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Deposited on: 11 December 2017
Focused on Iran? Exploring the Rationale behind the Strategic Relationship between Azerbaijan and Israel

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Abstract

This article, unlike the small but rapidly expanding body of literature on Azerbaijan’s relations with Israel, focuses on the role of Iranian influence as a factor strengthening the strategic partnership that has been successfully blossoming between Azerbaijan and Israel in areas of economic, cultural, developmental, and more recently military cooperation. This study aims to examine the key characteristics of bilateral cooperation between the two countries and seeks to investigate the incentives which have aided to create and cement this atypical partnership. Among a variety of mutual interests that have allowed the Azerbaijani-Israeli partnership to flourish, this study emphasizes the pivotal role of Iranian-Israeli hostilities which correlate with Azerbaijan’s own grievances with Iran. This study argues that the discrete but strategically important partnership between Azerbaijan and Israel is encouraged not only by the existence of mutually beneficial economic incentives but also by the security threats emanating from Iran.

Keywords: strategic partnership, military cooperation, Azerbaijan-Israeli relations, South Caucasus, regional insecurity, Iran.

Introduction

Recently, a strategic partnership has been establishing itself between Israel, a Middle Eastern democracy in a tumultuous region, and Azerbaijan, a post-Soviet country on the shores of the Caspian Sea sandwiched between Russia and Iran. A close relationship between the Jewish state and the tiny oil-rich nation in the South Caucasus has attracted the attention of experts and policymakers in the region and beyond. The relationship, which features...
successful cooperation between a predominantly Muslim state and a Jewish state, has alarmed elites in Iran and elsewhere who fear an evolving tandem which, under certain circumstances, has the potential of shifting the balance of power in the region.

This article seeks to explore the multifaceted cooperation between Azerbaijan and Israel that has turned into strategic cooperation over the recent years, singling out its various dimensions: international profiling, energy security, arms trade, agriculture, and last but not least, national security with an emphasis on Iran. More specifically, this study addresses following questions: what are the main characteristics of bilateral cooperation between Azerbaijan and Israel? Which incentives encouraged the establishment and proliferation of strategic partnership between these two countries? To answer these questions, this article argues that such geo-political and economic incentives as regional insecurity and threats, in conjunction with mutually beneficial cooperation in the energy sector, are the key factors which led towards the establishment of that unlikely partnership. Most importantly, this paper emphasizes that Azerbaijan’s proximity to Iran and the continuous Azerbaijani-Iranian tensions play an important role in the establishment, development and strengthening of Azerbaijani-Israeli strategic partnership. However, this study argues that despite the centrality of the Iranian agenda in Azerbaijani-Israeli partnership and the continuous expansion of mutually beneficial military cooperation, Baku would prefer avoiding direct confrontation with Iran and will continue keeping its relations with Israel ‘under the surface.’ Although it appears that, often discrete and covert, the relations between Azerbaijan and Israel have been developing around the joint agenda of countering the Iranian influence and threat in the region, numerous economic, political and social factors have significantly contributed to the development of this relationship, as well. To address the above questions and arguments, this study borrows its insights from a wide range of literature, combining journalistic accounts with academic studies and analytical analyses.

**Literature Review**

In recent years, there has been an increasing interest, among both policy analysts and academics, in Azerbaijani-Israeli relations. A number of journalistic articles have been published on different aspects of Azerbaijan’s partnership with Israel. For instance, Bourtman (2006) analyzes this relationship from a broader regional perspective with a particular focus on neighbouring Turkey and Russia. Ismalizade (2006) reported about the growing Israel’s cooperation with Azerbaijan in energy sector. The BBC’s Reynolds (2011) compares and contrasts the levels of Azerbaijan’s proximity with Israel and Iran. Lim (2012) and Shaffer (2013) assessed the
linkage of Azerbaijani-Israeli partnership to these countries’ tensions with Iran. Iranian factor in Israel-Azerbaijani rapprochement has also been re-visited in a recent article by Geifman and Course (2013).

However, in contrast to the growing volume of journalistic reports, the existing academic literature on Azerbaijan’s strategic cooperation with the Jewish state is sparse: not a single book-length publication has been produced to date that can provide an in-depth analysis of the bilateral cooperation between the two countries. Research on Azerbaijan’s relations with Israel is far less widespread than studies analyzing Israel’s foreign policy in the wider post-Soviet region (Cornell 1999) or Israel’s relations with Central Asian and South Caucasian countries in general (Aras 1998; Bishku 2009). A study by Aras (1998) was by far the first to analyze Israel’s policies in the post-Soviet ‘south’ with a particular focus on the development of bilateral and multilateral relations between the Jewish state and different countries in the post-Soviet Central Asia and the Caucasus. A more recent and far more focused on Azerbaijan analysis of Israeli policies has been presented by Bishku (2009) in his research on Israel’s political and economic engagement with three South Caucasian states: Armenia, Azerbaijan and Georgia. The most up-to-date academic article to analyze Israel’s relations with Azerbaijan is a piece by Guzansky (2014), which examines Israeli-Azerbaijani partnership from the perspective of broader Israeli policies in its periphery of current allies, including Greece, Cyprus and South Sudan. Noteworthy is that a similar thematic approach has been presented in an earlier article by Lindenstrauss and Guzansky (2012), who offered an analysis of Israel’s cooperation with its periphery – Greece, Cyprus and Azerbaijan – in the aftermath of its disagreements with Turkey.

