

# U.S.-Turkey-Azerbaijan: a Strategic Partnership

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Remarks to the Center for Eurasian Policy conference on "The Azerbaijan-Turkey-U.S. Relations and Its importance for Eurasia" Mayflower Hotel, Washington, DC December 10, 2007

#### As delivered

Assistant Secretary Fried: Thank you for your remarks, and it's a pleasure to see you.

I am told that the name Azerbaijan comes from old Persian for "the land of fire." The reference is supposedly to Azerbaijan's famous petroleum deposits. So the link between the nation and energy captures the way many look at Azerbaijan. But there's another theory, that the name Azerbaijan refers to bonfires lit by the Zoroastrian high priests of the ancient country. I actually prefer that theory of the name Azerbaijan because it roots the nation in ancient culture and it is culture, not resources, that make civilizations.

Nations need resources, but traditions and values are deeper ingredients of successful nationhood, and America looks at Azerbaijan in the deeper sense.

The United States and Europe are, of course, large consumers of foreign energy, and we're interested in free and open markets for all commodities, especially strategic ones, and I will speak to that. But U.S. interests in partnership with Azerbaijan are broader. We have a stake in the spread of the rule of law and democracy over time and the stability that results from their consolidation and an open trading system. And our relations with Turkey are similarly broad.

The three of us here -- Azerbaijan, Turkey and the United States -- can form a strategic partnership that will benefit us all and in turn benefit the wider region.

Turkey's example as a secular democracy with a Muslim majority population can inspire reformers in the Caucasus, Central Asia, and the broader Middle East who seek the same political freedoms, prosperity, and stability that Turkish citizens increasingly enjoy.

America's grand strategy for post-Communist Europe since 1989 has rested on a deceptively simple principle: America's interests are best served when the countries which liberate themselves from Soviet control are free and empowered to fulfill their own destiny by pursuing their own reforms.

The United States does not view the countries in the South Caucasus and Central Asia instrumentally. Rather, we are convinced that Azerbaijan's success as a nation -- free and at peace at home, at peace in its region -- is in itself in our long-term interest.

I'd like to make three points to illustrate how we apply this overall approach to Azerbaijan in particular, and what Turkish-Azerbaijani-U.S. strategic partnership means in practice.

- First, by succeeding as a democracy over time and building modern national institutions, again over time, Azerbaijan can be a stronger nation and more important strategic partner.
- The second point concerns Turkish-Azerbaijani-U.S. energy partnership. Through this partnership, we hope Azerbaijan can find the resources for building its state at home and peace and security in its region, and through energy partnerships, the region will have a stronger physical link to the outside world.
- The third point is the overall strategic impact that we hope U.S.-Turkish-Azerbaijani cooperation will have on the wider region which stretches from the Black Sea to China.

### Azerbaijan's Democracy and Nationhood

Now let us acknowledge and frankly applaud what Azerbaijan has been achieving since regaining its independence in 1991. It managed the immediate post-Soviet transition successfully under very tough circumstances. It stabilized itself and developed cooperative relations with Russia. Today Azerbaijan is helping Iraqis and Afghans retain their freedom, in partnerships with the United States and NATO.

Nagorno-Karabakh remains an unresolved and dangerous problem. But even given this, we should affirm that President Haydar Aliyev achieved a great deal in successfully creating a viable and sovereign state. The question now is what kind of a state Azerbaijan will become, and that question is not yet answered.

Will Azerbaijan continue the successful path of national development? It can do so only if it creates 21st Century institutions essential for a modern state, including an independent legislature; an independent banking system; an impartial judiciary free of political control; independent functioning markets; an independent media; and more. This is the challenge for President Ilham Aliyev.

Notice my use of the word independent. Checks and balances are necessary if a government is going to correct its course, as all governments must. And checks and balances only function when institutions act without fear of retribution. Freedom in this sense is not a luxury one looks to achieve as an afterthought. Democracy is not simply the holding of elections.

The 21<sup>st</sup> Century faces many challenges -- terrorism and ideological radicalization; the proliferation of unconventional weapons; and weak and corrupt governance among them. The response to these challenges will be found in the rule of law, through governments that rule justly and accountably, through free markets and the institutions that keep them honest.

And Azerbaijan's achievements in this context are still there. The opposition has been marginalized and while I know there are outstanding individuals in government, one with us today, the legislature needs to play its role through governing the country and not simply be in transition mode. Courts too, need to function as courts. And we are disturbed by the continued and recently growing pressure on the media, including arrests of journalists and editors.

