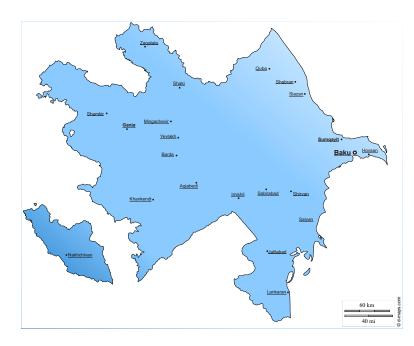
# **NCSEJ Country Report**



# Azerbaijan



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## **Executive Summary**

Azerbaijan is secular republic. Approximately 93% of the country's inhabitants have an Islamic background. About 5% are Christian. The remainder of the population belongs to various religions. Around 30,000 Jews live in Azerbaijan.

Strategically located on the ancient Silk Road between Europe and Asia, Azerbaijan shares deep ties with both the East and the West. Azerbaijan has nurtured close relations with the United States and Israel and plays an active role in Western-led counterterrorist programs.

Rich in natural resources, Azerbaijan's economy depends on the oil, natural gas, steel, and iron industries. An influx of oil revenues starting in the late 1990s led to significant economic growth. Recent drops in energy prices, however, present some challenges for the Azerbaijani economy as oil prices remain volatile, highlighting Azerbaijan's overreliance on energy exports.

Jews have been in Azerbaijan for many centuries and, since the breakup of the Soviet Union, have not suffered state-sponsored discrimination. Judaism is officially protected as a "traditional" religion of Azerbaijan, and the community and government work together on various public welfare and educational activities.

#### Statistics:

Population: 10 million (July 2018 est.) |
Size: 86,600 sq. km
Capital: Baku
Major cities: Baku, Ganja, Sumgait
Jewish population: 15,000-20,000

Head of State: President Ilham Aliyev Head of Government: Prime Minister Ali Asadov

Foreign Minister: Jeyhun Bayramov Ambassador to U.S.: Khazar Ibrahim U.S. Ambassador to Azerbaijan: Hugo Guevara

Freedom Index: Not Free

# History

Azerbaijan is a land-locked country surrounded by Russia, Iran, and Turkey. Azerbaijan was an independent country from 1918 to 1920. In April 1920, Azerbaijan Democratic Republic was taken over by Bolshevik government of Russia. In August 1991, Azerbaijan proclaimed its independence, shortly before the dissolution of the USSR in the same year.

Azerbaijan is a unitary semi-presidential republic. Azerbaijan has diplomatic relations with 158 countries and holds membership in 38 international organizations, including the United Nations (since 1992), the Council of Europe, the NonAligned Movement, the OSCE, and the NATO Partnership for Peace (PfP) program.

It is one of the founding members of GUAM, the Commonwealth of Independent States (CIS) and the Organization for the Prohibition of Chemical Weapons. Azerbaijan also holds observer status in the World Trade Organization.

### **Domestic Affairs**

Azerbaijan is a constitutional Republic with executive, legislative, and judicial branches. The executive branch dominates and there is no independent judiciary. The President and the National Assembly are elected by popular vote. The President appoints the Council Of Ministers, which is confirmed by the unicameral National Assembly.

The National Assembly is the legislative branch of government in Azerbaijan. The unicameral National Assembly has 125 deputies. The most recent parliamentary elections, held in November 2015, resulted in a victory for the ruling New Azerbaijan Party.

National Referendums in 2009 and 2016 eliminated the two-term limit for Azerbaijan's presidents and extended a presidential term from five to seven years. This cleared the path for President Aliyev to be re-elected in 2018 and continue to hold power as long as the public approves of him.

#### Nagorno-Karabakh Conflict

Since 1988, Azerbaijan and Armenia have been in conflict over the Nagorno-Karabakh territory. In 1994, ethnic Armenian forces conquered almost 20% of Azerbaijan, including all of Nagorno-Karabakh.

