgia in particular, Turkey has extended the Western "strategic reassurance" to the South Caucasus. The greatest example of this is the Baku-Tbilisi-Ceyhan pipeline. Another example would be in 2001, when Iranian warships threatened Azerbaijani ships in the Caspian Sea, after which Turkey held military exercises in the Caspian Sea to prove that it can have a presence as well. However, in 2006

and again between 2008 and 2011, Turkish foreign policy shifted from primarily supporting Western priorities expressing support for some Iranian and Russian initiatives. This was the case in NATO efforts to obtain a Black Sea presence. However, by changing its traditional stances on certain issues, Turkey's relations with Israel and with Azerbaijan suffered.

Since 2011, Turkey has resumed its more traditional pro-Western viewpoint. Turkey's efforts at mediation and the creation of multilateral platforms failed to calm the Arab Spring. This setback was a reality check for Turkey, causing it to recognize the importance of Western support. Turkey also learned that its relationships with Russia and Iran were less reliable. Due to this foreign policy shift, Turkey has agreed to host part of the NATO missile defense shield, much to the dismay of Russia and Iran. The agreement to build the Trans-Anatolian gas pipeline (TANAP) was also signed during this period; Iran's responses comprised thinly veiled threats to Turkey and Azerbaijan.

The relationship between Turkey and the West is not without its faults, however. A large sense of skepticism, lack of trust, and a feeling of double standards against the West and in particular the EU exist within Turkey. This trend does not appear to be diminishing. Many Turks have a perception that the West is declining as a global power; as the Turkish economy thrives, the EU's declines. Additionally, Turkey perceives vulnerability against Iran and Russia and a weakening Western ability to confront them.

Overall, Turkey's long-term interests, in terms of open borders, resolved conflicts, and improving governance in the region, do align with the West. In the short-term, Turkey's views diverge with the West's, particularly vis-à-vis Iran. Many Turks are actually comfortable with Iran becoming a nuclear power, in contrast to Russia, where the majority of Russians want to sanction Iran. Because of these many issues, it remains to be seen whether the two geopolitical blocs (Armenia, Iran, and Russia on one side and Turkey, Israel, the U.S., and Azerbaijan on the other) will remain intact..

It is unclear how Turkey is going to act if it achieves all the objectives it is after (i.e. if threat by the Shi'a bloc recedes, if TANAP is built, if Russia is easier to work with, etc.). Without an EU integration process underway, it remains to be seen how Turkey will use its strategic situation in the future, also taking into consideration the leanings of the government and public opinion. There is already a process underway whereby Turkey's democracy is being undermined by its strategic importance. Turkey's attractiveness and soft power in the region are linked to this democratic performance.

Dr. Göksel concluded by arguing that the next few years are critical for Turkey's future. U.S. engagement remains key during this time. 2015 will also be a critical year for Turkey, as it is the 100th anniversary of the Ottoman Empire's 1915 massacre of Armenians. Turkey's decision to acknowledge the centenary of the killings, or not, will undoubtedly affect its relationship with Armenia and Azerbaijan. As the leadership in Georgia changes, it is also critical that Turkey bring Georgia closer into its broader Caucasus policy. If Turkey is able to accomplish these tasks, then the country may become much more powerful and have a greater role on the world stage than it does today.

Discussion

The discussion opened with a participant commenting about the role of Iran as a status quo power in the region, and its role in the Nagorno-Karabakh conflict. How can Iranian efforts to meddle in the Nagorno-Karabakh conflict and arrange mediation be assessed?

Dr. Markedonov agreed with the idea that many aspects of Iranian foreign policy are predetermined not by a religious factor, but by national egoism and a desire to become a regional power in the South Caucasus, the Middle East, and Central Asia. One example would be the mediation Iran conducted during the Tajikistani Civil War. Although the final peace agreement was signed in Moscow in 1997, the first ceasefire agreement was made in Tehran in 1994. Iran does use the religious factor instrumentally in its foreign policy, but overall, national egoism and national desire are the two most important things to the country.

Dr. Markedonov also noted that many analysts stress the similarities between Russia and Iran in that they are both similar powers that crave the status quo. In reality, the two are very different. Unlike Russia, Iran rejected the recognition of Abkhazia and South Ossetia.

Dr. Markedonov also stated that for Iran foreign peacekeepers in Nagorno-Karabakh are not deemed a threat *per se*. What Iran fears is the influence of non-regional powers, such as the U.S., UK, and Israel, interfering in the region under the guise of peacekeeping forces.