I was dismayed to learn of the arrest of Mr. Nasibov, the RFE/RL correspondent in Azerbaijan late last week under charges of "criminal libel." Now I understand that the Nakhichivan prosecutor has dropped the most severe charges; if that's true, I welcome it. But I also understand that Mr. Nasibov has been given a year's probation for what appears to be no more than doing his job. And his arrest follows the disturbing pattern of pressure on independent journalists. I hope that this pattern has not marked a major deterioration of media freedom in Azerbaijan. This would not be good news for Azerbaijan, primarily, and therefore not good news for the United States.

Now we all witnessed the difficulties Georgia encountered when it closed the major television station, now reopening. Our message to our Georgian friends was the same as my message now: If media are not free, neither is the nation. Strong countries have free media. The media has a responsibility to maintain professional standards, but arrests are not the way to develop these.

Now these blunt words may not meet with an enthusiastic reaction from some. But they're not intended to elicit one. Let me add, though, that America is far from perfect, and we do not hold ourselves above criticism. Neither does Azerbaijan need to hold the United States as the sole available model. There are other examples. Turkey is itself deepening its democracy and gradually developing the practices and institutions of a secular democracy with a Muslim majority population and a deeply religious culture beyond politics.

Turkish democracy has faced setbacks in the past and faced a test this past spring and summer. There is no doubt that the main trend in Turkey over the past generation has been profoundly democratic, and this year Turkish democracy demonstrated its strength through the last election. It provided a fair chance for the nation's will to make itself known and respected

Azerbaijan could follow Turkey's example, even as Turkey conducts its own debates about improving journalistic freedoms and eliminating taboos that have no place in a confident, modern nation.

Strong nations do not arrest their journalists and silence their critics.

Azerbaijan might consider the U.S.-Turkish relations are based on shared values as much as shared interests. By succeeding as a democracy, Azerbaijan can similarly elevate its strategic importance as Turkey has done.

Now this process, to be realistic, will take time. And both Minister Cetin and Ambassador Sensoy made this point, and they are right. If Azerbaijan over time opens itself up, deepens its modern institutions, opens its economy, the rest of its democracy will follow, and its independence and sovereignty will have stronger foundations as will our partnership.

#### **Energy Partnership**

The longer term impact of energy development will also be a factor in Azerbaijan's success in developing independent institutions. Azerbaijan needs to make its oil and gas deposits a blessing in national assets, not a source of fast wealth and longer term instability. We all know of petro-dictatorships around the world. Theories why also abound, and they usually revolve around how oil and gas revenues free leaders from checks and balances. Sudden wealth unchecked by strong, honest institutions to handle it can fatten a small group of well-placed persons rather than strengthen a nation.

In such cases, massive amounts of energy money leads to corruption and mis-governance, economic distortion, and, ultimately, political and social instability. The answer lies in transparent institutions and open markets, independent of monopolies and the distortions they bring.

Azerbaijan has taken some of the right steps already. In 1994, President Haydar Aliyev made a bold decision to open Azerbaijan's energy sector in the Caspian Sea to international investors. This opening coupled with the Baku Supsa and Baku-Tbilisi-Ceyhan oil pipelines, and the Baku-Tbilisi-Erzurum gas pipeline aim to cement Azerbaijan's place in Europe and closer cooperation with Turkey and the United States.

This vision was then shared and amplified by then President Demirel working with President Aliyev, Azerbaijani Energy Minister Aliyev, Azerbaijani Vice Speaker Aleskherov, and Turkish Energy Minister Guler. These plans have gone forward to establish a new generation of energy infrastructure in the Southern Corridor that will help Europe diversify its energy supplies by relying on Azerbaijani, and Caspian energy more generally eventually, delivered via Turkey. It's hardly surprising that many of these outstanding leaders are either here or addressing the conference by video.

I also want to note the success of the Stable Oil Fund of Azerbaijan. The establishment and functioning of this fund shows that Azerbaijan's leadership is aware of and beginning to address the pitfalls of the oil trend.

Azerbaijan has a strategic importance as an alternative supplier of natural gas to Europe. It is emerging as a giant producers of natural gas, in addition to the oil that fills the BTC pipeline. Azerbaijan's gas reserves should be sufficient to launch, and perhaps complete, a new generation of natural gas pipelines that will link Southern and Central Europe with the Caspian Basin via Turkey, providing several of our European allies with viable alternatives to a monopoly transport system and closed investment climate that would otherwise be the case.

