



**“Azerbaijan: U.S. Energy, Security, and Human Rights Interests”**

Testimony of Dr. Svante E. Cornell  
Director, Central Asia-Caucasus Institute  
School of Advanced International Studies  
The Johns Hopkins University

Given before the United States House of Representatives  
Committee on Foreign Affairs  
Subcommittee on Europe, Eurasia and Emerging Threats

February 12, 2015



## Introduction<sup>1</sup>

This hearing occurs at a low point in relations between Azerbaijan and the United States, a relationship that was once a well-functioning strategic partnership characterized by a high level of trust. To understand the reasons behind this state of affairs, and especially to seek ways to improve the current situation, it is necessary to briefly delve into Azerbaijan's regional security situation and its politics; and not least, the policy of the U.S. in Eastern Europe and Eurasia more broadly.

Azerbaijan's situation has unique characteristics, but the topic today is part and parcel of several larger trends: first of all, it is an acute case of the declining influence of the West, and particularly the United States, in all of post-communist Europe and Eurasia – in all sectors, including security, energy and human rights. Secondly, the decline of Azerbaijan's relationship with the U.S. bears similarities to tensions in America's ties with a number of other allies, from Israel to South Korea, that have grown wary of U.S. foreign policy.

Before delving into these matters, it is important to review briefly why Azerbaijan and its region matters to America's interests.

### Why Does Azerbaijan Matter, and What Are U.S. Interests?

The main importance of Azerbaijan and the Caucasus lies in its crucial geographical location at the intersection of multiple crossroads. It lies between the Black and Caspian seas, and thus between Europe and Asia as well as providing the land link between Russia and the Middle East. Its key strategic value is twofold. On one hand, it lies at the intersection between Russia, Iran and Turkey, powers playing key roles in international politics. On the other, it is the bottleneck of the burgeoning east-west corridor connecting Europe to Central Asia and beyond. In this Caucasus corridor, Azerbaijan is the only country bordering both Russia and Iran, and therefore the geopolitically most pivotal country. Former National Security Advisor Zbigniew Brzezinski acknowledged this in his 1997 book *The Grand Chessboard*, in which he termed Azerbaijan one of the five geopolitical pivots of Eurasia together with Ukraine, South Korea, Turkey and Iran.

As a result, Azerbaijan and its region is key to western efforts to shape the future of the intersection of Europe and the Middle East, and to any reaction to crises occurring in this wider area. It also plays a central role in western access to the heart of the Eurasian continent, whether it be for energy, transport, trade, or military purposes.

The strategic importance of Azerbaijan and its region can also be stated in terms of the current difficult moment in international politics, where the two most salient challenges to the transatlantic alliance are Russia's aggressive expansionism, and the Islamic radicalism emanating from the Middle East.

The states of the Caucasus and Central Asia, Azerbaijan in particular, are unique as they are an important pressure point in *both* directions. The task of countering Putin's Russian imperialism goes beyond Ukraine, and requires a firm strategy to bolster the states on Russia's periphery, and especially to maintain the crucial east-west corridor to Central Asia open. But the Caucasus and Central Asia also include fully one half of secular Muslim-majority states in the world. These states

---

<sup>1</sup> This testimony builds on the publication "A Western Strategy for the South Caucasus", authored by Svante E. Cornell, S. Frederick Starr, and Mamuka Tsereteli, released in February 2015 and available at <http://www.silkroadstudies.org/publications/silkroad-papers-and-monographs/item/13075>.

may have far to go in terms of democratic development, but their governments and populations are committed to the separation of state and religion, to secular laws, and to the protection of state and society from religious extremism. Azerbaijan is unique in being a majority Shi'a Muslim state, bordering Iran, which is based on a secular form of statehood.

Thus, the Caucasus (and Central Asia) should be seen as bulwarks against both Moscow and the Islamic radicalism of the Middle East. This is amplified by other regional trends. The Iranian theocracy continues to assertively expand its regional influence, as events from Syria to Iraq to Yemen indicate. In Turkey, the deterioration of secular government has given rise to a growing anti-western authoritarianism with Islamist underpinnings, endangering the Turkish-American alliance. As a country sharing linguistic bonds with Turkey and religious ties with Iran, Azerbaijan is once again uniquely situated.

