

Azerbaijani–Russian Relations: Transactional Diplomacy in Action

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Abstract

By applying transactionalism—conceptualized as a series of iterative *quid pro quo* arrangements—to relations between Azerbaijan and Russia in the context of the Second Karabakh War, this article shows how the contingent interactions that characterize the Azerbaijani–Russian relationship produce unexpected outcomes. The war in Karabakh in the fall of 2020 is seen as a product of such transactional exchange: Russia tacitly supported Azerbaijan’s right to regain territories it lost in the early 1990s in exchange for Baku’s approval of Russia’s deployment of its peacekeeping (PK) mission to Karabakh. Russia’s military presence in what is internationally recognized as Azerbaijan’s sovereign territory provides the Kremlin with a toolbox of policy leverage, including the status issue, keeping Armenian troops in or out, continued arms sales to Armenia, and the PK mission’s mandate. These tools allow the Kremlin to maintain a constant sense of insecurity in both Armenia and Azerbaijan and to promote Russia’s ambition to dominate the region.

Transactionalism

Azerbaijani–Russian relations can be characterized as a continually shifting, complex, multifaceted, and largely asymmetrical set of interactions. During the presidencies of Vladimir Putin and Ilham Aliyev, Azerbaijan and Russia have enjoyed a relationship that can be described as pragmatic and transactional. Transactionalism—with its logic of exchange of tangible benefits—implies that the given relationship lends itself readily to contingency as the timing, substance, and outcome of a bargain is uncertain and unpredictable.

The relationship is complex because the linkages between the two countries are not limited to a single issue but encompass a broad range of issues—political, economic, energy, military, and cultural—at both inter-state and transnational level. Russia hosts a large Azerbaijani diaspora (exceeding 1 million people) (Shiriyev 2020) and there are 119,300 ethnic Russians living in Azerbaijan (State Statistical Committee of Azerbaijan 2009).

Azerbaijani leaders have long been cognizant of Russia’s regional ambitions and have therefore avoided taking actions that could antagonize the Kremlin and harm bilateral cooperation. Leveraging its formidable military capabilities, Putin’s Russia seeks to return the country to its former status as a great power, in what some scholars have called “the Putin restoration” (Stent 2008, 1095). This reality accounts for the asymmetry that characterizes Russia’s relations with “small states” such as Azerbaijan, Armenia, and Georgia.

Historically, Russia in its various incarnations—first as the Romanov Empire and later as the Soviet Union—dominated the South Caucasus for centuries, and it remains a force to be reckoned with. Azerbaijan’s previous losses of sovereignty to the Russian Empire/Soviet

Union and Putin’s geopolitical ambitions create a sense of insecurity in Baku. In a sense, Moscow is perceived as posing an existential threat to Baku.

This permanent sense of insecurity forces Azerbaijan to seek allies capable of counterbalancing Russia’s assertive foreign policy. Due to its strong cultural affinity and historical friendship with Turkey, Azerbaijan has sought to engage the latter as a counterweight to Russian power (Remler 2020, 13). Azerbaijani relations with Turkey are based on the Agreement on Strategic Partnership and Mutual Support of 2010, which stipulates mutual defense in the event of a military attack and provides for the training of Azerbaijani military personnel in Turkey—a factor that proved to be decisive in the Second Karabakh War in the fall of 2020 (Yalçınkaya 2020). This strategic partnership was consolidated by the political and military support provided by Ankara during the war and the signing of the Shusha Declaration on June 15, 2021.

Upon independence, balancing between the competing interests of Russia and the West became the cornerstone of Azerbaijani foreign policy. With the relative weakening of Western presence in the South Caucasus since 2008 and the resurgence of Russian regional hegemonic ambitions (especially since the annexation of Crimea in 2014), however, Azerbaijan has arguably shifted its policy from one of balancing to one of “pacifying” Russia (Shiriyev 2019).

Moreover, the relationship between the two countries is not fixed but constantly shifting due to the interplay of international, regional, and national-level variables. As circumstances change, relationships are (re) negotiated, policies adjusted, and new deals reached until a new challenge to the existing order emerges, forcing key actors to embark on a new round of bargains and adjustments in policy stances.