A cease-fire was signed in July of the same year, and the captured territory remained under Armenian control. Since 1999, Armenia and Azerbaijan's presidents have held direct talks on the conflict. On March 14, 2008, the UN General Assembly passed a resolution identifying Nagorno-Karabakh as part of Azerbaijan and calling on Armenia to withdraw its troops. The measure was supported by 39 member states and rejected by seven, including Russia, France, and the United States.

International mediators have failed to make progress on negotiations for a final settlement on Nagorno-Karabakh. No country or international organization recognizes Nagorno-Karabakh's self-proclaimed independence.

In 2020, war broke out in the Nagorno-Karabakh region. After six weeks of fighting, a peace deal was signed by Russian President Vladimir Putin, Azerbaijani President Ilham Aliyev, and Armenian Prime

Minister Nikol Pashinyan. In this arrangement, Azerbaijan will keep the parts of Nagorno-Karabakh that it captured under this conflict, and Armenia will withdraw from other neighboring areas in the following weeks.

The peace plan brokered by Russia did not last long, as there was a 2-day conflict in September 2022, killing 100-300 people and forcing the evacuation of over 2,700



Map detailing the disputed territories in Azerbaijan and Armenia

citizens. Both sides blamed each other for causing the conflict; however, Russia led negotiations for a truce. Again, this truce was only short-term as there were further border conflicts on September 21, September 23, and September 28. Following the increase in violence, then-House Speaker Nancy Pelosi visited Armenia with a Congressional delegation to demonstrate the United States' strong commitment to Armenia and condemn Azerbaijan. Speaker Pelosi became the highest-ranking U.S. leader to tour the country since its independence.

In December 2022, Azerbaijani environmental activists were able to block all traffic, with the exception of the Red Cross and Russian convoys in the Lachin corridor, leading to significant food shortages in the region.

In April 2023, Armenia had agreed to give up rights to the Nagorno-Karabakh region as terms in a potential peace agreement. In the same month, Azerbaijan created a checkpoint connecting Armenia and the Nagorno-Karabakh region. Azerbaijan has wanted control over this road for a long time, and this was an attempt to legitimize that goal. This decision further threatens already fragile peace talks.

In May 2023, the United States, European Union, and Russia held peace talks between the two countries. While they did not reach a deal to end the conflict, Blinken said that one was "within sight, within reach." However, there were no new advances to resolve border conflicts or the return of prisoners.

As U.S. led peace talks between the two countries began in June 2023, 4 Armenian soldiers were killed near the border of the two countries. Azerbaijan proposed a peace deal on five principles: recognize state sovereignty, forgo further territorial claims, prohibit use of threats, fix the borders of

the countries, and restarting travel and communication. Armenia might be adding its own principles. There is a willingness to make a deal relatively soon: Azerbaijan wants to make a deal while Armenian Prime Minister Nikol Pashinyan is in power and is eager to reintegrate Karabakh into the country.

At the June 2023 peace talks held in Washington, DC, the two countries made undisclosed agreements on certain articles of a deal and have a "mutual understanding on the draft agreement." However, the U.S. believes that "there remains hard work to be done to try to reach a final agreement."

### **Economic Situation**

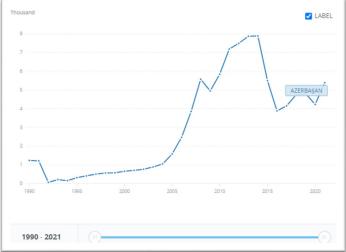
Rich in natural resources, Azerbaijan's economy depends on the oil, natural gas, steel, and iron industries. While most land titles and small businesses have been privatized, post-independence

Currency: \$1=1.70 Azerbaijani Manats (2023) GDP: \$54.62 billion (2021) GDP per capita: \$5,388 (2021) GDP Growth: 5.6% (2021) privatization of medium and large-scale enterprises has been haphazard.