As mentioned, Azerbaijan is the lynchpin in the land bridge that the Caucasus constitutes linking Europe with Central Asia. This is important concretely in terms both of Europe's energy security, and America's military access to the heart of Eurasia, including Afghanistan.

The creation of a pipeline system connecting Azerbaijan's Caspian Sea oil and gas resources via Turkey to Europe, which began a decade ago, broke the Russian monopoly over the exportation of Caspian energy resources, and provides Europe with an important source of diversification. Through Azerbaijan, Europe has the opportunity to access Central Asia's even larger natural gas resources.

Second, after the terrorist attacks of September 11, 2001, the U.S. faced the enormous challenge of waging a war in the heart of the Eurasian continent, thousands of miles from the closest U.S. military base. America's response was made possible by the introduction of U.S. military power into Central Asia – which was achieved in turn through the air corridor across Georgia and Azerbaijan. Later, a Northern Distribution Network was created which includes access through Russia; but given the state of Russia-West relations, that corridor cannot be counted on. Moscow has already on two occasions in the past few months blocked the German Air Force from using Russian territory to supply its presence in Afghanistan. Thus, access through Azerbaijan will remain crucial for any continued presence in Afghanistan or future contingencies.

In sum, therefore, the Caucasus and particularly Azerbaijan has an important place in the western strategy to meet imminent threats in Eastern Europe and the Middle East, as well as in long-term contingencies for a variety of challenges in the wider region. The U.S. has a serious and strategic interest in ensuring that the Caucasus, and Azerbaijan, maintain a positive relationship with the West, and remain open for western access.

### **Concrete U.S. Interests**

The title of this hearing correctly assumes that the relations between Azerbaijan and the United States occur in diverse areas, usually summarized as security, energy and human rights; and that the U.S. has important interests in each area. In more specific and concrete terms, American interests in Azerbaijan and the region can be summarized as follows:

- For Azerbaijan and the states of the Caucasus to be stable, sovereign and self-governing states controlled by none of their neighboring powers; and cooperating actively with Western governments and institutions on regional security, counter-terrorism and conflict resolution.

- For the conflicts of the Caucasus, particularly the Armenian-Azerbaijani conflict, to be placed on a path toward long-term and peaceful resolution, within the framework of international law, and with the degree of manipulation of external powers minimized.
- For Azerbaijan to be a state with secular laws in a geographical environment that includes theocratic Iran, Iraq, the North Caucasus, and Turkey.
- For Azerbaijan and its neighbors to evolve gradually but assuredly into a zone of self-governing, law-based states that respect human rights, are free of corruption, and are responsive to citizens' needs.
- For Azerbaijan and its neighbors to be a source and transit corridor for energy, in particular contributing to diversifying the sources of Europe's energy supplies, and to function as a reliable territory for Western access by land and air to and from Central and South Asia.
- For Azerbaijan and its neighbors to develop into an important land trade corridor connecting Europe, China, and India not controlled by any of them but protected by all.

Unfortunately, developments over the past decade have not furthered these interests. The sovereignty of the regional states is increasingly under question as blatant interference by Russia has mounted, complemented by lesser degrees of meddling by Iran and Turkey. The Armenian-Azerbaijani conflict is on a path of escalation, not resolution. Azerbaijan remains committed to secular laws, but the political development of the country and its rights record has come under increasingly strong criticism. The development of the energy corridor to the West has been stalled and faced multiple hurdles in the past decade. Progress toward making the Caucasus a land corridor is proceeding, but at a slow speed.

Meanwhile, for most of the past decade, America's ability to affect developments in Azerbaijan and the entire region has been in decline. In retrospect, the 2008 Russian invasion of Georgia was a turning point, after which the situation in the region, and western influence there, has deteriorated. In fact, it is no exaggeration to state that at no time since the collapse of the Soviet Union has the U.S. had less influence over regional matters than today.