If ideology—whether the shared Soviet legacy, the pan-Turkic ideas espoused by former Azerbaijani President Elchibey, or post-colonialism—played a prominent role in early post-independence relations between Azerbaijan and Russia, these relations are believed to have become more pragmatic and transactional in recent years. Remler (2020, 11) describes them as “cordial, neighborly, and devoid of emotion.” Transactional diplomacy—the term most often used to describe former U.S. President Donald Trump’s approach to foreign policymaking—seems to apply well here too. Henke (2017) defines “transactional diplomacy” as follows:

At its core, transactional diplomacy is based on a *quid pro quo* logic: I don’t do anything for you if I don’t get something in return. Moreover, transactional diplomats perceive a zero-sum world. What benefits you does not benefit me. That’s why if I help you, you need to pay me for it. In a transactional world, the *quid pro quos*—or “deals”—that states can engage in are almost infinite.

Finally, while there is a certain degree of continuity in this relationship (such as Russia’s efforts to regain its regional influence and Baku’s balancing act between Russia and the West), there is also an element of contingency. A contingency is an event that was not expected to occur but, when it does, has the power to alter the course of events (Mahoney 2000).

In analyzing Azerbaijani–Russian relations during the 2020 war in Karabakh and its aftermath, this article argues that transactionalism and contingency are useful conceptual lenses through which to understand the current and future development of Azerbaijani–Russian relations around the Upper Karabakh region.

Azerbaijani–Russian *quid pro quo* in the Context of the Second Karabakh War

After a new war between Armenia and Azerbaijan broke out on September 27, 2020, Russia—which is Armenia’s key ally and has an extensive military presence in the country—maintained a position of relative neutrality, notwithstanding multiple attempts by Yerevan to drag Moscow into the conflict. Moscow reiterated on several occasions that its obligation to protect Armenia would be activated only by an attack on the Republic of Armenia and that this protection did not extend to the territory of Karabakh.

There is no consensus as to what caused the drastic shift from a conflict that had been “frozen” for 26 years to “hot” war. However, transactionalism—with

its focus on *quid pro quo* deals—can shed some light on this. While the element of contingency is certainly present, the key contours of a new status quo were apparent before war broke out, having been articulated in the so-called Lavrov plan. According to this plan, Armenian troops would pull out of the occupied Azerbaijani districts adjacent to Upper Karabakh (the former Nagorno Karabakh Autonomous Oblast)¹ and a Russian peacekeeping contingent would be installed. With Armenia’s withdrawal from the occupied territories, more than 700,000 Azerbaijani citizens displaced during the first war in Karabakh would finally get the chance to return to their homeland. While there is no formal proof that any such deal existed, it is possible that Moscow tacitly agreed to suspend its protection of Armenia, creating the momentum for Azerbaijan to take back the occupied territories, in exchange for Baku not objecting to Russia placing peacekeeping troops in Karabakh. (Such an arrangement would also have had the benefit to Russia of “punishing” Armenian Prime Minister Pashinyan for his pro-Western reforms.)

Following Armenia’s military losses and Azerbaijan’s successes, there were several attempts to negotiate a ceasefire agreement. The ceasefire that succeeded in ending the war was brokered by Putin personally. Signed on November 9/10 (Statement 2020) by the leaders of Armenia, Azerbaijan, and Russia, the Trilateral Statement not only stopped the fighting, but also urged Armenia to withdraw from the remaining districts and called on the conflict parties to allow the deployment of Russian peacekeeping forces in the Karabakh zone. The sides also agreed to facilitate the return of refugees and to unblock transportation links. Following the ceasefire, Russia quickly deployed some 2,000 Russian soldiers to the parts of Karabakh that remained outside Azerbaijani control.

