

Testimony on Azerbaijan  
House Foreign Affairs Committee  
Subcommittee on Europe, Eurasia and Emerging Threats  
Ambassador (ret) Richard D. Kauzlarich  
Co-Director Center on Energy Science and Policy  
School of Policy, Government and International Affairs  
George Mason University

## Introduction

Mr. Chairman, I thank the Subcommittee for the opportunity to comment on Azerbaijan. I have had over two decades of experience with the South Caucasus -- as a senior Foreign Service Officer and Ambassador, a think tank and intelligence analyst, and an academic teaching at the graduate level on the geopolitics of energy security. I was U.S. Ambassador in Azerbaijan for three years and have been back several times to observe elections and to train local non-government organization (NGO) representatives in conflict resolution skills.

I commend the Committee for holding these hearings. Azerbaijan and US relations are at a critical point because of human rights violations and the conflict with Armenia regarding Nagorno-Karabakh.

## Background

The period of engagement with Azerbaijan since the breakup of the Soviet Union has been a remarkable success for US diplomacy. From my first visit to Baku in 1992 until today, many positive changes in our relations have taken place. This despite the unfair limits imposed on US Government (USG) assistance by [Section 907 of the Freedom Support Act of 1992](#) (FSA907), and the intense conflict with Armenia over the Nagorno-Karabakh region of Azerbaijan.

Both Azerbaijani officials and some US-based analysts argue that the US lacks a coherent policy toward Azerbaijan. I disagree. For two decades, the United States has pursued the following bipartisan policy objectives in Azerbaijan.

- Support the Government of Azerbaijan in maintaining its independence and territorial integrity.
- End the military conflict between Armenia and Azerbaijan regarding Nagorno-Karabakh and, through the Minsk Group process of the Organization for Security and Cooperation in Europe (OSCE), support Azerbaijan and Armenia in achieving a peaceful, negotiated settlement.
- Encourage US commercial interests in the production and transportation of Azerbaijan's substantial energy resources to global markets.

- Work for closer Azerbaijani relations with transatlantic institutions such as the OSCE and North Atlantic Treaty Organization (NATO); and stronger economic relationships with the European Union (EU).
- Strengthen the commitment of Azerbaijan to (1) implementing internationally recognized principles of democracy and human rights; while (2) adopting transparent approaches to governance that minimize corruption.

Azerbaijan and its people have benefited from this US policy and those similar policies of our European allies including Turkey.

- Thanks to USG political support and US energy companies pursuing their commercial interests, the Azerbaijan energy sector has enjoyed enormous success. From the signing of the Contract of the Century in 1994 to the completion of the Baku-Tbilisi-Ceyhan (BTC) pipeline in 2005, US leadership has been critical. Azerbaijan has earned tens of billions of dollars from these energy resources.
- The OSCE Minsk Group process has provided a venue for mediating direct contacts between Baku and Yerevan to conclude peacefully this tragic and painful conflict regarding Nagorno-Karabakh.
- Increased Azerbaijani engagement since the September 11 attack on the US in the international community's priorities of dealing with international terrorism, and participating in NATO-led peace making activities in Kosovo, Iraq and Afghanistan.

This progress was not easy. FSA 907 prohibited direct USG assistance to the Government of Azerbaijan -- unlike its neighbors Armenia and Georgia -- in those early days when institutions and attitudes toward good governance, democracy, and human rights were being developed. Azerbaijanis saw this as unfair treatment of Azerbaijan especially compared to Armenia.

Regarding the Nagorno-Karabakh conflict, as the Minsk Group process produced no results favorable to Azerbaijan, USG positions on resolving the conflict were contrasted with USG positions vis-à-vis the Balkans and more recently Ukraine/Crimea.

Finally US pressure to hold more democratic elections and observe international human rights standards clashed with leadership desires to preserve stability – as they saw it -- and political power.

### **Times are Changing**

Many observers have noticed deterioration in the tone and, in some respects, the substance of US – Azerbaijan relations, especially since the flawed Azerbaijani presidential elections in the fall of 2013. Part of this reflects fundamental shifts in the global and regional political and economic environment.

- The global energy markets have changed profoundly over the past two decades. Global oil and gas production especially in North America has reduced the significance of gas and oil from the Caspian region, and in particular Azerbaijan. The potential energy resources in Azerbaijan are not as great as they appeared in 1994. Gas has replaced oil as the high demand (for energy security reasons) hydrocarbon. Unlike in the 1990s, energy development is being determined more on commercial terms than political priorities as applied when the BTC pipeline was developed.
- Despite the dedication of talented US Minsk Group negotiators, neither Baku nor Yerevan has negotiated directly in a manner leading to a peaceful settlement of this conflict. The leadership in Yerevan and Baku has not prepared their respective publics to accept the compromises that must accompany a negotiated settlement. Further there have been attempts to hold the Minsk Group responsible for finding a solution acceptable to one side and imposing it on the other side. The longer the impasse in the Minsk Group continues the greater the risk of resumed armed conflict. We are at such a point today.
- As the US and NATO drawdown in Afghanistan continues, the importance of Azerbaijan and its neighbors in securing the northern supply route to Afghanistan diminishes. Also Iran's greater engagement in its quest for a nuclear agreement with the West has reduced the security priority accorded to Azerbaijan in that context.
- International support for the observance of human rights and promotion of democracy in Azerbaijan has increased in recent years. At the same time, Azerbaijani support for its international obligations in this area has waned. From the US and Europe, private and official voices have been raised about why after two decades of prosperous stability in Azerbaijan, elections still are not conducted in a free and fair manner, the number of political prisoners has increased, religious freedom is restricted, and freedom of expression shut down.