### **Changes in the Region: Impact on the U.S.-Azerbaijan Relationship**

The U.S.-Azerbaijan relationship is the most acute exhibit of a trend of declining American influence. A decade ago, this was a relatively strong strategic partnership, characterized by mutual respect and a functioning dialogue between two governments. Today, its main characteristic is bitter acrimony on both sides.

What are the reasons for this? It is customary to blame Azerbaijan's domestic evolution for the decline in the relationship. While this is one factor, the question that should be asked is how the U.S. could have allowed a relationship with a geostrategic pivot country like Azerbaijan to deteriorate so badly, and without taking serious and visible efforts to engage its leadership until very recently. A decade ago, the Azerbaijani government was considerably more responsive to U.S. criticism and advice concerning its domestic political system, management of elections, and human rights record. What has changed in the past decade, and why is this no longer the case?

First, Azerbaijan has benefited from a large inflow of wealth from its oil and gas industry. It was the fastest-growing economy in the world for several years – a major change in a country that was in a dilapidated condition, indeed a failing state, only twenty years ago. That has brought an ability to provide adequate funding to state institutions; co-opt large portions of the elite, particularly young professionals; as well as acquire legitimacy in considerable chunks of society. Opinion polling from the respected Caucasus Research Resource Centers shows that the broader population’s approval of government services is growing, not falling. This new-found wealth has led to a growing reluctance to take advice from abroad; this factor has been compounded by the intra-elite politics within the government, as discussed below.

A more important factor is the regional environment, which has worsened considerably. Aggressive Russian efforts to reassert control over the former Soviet republics have contributed to a siege mentality. In the past seven years, Russia has invaded two post-Soviet states (Georgia and Ukraine) militarily, helped orchestrate a coup d’état in a third (Kyrgyzstan), and strong-armed a fourth (Armenia) to drop all efforts at European integration in favor of the Eurasian Union. Russian subversion is on the rise across the former Soviet sphere, as it is in western countries. To this should be added constant Iranian subversive activities, as well as a growing tendency by Turkey to interfere in Azerbaijan’s internal affairs. This, put together, has formed a powerful inhibitor against loosening government control over state and society.

### **Missteps in American Policies**

However, U.S. policies – or the lack thereof – have been an important contributing factor. It is important to recall that America’s relationship with Azerbaijan, like all former Soviet states, was built on several components. A constructive dialogue on human rights and democracy was one of these. Another was American engagement in supporting the development of the east-west energy corridor, which enabled Azerbaijan to market its resources independently. A third was close cooperation on security issues, which included America’s efforts to help resolve the Armenian-Azerbaijani conflict, as well as bilateral cooperation on defense, security, intelligence sharing and counter-terrorism.

These three areas, then, formed a tripod upon which U.S. policy was based. But in the past decade, that tripod has for all practical purposes faltered. American engagement in energy issues was strong down to the completion of initial pipeline infrastructure ten years ago; it has declined since then. The position of a U.S. Special Envoy for Eurasian Energy has been abolished; and America’s role in the efforts to bring Caspian natural gas to Europe is minimal. Security interests gained salience after 9/11, but began a slow decline after 2003 as U.S. attention shifted to Iraq and European governments were unwilling to pick up the slack. Not least, U.S. leadership in resolving the Armenian-Azerbaijani conflict has been missing.

As a result, for most practical purposes, the promotion of democracy and human rights has been the only leg of U.S. policy proceeding at full speed, leading to an imbalance in the tripod that forms the underpinning of American strategy. Furthermore, this is certainly the way the relationship is seen from Baku’s perspective. In large parts of the elite, this has led to a growing questioning of U.S. motivations, and a growing inclination to entertain conspiracy theories (propagated not least by Russian media) on alleged American plots to overthrow governments.

To be clear, the argument here is not that the U.S. has engaged too deeply in democracy promotion. The problem is that the U.S. has not balanced that important commitment with equal attention to

security and energy, and has not adapted its methods to be successful in view of evolving regional realities.