A significant portion of research on Azerbaijan’s partnership with Israel comes out of study on Turkish-Israeli relations. For instance, a comprehensive volume by Murinson (2009) in-depth explores the Turkish-Azerbaijani-Israeli entente. A very similar analysis has been earlier provided by Veliev (2000) in his article on Israel-Turkey-Azerbaijan triangle. In a regional context, Azerbaijan’s relations with Israel have been discussed in several other studies (Sobhani 1998; Calabrese 2007; Rhodes 2008), which have researched Azerbaijan’s relations with Israel through the prism of Israeli-Russian or Israeli-US-Iranian relations. In a broader international context, a range of studies has analyzed either Israel’s policy towards Azerbaijan vis-à-vis Iran or Iranian policy with regards to Israel and/or Turkey and the United States with some reference to Azerbaijan (Parsi 2007; Roshandel 2011; Elik 2012; Lindenstrauss and Celniker 2012; Kemp and Gay 2013). Far too little attention has been paid to research focusing exclusively on Israel’s partnership with Azerbaijan. Two recent and very identical studies, which have a specific focus on Azerbaijani-Israeli relations, were produced by Ismayilov (2013) and Khalifa-zade (2013); both of these articles provide a detailed description of the strategic partnership between Azerbaijan and
Israel. However, these two articles have their research objectives limited to the descriptive coverage and are equally bereft of analytical insight.

In contrast to the previous research on Azerbaijan’s partnership with Israel, this present study emphasizes the role of Iranian threats to both Azerbaijan’s and Israel’s security as a particularly strong determinant of booming partnership between these two countries. There has been little agreement in the literature (including both journalistic analyses and academic studies) to date on the relationship between the regional influence of Iran in the Middle East and the South Caucasus, and the strengthening of Azerbaijan’s partnership with Israel. Perry (2012), in his article in Foreign Policy Magazine, presented a comprehensive account, supported by recent evidence in favour of a linkage between Iranian nuclear program and Israel’s increased interest towards Azerbaijan, in particular, and the South Caucasus region, in general. Similar arguments have been raised by Sultanova (2012) and Liphshiz (2013). In contrast, Shaffer (2013) argues that the recent booming of Azerbaijani-Israeli partnership cannot only be associated with Azerbaijan’s tensions with Iran. Instead, in Shaffer’s argument, rapprochement with Israel is a part of Baku’s strategy of countering broader regional tensions, including disagreements with Russia over the Caspian Sea region. On a similar note, Ismaylov (2013, 75) hypothesized that: “looking at the political cooperation between Baku and Jerusalem and their shared economic interests only in terms of common concern about Iran would be simplistic.”

While this study accords with the opinion that the security concerns over Iran cannot serve as a sole explanation for advances in strategic partnership between Azerbaijan and Israel, the issue of Iranian influence in the Middle East and the South Caucasus region as a significant cause of both Azerbaijan’s and Israel’s concern and as a factor affecting their mutual relations deserves more attention. Therefore, unlike the existing research on Azerbaijani-Israeli relations and the role of Iran in cementing this partnership, apart from the emphasis on security concerns pertaining to Iran, this article also offers a detailed account of the two countries’ relations beyond the issue of Iran, such as in energy sector, agricultural development and culture and society.

**Country profiles**

Although relatively discrete until now, relations between Azerbaijan and Israel date back to the early 1990s, when Azerbaijan sought military and economic aid following the Nagorno Karabakh conflict and Israel sought alliances among the newly formed post-Soviet states. An Israeli embassy was opened in Baku in 1993, but
an Azerbaijani embassy has not yet been opened in Tel Aviv, predominantly due to fear over the discontent of Iran, an enemy of the State of Israel, and fear that such an act will lead Muslim-majority states in the UN to vote against Azerbaijan on the issue of the Nagorno-Karabakh conflict (Shaffer 2013). Nevertheless, relations between these two states have continued to develop strategically in many areas including culture, economics and, most significant recently, security.

Azerbaijan

The South Caucasus has widely been considered a strategic crossroads. Stretching from the Black Sea to the Caspian Sea, it links Europe with Asia on the west-east spindle and Russia with Turkey and Iran on the north-south spindle. Importantly, the Caspian Sea harbours enormous deposits of oil and natural gas, of which Azerbaijan's proven reserves are estimated at seven billion barrels of crude oil (EIA 2013) and 2.55 trillion cubic meters of natural gas (Abbasov 2011). Given that only a tiny share of Azerbaijan's national sector of the Caspian Sea has been explored, the nation's actual reserves of crude oil and natural gas might be even higher.

In its brief post-Soviet history, Azerbaijan suffered a humiliating defeat on the battlefield by Russia-backed Armenia in the Nagorno-Karabakh war, a conflict that devastated the country and turned hundreds of thousands of Azerbaijanis into refugees. Importantly, Azerbaijan lost around one fifth of its territory – seven provinces of Azerbaijan proper – in addition to the very territory of Nagorno-Karabakh. Since 1994, when a Moscow-brokered armistice was signed, no peace treaty has still been achieved. Thus, in official terms, Armenia and Azerbaijan are still in a state of war.

Apart from strained relations with Armenia, post-Soviet Azerbaijan has a somewhat troubled history with its large neighbour to the south, Iran. Although the majority of the population of 9-million Azerbaijanis formally adhere to Shiite Islam, the predominant religion in Iran, Turkophone Azerbaijanis have developed a strong sense of secular ethnonationalism, associating themselves with Turkey far more than with the Iranian theocracy. The existence of an immense Azerbaijani minority in Iran, comprising around 15-20 million people (by far the largest minority in Iran and estimated at approximately one fourth of Iran’s overall multi-ethnic population of around 75 million) (Minorityrights 2009), concentrated mostly in Iran's northwest, has contributed to strained relations between the neighbouring countries; Iranians have been suspicious that Azerbaijan (and Turkey) may intend to spark Azerbaijani irredentism in Iran's northwest. As a result of this suspicion, Iran provided limited support to Christian Armenians in the 1992-1994 war against Shiite Azerbaijanis, a move that was seen by Iranian elites to
be largely pragmatic (Souleimanov 2011). Azerbaijan's relationship with Russia, another influential neighbour, has been much more balanced since the dissolution of the Soviet Union, even though problems occasionally surfaced between Baku and Moscow, as well. First, Russia is regarded in Azerbaijan as the main backer of Yerevan, whose pro-Armenian policies contributed to Azerbaijan's defeat in the Nagorno-Karabakh war. Importantly, Russia's alliance with Armenia has since the 1990s prevented Baku from launching a renewed war on Armenia, an option that might otherwise have well proven feasible given Azerbaijan's impressive military budget (which is larger than the entire budget of Armenia) and the fact that Azerbaijan's population is triple that of Armenia. Moreover, as Baku has sought to reinforce Azerbaijani independence, Moscow has sought to regain a grip over the South Caucasus in general and Azerbaijan in particular, a factor leading to tension between the two states that is amplified by both countries' competition in the realm of energy exports.

