
Azerbaijan and Georgia Playing Russian Roulette with Moscow.

Today.Az

11/1/2007

It is no secret that Russian-Georgian relations have gone from bad to worse since the 2003 Rose Revolution. Yet in December 2006, Moscow for the first time since 2000 attempted to use economic pressure against Azerbaijan, with whom it had been successfully developing bilateral ties in deep contrast to Georgia. Some experts have speculated that Georgia provided the impetus for Moscow to suddenly to increase prices for natural gas and electricity exports to Azerbaijan. Did Russia try to recruit Azerbaijan in its effort to isolate Georgia, and refused? Was this an attempt to spoil Azerbaijani-Georgian relations, and could it potentially threaten the cordial relationship that Baku has maintained with the Kremlin since 2000?

Since the collapse of the Soviet Union in 1991, Russia's relations with both Azerbaijan and Georgia have been complicated. During the first and second Yeltsin administrations (1992-1999), Moscow's ambiguous and chaotic foreign policy led to repeated diplomatic and political crises with Baku and Tbilisi.

Hoping to keep the two states under Russia's control, the Yeltsin administration applied political pressure and adopted harsh policies towards them. It assisted separatists inside Azerbaijan and Georgia and tried to block their leaders from realizing the U.S.-backed Baku-Tbilisi-Ceyhan (BTC) pipeline project. Moscow's policies turned out to be counterproductive, pushing both states away from its orbit.

Since 2000, however, Russian President Vladimir Putin redefined Moscow's priorities in the South Caucasus and the "near abroad," shifting the focus from politics to economics. Realizing that the train had left the station regarding the development of the BTC, Putin attempted a normalization of economic relations with Azerbaijan, which has been visibly successful. In contrast, the Kremlin has maintained its chilly attitude towards Tbilisi and Russian-Georgian relations have remained as cold as ever.

Over the course of 2006, the Kremlin banned the sale of Georgian wines in Russia, along with other agricultural products. With the "spy crisis" in September 2006, relations between Tbilisi and Moscow entered an advanced stage of decay. The Russian government conducted several "clean-up" operations to deport "illegal Georgians" in Russia and instigated a total trade and transportation embargo, and most recently, Russian Gazprom increased the price of gas for Georgia in 2007 from \$110 to \$235 per thousand cubic meters.

But as 2006 drew to a close, Gazprom also announced that it would double the price of gas for Azerbaijan in the coming year. In addition, the Russian giant decided to cut its gas exports to the country from 4.5 billion cubic meters (bcm) to 1.5 bcm, while electricity supplies were also scheduled to be reduced. These developments took place as Baku and Tbilisi were negotiating a possible gas supply deal from Azerbaijan to Georgia in 2007.

Personal relationships between the leaders of Azerbaijan, Georgia and Russia have been one of the factors that shaped the Kremlin's

divergent policies toward Baku and Tbilisi, and determined their foreign policy decisions towards their northern neighbor. Vladimir Putin and the late President of Azerbaijan, Heydar Aliyev, developed a close personal relationship that led to improvement of ties between their respective states. The two men had a common background " both were graduates of the Soviet KGB school - and President Putin had respect and affection for President Aliyev, who rose to the ranks of a KGB General during the Soviet Union, a rank higher than Putin's. These cordial relations have been preserved under the current President, Ilham Aliyev, who continues to build bilateral ties.

However, the former President of Georgia, Eduard Shevardnadze, who also served as the last Minister of Foreign Affairs of the Soviet Union (1985-1990), was often blamed by many in Russia for his part in the collapse of the USSR.

Hence, Shevardnadze was never popular in Russian security circles, especially given his uncompromising refusal to allow Russian troops to use Georgian territory for military operations in Chechnya in 1999. As then Prime Minister of Russia, Putin supported the introduction of a visa regime for Georgian citizens, and the two leaders were never able to find common ground. Moreover, the current Georgian President Mikhail Saakashvili and Vladimir Putin could not be more different. Known for his blunt speeches, Saakashvili has irritated the Kremlin on many occasions. He invited the United States military to train Georgian forces, and his government expedited the removal of two Russian military bases from Georgia.

In general, the Saakashvili government has forged a determined and unambiguous path in terms of relations with Russia. Georgia's primary foreign policy goal has been to join Western institutions, such as the North Atlantic Treaty Organization (NATO) and the European Union (EU). Despite the fact that Georgia's two frozen conflicts in Abkhazia and South Ossetia sit on the border with Russia and are intimately tied to relations between the two countries, improved relations with Russia are not only secondary to Georgia's primary foreign policy goal, but at times appear to take a back seat to other priorities of the Saakashvili government. This approach has inflamed tensions between Moscow and Tbilisi, and most recently, weakened the hard-charging camp within Saakashvili's government and their ideas of retaking the breakaway regions before 2008. The former Georgian Defense Minister, who once promised to hold the 2007 New Year celebrations in South Ossetia, has now resigned. Tbilisi's predicament has only made the push for Western integration more urgent.

This urgency does not appear in Azerbaijan, at least not for the moment, and Moscow has fewer reasons to be upset with President Aliyev, who has been able to maintain a cordial relationship with President Putin. Azerbaijan's careful and balanced foreign policy, which suggests accommodating Russia on issues that are not in direct conflict with the country's national interest, has proven to be effective " at least until now. Instead of speaking blatantly on contentious issues that might anger the Kremlin and challenge its regional interests, Baku prefers to avoid comment. In turn, Moscow has overlooked Baku's growing ties with the U.S., its initiatives on alternative energy supply routes to the EU and occasional, albeit restrained, statements on Azerbaijan's potential NATO membership.

But both Moscow and Baku know that Georgia is a strategic link between Azerbaijan and Turkey and the West. Isolation of Georgia would mean isolation of Azerbaijan, as most of Azerbaijan's energy and transportation projects pass through its western neighbor. In other

words, Moscow's attempts to isolate Tbilisi run counter to Baku's strategic and long-term interests. Hence, while understanding the potential damage to Russian-Azerbaijani relations, Aliyev's refusal to give in to Gazprom's pressure stemmed from Azerbaijan's strategic priorities: to have a friendly, politically stable and economically viable Georgia as its neighbor.

Recent agreements between Ankara, Baku and Tbilisi to allocate more natural gas from Azerbaijan's Shah Deniz gas project to Tbilisi seem to have diminished the risk of an energy crisis in Georgia. Gazprom's attempt to raise prices for Azerbaijan has also backfired. Baku rejected Gazprom's offer to buy its gas for \$235 per cubic meter and stated that it will cut oil exports via the Baku-Novorossiysk pipeline to replace the Russian source. It also announced that the broadcasting of two Russian TV stations in Azerbaijan would be halted in July 2007. These developments have far-reaching implications. To begin with, they have strengthened Azerbaijani-Georgian relations, most notably as Saakashvili has referred to Aliyev as a hero. But more deeply, this row has effectively further undermined Russia's interests in the South Caucasus. It remains to be seen, however, to what degree Azerbaijan's recent economic maneuvering will cause a long-term deterioration in the traditionally warm political relations between Moscow and Baku.

By Alexandros Petersen, Vice President for London Chapter of Young Professionals in Foreign Policy and Taleh Ziyadov, a Washington-based analyst specializing in energy, security and geopolitical issues in Eurasia.