While such external factors play a role in this deterioration, the most critical factors flow from choices the Baku regime is making for its own reasons, including:

- Frustration over the lack of Western support for the Azerbaijani position on return of Nagorno-Karabakh to Baku's full sovereign control, while supporting Ukraine's position on the return of Crimea to Ukraine.
- Unfairness of FSA 907 while the USG provides economic assistance to Armenia and Nagorno-Karabakh
- With the extraordinary growth of Azerbaijan's energy revenue, Azerbaijan now has the resources including financing and access to technology that it depended on Western companies and governments to provide in the 1990s. It no longer "needs" US and Western political support in the energy arena.
- Lack of respect for Azerbaijan's support for US/NATO efforts especially in Afghanistan, the global fight against terror, and standing up to Iran. Failure of

the US to provide lethal capabilities that Azerbaijan could use in its confrontation with Armenia.

- Concern about internal political instability and the imagined role of US assistance and foreign NGOs and media outlets in supporting the political opposition. Anti-regime demonstrations in Baku and elsewhere in the country in 2013 called attention to corruption, mistreatment of draftees in the Azerbaijani military, and unlawful detention and arrest of opposition politicians, NGO representatives and reporters.
- In particular following the flawed Presidential elections in 2013, the regime began attacking US officials for promoting anti-regime activities. The persons targeted included [congressional staffers](#), US ambassadors ([bilateral](#) and [Minsk Group co-chair](#)), and finally [the President](#) of the United States.
- The shutdown of US NGOs such as IREX and the National Democratic Institute (NDI), and information services including Radio Free Europe/Radio Liberty (RFE/RL).

This culminated with the December 3, 2014 [polemic](#) by Chief of the Presidential Apparatus, Ramiz Mehdiyev. This document accuses the USG of fomenting a color revolution in Azerbaijan through “fifth columns” created by USG assistance to US NGOs and affiliated local NGOs.

### **End of the Heydar Aliyev Era**

I have written [elsewhere](#) that I believe the Mehdiyev attack on the US represents the end of the Heydar Aliyev (the current President’s father) era – an almost two decade long effort by both the United States and Azerbaijan to improve relations despite differences. During that period there was a public profession from the Azerbaijani side of cooperation with the US and support for internationally recognized standards for democracy and observance of human rights.

More than anything else, the many USG statements about flawed elections and human rights abuses, and [critical assessments](#) from some European partners pushed official Baku over the top. I believe that the Azerbaijani decision not to follow Georgia on an explicit path toward closer association with the EU reflected official Baku’s assessment that closer engagement with the EU would mean a brighter spotlight on its unacceptable treatment of opposition figures and independent media.

The regime is walking a line between being forced to join Russia’s Eurasian Economic Union or rejecting the EU – Azerbaijan’s largest market for natural gas exports. Yet, it appears that either Europe or Russia is a more acceptable strategic partner for Azerbaijan than the US as long as Washington advocates on behalf of the 90 plus political prisoners, the NGOs, RFE/RL, and an independent Azerbaijani media.

## What Can the US Do?

The US and Azerbaijan are in a different place than just five years ago. There are new global and regional geopolitical realities. The global energy picture in particular has changed making Azerbaijan and the Caspian region less critical to US energy security needs.

Rather than trying to construct an abstract “strategic partnership,” we need to establish a limited set of attainable goals. Progress on these goals would determine whether a strategic partnership between the US and Azerbaijan is realistic. These could be:

- Serious engagement between Armenia and Azerbaijan by a specific date leading to a peaceful settlement of the dispute regarding Nagorno-Karabakh, and resumed Track-II unofficial contacts between Armenians and Azerbaijanis.
- Support for stability in Azerbaijan based on Baku’s movement toward greater democracy and observance of internationally recognized human rights standards.
- Freedom for the over 90 political prisoners.

Without progress in each of these areas, I fear:

- Resumption of armed conflict between Armenia and Azerbaijan.
- Further internal suppression of the remaining liberal democratic elements in the run-up to the 2015 Parliamentary elections in Azerbaijan.

The US cannot allow that to happen. On the human rights front, there are [more political prisoners in Azerbaijan than in Belarus and Russia combined](#). That is unacceptable. Years of diplomatic engagement have not improved the situation. Recently it has become markedly worse than anything I have observed in my experience with Azerbaijan.

If there is no progress toward release of all these prisoners then the USG should consider imposing travel and other [sanctions](#) on those officials responsible for the arrest and continued detention of NGO activists and journalists.

I also believe that as long as there is a risk of surveillance and possible detention or arrest of American citizens in Azerbaijan, the Department of State should issue a travel warning for all Americans planning to travel to Azerbaijan.

## Why Should the USG Care about Human Rights in Azerbaijan?

[Lately Azerbaijani officials have questioned](#) why the US pays attention to “minor issues” like abuses of human rights when there are far more important areas of concern (e.g. European energy security, Iran, Russia, cooperation on anti-terrorism) that the US should be addressing.

Let's set aside for the moment the obligations Azerbaijan has freely undertaken in the UN, the Council of Europe, and the OSCE.

Human rights are a major US security concern. We support, as we have for two decades, the independence and territorial integrity of Azerbaijan. We are limited in what we can do, however, when the regime in Baku suppresses liberal democratic institutions, arrests those who peacefully oppose the lack of democracy and human rights in Azerbaijan, and creates political and social space for other forces that are more dangerous to real stability in Azerbaijan. Make no mistake: radical Islamists are quickly filling the void. They not only [burn American and Israeli flags](#) but also send recruits to fight in Syria. When these fighters return to Azerbaijan they represent not only a threat to Azerbaijan but to US security interests as well. That is why human rights are not minor issues.

Thank you.