The opening of energy development and energy closed, monopolistic transport systems will tend to reduce corruption, if matched by the development of institutions to see to it that energy wealth benefits the nation. Among them independent, well regulated, unpoliticized banks and accountability for energy resources.

Azerbaijan's successful development at home and support for open energy markets should go hand-in-hand with successful U.S.-Turkish-Azerbaijani strategic cooperation directed at the surrounding region.

We three countries at this conference know that our tripartite relationship is a major strategic factor for this region. Turkey is an old friend and ally of ours and we have been through many a crisis together. Our friendship transcends state-to-state and government-to-government levels and includes individuals. I have friends at this conference and they have a friend in me. And I will say in this context how pleased I am that our cooperation against the PKK terrorist organization is in action and is vielding now concrete results.

# U.S.-Turkey-Azerbaijan Cooperation in the Region

But aside from these interests, we three countries can do a lot together externally, impacting not just the South Caucasus but also the vast land that stretches on the other side of the Caspian.

The title of this conference, "The Azerbaijan-Turkey-U.S. Relationship and its Importance in Eurasia" is apt. The three of us need to do all we can to help this region expand its strategic horizons and its political and economic freedoms. Achieving this would raise our tripartite relationship to a higher strategic level.

What we face is as critical a strategic challenge as the United States faced in 1989 and in the early years of the '90s when people like Steve Larrabee and Ron Asmus charted the strategic way forward into what was then the frontiers of freedom in Eastern Europe. Those frontiers are further east and more complicated, but the strategic challenge of finding the right tools to unlock this area and open it are as important now as they were then.

The South Caucasus and Central Asia emerged from the Soviet Union, but have yet to find their place in the wider world. Turkey and Azerbaijan if it goes in the right direction can lead these countries to a destination of peace and prosperity, and I agree with Ambassador Sensoy about Turkey's soft power. We want Central Asia open to and engaged with the world as a subject in its own right, not as an object.

In saying this, let me add that the United States does not regard itself in a zero sum game against any other country,

And to be blunt and specific about this, Russia will be a major factor in this region. And it's neither wise nor possible for the United States to pit itself against Russia as an

objective of our policy. Rather in our vision of an open region, there's room for all nations to develop relations in Central Asia and South Caucasus based on respect for sovereignty as this region finds its own way in the world in its new independence. The United States will defend and advance this vision most vigorously.

One huge benefit for the region and a huge achievement for the U.S.-Azerbaijani-Turkish partnership, a physical and economic manifestation of the wider region's strategic connection to the West through redevelopment of the southern Corridor to Europe for natural gas involving the Caspian literally. This will involve the U.S., Azerbaijan, and Turkey working together to attract gas from Turkmenistan and Kazakhstan. The result will be a far stronger basis for long term strategic openness for that region and its connection to the wider world.

Our partnership can have a tremendous impact beyond the former Soviet Empire, as well. A democratic redevelopment, an increasingly prosperous and stable Azerbaijan will provide an example to inspire reformers in Iran. Seventeen million ethnic Azeris comprise a quarter of that country's population.

In order for this vision, an important one, to materialize, Azerbaijan needs to enact the political reforms I referred to. It will also need to resolve its outstanding issue with Armenia. The South Caucasus cannot achieve its full potential in the absence of a Nagorno-Karabakh settlement. As long as Armenia remains isolated in this region, a common vision of prosperity and freedom, and therefore stability, will not be attainable. I hope we can wrap up an agreement on the basic principles of a Nagorno-Karabakh settlement.

Azerbaijan's success will be as critical for Central Asia as was Poland's success 15 years ago to Central Europe. To succeed, Azerbaijan will have to deepen its institutions as a secular democracy and ensure transparency in its energy markets. And as Azerbaijanis perform in these areas, our partnership can help shape the strategic evolution of this vast region.

Azerbaijan's future will be as bright as this country makes it. And Turkey, given its geographic position and NATO membership, is a natural gateway for Azerbaijan to the Euro-Atlantic family. Just as Turkey is deepening its democratic reforms to sustain its EU accession ambitions, so must Azerbaijan advance its reforms to bolster its ties with Euro-Atlantic institutions.

So those bright lights that caught the eyes of ancient Persians should not die down. Thank you very much for your attention and for organizing this conference.

[Applause].

Released on December 10, 2007



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