

AT THE HARRIMAN INSTITUTE

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The Foreign Policy of Azerbaijan: Affecting Factors and Priorities

At a forum co-sponsored by Columbia University's Harriman Institute, and the Center for Energy, Marine Transportation and Public Policy, Elmar Mammadyarov stressed that the resolution of the Armenian-Azeri conflict was his first, second, and third priority as Foreign Minister of Azerbaijan, "You can imagine that when you have almost 20% of your territory under occupation, and when you have almost a million of your people internally displaced by refugees from Armenia, it will have a very serious impact on determining foreign policy priorities," remarked Mr. Mammadyarov.

Azerbaijan and Armenia have been in dispute over the Nagorno-Karabakh region for several centuries. The tensions between them most recently culminated in March 2008, with a breach of the Bishkek Truce, a cease-fire agreement signed in 1994. The Nagorno-Karabakh Republic (NKR) is not recognized by any country except Armenia. Although it is technically a part of Azerbaijan, the so-called NKR is essentially an extension of Armenian influence.

Until recently, Azerbaijan lacked the military strength to reclaim the disputed territory, but with the rapid growth of its economy from oil revenues, the country has raised defense expenditures significantly over the past four years. A stronger military has shifted the balance of power in Azerbaijan's favor, raising tensions in the region.

According to Mammadyarov, Azerbaijan's GDP, which has been increasing steadily over the recent years, has grown by 4% even in the midst of the international financial crisis.

In response to a question about President Ilham Aliyev's "aggressive comments about solving the conflict through military means," Mammadyarov affirmed: "I absolutely do not believe that it's a frozen conflict. If you look through internet sources, you will see that there have been soldiers and civilians killed."

The moderator, Ambassador Stephen Sestanovich, Kathryn and Shelby Cullom Davis Professor for the Practice of International Diplomacy, remarked in his impression, it was a "general view that President Aliyev

has referred more frequently to the possible recourse to a military outcome in the future," and asked if the escalation of military rhetoric was "an intended effort to try to dramatize the issue," or if we were mistaken in seeing it as such.

In response, Mammadyarov pointed to a document signed by Azerbaijan's President Aliyev, Armenia's President Sargsyan, and Russia's President Medvedev, saying that this declaration clearly demonstrates that the parties are looking for a political solution. He commented that Azerbaijan has not "exhausted diplomatic means...but on the other hand, they cannot accept the status quo."

At the mention of President Medvedev's involvement in the peace process, Sestanovich noted that Russia has become one of the most active participants in the negotiations, although peace may not actually be on its agenda: "Over the years there have been times when the parties and other governments wondered whether Russia was really interested in a settlement of this kind," the Ambassador said, "The argument," Sestanovich continued, "was that Russia benefited from perpetuation of a conflict and particularly from a close relationship with Armenia that was the result of that. Do you believe that the Russian view is completely committed to a conflict?" he asked the Minister.

Mammadyarov responded that Azerbaijan appreciates President Medvedev's involvement in the peace process, and that the President has even drafted parts of the document himself. "Well that's always a bad sign," Ambassador Sestanovich said, laughing: "I teach this in my diplomacy class, when presidents start drafting, watch out."

Mammadyarov did not laugh, asserting that President Medvedev's involvement shows "dedication on the highest level to find a breakthrough in negotiations." Sestanovich nodded in agreement.

One source of skepticism over Russia's true interests stems from its conflict with Georgia over the separatist region South Ossetia. In February 2008, many Western countries supported Kosovo in its

declaration of independence from Serbia. Russia, which did not have the West's support over South Ossetia, warned that support for Kosovo's independence would lead to other unrest in areas with breakaway regions. A conflict between Armenia and Azerbaijan would validate the country's prediction, and if Nagorno-Karabakh is successful in seceding, would set another precedent for South Ossetia's independence.

Mammadyarov indicated that Azerbaijan seeks the normalization of relations with all neighbors, and that a withdrawal of Armenian troops, along with sending displaced person home, should be the first step. "We believe, we *strongly* believe, that taking into consideration the ongoing processes in the world, a higher level of autonomy within Azerbaijan, for Nagorno-Karabakh, where both the Armenian and Azeri communities can peacefully co-exist, can be the most important factor of stability for the whole region," he concluded.

The Minister mentioned his current negotiations with the Foreign Minister of Armenia, and said that there have already been at least six meetings between Presidents Aliyev and Sargsyan. There is to be another presidential meeting soon, where the two countries can finalize the "so-called basic principles," a step-by step approach towards a comprehensive peace agreement.