In this context, the period following the 2008 war in Georgia was a watershed. That war laid bare the brute force Russia was willing to deploy to achieve its interests; it also showed that the West did not function as an effective deterrent against Russia. Not staying at that, the two American initiatives that most affected Azerbaijan were profoundly counter-productive for the bilateral relationship.

First, rather than causing Russia to pay a price for its invasion of an independent state, the Obama administration rewarded Moscow with the “Reset” initiative. U.S. officials claimed it would not come at the price of relations with smaller post-Soviet states; but in practice, it did. America’s weak response to the invasion of Georgia, it should be said in retrospect, led the Kremlin to conclude it could get away with an even more brazen attack on Ukraine without lasting, serious consequences. In Baku, it led Azerbaijani leaders to question the rationale of the country’s westward orientation.

Second, the Obama administration did not conclude from the Georgia war that it should spend additional efforts and energy on resolving the *other* unresolved conflict in the Caucasus – that between Armenia and Azerbaijan. Instead, it decided to embark on a project to normalize Turkish-Armenian relations. The core of that initiative was to open the Turkish-Armenian border, which Turkey had closed in 1993 because of Armenia’s occupation of Azerbaijan’s territory. Since that time, a link had been maintained between Turkish-Armenian relations and the Armenia-Azerbaijan conflict. The United States now pushed to cut that link, something that would heavily damage Azerbaijan’s interests, without offering Baku anything in the process. This initiative effectively was understood in Baku to mean that Azerbaijan’s most important national security issue was no longer an American concern. At roughly the same time, America’s handling of the Arab upheavals, and its perceived endorsement of revolutions that brought Islamist forces to power, further exacerbated perceptions of American intentions.

Further, the U.S. has failed to draw the implications of Azerbaijan’s complex and opaque internal political scene. Because the formal opposition is marginalized, American observers have generally assumed that President Aliyev exercises autocratic power. On this basis they pay little attention to intra-government politics. Yet Azerbaijan’s internal politics are complex, and take place to a significant extent *within* the government rather than between government and opposition. Notwithstanding the formidable powers that the Constitution accords the President, his power are in reality far from complete.

In fact, in the 1990s, Azerbaijan’s government developed a number of fiefdoms, the masters of which have shown an ability to effectively check the chief executive’s powers. Internal rivalries exist in many countries, and can debilitate effective governance anywhere. But in Azerbaijan, two factors exacerbate them: first, these forces are strongest in the chief ‘power institutions’ of the state. Second, they have a thinly disguised (and in some cases overtly stated) affinity for Russia over the West, and maintain close ties to counterparts in Moscow that date back to the Soviet period. These forces have tended to oppose, and even undermine, Azerbaijan’s relations with the West. While President Aliyev and his appointees have consistently sought to deepen Azerbaijan’s relations with the West, resilient forces whose positions date back to before Aliyev came to power in 2003 have used their power to restrict civil society organizations and cracked down on dissidents at times that often appear chosen *specifically* to undermine the country’s relations with the West.

Meanwhile, the U.S. has effectively linked improved bilateral relations in all areas with the advancement of democratic reforms and human rights. This is certainly laudable in principle. But in practice, in the absence of a solid American strategy toward the region, the implication has been to

give the most anti-Western forces in the government a *de facto* veto over Azerbaijan's relations with the United States. This has benefited only the forces in the region seeking to diminish U.S. influence.

Put otherwise, American actions in response to deplorable restrictive regulations and instances of detention of dissidents have inadvertently reinforced the most retrograde elements in the government and contributed to isolating the very forces in the government that advocate for reform, and for integration with the West. By curtailing engagement in other areas of common interest, e.g. security and energy, American and European leaders have inadvertently alienated some of their closest potential partners in the region.

In the final analysis, the problem with U.S. policy has been, at the basic level, the absence of a concrete strategy that defines America's interests in the region, appreciates the existence of separate interests, while at all times taking into account the interactions between these areas of interest.