The war resulted in a victory for Azerbaijan, which managed to recover most of its sovereign territory that had previously been controlled by the Armenian armed forces and gained the Kremlin’s support for a new land route through Armenia connecting Azerbaijan with its Nakhchivan exclave and Turkey. Moscow’s biggest geopolitical gain was that it obtained a military presence on the ground in what is internationally recognized as the territory of Azerbaijan.

Russia’s New Leverage

Having installed its troops, Russia seized the newly created opportunities for leverage and bargaining. Moscow deliberately left the conflict only partly resolved (Yavuz

1 Under international law, Upper Karabakh and seven surrounding districts belong to the Republic of Azerbaijan. UN Security Council Resolution 853 (1993), para. 9 refers to “the Nagorno Karabakh region of the Azerbaijani Republic”. Nagorno-Karabakh was deemed “occupied” by the judgement of the European Court of Human Rights [ECtHR] in the “Chiragov and Others v. Armenia” case (see Azarova 2015).

and Huseynov 2021). Western countries were also left out, leaving Russia as the only guarantor of the ceasefire. The new status quo serves Russia's interests well, placing Russia—the chief “peace broker”—at the center of dispute resolution.

The new status quo also gives Moscow leverage over both sides. Russia's ambiguity with regard to the final status of the Upper Karabakh region, the non-withdrawal of Armenian military forces from the area, the supply of weapons to Armenia, and the mandate of its PK mission are all tools that the Kremlin can employ in future transactional foreign policymaking.

First of all, despite the fact that the final status of Upper Karabakh is not even mentioned in the ceasefire agreement (Miklasová 2020), Moscow has brought it up on several occasions. Putin has variously proclaimed that Karabakh is an “integral part of Azerbaijan” (Kremlin.ru 2020) and that the final status of the Karabakh territory that is temporarily under the control of Russian PKs “has not yet been settled” (TASS 2020). The Kremlin's ambiguous statements on this point suggest that Moscow is likely to use the “status issue” as leverage in future bargains with Baku.

Second, although the ceasefire agreement mandates the withdrawal of Armenian troops from the territory where Russian PK forces are deployed (Statement 2020, Art. 4), this clause has not yet been implemented. The non-implementation of this provision is another bargaining chip in future transactions with either Baku or Yerevan.

Third, Russia's continued supply of weapons to Armenia fuels revanchist sentiments in Armenia. In late August 2021, Armenia signed arms contracts with the Russian military-industry complex to buy weapons, following an earlier meeting in Moscow between the Armenian and Russian defense ministers at which Russian Minister of Defense Sergey Shoigu pledged continued support to Armenia in modernizing its armed forces (Harutyunyan 2021).

About the Author

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Fourth, a major issue that will define Azerbaijani–Russian relations in the next four years (and possibly beyond) is the absence of an internationally agreed mandate for the Russian PK mission, which is renewable every 5 years unless one of the sides expresses a wish to terminate it (Statement 2020, Art. 4). The track record of Russian peacekeeping forces shows that once Russian troops are in, they never leave. It is also clear that the Russian PK contingent has already deviated from its formal mission. For example, the troops have been equipped with helicopters and unmanned aerial vehicles even though the original Trilateral Agreement only mentions firearms and armored vehicles (Socor 2021).

Conclusion

Given that transactionalism is built on negotiation and renegotiation of the terms of a bargain (or a series of interrelated bargains), there is an element of uncertainty with regard to the substance and outcome of a transaction. In the wake of the Second Karabakh War, Russia gained additional cards it can leverage against either party to the conflict. As briefly discussed above, Russia now has at least four issues to leverage. First, Moscow can manipulate the definition of the final status of the territory under temporary (or prolonged?) PK control. Second, Moscow can keep Armenian military forces in the area or force them out as a tit-for-tat with Baku or as a tool to pressurize Yerevan on other issues. Third, Russia can feed the sense of insecurity in both Armenia and Azerbaijan, fueling the arms race between the two countries to create a market for Russian weapons that benefits the latter's defense sector and military-industrial complex. Fourth, the unclear mandate allows Russia to interpret the scope of its PK mission as it deems necessary, deviating from what was agreed. This creates even more room for leverage-bargaining in transactional exchange.

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