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Caucasus Project Meeting Notes:
The Caucasus: Challenges Ahead
Azerbaijan
Ali Kerimli and Asim Mollazade
January 31, 2002

On January 31, 2002 Ali Kerimli and Dr. Asim Mollazade spoke at the CSIS Caucasus Project Meeting *Azerbaijan: Challenges Ahead*. This meeting was the first in a series of three meetings examining the three states of the South Caucasus ten years after independence.

The two Members of Parliament are leading opposition figures in Azerbaijan. Mr. Kerimli is the chairman of the Popular Front Party and Dr. Mollazade is the party's deputy chairman. The main points of Mr. Kerimli's talk were that although Azerbaijan has made progress in market reforms, has successfully operated its oil sector, and has laid the foundations of democracy, Azerbaijan still has a long way to go. Major obstacles include the Nagorno-Karabakh (NK) conflict, Russian foreign policy in the Caucasus, corruption within Azerbaijan, and the lack of a true democracy in Azerbaijan. Below are the meeting notes from the formal presentation.

Ali Kerimli
Introduction

- Our meeting today coincides with the recent ten year anniversary celebration of Azerbaijan's independence
- I would like to speak about the main challenges that Azerbaijan has faced over the last ten years, and then speak about the challenges for the future

Achievements of Independence

- One of the primary achievements since independence has been the preservation and strengthening of our independence
- In 1993, during the rule of the Popular Front government led by the late President Elchibay, we succeeded in removing all Russian military presence from Azerbaijan
- Our drive for real independence and sovereignty was difficult because we faced outside pressures, intimidations, blockades, coup d'etat, ethnic separatism, and ethnic violence
- During these past ten years Azerbaijan has participated in, and attracted multi-million dollar investment in oil and gas projects and also succeeded in securing transportation for the oil
- Azerbaijan has also nearly succeeded in implementing the Baku-Tbilisi-Ceyhan pipeline
- Azerbaijan participates in the international transport projects; Silk Road, and TRACECA
- Azerbaijan became a member of international organizations like the UN and the OSCE. Last year Azerbaijan joined the Council of Europe, and Azerbaijan is active in the NATO Partnership for Peace (PfP) program
- Azerbaijan is also a key player in the GUUAM organization



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Difficulties of Last Ten Years

- The cost of independence and the removal of foreign troops cost Azerbaijan 20% of its territory, which in turn has created a large number of refugees
- We could not build a genuine democracy in Azerbaijan, so we did not fully transform our political system
- Concerning the economy, privatization is not complete, and the pace of privatization is too slow
- Together, the lack of a true democracy, and the slowness of the economic reforms has caused social hardship in Azerbaijan
- The Popular Front Party of Azerbaijan (PFPA) believes corruption is negatively affecting Azerbaijan's economy and is bad for Azerbaijan's image
- In ten years Azerbaijan had some positive achievements, but we could have done better if we had used all of our resources and strengths
- During the last ten years our country and region became the arena for a clash of geopolitical interests, and an arena for the influences, competitions, and rivalries of more powerful parties

Azeri-Turkish Relations

- Turkey recognized Azerbaijan after the declaration of independence of the Parliament of Azerbaijan. This was even before the collapse of the Soviet Union
- Turkey turned out to be Azerbaijan's most reliable ally in the region
- We share the same culture and language as Turkey
- Many people in Azerbaijan like the secular model of government in Turkey
- Azeris like the fact that Turkey is a member of the Euro-Atlantic community, to which Azerbaijan aspires to join

Azeri-Russian Relations

- During the early years of independence there were problems in Azerbaijan's relations with Russia
- The roots of this tension were probably to be found in the dissolution of the Soviet Union
- Many in Russia had an imperialist outlook and did not want to accept the fact that Azerbaijan is independent
- Since Putin has come to power we have seen some shifts in Russian policy
 - Russia is more pragmatic in its policy towards Azerbaijan
 - Putin has not used support of ethnic separatism, or blockades, or intimidation in his dealings with Azerbaijan, but has used cooperation in commercial and economic spheres
- In its natural that Azerbaijan is interested in a pragmatic and mutually beneficial with Russia, given the size and proximity of the Russian Federation
- By the same token it is too early to talk about the sincerity of Russian policy towards Azerbaijan
- It may be that Russia is realizing its weaknesses and is coming to the understanding that Russia is not a superpower anymore and is dropping its unsuccessful policy of



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intimidation for implementation of its interests through other means

- NK in Russian context: we don't completely trust Russian intentions because Russia has a lot of leverage to help resolve the NK conflict

Azeri-Iranian Relations

- We have also had some tension with our southern neighbor, Iran
- This tension was not initiated by Azerbaijan
- Close to thirty million Azeris live in Iran
- Two factors hampering Azeri-Iranian relations
 - From the first days of Azerbaijan's independence the Iranian government has been concerned that this would trigger a move for independence by ethnic Azeris living in Iran
 - The second factor aggravating our relations, was the desire of Iran to export the Islamic government model to Azerbaijan
- Azerbaijan is predominantly Muslim nation
- Azeris respect their religion, but want to build a secular state in which religion is separate from the state