Against this backdrop, Azerbaijan's relationship with Turkey has been marked by solidarity and economic cooperation, a fact that is enhanced by pro-Turkic sentiments in both countries, Ankara's interest in obtaining access to an energy-rich country, and the Azerbaijani's desire to ensure that its oil and natural gas are being shipped from their land-locked country to world markets through Turkish territory. Even though Turkey and Azerbaijan lack a formal alliance, Ankara has profiled itself as Baku's key strategic partner on the international scene, a status that some Western nations, particularly the United States, have also sought in an effort to gain access to Azerbaijan's natural resources and to weaken Russia's position in this strategic area.

Israel

Established in 1948, Israel defines itself as Jewish and Democratic state; it is the only Jewish-majority state in the world. In its short history of statehood, Israel has faced seven wars, a series of armed conflicts, two intifadas, and countless other security issues. Turkey was the first Muslim-majority nation to recognize Israel, and the two countries held close diplomatic, economic, and military ties until relations began straining slightly in 2009 and significantly in 2010 with the Gaza Flotilla incident (Abrams 2010). Intriguingly, Iran was the second Muslim state to recognize Israel and the two countries held close ties until the time of the Iranian revolution when Iran, under the new leadership of Khomeini, cut all official relations with Israel which was dubbed “the enemy of Islam” (Parsi 2006). In terms of bordering nations, while Israel’s relations with Jordan remain warm, the Arab Spring has Israeli politicians unsettled over the future of its peace treaty with Egypt. Moreover, although relations with Lebanon have been relatively stable since the 2006 Israel-Lebanon war, Israel is concerned about Syria’s influence over hostile entities in Lebanon, predominantly the Hezbollah, which is backed by Syria and Iran.
The current civil war in Syria, with rebels fighting the Iranian-backed Syrian government, has been a source of serious concern by the Israeli government and population at large who fear the conflict may spill over. They further fear for the future of the Agreement on Disengagement in light of a potential regime change. On the other hand, Israel faces the threat of chemical weapons or weapons of mass destruction ending up in the hands of Iranian-sponsored Hezbollah who could launch an attack out of Syria or out of Lebanon. Israel has thus far refused to take sides in the conflict, due to the existence of extremists, including Al-Qaeda fighters, among the ranks of the anti-Assad opposition (Nuland 2012). Importantly, the involvement of Iran in this conflict heightens the threat to Israel, especially in light of Iran’s nuclear program. Israel has been an outspoken opponent of Iran’s developing nuclear program, which Israel authorities believe may be used to create weapons of mass destruction that would be deployed against Israel or would end up in the hands of terrorists (Ehrmann, et al. 2013).

International profiling

Given Azerbaijan’s uneasy geopolitical location and its troubled relations with some of its neighbours, a close relationship with Israel could be an enormous asset to Azerbaijan. The authorities of this South Caucasian republic have been eager to make use of this evolving relationship in a number of ways. First, a proper ideological basis has been mastered by Baku officials, who have frequently pointed to the fact that historically, Azerbaijan’s Jewish community has experienced no anti-Semitic sentiment or, in the words of the country’s chairman for religious organizations, that “Azerbaijan has a zero anti-Semitism rate” (Sokol 2013). Indeed, home to around 17,000 people professing Judaism, both of Ashkenazi and Mizrahi origin, who are largely based in the country’s capital city and some mountainous areas to the north, Azerbaijani lands have historically hosted a significant Jewish minority which still ranks among the biggest in the post-Soviet area and the Middle East. Interestingly, Azerbaijani nationalism, with its heavily anti-clerical overtones, has never posited itself in opposition to the country’s Jewish minority, a fact that is now being accentuated by Azerbaijani officials in order to gain the sympathies of Israel along with the influential Jewish lobby in the West, particularly in the United States, which is seen as a potentially significant tool in impacting American policy toward Azerbaijan. The possible backing of America’s Jewish lobby to Azerbaijan over the issue of Nagorno-Karabakh settlement, support to Azerbaijan, or a number of other issues would speak to Baku’s need to counterbalance the Armenian lobby in the United States that, along with powerful and politically active Armenian diaspora elsewhere in the West, has been a source of concern by the elites of post-Soviet Azerbaijan. Indeed, in Azerbaijani media, references to the
support of America's Jewish lobby as an effective method of counterbalancing influential Armenian lobby have been made frequently by Azerbaijani journalists, policymakers, as well as members of the country's expert community (Mirkadyrov 2013; Gut 2009).

For Azerbaijan, proximity with the Middle East, of which Israel is an inseparable part, also derives from the greater historical interest in the Middle Eastern region. Being separated from the Middle East first by the Russian Empire and then by the Soviet Union, Azerbaijan, as well as its neighbours in the South Caucasus, during the past two decades have been actively trying to build closer connections with their Middle Eastern neighbours (Bishku 2010). For instance, Azerbaijan’s decision to join the Non-Aligned Movement (NAM) in 2011 is one of the examples of these tendencies.

In addition, Baku has been trying hard to improve the image of Azerbaijan as a progressive pro-Western and pro-American nation, an image to which a strategic partnership with the Jewish state certainly contributes. This task has become all the more important for Azerbaijani diplomacy given the tightening of the already established authoritarian regime during the more than a decade-long reign of the current president Ilham Aliyev. Holding one of the worst indicators of corruption among the post-Soviet republics, Azerbaijan has recently gained the reputation of a country with periodically defrauded elections, crackdowns on opposition activists, dozens of political prisoners, strict state control over the media, and a dramatic decrease of the scope of freedoms (HRW 2012).