During the last several years, the Azerbaijani Government has worked to integrate Azerbaijan's economy into the global economic marketplace, diversifying its economy, attracting foreign investment and maintaining positive growth during the global financial crisis. Investment opportunities in the energy, transportation, and agricultural sectors have continued to attract foreign investment.

Development of Caspian energy resources and increased foreign investment, however, remain the backbone of Azerbaijan's economic growth.

The decline in oil prices in 2015 severely affected Azerbaijan's economy. Azerbaijan's GDP declined, and its currency experienced significant devaluation. The economic crisis underscores the urgent need for Azerbaijan to diversify its economy.



Azerbaijan GDP from 1990 to 2021

# **Diplomatic Relations**

Azerbaijan is a member of the United Nations, the Non-Aligned Movement, the Organization for Security and Cooperation in Europe, NATO's Partnership for Peace, the Euro-Atlantic Partnership Council, the World Health Organization, the European Bank for Reconstruction and Development; the Council of Europe, CFE Treaty, the Community of Democracies; the International Monetary Fund; and the World Bank.

The major trends in the foreign relations of Azerbaijan toward both global and regional powers active in Caucasus area. External variables are categorized depending on their original nature into two

groups: global and regional. The former category includes global players such as Moscow and Washington, while the latter category rival regional players, namely Ankara and Tehran.

Azerbaijan has a new image of an emerging donor country that delivers its aid to the people affected by natural and man-made disasters in different parts of the world, as well as to the countries facing economic difficulties. Azerbaijan International Development Agency (AIDA) was established on 14 September 2011 under the Ministry of Foreign Affairs of the Republic of Azerbaijan. The main purpose in establishing the Agency was to support the efforts of the international community in addressing social problems around the world. The dynamic economic development of the Republic of Azerbaijan over the last decade has enabled a former recipient of foreign aid to become itself a donor country.



Azerbaijani Foreign Minister Jeyhun Bayramov

#### **Relationship with the United States**

A strong partnership with the United States plays a major role in Azerbaijan's foreign policy. This has held true ever since the U.S. recognized Azerbaijan's independence on December 25, 1991, and moved swiftly to establish diplomatic relations between the two countries two months later.

The U.S. opened an Embassy in Baku in March 1992. Azerbaijan's Embassy in Washington, DC was opened in April 1993. In 2005, Azerbaijan's Consulate General in Los Angeles was established.

After the tragic events of September 11, 2001, Azerbaijan was among the first countries to join the International Anti-Terror Coalition. In a strong show of support, Azerbaijan granted unconditional clearance for U.S. military planes to enter Azerbaijan's air space long before Operation Enduring Freedom began in Afghanistan.

The U.S. and Azerbaijan also participate jointly in the Caspian Guard Program that targets the proliferation of weapons of mass destruction, terrorism and smuggling, as well as secures and

protects Caspian energy and transportation corridors.

In September 2010, President Ilham Aliyev met with President Barack Obama in New York on the sidelines of the 65th session of the UN General Assembly. The meeting was of great importance in terms of discussing a range of bilateral and multilateral issues and setting a concrete agenda for the further development of the Azerbaijani-U.S. partnership.

Inter-parliamentary relations between the two countries are also expanding. The visit of an Azerbaijan Parliamentary delegation headed by the First Lady of Azerbaijan, Mrs. Mehriban Aliyeva, in her capacity as Chairperson of the Azerbaijan-U.S. Inter-Parliamentary Working Group, to Washington, D.C. in December 2006 contributed significantly to strengthening such ties.

Azerbaijan remains one of the most significant trading partners of the U.S. in the CIS. In 2011, the bilateral trade turnover amounted to \$2.8 billion with the positive balance on the Azerbaijani side. So, in 2010, Azerbaijan signed a contract with Boeing – worth US\$1 billion – for the purchase of eight civilian airplanes. This contract helped support more than 11,000 American jobs across the United States.