The next question asked Dr. Markedonov for his analysis of certain events: (1) the perception that the more Iranian pressure on Azerbaijan, the more likely Azerbaijan will shift toward the West; (2) Russian President Vladimir Putin's statement that if there were ever a conflict between Iran and Azerbaijan, Azeri refugees would most likely flee to Russia; and (3) when Iranian and Russian analysts discussed the relationship between the Israeli Green Pine radar systems and Azerbaijan, and failed to discuss the military deal where S-300 aircraft were sold to Azerbaijan by Russia.

Dr. Markedonov stated that he was not overestimating the Western-Russian geopolitical tension in the relationship between Azerbaijan and Russia. The situation is more complicated than Azerbaijan simply supporting the West, as some Azerbaijani analysts suggest. Many Azerbaijani analysts also stress the strategic cooperation of Israel, as the most important partner of the U.S. in the Middle East, and Azerbaijan. Those relationships are strictly limited and restricted by domestic policy agendas, the relationship between Azerbaijan and the Palestinians, and the strategic cooperation between Turkey and Azerbaijan. Additionally, Turkey has reconsidered its role in the Middle East and South Caucasus. In the past, Turkey acted as the older brother of Azerbaijan and younger brother of NATO, but now Turkey is pretending to play the role of a self-sufficient Eurasian power. This foreign policy change has provoked some tensions with Israel, a country which plays an important role in Azerbaijani foreign policy.

In terms of democracy and human rights, Russia is a more viable partner for Azerbaijan. Though the issues of fair elections and legitimate succession are at the forefront of Western principles, they are not as important to Russia and Azerbaijan. This was evident in the last Azerbaijani presidential election, when the election results were announced before the Central Electoral Commission of Azerbaijan released an official statement. Additionally, in the past Azerbaijan has criticized the West for violations

of sovereign democracy. Azerbaijan has reminded the U.S. in particular that it should not interfere with its sovereign affairs. Because of its stance on fair elections and claims of violations of sovereign democracy against the West, Azerbaijan is interested in having Russia as a counterweight to the Islamic world and the West.

The following question addressed the issue of Azeri minorities in Iran. A few weeks ago there were reports that Iran was trying to stir up the ethnic minorities in the northern part of Saudi Arabia to spark civil unrest. If the Saudis decide that they want to stir up the Azeri minority in Iran, what are the implications of that for the region?

Dr. Markedonov answered by referring to the fact that Saudi Arabia is a well-known opponent of Iran in terms of religion, geopolitical interests, and other areas. Dr. Markedonov was skeptical of rebellion or civil unrest occurring in Iran by the Azeri minority. During the Iran-Iraq War, many of Iran's Azeri minority defended their country and were rewarded for doing so. Though quarrels between ethnic minorities and the Persian majority occasionally occur, many Iranian policy analysts stress the role of different ethnic groups in a unified Iran.

Dr. Göksel added that there is also a great deal of sectarian provocation in the region, which is why Turkey had to take into consideration its own Kurdish minority issues, out of fear that the potential for divisions could spread. Dr. Göksel noted Turkey's importance as an actor in this respect.

The next question dealt with Iran's pragmatic approaches toward foreign policy. The commenter drew attention to the fact that Azerbaijan has very good relations with Israel and yet also supports a Palestinian state. What pragmatic steps might come from Iran, especially in light of its strategy towards Azerbaijan and the idea that the more Iran pushes Azerbaijan, the more Azerbaijan will want to obtain closer ties to the West?

Dr. Markedonov stated that Azerbaijan has a balanced foreign policy approach, which takes into account different centers of power, including Iran. Last year when Ahmadinejad visited Baku, he professed Iran's support for a close Iran-Azerbaijan relationship, and promoted the idea that foreign interventions are the reason for the confrontations between the two nations. However, Iran-Azerbaijan relations are very "up-and-down." Iranian foreign policy consists of loud revolutionary rhetoric, threats to the West, yet also pragmatic cooperation.

Dr. Kuchins noted the discussion of possible domestic instability in Iran, and raised the same issue with regard to Azerbaijan. What are the chances of domestic instability in Azerbaijan from the viewpoints of Iran, Turkey, and Russia? Dr. Kuchins also highlighted the compounded issues of Iranian attempts to catalyze Islamic groups in the south of Azerbaijan and cross-border radical groups from the North Caucasus coming into Azerbaijan. How dangerous is the Islamic factor for Azerbaijan, and how dangerous is the possibility of an Arab Spring-like event occurring in Azerbaijan starting from social or economic issues (or a combination of both)?