Defined as a Jewish state and with Judaism constituting its founding principle, the continued presence of a Jewish majority in Israel and the fostering of cultural ties to the diaspora communities worldwide (including Azerbaijani Jews) are considered extremely important for Israel. The presence of a sizeable Jewish (Mizrahi) diaspora community in Azerbaijan can be traced back to over 2,000 years ago, while Ashkenazi Jews began settling in Azerbaijan in the late nineteenth century, attracted by the oil boom in Baku, and subsequently during the Nazi occupation of the Western areas of the Soviet Union. Baku was, in fact, a popular centre of the Zionist movement in the late nineteenth century. Synagogues were established and even Hebrew periodicals were published. During the recent century, a number of Azerbaijani Jews of Jewish origin have held high-ranked positions in Azerbaijan’s government and legislative organs. During the time of the USSR, Azerbaijani Jews, as a whole, did not face the widespread discrimination experienced by Jews who were persecuted elsewhere in the empire. The Azerbaijani Jewish community has, therefore, been able to thrive. In fact, the synagogue built in Baku in 2003 is considered one of the largest in Europe (Murinson 2008). This diaspora plays a significant role in
encouraging relations between Israel and Azerbaijan. On an unofficial level, the benevolent treatment of Jews in Azerbaijan encourages the sympathy of the Israeli public toward Azerbaijan (Shaffer 2013). Israel has an interest in maintaining ties with the Jewish diaspora for the purpose of furthering international support and encouraging immigration to Israel in the context of its desire to maintain a Jewish majority in Israel. Several organizations have been founded in Israel to foster ties between the two communities, including the Israel-Azerbaijan International Association, the Azerbaijan Cultural Centre, and the Haifa-Baku Centre.

Furthermore, Israeli officials seek to bolster Israel’s relations with Muslim nations in order to improve its global image. In the original scope of this strategy, Israel has sought to develop ties with non-Arab Muslim countries. Therefore, the collapse of the USSR, presented Israel with an opportunity to foster ties with the newly formed non-Arab Muslim state of Azerbaijan. While relations with Iran went from extremely friendly to hostile long ago, relations with Turkey have only recently grown strained. In light of waning non-Arab Muslim allies and in light of the hostility of many Arab Muslim nations toward Israel, an alliance with Azerbaijan, a post-Soviet Muslim nation, has become particularly important to the encouragement of international sympathy toward Israel. In this regard, Israeli ambassador to Azerbaijan, Raphael Harpaz, has stated about Azerbaijan that “[for] us Israelis to find a Muslim country which is so open, so friendly, so progressive, is not something the Israelis take for granted” (Reynolds 2012).

Moreover, cooperation with Turkey has historically been an important component of Israel’s security and foreign policy. Therefore, with the recent deterioration of ties between Israel and Turkey, the strong Turkish-Azerbaijani alliance is a favourable motive for Israel to deepen its ties with Azerbaijan. Given the close ties between Baku and Ankara, the expansion of Israel’s relations with Azerbaijan may, consequently, lead to an improvement of Israel’s relations with Turkey (Khalifa-zadeh 2013).

Energy security

Still, the relations between the two countries are not confined to the realm of symbolic politics. To start with, a close relationship between Israel and Azerbaijan possesses a strong economic component. In fact, bilateral trade between Azerbaijan and Israel now totals some $4 billion annually, which ranks Azerbaijan as Israel’s main trading partner in the Muslim world (Lim 2012). As an essential producer of oil and natural gas, Azerbaijan is interested in assuring prospective markets. In this context, Israel, burdened with latent conflict with some Arab oil-producing states, has for decades been put in a troubled position as it has sought to secure an unrushed inflow
of strategically important resources, optimally from an inclined country that would not condition supplies based on political issues, nor would it use these supplies as a tool to exert pressure on the Jewish state. In this context, the present situation of Azerbaijani oil, constituting approximately 40% of Israel's consumption, seems to perfectly fit into both countries' agenda of energy security (Ghosh 2013). Currently, Azerbaijan is Israel's second largest source of crude oil after Russia (Lim 2012).

Accordingly, energy cooperation with Azerbaijan is important to Israel’s energy security as it provides the Jewish state with diversified resources of oil and natural gas as well as enables further exploration of Israel’s own energy sources. Due to Azerbaijan’s significant energy resources and the country's strategic geographical position, Azerbaijan is not only an important provider of energy resources to Israel, but may also figure as a prospective transit country for supplies of oil and natural gas from Central Asian countries, particularly Kazakhstan and Turkmenistan, as well. In this regard, Ariel Cohen of the Heritage Foundation has pointed to Israel’s ability to “benefit from projects designed to bring Caspian and Central Asian oil and gas to Western markets as they allow Israel to diversify supply and receive abundant energy at affordable price” (Khalifa-zadeh 2013).

Besides providing Israel with oil resources, many Israeli companies also operate within Azerbaijan’s energy sector. One such example is Modcom System Ltd., an Israel-based company offering high-tech solutions to the energy industry. Moreover, according to Israeli politician Binyamin Ben Eliezer, Israel is also interested in exporting Azerbaijani oil from Ceyhan through the Israeli Ashkelon-Eilat pipeline and to the Red Sea where it can reach markets such as China and India (Ismailzade 2006). Indeed, in 2012, SOCAR, the State Oil Company of the Azerbaijan Republic, started drilling in Israel’s oil field. This was SOCAR’s first oil production operation outside of Azerbaijan (Khalifa-zadeh 2013). In addition, Israel has also expressed interest in SOCAR’s plans to build a gas pipeline from Israel to Turkey. Israeli gas companies such as Dor Alon and Delek have already invested in the project. The project would include the construction of an underwater gas pipeline running between Israel and Turkey which would potentially have the capacity to carry 16 billion cubic meters of gas (Caspianoilgas 2013). Furthermore, Israel has its own two major gas reserves, approximately 40% of which it plans to export through such pipelines (Starr 2013).

