

Putin visits Baku: a partnership of convenience

Krzysztof Strachota, Miłosz Bartosiewicz

On 18–19 August, Vladimir Putin paid his first state visit to Baku. Official statements published by Russia and Azerbaijan emphasised the “friendly and allied” nature of their relationship, mutual respect for their territorial integrity, their dynamically developing economic cooperation (the value of bilateral trade is more than \$4 bn and is continuously growing, the value of Russian direct investment in Azerbaijan is similar) and dynamic cultural exchange (including the promotion of Russian culture and education). Russia wanted to portray itself as an intermediary in the process of regulating the conflict between Azerbaijan and Armenia, it advocated the development of the International North-South Transport Corridor (INSTC; Russia–Azerbaijan–Iran–India) and energy cooperation (including the export of natural gas, the joint development of sea-river tankers to transport fuels across the Black and Caspian Seas). However, despite the ostentatiously friendly atmosphere no binding political and economic agreements were signed.

Commentary

- Over the last three decades, Azerbaijan has pursued its strategic goals in opposition to Russia. For example it has built a robust political relationship with Turkey, developed its energy sector based on its cooperation with the West and effectively marginalised Armenia, which until recently was Russia’s ally. A string of military successes in its conflict with Armenia over Nagorno-Karabakh in 2020–3 has enabled it to restore its territorial integrity, solve its main security problem and forcibly achieve a radical revision of the regional order, including at the expense of the Kremlin’s interests. All this has enabled it to boost its international position. On the other hand, Azerbaijan continues to have strong political and economic links with Russia and maintains close dialogue with Moscow. In its conflict with Armenia it has successfully sought Russia’s approval of and support for its policy, used the tensions between Moscow and Yerevan to its advantage, and sought a new regional order that would be acceptable for the Kremlin. Cooperation with Russia has also enabled it to find a balance between its dependence on Turkey and its feeling of being threatened by Iran (which has been increased by factors such as Israel’s proximity and the consequences of the conflict in the Gaza Strip). It has also helped it to capitalise on Russia’s economic problems resulting from sanctions.
- Putin’s recent trip to Azerbaijan, the first such visit since 2018, was organised in the shadow of the Ukrainian military operation in the Kursk region. This is proof of both the visit’s importance (it had the status of a state visit, for the first time) and Moscow’s intention to downplay the danger and to demonstrate that it is in control of the situation. Russia attaches great importance to economic issues, which was visible in the line-up of

its delegation (it included the CEOs of state-controlled companies such as Gazprom and Rosneft, as well as the ministers of transport and economic development). As regards gas cooperation, Azerbaijan is Russia's partner as an export market and potential sub-contractor in its gas exports to the EU. New opportunities to sell further volumes of gas directly to Azerbaijan's domestic market or as part of swap transactions would bring particularly important benefits to Gazprom in the context of its current financial problems.

- Moscow is also determined to expand the INSTC, as this could facilitate its access to the Middle Eastern and Asian markets and allow it to form an alternative route to the ones currently in use. By enhancing its cooperation with Baku, it also intends to secure its position in the South Caucasus by participating in the Azerbaijani-Armenian peace process and to put pressure on Yerevan (the relations between Russia and Armenia are affected by a serious crisis). Using Azerbaijan's help, the Kremlin also intends to increase its impact on the tense situation in the Middle East, mainly in the context of Iran (on 6 August, on his way back from Tehran, secretary of the Security Council of the Russian Federation, Sergei Shoigu, paid a stopover visit to Baku). It also intends to step up its pressure on Turkey, which is its regional rival.
- The recent meeting between Ilham Aliyev and Vladimir Putin (the previous ones took place in July in Kazakhstan and in Russia in April 2024) and the positive message resulting from it corroborate the intensity of cooperation between the two sides and their intention to maintain close dialogue and the current problem-solving strategy based on compromise. Baku is not interested in Moscow (or any other actor) playing the role of an intermediary in its negotiations with Yerevan. It is also aware of the risk involved in Russia's policy in the Caucasus, of the cost linked with enhancing its economic cooperation with Russia (including in trading gas) and of the importance of Russia's cooperation with Iran. The lack of binding effects of the talks held by the leaders indicates that there are major differences between the two states. It is likely that, due to major tensions involving Baku's key partners (for example Turkey's involvement in the conflict in Gaza, the political crisis in Georgia, problems affecting Russia) Azerbaijan will employ a cautious wait-and-see attitude and will decide to neutralise the threats and capitalise on its relationship with Moscow. It should also be expected that Russia will continue to consistently probe its various fields of cooperation with Azerbaijan for potential profits (including economic ones) and to identify Baku's problems and play them to its advantage.