Mammadyarov declared that a peace agreement is essential, "it will create the most important thing: predictability." The Minister elaborated on his reference to predictability by stressing Azerbaijan's strategic geographic location. He described the country as: "The connection between East and West, North and South," affirming Azerbaijan's crucial role in geopolitics and the stability of the region.

Mammadyarov then took up other foreign policy issues. He focused on Azerbaijan's ample natural resources and its involvement in various pipeline projects. Noting Sestanovich's involvement in the negotiations of the Baku-Tbilisi-Ceyhan pipeline, the Minister emphasized that the participation of the United States had been key to the project's success. This pipeline, developed in the 1990s under the Clinton Administration, and completed in 2006, has greatly increased Azerbaijan's wealth.

A major issue for Azerbaijan has been its potential involvement with the Nabucco pipeline. If built, the Nabucco pipeline will be the longest and largest pipeline to carry gas from the Caspian Sea and the Middle East to Europe, going through Turkey, Bulgaria, Romania, and Hungary. This is another area where Russia has played a role, and where the conflict over Nagorno-Karabakh has affected Azerbaijan's foreign policy decisions.

Azerbaijan was geared to provide oil for the Nabucco pipeline. In January, Russian media outlets released news of a hefty arms transfer from Russia to Armenia. This move would help counterbalance

Azerbaijan's strengthening military. Russia denied transfer allegations, but there is speculation that this was a message sent in order to hinder Azerbaijan's participation in Nabucco. If realized, Nabucco will significantly reduce Europe's dependence on Russian gas.

Russia has made other moves to block the Nabucco project. In February, President Medvedev signed a document, entitled "Strategy of National Security of the Russian Federation up to 2020," this document mentions the importance of the Caspian region for Russia's energy security. Analysts have interpreted the appearance of this document in the midst of Nabucco negotiations as a warning of Russia's intent to thwart the project.

Azerbaijan was supposed to be one of Nabucco's major suppliers, but in March, the country signed a "Memorandum of Mutual Understanding" with Gazprom, committing to ship an unspecified amount of gas to Russia in 2010. Rumor suggests that Azerbaijan will not have enough gas to supply both Russia and Nabucco.

Mammadyarov observed, "Although Azerbaijan is not part of this pipeline, it's a huge project. We are not standing for politicization of commercial projects, but political aspects are a very strong element."

In light of Mammadyarov's comment that Azerbaijan would not be participating in Nabucco, an audience member wondered how the Minister felt about possibilities of Azerbaijan contributing, given the high demand for Azeri gas from both Russia and Nabucco officials. The Minister responded that from one point of view, Azerbaijan is not a part of Nabucco, "but on the other hand we are negotiating with representatives of Nabucco, with the European Commission."

There are three issues concerning Nabucco, the Minister said: political, financial, and the matter of volume (where to obtain the gas). "Everything is up in the air," he said, but mentioned that taking into account Azerbaijan's offshore field Shah Deniz, they are ready to work with Nabucco, depending on the resolution of certain questions: how to finance, tariffs, and manner of transport. Dealing with gas is trickier, he said, because unlike oil, it is a product that must go directly to consumers, and they must determine a way to do that for such a large pipeline.

An audience member inquired whether Azerbaijan has any strategic preference on aligning with Russia versus the European Union. Mammadyarov responded that Azerbaijan will go with whoever provides the best price.

Sestanovich followed with a question about the possible obstacles to the Nabucco project, and what advice the Minister would give to the U.S. and the E.U. on pushing the project forward.

“As usual you are asking very provocative questions,” Mammadyarov responded, “I should be last in line to give advice to the U.S. Administration or the European Union,” he said. The Ambassador jokingly replied, “If you’re not giving advice to the U.S. Administration on your visit here, then you are not doing your job.”

The Minister responded by recounting the experience with the Baku-Tbilisi-Ceyhan pipeline, and how if the Nabucco pipeline was handled in the same manner it could be the next “Great Deal of the Century.”

Sestanovich intervened, “O.K., I can translate that,” he said, “that means that the United States has to be more actively involved in promoting this, because if you ask me how to read the lesson of the nineties, it was that the American Administration got behind the project and at certain points, when some people were less enthusiastic, the United States kept pushing forward.”