Thus, energy security is a crucial component of economic relations between Israel and Azerbaijan. Azerbaijan currently benefits from energy relations through heightened exportation of oil, while Israel currently enjoys increased importation of oil with a reliable partner. However, in the future, Israel may serve a larger role as exporter of energy through provision of gas from its natural reserves as well as through participation in a gas
pipeline. In turn, SOCAR’s plans for these pipelines suggest that Azerbaijan has an interest in importing energy resources as well. In other words, the current role of Azerbaijan as primary exporter and Israel as primary importer may become more even-handed, with both states having significant roles as exporters and importers.

**Agriculture, arms trade, and beyond**

As a young state having moved away from a socialist economic model since the 1980s, Israel is recognized for its quickly developing, diverse, and open market. In 2010, it became a member of the OECD. As of 2013, the UN Human Development Index ranked Israel 13th in the world and the World Economic Forum ranked it 26th in the world in terms of global competitiveness. Accordingly, economic stimulus necessitates the maintenance of economic ties on a global level. Economic cooperation between Israel and Azerbaijan is among the most important stimuli for Israel’s relations with Azerbaijan. Business, service, agriculture, and energy relations in the economic sector appear to be booming forward. Israeli companies were originally attracted to Azerbaijan in an effort to create a freer market and a more liberal economy. There has been great investment by Israeli companies in the service sector as well as other sectors including agriculture and energy. A good example is the joint venture between Israel’s GTIB and the Azerbaijani Ministry of Communication in establishing the first cell phone operator, Bakcell, in Azerbaijan. Bakcell is the second largest cell phone operator in Azerbaijan (Abilov 2009).

Importantly, Israeli Ambassador to Azerbaijan, Rafael Harpaz, has disclosed to Azerbaijani news sources that the two states are preparing to sign a double taxation cancellation agreement in December 2013 (Jafarova 2013). Such an agreement will likely stimulate bilateral investment and provide further incentive for Israeli and Azerbaijani businesses alike to further economic relations.

Additionally, one of Israel’s largest industries is agriculture, comprising 2.5% of the state’s GGP. Agriculture also constitutes one of Azerbaijan’s largest economic sectors after energy. Cooperation in agriculture allows Israelis and Azerbaijanis to share expertise in various fields of agriculture. In 2006, for example, the Azerbaijani-Israeli Agricultural Business Forum, which took place in Guba, enabled Azerbaijani and Israeli businessmen to discuss technologies of drip irrigation, agricultural planning, processing and packaging of products, and so forth (Abilov 2009). The Israeli Ministry of Foreign Affairs also provided an agricultural training course for Azerbaijani businessmen. The course taught Azerbaijani participants how to utilize Israeli agricultural technology and innovations. The education of Azerbaijanis in Israeli agricultural technologies presents a significant step toward advancing Israeli agricultural businesses in Azerbaijan. Between 2010-2012, Azerbaijan’s Ministry of Agriculture (via Agroleasing OJSC) purchased irrigation systems from Israel which were installed in
the Goranboy, Kurdamir, and Yevlakh regions of Azerbaijan. Also, between 2011-2012, Agroleasing bought two greenhouses from Netafim, an Israeli agricultural firm. On August 2013, Israel and Azerbaijan drew a draft agreement on agricultural cooperation between the two states (Aliyev, 2013), a factor that conveys optimism toward the continued agricultural ties between Israel and Azerbaijan.

Additionally, partnership with Israel has enabled Azerbaijan to purchase large amounts of high-tech military technologies, an opportunity that it would rarely obtain otherwise. VIII And in this regard, Baku had a great deal to celebrate. As early as 2012, Azerbaijan and Israel made a $1.6 billion deal, under which state-owned Israel Aerospace Industries Ltd. pledged to supply Azerbaijan with highly sophisticated military technologies including drones (including Elbit Hermes 450, Orbiter, Machatz-1), anti-aircraft and missile defence systems (including Barak-8 air defence systems and Gabriel anti-ship missiles). Just a year prior, in 2011, Aeronautics, an Israeli defence contractor, had opened a factory in Azerbaijan to manufacture military UAVs (Gosh 2013). While Azerbaijan’s cooperation with Israel in energy sector, agriculture and trade has been developing steadily over the past two decades, the boom in military cooperation and, in particular, Azerbaijan’s purchases of weapons from Israel is a very recent trend that coincides with deterioration of Azerbaijani-Iranian relations. This article suggests that the recent strengthening of strategic relationship between Azerbaijan and Israel and the increase of military cooperation between the two states has to be seen also through the prism of security threats projected by the Iranian influence in the region.

Focus on Iran

It soon turned out that the above purchases caused serious distress not only in Yerevan, a fact which would appear logical with regard to the unsettled conflict over Nagorno-Karabakh, but also in Tehran. Shortly after word spread of the deal, Azerbaijan's ambassador to Tehran was delivered a formal caution by Iranian authorities that its territory cannot be used for carrying out “terrorist attacks” against Iran – or on Iranian soil (Benari 2012). Moreover, according to the Iranian authorities, assassinations of nuclear physicists in Iran were coordinated by Israeli secret services from their safe havens in Azerbaijan. For instance, in early 2012, Iranian authorities identified on Azerbaijani territory one of the Mossad agents who, according to their claims, stood behind the earlier assassination on Iranian soil of Mostafa Ahmadi-Roshan, an Iranian nuclear physicist (Clayton 2012). In addition, Iranian officials have expressed concern over Baku's purchase of military high-tech which, according to some, could be used against “Iranian interests” in the region (Kucera 2013). This assertion was readily refuted by Azerbaijani officials who claimed that the newly acquired weapons and technologies were actually aimed at
liberating Azerbaijan's Armenian-occupied occupied territories.\textsuperscript{4} However, this assertion has not seemed to totally calm Iranian fears. In the meanwhile, six Iranian agents who infiltrated the country to reveal the location of Israel-made drones were rounded up by Azerbaijani police (Wouk 2012).