Azeri-Georgian Relations

- We have established excellent relations with Georgia
- We are interested to see Georgia develop and prosper as a stable, democratic country
- We monitor, with concern, ethnic separatism in Georgia that may further destabilize Georgia

Azeri- U.S. Relations

- These relations are a big priority for us
- We are interested in deepening and expanding our relationship with the U.S.
- In the past it was primarily focused on oil investment
- Our relations with the U.S. were severely handicapped during the last 10 years because of the restrictions of Section 907
- We are grateful to the Bush administration for waiving Section 907
- This waiver will open up new opportunities and give new impetus to our ties in the commercial, economic and security, military and political fields
- After 9/11 our party was the first to raise the issue of support for the U.S. in the Azeri parliament
- We are happy that Azerbaijan became the U.S.' partner in the anti-terrorist coalition
- The very fact that the vast majority of Azeris support the anti-terror coalition shows that Azeris want a strategic alliance with the U.S.

Terrorism

- Azeris know all too well what terrorism is
- From 1991-2001 33 terrorist acts were committed against the Azeri people
- The explosions in the subway, on the bus, and the downing of the helicopter



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- We are aware that many of these attacks were organized by the Armenian intelligence

Azeri-Armenian Relations

- Our relations with Armenia remain unresolved
- We are interested in a fast resolution of this conflict
- It is natural that Azeris support the resolution of the NK conflict because Azerbaijan suffers from the occupations and Azeris wish to return to their homes
- We are ready to resolve NK on the basis of mutual compromises
- When looking at NK from a larger perspective we can see that the NK parliament proclaimed its independence, the Armenian parliament passed legislation concerning the unification of Armenia and NK, and then after Armenian independence Armenia adopted a law in 1992 that said Armenia would never sign an international agreement that recognizes NK as a part of Azerbaijan
- This is in violation of the Helsinki Final Act, to which Armenia is a signatory
- Azerbaijan parliament also adopted a law which dissolved NK's autonomy, which existed under the Soviet era
- We believe that both sides should make compromises starting with the legal framework, under which Azerbaijan would provide broad autonomy to NK and NK would, in return, drop its demands for independence
- Some people claim that Azerbaijan lost her territories, but we must emphasize that Azerbaijan's territories are being occupied
- This approach isn't constructive
- Like other nations we are concerned about our territorial integrity and sovereignty
- We understand the concerns of the Armenian population of NK
- The Azerbaijani people understand compromises must be made to satisfy their needs—this is why we will grant them broad autonomy, and provide international security guarantees so they can have access to their mother nation, Armenia, so that diplomatic contacts can exist between them
- At the same time we want our territories returned and for Azeri refugees to return home and to resume trade and economic relations with Armenia
- The overall goal is to establish regional security and trade and economic cooperation in the South Caucasus
- We are meeting with people in the Bush administration and members of Congress and are telling them that we are prepared to make concessions, but there is no way that we can accept the cessation of NK
 - There is no single individual, or political party in Azerbaijan that can allow that to happen
- But we do need to work out something acceptable to both nations
- We are not here to say Armenia is the aggressor and you must punish Armenia and place sanctions on Armenia
 - We realize that Armenia has a powerful lobby here and other places and that sanctions simply will not be applied
- We tell Azeris that the conflict should be resolved according to the principles of



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international law and the OSCE, to which Armenia is a signatory

Succession

- One of the issues widely debated in Azerbaijan is that of succession
- It is not surprising that this is an issue of concern because it has been some time since Azerbaijan had a change of power through democratic elections
- We believe that in future elections the ruling government tries everything in its power to preserve its rule
- The Popular Front Party is struggling for the democratization of the upcoming elections
- The national independence movement that began in 1988 was not only against the Soviet Empire and for Azeri independence, but also for the establishment of democracy in Azerbaijan
- It is natural that Azeris, like other people, want the right to elect their own government
- Democracy is not only good for the Azeri people, but also for Azerbaijan's interests politically. Democracy helps us to identify with our friends and allies throughout the world
- No one should base interests in Azerbaijan on one personality (Aliyev)
- Stability in Azerbaijan will be permanent only one democratic institutions have been established and work, and when the change of power happens through democratic means
- We are confident that we will achieve the goal of building democracy in Azerbaijan, and we believe that it is our responsibility to do so
- We are working closely with other parties in Azerbaijan, to build a coalition and prevent fraudulent elections
- The opposition has many candidates for presidential elections, which is a problem
- The Popular Front Party initiated the creation of the Democratic Coalition to put forth one candidate for president
- The Popular Front Party also believes the Democratic Coalition can choose its candidate through a primary system—but there is still some opposition to this idea
- There should also be a democratic process within the opposition
- I am still optimistic about Azerbaijan's future, despite the problems, and I am sure democracy in Azerbaijan will succeed.
- Although we lost some time in the economic sphere, we still feel we can turn things around
- I also believe that the people of Armenia will realize that the NK conflict has taken our two countries hostage and prevented us from achieving normal economic and diplomatic relations
- I also believe our relations with the U.S. will expand in political, military, and economic fields and lead us to an irreversible strategic alliance