Minister Mammadyarov responded by saying that the current administration is almost the same energy team as in the nineties, “I think that if we move correctly and consistently in how we should build up the strategy and architecture to achieve the global delivery of gas to the European market, I cannot exclude that we can’t get success.”

Mammadyarov also discussed the construction of a railroad connecting Baku, Tbilisi and the Turkish city of Kars, an exciting economic project for Azerbaijan outside of the gas sphere. The Minister called this railroad: “The next Silk Road,” and said that there are plans to rehabilitate part of the Georgian railroad. “This will be part of an effort to strengthen Azerbaijan’s sovereignty,” he said. The project might be good for Azerbaijan because of the latest tensions with Turkey over its reconciliation with Armenia.

Sestanovich asked Mammadyarov about his conversations with Turkish officials concerning the reconciliation, which was announced this spring. Turkey, which has its own tensions with Armenia, and has been a supporter of Azerbaijan in the Nagorno-Karabakh conflict, closing its borders to Armenia from 1993 to the present day, intends to normalize relations with the country despite Azerbaijan’s apparent anxiety over the matter.

The Ambassador inquired about the Turkish Foreign Minister’s recent assurance that Turkey will not disappoint Azerbaijan, and wondered what other kinds of assurances the Azeris have received from Turkey. In response, Mammadyarov stressed Azerbaijan’s gratitude towards Turkey for closing its borders in ‘93. He said that Azerbaijan supports Turkey’s reconciliation with Armenia, “We recognize the sovereign right of any country to build up relationships with other countries.”

Sestanovich probed further, “As a foreign diplomat I know your job is to say only what you want to say, and my job as the moderator is to see how much I can push you. So let me push you further, have you received assurances from Turkey?” The Minister responded that Turkey has promised not to open borders to Armenia until the country withdraws its troops from Nagorno-Karabakh.

Aside from Nagorno-Karabakh and Azerbaijan’s energy policy, the matter of human rights was stressed during the forum. Currently two Azeri political bloggers, arrested for an altercation in a Baku restaurant in July, are in prison on charges of hooliganism. The bloggers have become well-known for criticizing the Azeri government and there are speculations that political issues stand behind the charges of disorderly conduct.

The Azeri authorities dismiss accusations that the arrest had any political motivations. However, journalists have been banned from attending the trial, which started earlier this September, on grounds of insufficient seating, and the two bloggers have not been permitted to see their families.

A representative of the organization Reporters Without Borders, asked the Minister what he thought about freedom of press in Azerbaijan, given the context of the bloggers. “If you look at how severely I am criticized by newspapers in Azerbaijan you will see that there is freedom of press. If the court makes a bad decision, you can apply to the other court,” Mr. Mammadyarov responded.

A Human Rights Watch representative commented, “The information we have is that activists were attacked unprovoked and then put in detention, this seems harsh,” and asked what the Azeri government would do to make sure they got a fair trial.

The Minister responded that the assumption of unfair treatment and the accusation that the trial will be unjust is a pre-judgment made by taking the issue out of the larger framework, “You are only picking one particular case from a larger context. You can find these types of cases even in more advanced democracies,” he said.

When asked a more specific question about the treatment of the bloggers and his plans on responding to foreign criticism, the Minister said, “Honestly speaking; I am not closely following the case.”

The Obama Administration’s announcement last week to change its approach to missile defense against the possible Iranian ballistic missile threat, was one of the final points brought to the table by Ambassador Sestanovich. He asked for the Minister’s feelings on the recent decision to switch from long-range missiles to focus more seriously on short- and medium-range missiles, and wondered whether Azerbaijan had been approached by the United States government to

participate in such a program, and in what ways, if at all, would the country be prepared to do so.

Mammadyarov responded, “At the end of the story it’s very important to find out how the United States is going to build their strategy with regard to the anti-missile defense. Yes, we were informed throughout the negotiations by Russia and by the United States in regards to the Qabala Radar Station.”

The Qabala Radar Station was built by the Soviet Union in Azerbaijan in 1985. In light of Obama’s recent missile decision, Russia and the United States

have contemplated possible joint use of the radar station.

The Minister said that the Azeris knew of the decision even before it was announced, and that Azerbaijan is ready to negotiate in regards to its contribution to nuclear nonproliferation.

Sestanovich asked if Azerbaijan has been approached strictly in regards to Qabala, or if the country was asked to participate in other ways, to which Mammadyarov responded that so far the discussions have been limited to Qabala.

Reported by Masha Udensiva-Brenner