As Azerbaijan's ties with Iran have been deteriorating recently, Baku's decision to reinforce its cooperation with Israel comes as no surprise. It has recently become obvious that Iranian secret services have been intensifying their efforts to use the factor of political Islam to destabilize Azerbaijan from within, paving the way to overthrow the current Azerbaijani regime. Although the majority of Azerbaijani society is heavily secular society and only \textit{formally} adheres to Shiism, religion has become increasingly appealing to a certain segment of the Azerbaijani population as a protest ideology to what they deem to be the degradation of traditional values, omnipotent corruption, and the unfair reign of a single family and clan. Absence of a strong and widely supported opposition party with secular background due to years of concentrated suppression by the regime has also played a role in this shift. In addition to ordinary believers, Tehran has reinforced its efforts to win the minds of the Azerbaijani Shiite clergy particularly in the peripheral areas, advocating for the rights of the “pro-headscarf party” in the clashes against the criminalization of head scarves in Azerbaijani educational institutions in 2010. Accordingly, the rhetoric used by Iran-based Azerbaijani-language TV and broadcast services aired to Azerbaijan has become more aggressive, contributing to growing tensions between Azerbaijan’s pro-secular majority and the increasingly vocal, violent and pro-Shiite camp backed by Tehran.\textsuperscript{5}

Against this backdrop, Azerbaijan's Jewish objects appear to have drawn Tehran's attention. In 2012, Azerbaijan arrested 22 people accused of orchestrating an attack against the Israeli embassy and Jewish targets in Baku. The detainees were accused of collaborating with the Iranian Revolution Guard Corp’s special services and had been instructed to deliver information to representatives of the Revolutionary Guards (Turkishweekly 2012). This network has been operating in Azerbaijan since the 1990s, with the aim of sabotaging and perpetrating attacks against representatives and organizations related to Israel, the United States and other western countries in Azerbaijan (MNS 2012). Following this incident, Azerbaijani authorities launched a massive attack against pro-Iranian contingencies in Azerbaijan which included the detainment of clergy and suspected members of Azerbaijan’s branch of the Iranian-backed Hezbollah (Ehrmann, et al. 2013). Iranian intelligence operations within Azerbaijan, together with Azerbaijan’s response to such operations, are a clear indication of the deteriorating ties between the two countries.

In the meantime, Iranians have frequently accused Azerbaijan, Israel, and USA of instigating irredentist
aspirations amongst the Islamic Republic’s Azerbaijani community. Iranian Azerbaijanis have increasingly considered themselves discriminated against by Tehran inasmuch as they are denied basic ethno-linguistic rights. For instance, during the May 2006 crisis triggered by a racist anti-Azerbaijani publication in a state newspaper (and on later occasions) when thousands of ethnic Azerbaijanis took to the streets to demand ethno-linguistic and cultural rights, Iranian authorities fiercely cracked down on the protesters, claiming a hidden Israeli hand guided the demonstrations. In fact, reference to Israel has frequently been used by Iranian authorities to discredit political opponents (Souleimanov 2006). Nevertheless, the majority of Iranian Azerbaijanis disapprove of separatism, merely supporting the idea of ethno-linguistic emancipation within the borders of Iran. Thus, it is quite unlikely that Israel or Azerbaijan have had any agenda concerning the Iranian Azerbaijani minority (Souleimanov, et al. 2013).

As a state that has faced many wars and is situated in a tumultuous and hostile region, security stands at the forefront of Israel’s policy. According to a recent article by Haaretz, expenditure on security in Israel surpasses the entire national budget on welfare (Bassok 2013). In 2012, Israel spent an estimated 14.6 billion USD on its armed forces alone, constituting one of the highest defence spending percentages of GDP among the world’s developed countries. It comes as no surprise that security cooperation is paramount to Israel’s national security agenda. Azerbaijan serves as an important security partner to Israel and is strategically located on the border with Iran. According to Israeli security experts, groups such as Hizb ut Tahrir pose a threat to both Azerbaijan and Israel. In this regard, Israel’s former ambassador to Azerbaijan, Eitan Naeh has stated that “their [Azerbaijan’s and Israel’s] positions in the fight against international terrorism...were identical” (Bourtman 2006). Israel cooperates with Azerbaijan through exchanges of intelligence information, analysis of data, and other activities. Israel even trains Azerbaijan’s intelligence and security forces (Abilov 2009), a factor that may lead to the increased influence of Israel over Azerbaijan’s security mechanisms and strategies.

A huge component of Israel’s security agenda is to counter the Iranian threat, both nuclear and otherwise. Thus, Azerbaijan’s attempts to counter the influence of Iran in its own country and defend its territorial integrity fall in line with Israel’s agenda. For example, Azerbaijani forces have demonstrated their cooperation on this matter when they arrested 15 people who were seemingly connected to an Iranian spy network covering Western and Israeli activities in 2007. Furthermore, as aforementioned, in 2012, Azerbaijani forces arrested 22 people accused of belonging to an Iranian intelligence network that planned an attack against US and Israeli embassies and pro-western groups in Baku (BBC 2012). Azerbaijani authorities have continued to employ security measures to counter Iranian intelligence efforts against Israeli and western targets in Azerbaijan. For example, in 2012, they
arrested three people accused of plotting to kill teachers at a Jewish school. The plot leader was discovered to have been hired by an individual linked to Iranian security forces (RFE 2012). Recently, Azerbaijani forces arrested Hasan Faraji, an Iranian national suspected of planning an attack against the Israeli embassy (Ben Solomon 2013).