### **The Way Forward**

Taking as a starting point that the U.S.-Azerbaijan relationship is important to the U.S. national interest, what can be done to improve it?

It is sometimes implied that Azerbaijan is building closer ties with Russia. In a sense, at least for the caricature of Azerbaijan prevalent in Western media, turning toward Moscow would seem to be a natural choice. But in fact, Azerbaijan is one of the former Soviet states that has been the most determined in resisting Russian efforts at Eurasian integration. Instead, Azerbaijan fundamentally remains oriented toward the West, even though that orientation is increasingly tenuous. Aside from pipeline infrastructure, the country is a member of the Council of Europe, and joined the European Union's Eastern Partnership in 2009. European identity remains an important element of Azerbaijan's self-image, as the country's eagerness to host the first European Games in 2015 shows. As Baku's relationship with the West has cooled, it has nevertheless moved gradually toward a position of non-alignment: while abstaining from deeper integration with Russia, Azerbaijan also eschews integration with Europe, attempting instead to "go it alone".

In view of the turbulence of its region, western missteps, and growing Russian pressure detailed above, what is remarkable is in fact how consistent Azerbaijan's foreign policy has been. In many ways, Azerbaijan's view of the United States is similar to that which can be found among numerous other American allies from Israel to South Korea and from Bahrain to Saudi Arabia: confusion bordering on disbelief over America's policies and intentions, and a sense of frustration and abandonment. In other words, it is indicative of a broader problem regarding America's place in the world.

That said, at this time of considerable turmoil both to Azerbaijan's north and south, the United States both can, and should, develop a new approach to Azerbaijan and its region, as the current policy is clearly not working. To this effect, several observers including former senior officials, have argued for an approach that is even tougher on Azerbaijan, including punitive measures. Yet such an approach would be sure to fail, because it presupposes a level of American leverage that is simply not in existence. In the current environment, a policy that would make U.S. policy even more one-dimensional would have almost no prospect of bringing positive results. The ruling elite does not perceive that it benefits from its association with the U.S. in key matters of national security;

therefore, the U.S. simply does not have the leverage it once had to influence Baku's policies by the use of the proverbial stick.

Furthermore, singling out Azerbaijan makes little sense in the absence of similar measures against regional countries with worse human rights records. Frustration with western indifference to the plight of the hundreds of thousands of displaced people from the Armenian-occupied territories in Mountainous Karabakh and western Azerbaijan is already high in Azerbaijan, and any further targeting of Azerbaijan would reinforce the sense of western double standards, which officials at very high levels already denounce.

In fact, given the prevailing frustration with the west and the character of the country's intra-elite politics, such steps would be likely to alienate Azerbaijan even further, and could in fact extinguish whatever influence the U.S. still commands in the country. The main victims of such an outcome would be not the ruling elite, but the proponents of human rights and democracy in Azerbaijan itself.

Instead, what is needed is a policy rooted in a regional strategy, which is based on a broad re-engagement of the region. A new American policy must coordinate and find the right balance and sequence among its priorities. In this context, a much stronger engagement in issues pertaining to sovereignty and security will do more than anything else to pave the way for progress in other areas, including human rights. The history of the past twenty years shows that whenever the U.S. has been strongly involved in energy and security affairs of the Caucasus, the Azerbaijani government has been responsive to criticism. When that has not been the case, as in the past several years, America's leverage has declined.

In short, going forward, the U.S. cannot expect progress on governance and human rights without a clear commitment to security issues; concomitantly, Azerbaijan's leaders must understand that they cannot expect Western support for their security without a commitment to reforms in governance and human rights. As already noted, this does not mean that a new policy should have less of an emphasis on human rights issues. But it means the U.S. must do more also to address the issues on which it worked effectively a decade ago: bolstering sovereignty and independence, addressing security issues, working seriously to resolve the Armenian-Azerbaijani conflict, and re-engaging on energy politics – all of which happen to be in U.S. national interest. In sum, for both Azerbaijan's domestic situation and the bilateral relationship to improve, America's presence must once again be felt in the region.