Azerbaijan has been designated as a beneficiary country under the Generalized System of Preferences (GSP) program, under which a range of products that Azerbaijan might seek to export are eligible for duty-free entry to the United States. The GSP program provides an incentive for investors to produce in Azerbaijan and export selected products duty-free to the U.S. market.

The State Oil Fund of Azerbaijan has invested approximately US\$3 billion in the United States, including in U.S. Treasury, Federal Home Loan Bank, Fannie Mae and Freddie Mac bonds, as well as U.S. corporate bonds and equities.

In February 2023, U.S. Secretary of State Antony Blinken had a meeting in Munich with Azerbaijan President Aliyev and Armenian Prime Minister Pashinyan to discuss the ongoing peace negotiations between the two countries. Secretary Blinken highlighted the advances the countries made toward a peace negotiation and stressed the importance of free and open commercial and private transit through the Lachin corridor.

In May 2023, Department of State Bureau of Energy Resources (ENR) Assistant Secretary Jeffrey Pyatt traveled to Baku, Azerbaijan to attend the 28<sup>th</sup> annual Baku Energy Week and meet with government officials to talk about energy security and renewable energy. In the same month, peace negotiations between Armenia and Azerbaijan continued with U.S. European partners.

#### **Relations with Israel**

Azerbaijan and Israel have developed an increasingly close relationship over the past two decades. Israel opened an embassy in Baku in the early 1990s. Azerbaijan has yet to open an embassy in Israel. In August 1997, then-Prime Minister of Israel Benjamin Netanyahu visited Baku.

Israeli Deputy Prime Minister Navaf Masalhu visited Baku in January 2001, to meet with President Heydar Aliyev and other high-ranking officials. Azerbaijan has also developed close intelligence and security cooperation with Israel. Israeli business in Azerbaijan has grown alongside diplomatic relations. Four Azerbaijani cabinet members visited Israel in 2005 and in May 2007, Likud Knesset faction chairman Gideon Sa'ar and three other Knesset members visited Azerbaijan.

In July 2009, Israeli President Shimon Peres led an official visit to Baku, and announced plans to share technological and scientific assets with Azerbaijan.

In April 2012, Israeli Foreign Minister Avigdor Lieberman visited Baku to discuss Israeli-Azerbaijani cooperation.

In December 2016, Israeli Prime Minister Netanyahu visited Baku, making Azerbaijan the first stop during his trip to Muslim countries. President Aliyev and Prime Minister Netanyahu discussed military cooperation and made a nearly \$5 billion deal for Azerbaijan to purchase Israeli defense systems. The intergovernmental commission between the two countries was established in December 2016. The commission is headed by Minister of Taxes Mikayil Jabbarov from the Azerbaijani side, and by Minister of Ecology, Minister of Jerusalem Affairs and Heritage Elkin Zeev from the Israeli side. The first meeting of the intergovernmental commission was held in Jerusalem in May 2018.

During the 2020 Nagorno-Karabakh war, Israel provided Azerbaijan with an elevated arms deal, strengthening the diplomatic relations between the two countries. In November 2022, Azerbaijan's parliament approved a plan to open an embassy in Israel, making Azerbaijan the first Muslim Shi'ite country to do so. The following month, Azerbaijan appointed Mukhtar Mammadov to become the first Azerbaijan ambassador to Israel. One of the ambassador's goals is to increase the quantity of oil that Azerbaijan provides Israel with; currently, that number is 40%.

In May 2023, Israeli President Isaac Herzog visited Azerbaijan's President Aliyev in Baku as a public statement of the growing bond between the two countries and sign an agreement on healthcare for Israel and Azerbaijan.

In July 2023, Minister of Defense Yoav Gallant flew to Baku to meet with Azerbaijan President Aliyev. The two discussed security concerns, especially in relation to Iran's recent nefarious actions.

# **Jewish Community**

Jewish relations with other ethnic and religious communities in Azerbaijan are positive, and the Jewish community enjoys warm relations with the Azerbaijani government.