Additionally, Azerbaijan strategically borders Iran and, therefore, serves as an ideal location for the gathering of intelligence against Iran by Israel as well as for the establishment of a military presence in light of either a potential attack against Iran’s nuclear facilities or a potential retaliation in case of an attack by Iran. Israeli authorities are aware of Azerbaijan’s mistrust toward Iran due to Iran’s constant attempts to export religious influence to Azerbaijan and due to Iran’s support of Armenia during the Nagorno-Karabakh conflict (Sultanova 2012). Pinkhaz Avivi, Israel’s former Deputy Foreign Minister, has stated that “[w]e recognize the principle of Azerbaijan’s territorial integrity. We don’t try to hide the fact that our relations with Azerbaijan ... are strategically important for us... We understand Azerbaijan’s concern with its Iranian neighbour better than anyone, and that’s a good ground for rapprochement” (Grigoryan 2009). Azerbaijan’s defence of Jewish and Israeli targets and commitment to countering Iranian offensive efforts clearly demonstrates Azerbaijan’s commitment to the security relations between itself and Israel. Therefore, providing security aid to Azerbaijan, whether in the form of arms trade or through the training of its security forces, is in Israel’s security interest. In fact, in 2011, Aeronautics, an Israeli state-owned defence contractor, established a military drone factory in Azerbaijan (Lipshiz 2013). Thus, the maintenance of a militarily strong Azerbaijan is important to Israel’s security interest, particularly pertaining to Iran. Likewise, the fall of a secular Azerbaijan would be detrimental to Israel’s security in this region and its efforts to counter Iran. As seen from this analysis, the highly covert and secretive partnership between Azerbaijan and Israel is heavily influenced by security concerns pertaining to Iran. In spite of the significance of economic and cultural cooperation, that has been at the forefront of Azerbaijani-Israeli relations, the mutual grievances over Iranian threats undoubtedly played a tremendous part in cementing the strategic relationship between the two countries.

**Cooperation pertaining to Iran**

Azerbaijan’s active cooperation in military areas with Israel not only coincided with the increase of Iranian threat to Azerbaijan but is also entangled into broader international concerns over the Iranian nuclear program. News of the purchases of Israeli military high-tech to Azerbaijan came at a time when international debates gained momentum. These debates were prompted by reports of the progress of Iran's nuclear programme, with Israel
advocating for a pre-emptive strike on the Islamic Republic's nuclear facilities and the United States, along with some key western nations, calling for the adoption of a restrained approach. In fact, according to Azerbaijani sources, a substantial number of Israeli-made drones, anti-aircraft and missile defence systems were placed on the Absheron peninsula, where Azerbaijan’s capital city is also located, while other weapons, particularly drones, have been deployed on an airbase in the south-eastern province of Lenkoran bordering Iran. This information suggests that Baku’s current agenda does not include a potential military conflict with Armenia, but is more focused at present on the Iranian factor. This focus is certainly displayed by Azerbaijan’s placement of Israeli-made anti-ship missiles in proximity of Azerbaijan’s Caspian Sea oil reserves, some of which are contested by Iran. In this case, Azerbaijan's purchase of Israeli missiles was most likely directed at Iran, a factor that did not go unnoticed in Tehran.

However, it is highly unlikely that Baku would ever engage in an upright confrontation with Iran or yield its soil to Israeli military facilities for an attack on its southern neighbour. This assumption is based on several factors which make Azerbaijan extremely vulnerable to an Iranian counterattack: the latter's enormous superiority, Azerbaijan’s shared 760km border with the Islamic Republic, and the fact that the vast majority of Azerbaijan’s oil and natural gas reserves are located offshore. However, Azerbaijaniis have speculated that the option of an attack against Iran by the West is still hypothetically possible provided that full-fledged security warrants are offered to Azerbaijan by the United States or Israel. Although this prospect is currently out of sight, it might, come into consideration over time should the Iranians come close to producing a nuclear bomb which would necessitate a joint Israeli-American strike.

In the meantime, effective cooperation in the realm of intelligence has been established between the two states; due to its proximity to Iran, Azerbaijan has been considered a key nation for gathering intelligence on the enemy of the Jewish state. According to specialists, perhaps nowhere else in Iran's neighbourhood do Israelis have such essential access to intelligence gathering – conditions for intelligence gathering. With the current unlikely prospects of a military strike on Iran from Azerbaijani soil, Israel’s intelligence network still has the potential to use members of Iran's Azerbaijani community to infiltrate Iran and acquire intelligence from within the Islamic Republic. Additionally, Azerbaijani sources point to the possibility of Israel also installing a radar station to monitor Iran.

Conclusion
This study has argued that while the improvement of Azerbaijan’s strategic relationship with Israel is conditioned by a range of socio-economic and geo-political factors, it is the mutual need to counter Iranian influence in the region that brings Israeli and Azerbaijani interests together in pragmatic and balanced, albeit highly discreet and secretive relationship. Of course, the mutual interests that help the both states sustaining this relationship are manifold. Yet, as this article presents, insecurity and regional threats as well as economic incentives have been major factors in encouraging cooperation between Azerbaijan and Israel. As the only democracy in the Middle East and a beacon for advanced intelligence and security practices, Israel is an important ally to Azerbaijan. Israel’s support of Azerbaijan's territorial integrity as well as Azerbaijan's alliance with Israel and historically tolerant treatment of Jews is crucial for encouraging the support of the Jewish lobby in the US, which has the power to counter the Armenian lobby in the Nagorno Karabakh issue. Despite its poor human rights track record, this alliance also helps Azerbaijan cultivate an image among the west as a progressive western nation.

