
Azerbaijan Becomes Object of Russian-Western Rivalry

By Richard Weitz

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Although widespread fighting in Georgia has ceased, the war's diplomatic repercussions continue to ripple throughout the region. One major concern in Washington is that Russia's successful military intervention in Georgia will intimidate other former Soviet republics to, if not bandwagon with Moscow, at least distance themselves from the United States to avoid antagonizing a newly belligerent Russia.

It is therefore no accident, as Russian Prime Minister Vladimir Putin likes to say, that U.S. Vice President Richard Cheney visited Azerbaijan last week. Cheney travelled to Baku even before arriving in Georgia and Ukraine, whose governments have been engaged in more acute confrontations with Moscow. Nor is it a coincidence that the White House chose Cheney -- an anti-Russian hardliner with deep experience in the energy industry -- to make the trip.

Upon his arrival, Cheney reaffirmed that, "President Bush has sent me here with a clear and simple message for the people of Azerbaijan and the entire region: the United States has a deep and abiding interest in your well-being and security."

After meeting Azerbaijani President Ilham Aliyev, Cheney underscored Washington's priorities: "Energy security is essential to us all and the matter is becoming increasingly urgent." Deliberately excluding Russia from this east-west energy partnership, Cheney continued: "Together with the nations of Europe, including Turkey, we must work with Azerbaijan and other countries in the Caucasus and Central Asia on additional routes for energy exports that ensure the free flow of resources." Cheney also met with Robert Dastmalchi, Chevron's country manager for Azerbaijan, and William Schrader, president of the British Petroleum's venture in the country.

Since gaining independence after the disintegration of the Soviet Union, Azerbaijani leaders have been eager to cultivate good commercial relations with Western countries to avoid excessive dependence on Moscow. The government has depicted Azerbaijan as a core east-west transit country, especially for connecting Caspian oil and natural gas supplies to European energy consumers eager to reduce their dependence on pipelines that either traverse Russian Federation territory or are controlled by Russian energy firms.

Most prominently, the 1,100-mile Baku-Tbilisi-Ceyhan pipeline, which is already in operation, moves approximately 1 million barrels of crude oil a day from the Caspian shore through Georgia and Azerbaijan and onto Turkey's Mediterranean coast, from which it is dispersed to multiple consumer countries.

The Georgian War occurred at a time when Azerbaijan was engaged in detailed discussions about possible trans-Caspian undersea energy pipelines that would extend from Kazakhstan and Turkmenistan. Even without these additional sources, Azerbaijan can meet a considerable share of European demand for natural gas from its own estimated stock of some 70 trillion cubic feet.

European energy managers intend for Azerbaijani gas to fill the planned 2,000-mile Nabucco pipeline, which would run from Azerbaijan across Georgia towards Turkey and then on to Austria's Baumgarten via Bulgaria, Romania, and Hungary. Construction was planned to begin in 2010, with the first gas

flowing around 2013. Even before the Georgian War, however, support for continuing the project was weakening due to its rising costs. The war will now likely cause potential Western investors in the pipeline to worry about its increased political risks as well as expected financial costs.

U.S. policymakers support these east-west pipelines because they provide energy to America's European allies, revenue to several former Soviet republics, and help keep oil and gas flows away from Iran, which Washington aims to isolate, and Russia, whose government has used energy as a weapon of influence against other countries.

Yet, factors besides the perceived U.S. defeat in the recent Georgian War will also weaken Cheney's efforts to realign Baku further westward. For over a decade, Azerbaijani leaders have been careful to balance relations with the United States and other NATO countries with a desire to sustain good ties with Russia. Unlike Georgia and Ukraine, for instance, the Azerbaijani government is not formally seeking NATO membership.

Azerbaijanis also continue to lobby Moscow to pressure Armenia to withdraw its troops from Azerbaijani territory occupied during the 1992-94 Nagorno-Karabakh conflict. Ideally, they also hope to enlist Russian support for a peace settlement that would restore Azerbaijani authority in Nagorno-Karabakh, which legally is part of Azerbaijan but is inhabited primarily by ethnic Armenians, many of whom hope to merge with the Republic of Armenia.

For a fleeting moment last year, it looked as if Azerbaijan could be the focal point of a possible Russian-American security reconciliation. At the June 2007 G-8 summit in Germany, Putin unexpectedly offered to provide the United States with access to data on Iranian missile developments from the Russian-leased Gabala radar station in Azerbaijan in return for Washington's freezing its planned deployments of ballistic missile defense systems in Poland and the Czech Republic, a move many Russians denounced as threatening. American officials quickly dismissed the gambit, unwilling to trust Moscow to provide unimpeded data from the radar, which American strategists considered technically inadequate in any case. The Gabala option has since faded as a possible basis for achieving a Russian-American missile defense compromise.

The Georgian War has now forced Azerbaijani policy makers to reassess their relationships with Russia and the West. Azerbaijan has become a clear object of rivalry between a resurgent Russia and an energy-hungry block of Western democracies. The Russian government's decision to so forcefully back the secessionists in the two breakaway regions of Georgia, Abkhazia and South Ossetia, has led some Azeris to fear that Moscow might provide similar support for the separatists in the region of Nagorno-Karabakh if Baku aligns too closely with the West. Russian President Dmitry Medvedev reportedly called Aliyev during Cheney's visit, thereby underscoring that Moscow was watching his moves closely regardless of the topic of their conversation.

Azerbaijani officials have been responsive to Russian concerns. Throughout the escalating conflict between Russia and Georgia this year, Azerbaijani leaders were careful to refrain from criticizing Moscow or its local allies in the separatist regions. After the fighting erupted, the State Oil Company of Azerbaijan Republic (SOCAR) began diverting oil exports to Europe from Baku-Tbilisi-Ceyhan to pipelines that pass through Russia rather than Georgia. Russia's state-controlled natural-gas monopoly, Gazprom, has offered to buy all of Azerbaijan's gas exports at market prices. These rates are likely higher than those sought by European firms in their proposed long-term contracts, which would not even yield Azerbaijan much revenue until the still-uncertain Nabucco pipeline opens.

On Sept. 4, 2008, EU Energy Commissioner Andris Piebalgs warned that EU governments need to intensify their efforts to secure gas for Nabucco, as

well as accelerate the pipeline's construction, in light of recent developments. "Our objective of diversifying our sources and routes is even more important after the events in Georgia," Piebalgs told reporters in Brussels. "We need more political engagement to remove all the obstacles to Nabucco to bring gas from the Caspian basin to the EU."

Before Cheney's arrival, U.S. Ambassador to Azerbaijan Anne Derse characterized the trip as seeking to underscore Americans' support for the "Euro-Atlantic integration aspirations" of Azerbaijan as well as Georgia and Ukraine. "Many in the region are afraid now that these actions [by Russia] are directed not only against Georgia, but against all of those who have democratic aspirations."

Although Cheney presumably tried to reassure President Aliyev about continued American interest in Azerbaijan's security, the war in Georgia has demonstrated that U.S. backing would not include military support against Russia. In addition, Azerbaijani leaders are undoubtedly aware that Cheney and the Bush administration will soon leave office, rendering the future nature of the American presence in the former Soviet states uncertain. In contrast, the newly resurgent Russian military looks set to reinforce its position in the South Caucasus for years to come.

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