

# Azerbaijan-Iran relations under the Rouhani Presidency

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The election of Hassan Rouhani to the Iranian presidency back in June raised tentative - and probably optimistic - hopes that the current stand-off between Iran and the West could be eased somewhat. But how will his election change Iran's relationships in its immediate neighbourhood, specifically with its neighbours in the Caucasus?

Under his predecessor Mahmoud Ahmadinejad, relations between Baku and Tehran were fluctuating and often difficult. Iran's support for hard-line religious groups in Azerbaijan, its vociferous criticism of Azerbaijan's relationship with Israel, [terror plots](#) targeting American and Israeli ambassadors in Baku, and Iran's backing of Armenia in the Nagorno-Karabakh conflict all soured relations, as did Iran's claim of an oilfield in the Caspian which appears to intrude into Azerbaijan's maritime borders.

Some of these problems are structural - notably the [strategic relationship](#) Iran enjoys with Armenia - and are unlikely to entirely change under a new president, particularly given the dominance of the Supreme Leader over foreign policy. But Rouhani's election certainly provides an opportunity to change the atmospherics of the relationship with Azerbaijan. Rouhani himself has already [spoken](#) positively on the subject, saying that ties with Baku are "based on friendship and mutual trust", and Iranian Ambassador to Azerbaijan Mohsen Pak Ayeen predicted that relations would be "very brilliant" under Rouhani.

Meanwhile Azerbaijan's ambassador to Iran Javanshir Akhundov returned the favour by [praising](#) current ties and announcing that Parliament Speaker Ogtay Asadov would attend Rouhani's inauguration. The two sides have also agreed to [cooperate](#) on filling the drying Lake Urmia, a sensitive ecological site in Iran's Azerbaijani-populated area, with river water from Azerbaijan.

Greater collaboration certainly makes sense for Iran from a strategic point of view. The US-led sanctions regime is taking an increasing toll on the Iranian economy: energy trade is declining, and methods to circumvent the sanctions are getting harder and harder to find. Meanwhile Iran remains bogged down in the Syrian conflict, and has a poor relationship with many nearby states. Reaching out to 'non-traditional' partners like Azerbaijan is therefore a key part of Iran's economic and foreign strategy, as Pak Ayeen [explicitly noted](#).

Iran may also try and take a more active role in resolving the Nagorno-Karabakh conflict: it has recently gone through one of its regular phases of [offering to mediate](#) between Azerbaijan and Armenia, and claimed that it has "a project" to [resolve](#) the conflict: choosing to announce this in Baku may have had the intention of signalling Iranian support to Azerbaijan.

However it is unclear what this project is and how it would have more chance of succeeding than the existing peace blueprint drawn up by the OSCE's Minsk Group. Azerbaijan has a longstanding suspicion of Iranian motives in the Nagorno-Karabakh conflict, particularly its refusal to pressure Armenia into withdrawing from Azerbaijan's occupied territories. Whilst Tehran and Yerevan maintain close ties, it seems unlikely that Baku will countenance a greater role for Iran in Nagorno-Karabakh mediation efforts.

Will Rouhani encourage a softer line in the Caspian, where Iran has recently been [building](#) up its [military presence](#) (whilst insisting that the Caspian is a "sea of peace and friendship")? The region is increasingly important for oil and gas exploration as opportunities in southern Iran dry up, and Tehran is determined to stake its claim on a full 20% of the Caspian despite staunch opposition from the other four littoral states.

Iran is unlikely to back down on its Caspian claims, despite Rouhani's good intentions. Claiming a full 20% and staking its claims to oil and gas deposits in the area is a matter of importance, and Iran has repeatedly shown that it is willing to confront Azerbaijan on the matter. Perhaps more significantly, Iran's elite Revolutionary Guards navy is also increasing its presence on the Caspian: which, unlike the regular navy, does not answer to the president but the Supreme Leader and its own commanders, who have an extensive business empire including [holdings in the oil sector](#). The Revolutionary Guards are unlikely to take a conciliatory line over Caspian maritime disputes.

Iran's attitude towards the [Israel-Azerbaijan relationship](#) will depend to a large extent on whether or not Rouhani is able to preside over a mild thaw with Tel Aviv. Given divisions over the conflict in Syria and the ongoing issue of Iran's nuclear programme, this seems very [implausible](#). Whilst the current dynamics of that conflict remain entrenched, Iran is likely to remain hostile to the deepening ties between Baku and Tel Aviv.

Rouhani's optimism over developing the relationship with Azerbaijan appears to be genuine, and both sides have an interest in repairing ties after the often-fraught Ahmadinejad years. However whilst the underlying causes of their differences remain unaddressed, and whilst Rouhani's influence on foreign policy remains limited by other actors, the relationship is unlikely to change significantly.

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