Moreover, cooperation with Israel is economically advantageous, as Israel imports large amounts of Azerbaijani oil. Surrounded by Russia with which it has strained relations, Iran which constantly tries to spread its religious influence into Azerbaijan, and Armenia with which Azerbaijan is technically still in a state of war, Azerbaijan benefits from Israel’s support in the security arena through Israel’s sales of weapons and training of Azerbaijani security forces. Accordingly, with its strategic location bordering Russia and Iran and its rich oil reserves, Azerbaijan is also strategically significant to Israel. Foremost, Israel's interest of maintaining a Jewish majority as a component of its both Jewish and democratic state character is bolstered by relations with a non-Muslim Arab nation that has historically treated its Jewish population well. Maintenance of ties to the Diaspora is a source of encouragement of immigration to Israel. With the constant media criticism of Israel and criticism by many Arab nations, relations with the non-Muslim Arab nation of Azerbaijan is also vital to improving Israel's global image. It may also serve as a gateway to improving Israel's recently diminishing ties with Turkey, not only through political means but also through economic cooperation on potential future projects including the building of a pipeline to export gas through Israel’s gas reserves. Israel also benefits economically from cooperation with Azerbaijan, especially in the agricultural and energy sectors as well as through weapons sale. However, weapons sales to Azerbaijan also serve another Israeli interest, countering what has been dubbed by Israeli officials as the "Iranian threat." Indeed, in light of the Iranian threat, Azerbaijan's location is strategic for intelligence gathering as well as for offensive or defensive measures against Iran by Israel. Azerbaijan's security cooperation is also essential as Azerbaijan has protected Israeli targets from attacks by Iranian-affiliated groups. Thus, the partnership between Israel and Azerbaijan is strategic to both sides.
The results of this study show that, because of its hidden nature, Israel’s military partnership with Azerbaijan is not openly directed against Iran and the recent rapprochement between Azerbaijan and Israel does not explicitly focus on the ‘Iranian threat.’ However, the common security concerns over Iran constitute a significant cause for the enhancement of the bilateral cooperation not only in military and intelligence areas but also in broader economic, political and socio-cultural partnership. Cooperation between Azerbaijan and Israel is largely below the surface, predominantly due to Azerbaijan not wanting to lose support of other Muslim nations in its struggle for Nagorno Karabakh or incite its powerful neighbour, Iran. Although cultural ties with the Jewish Diaspora are encouraged by an Azerbaijani congress established in 2007, the above factors explain the lack of official Azerbaijani representation in Israel. Some factors that may likely affect the strength of the partnership between Azerbaijan and Israel in the future include the outcome of the Nagorno-Karabakh conflict, the verity of the Iranian threat, and the extensiveness of pro-Iranian affinity by Azerbaijan's ruling party.

Endnotes

i

The Agreement on Disengagement, signed between Israel and Syria in 1974, essentially ended the Yom Kippur War and the fighting on the Syrian front. While there is no peace treaty between Israel and Syria, this agreement has stipulated ceasefire provisions which have helped maintain relative calm in the region. Some of these provisions include setting new territorial lines, creating a buffer zone, calling for disengagement of armed forces, and limitations of armament in certain areas near the border. The United Nations Disengagement Observers Force currently and the United Nations Truce Supervision Organization (UNTSO) oversee adherence of both sides to this treaty.

ii

Additionally, during the turmoil of the early 1990s, thousands of Azerbaijani Jews left the
country moving to Israel, from where they still, as a relatively strong community, retain ties with the South Caucasian country.

iii According to Transparency International corruption index, Azerbaijan ranks 127th in the world. For more info, see http://transparency.org/country#AZE for more info.

iv Israel also formulated ties with other non-Arab Muslim countries established after the collapse of the Soviet Union including Kazakhstan, Kyrgyzstan, Maldives, Tajikistan, Turkmenistan and Uzbekistan.

v Revenues from the export of energy resources make up as much as around three fourths of Azerbaijan's budget.


viii While claims at human rights violations along with the lobbying of America's Armenian community have made Washington generally reluctant to deliver advanced weaponry to Azerbaijan, Moscow's position has been marked by unwillingness or incapacity to provide such material to Azerbaijan to ensure that the balance of power is not threatened in the South Caucasus, considered a zone of Russia's vital interests.

ix In fact, Iranians have frequently protested Baku's contacts with Israel, a feature of Iranian-Azerbaijani relations that date back to 1992 when Israeli embassy was established in Baku. Intriguingly, since then, under repeated threats from Iran, Azerbaijani's have had to refrain from opening a full-fledged embassy in Israel. Symptomatic in this regard is the reaction of the then Iranian president Mahmud Ahmadinejad to the official visit of Israeli President Shimon Peres to Azerbaijan in 2009, when Ahmadinejad ultimately demanded Ilham Aliyev to cancel the visit of „the head of the Zionist
“entity” and „the main enemy of Muslims“ For more information see: http://www.rferl.org/content/The_Blooming_Friendship_Between_Azerbaijan_And_Israel/1978312.html.

x Indicative of this was the slaughter in November of 2011 of Rafik Taghiyev, a well-known publicist known for his impressive columns aimed against Islamic radicalism, as well as the theocratic regime in Iran. A fatwa sanctioning Taghiyev’s murder was issued in 2006 by the Iranian ayatollah Mohammad Fazel Lankarani, a move that was approved of by Iranian authorities.

xi For instance, education and broadcasting in Azerbaijani language is not allowed in the predominantly Azerbaijani populated areas of the country's northwest as an increasingly vocal emancipatory movement of Iran's Azerbaijani community is being repressed, with dozens of Azerbaijani activists detained in the country's prisons, tortured, or sentenced to death.


xiii Namely, they were located on the Qala military base in the proximity of Baku and the Nasosniy military base in the proximity of Sumqayit, Azerbaijan's third largest city to the north of Baku.

xiv In the meantime, Israeli instructors have provided Azerbaijanis training as to how to manipulate with the newly acquired military technologies.

xv Interestingly, in previous years, Israel sold Azerbaijan less sophisticated conventional weaponry (for instance, military vehicles M462 Abir, AIL Storm off-road vehicles, automatic weapon TAR-21, rocket launcher LAW-160, anti-tank missile Spike, automotive artillery gun Soltam Amos and Soltam Cardom, etc.) that could be used in case of a renewed war with Armenia; they were all located in the proximity of Armenia's borders and along the Nagorno-Karabakh frontline. As the Azerbaijani-Israeli partnership gained momentum, the quality of Israeli weapons being purchased to Azerbaijan increased, as well.
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