The first Jews of Azerbaijan settled in the Caucasus Mountains, possibly as early as the late Roman

era. Known as Mountain Jews, or Tats, they lived in the mountains until the 18th and 19th centuries, when most moved to the Azerbaijani lowlands and became farmers.

Tats spoke a distinct Jewish dialect called Judeo-Tat (Judeo-Persian), a language that remained unwritten until the Soviet era. European Ashkenazi Jews arrived in Azerbaijan in the 19<sup>th</sup> century during Imperial Russian rule.



Entrance of the main synagogue of Quba, Azerbaijan

Many Jews emigrated after the Soviet Union's

collapse, fleeing war and poverty. Communities of 500 or fewer remain in a number of smaller towns. Currently, the total population of Jews is 15,000-20,000, and most reside in Baku and Quba, which was a center for Jewish learning prior to 1917. The Krasnaya Sloboda section of Quba still has its own Jewish center and synagogue and officially adheres to the Jewish calendar. A state school in Krasnaya Sloboda educates Muslim, Jewish, and Russian students. It is the only school in the country to teach minority languages, and students learn about both Muslim and Jewish holidays. In 2006, Baku State University opened its first Hebrew language department.

In 2003, Chabad opened the first national Jewish school in the country to be recognized by the Azerbaijani government. Other schools in Baku and Quba include a state-subsidized day school and a Jewish College, which operates under the authority of the Vaad HaHatzolah of New York.

In 2010, a new Chabad Ohr Avner Educational Complex opened in Baku.



Main synagogue of Quba, Azerbaijan

There are 10-15 Jewish organizations in Baku,

including the Baku Religious Community of European Jews, a Jewish Women's Organization, a War Veterans' Society, the Azerbaijan-Israel Friendship Organization, and the Chavva Welfare Center for Women and Children. The American Jewish Joint Distribution Committee (JDC/ "Joint") runs a Jewish kindergarten, a community center, a Chesed charity center, and a Hillel student center. The Jewish Agency for Israel (JAFI/ "Sochnut") conducts programs in the city, including a Hebrew-language ulpan, a children's winter camp, a parents' club, and a program to prepare candidates for aliyah (immigration to Israel).

Five synagogues operate in Azerbaijan, including three in Baku. In 2003, a new synagogue opened in Baku, the first one to be built in Azerbaijan in nearly a century. The opening ceremony, sponsored in

part by the Baku Religious Community of European Jews, brought together broad diplomatic, governmental, and faith community representation, including NCSEJ.

In 2011, a new synagogue for Mountain Jews of Azerbaijan opened was built by the Government of Azerbaijan. The opening ceremony was attended by government officials, representatives of various religious communities of Azerbaijan, and foreign ambassadors.

In September 2019, the statue of a national hero of Azerbaijan Albert Agarunov, a Jewish- Azerbaijani who defended the Nagorno-Karabakh region and fought to retake the town of Shusha from Armenian control has been established in Baku.



Albert Agarunov

## **Anti-Semitism**

Few anti-Semitic attacks have occurred, including physical assaults and desecrations of synagogues and cemeteries, and have been thoroughly investigated by the authorities.

In recent years, the main manifestations of anti-Semitism in Azerbaijan have been connected with Islamist activities and solidarity with Palestinian Muslims.

In 2010, a series of anti-Israel demonstrations took place in Baku and other cities, as a reaction to the stoppage of the flagship Mari Marmara on its way to Gaza. However, a number of these demonstrations were not authorized by the administration, and the police stopped an attempt to protest in front of the Embassy of Israel.

The ADL gave Azerbaijan a 37% index score in 2014. Out of a 6,483,487 adult population 2,400,000 people in this country harbor anti-Semitic attitudes. Further, 53% of respondents believed that Jews have too much power in the business world, 49% believed Jews have too much power in international financial markets, and 31% believe that Jews still talk too much about what happened to them in the Holocaust.