Dr. Markedonov argued that the Arab Spring is not a virus and that the civil unrest cannot be automatically transferred from Syria or Egypt to Azerbaijan. For a Muslim country to go through an Arab Spring-like event there would have to be prerequisites. The Azerbaijani situation appears predictable and stable, with a strong leadership. Secular opposition to this leadership in Azerbaijan is

weak by default because it is not unified and opposes both the government and other rival opposition groups. The largest problem however is the real lack of protest against the political situation connected with corruption.

Dr. Markedonov also noted two parallel groups of radical Islamism in Azerbaijan. One group is connected with Iran and is mainly concentrated in the southern part of Azerbaijan. The second group is connected to Salafis, Wahhabis, and jihadis, who are concentrated in the northern parts of Azerbaijan. These groups are not very well integrated, as many of them cannot speak the local languages. In addition to these groups, the impact of Russia and Dagestan must also be taken into account. Russia was the first country to delimit the (Dagestani) interstate border with Azerbaijan, which is still an issue with Georgia, Iran, and Armenia to this day. The border problem was actively discussed and raised a huge wave of criticism in Dagestan, primarily because of two ethnically Lezgin enclaves in Azerbaijan. Last year, the regional government of Dagestan passed a resolution regarding the repatriation of Lezgins from the Azerbaijani enclaves to Dagestan. Russia allowed this cooperation between Dagestan and Azerbaijan and promoted the cooperation. Because of Russia's interstate border cooperation with Azerbaijan and its military and political alliance with Armenia, Russia is interested in having a swing policy with both Armenia and Azerbaijan.

Dr. Göksel added that Turkey plays a key role in counterbalancing Islamist groups in Azerbaijan by promoting a more moderate form of Islam to the Azeri people through Turkish religious groups and networks. For example, the Gülen movement is quite active in Azerbaijan. Unlike the EU, Turkey's interests in Azerbaijan have been well received. In contrast to Georgia, which in the past asked for Western assistance to balance Russia, Azerbaijan has been able to accomplish this by itself and consequently views the EU's leverage over their country as minor. Dr. Göksel also argued that economic resources are key for continuing the stability of the country. Compared to other neighboring countries that have gone through dramatic changes or upheavals, the population in Azerbaijan is less likely to be discontented due to the country's economic resources.

The next question addressed the military buildup in the Caspian Sea. Considering that all littoral countries on the Caspian Sea have access to it, what necessitates the military buildup in the Caspian Sea? Additionally, once the delimitation of borders on the Caspian Sea is completed, is the demilitarization of the entire Caspian Sea also possible?

Dr. Markedonov argued that the delimitation of the Caspian Sea is difficult to accomplish because it involves five countries in the region: Iran, Azerbaijan, Russia, Turkmenistan, and Kazakhstan. The multitude of bilateral agreements between these countries makes a single multilateral agreement difficult to accomplish. This is an issue that may not be resolved in the short-term future. Additionally, Russia prefers to keep the status quo in the Caspian Sea and has a special concern for the militarization of the sea and the penetration of other foreign actors there.

The discussion closed with a question about the role of China in Iran-Azerbaijan relations.

Dr. Markedonov stated that China is not very active in the South Caucasus. China is more concerned with Central Asia because it shares many borders with Central Asian countries. The only time China has directly addressed the topic of the South Caucasus was in August 2008 at the Shanghai Cooperation Organization Summit, when it refused to recognize the independence of Abkhazia and South Ossetia.

However, because China is very interested in developing new business markets further west, it may soon realize the business potential of the South Caucasus and become more involved in the region. Iran, on the other hand, is critical of China's interest and views it as a non-regional power vying for greater regional influence.

Dr. Kuchins noted that the Chinese-Iranian relationship is very comprehensive and important for China for many reasons. The trade relationship between Russia and Iran is minimal at only \$3 billion, while the Chinese-Iranian trade relationship is ten times that, roughly \$30 billion. From a strategic standpoint, as part of its "March West" policy, China is currently developing trade and making transit corridors more easily accessible through Central Asia to the Middle East. While the Caucasus may not be as important to the Chinese policy now, as part of China's grand pivot westward, it will play a role in the overall scheme of things. Though American analysts view its own "Asia Pivot" only in terms of East Asia, China is one step ahead and has taken into account all corners of the Asian continent. Consequently, the U.S. needs to consider that the rising role and influence of China all across Eurasia.