

## AZERBAIJAN FOCUS

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The Center for Strategic Studies (Strateji Araşdırmalar Mərkəzi-SAM) under the President of the Republic of Azerbaijan is Azerbaijan's first governmental non-profit think tank founded on November 12<sup>th</sup>, 2007 by the Decree of the President of Azerbaijan. It was established with the purpose of implementing the coordination of strategic studies carried out in the country and providing scientific-analytical information to high-ranking administrative bodies within the Government of Azerbaijan.

As a research and policy recommending institution, the mission of SAM is to promote collaborative research, enhance the strategic debate as well as provide decision-makers with high-quality analysis and innovative proposals for action.

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**Azerbaijan and Europe**

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## Ramiz Mehdiyev

Head of the Administration of the President of the Republic of Azerbaijan, Academician, Chairman of the Editorial Council of Azerbaijan Focus Journal

# FOREWORD

## REVIEW OF THE YEAR

“It is far easier to make war than peace.”

Georges Clemenceau

For centuries, humankind has tried to strengthen the foundations of peace, the highest of values, and has suffered grievous wars on this tough path. Meanwhile, the evolution of the international community, in particular, the reflection of the principles and norms regulating armed conflicts in international positive law, are significant steps toward ensuring peace and security. However, despite the development of new institutions of co-operation and integration in our day, both classical and new forms of violence occur in many parts of the world. The end of the cold war resulted in political and economic destabilization around the world and replaced identified threats with risks. One of the key features of the contemporary world is the rapid growth of interstate conflicts. Different in their characteristics and complexity, some of these conflicts, though linked to solely domestic political, economic and ethnic issues, often lead to foreign intervention. The Armenian-Azerbaijani conflict over Nagorno-Karabakh fits this type of conflict. These conflicts pose new threats to international peace and security and necessitate the unity of the world community on the enforcement of legal principles, instead of marginalized political motivations and views.



After independence, Azerbaijan integrated into European institutions and played a part in the European security architecture. This strategic decision contributes to the strengthening of relations between the South Caucasus and Europe and to the centralization of the foundations of integration around universal values. In a review of the official visits of President Ilham Aliyev, the priority given to Europe is immediately evident. Seventeen from 21 official and working visits in 2009 were made to Europe.

Azerbaijan, at the same time, is loyal to the system of universal democratic values and works to convert them into the main element of the new post-Soviet mentality. Certainly, this requires strong political will. The core concepts of the European political legacy – democracy, the rule of law, the legal state – are the main reference points for Azerbaijan. The mutual relationship between democracy and economic dynamics creates the right environment for our country's future and development. As renowned French philosopher, Alexis de Tocqueville stated; equality paved the way for the establishment and development of freedom. From this point of view, the multidimensional development of the Azerbaijani economy, the formation of equality and a middle class in society accelerated the development of democracy and strengthened its fundamentals.

Today, democracy is the sole legitimate concept and the Azerbaijani people establish their statehood traditions upon democratic principles. This is because people always want to secure their fate in reliable hands, and confirm either their trust or mistrust of their state leaders through elections. The philosophers of the Age of Enlightenment realized that in primitive societies, people elected those with greater physical strength as their leaders, but later they understood that the future prosperity of society required wise leaders. The elections held in Azerbaijan proved this age-old idea yet again.

The national referendum, held on 18<sup>th</sup> March 2009, and the municipal elections of 23<sup>rd</sup> December of the same year reflect the interests and political views of the people of Azerbaijan. The results of these elections can be explained by the following factors: first, people reiterated their support for the political line of the current government; second, the successful economic reforms have completed the transformation to a market economy; finally yet impor-

tantly, political and economic achievements have contributed, in the first place, to the prosperity of people in real life.

Democracy is not limited to elections. As a young country, Azerbaijan focuses on the organization of the country in line with democratic principles. From this point of view, in order to develop and strengthen civil society institutions, the decision of October 2007 to set up the Council of State Support to NGOs under the President of the Republic of Azerbaijan is an important step. This will ensure a qualitatively new level of relations in society, invigorate civil society institutions and encourage a more sensitive approach to problems. The 20.7 million AZM, spent by the Council in 2009, played a particular role in establishing the "third sector" on a firm basis and contributed to the general development of society.

Another innovation in this regard has been the establishment of the Fund of State Support for the Development of the Mass Media under the President of the Republic of Azerbaijan. The Fund ensures the organization of various types of events intended to guarantee the independent activity of the mass media in Azerbaijan, citizens' access to unbiased information and the formation of professional journalism based on logical thinking. Its main aim is to develop freedom of speech and the press, corresponding to the demands of the time. In 2009, the Fund spent 1.3 million AZM on this and realized over 55 projects.

Nevertheless, today, Azerbaijan's biggest problem is the occupation of Nagorno-Karabakh and the seven surrounding regions by Armenian troops. This situation negatively affects the regulation of economic and political relations and cooperation. The evolutionary paths of the modern world, the principles and norms of international law mean that the continuation of the status quo is inadmissible. The factors mentioned below affirm these arguments:

Firstly, in a modern globalizing world, where integration processes are being accelerated, it is essential to strengthen regional co-operation in order to respond appropriately to ongoing events. Regional integration means that there is no future for separatism and separatist inclinations gradually weaken in the light of mutually beneficial relationships. Regional cooperation in the South Caucasus is only possible once the Armenian-Azerbaijani conflict over Nagorno-Karabakh



has been regulated. Cooperation in a common framework with a state that occupied 20 percent of its territories is unacceptable for Azerbaijan. During his speech on 16<sup>th</sup> October, at the extended meeting of the Cabinet of Ministers, dedicated to the results of the social-economic development of the first nine months of 2009, Azerbaijani President Ilham Aliyev re-emphasized that, "First, the issue should be solved – the Armenian occupation troops should be ousted from our lands. Only then, can peace and co-operation be established in the region, and under such circumstances Azerbaijan will actively participate in these processes."

Second, the right to self-determination cannot be considered political independence as in the case of Nagorno-Karabakh and similar conflicts. Largely, national minorities – like the Armenians in Nagorno-Karabakh – cannot justify their separatist claims under the pretext of the right to self-determination. International law does not recognize such a norm, and does not give the opportunity to any territory to substantiate legally their pretensions to independence. Armenia should acknowledge that it is not in a powerful position, legally or politically. On the contrary, all international organizations recognize the territorial integrity of Azerbaijan, and acknowledge the need for, and inevitability of, resolution of the final status of Nagorno-Karabakh within the territorial integrity of Azerbaijan.

Third, the occupation of Azerbaijani territories by Armenian troops contradicts the imperative norms of international law, including the principles of refraining from threat or the use of force in international relations, the territorial integrity of states and inviolability of frontiers. These principles are the foundations of contemporary world order and regulate interstate relations. That is why the occupation of Azerbaijani territories was criticized in UN Security Council resolutions No 822 (1993), 853 (1993), 874 (1993), and 884 (1993), as well as in documents of the Parliamentary Assembly of Council of Europe. Azerbaijan being a responsible and reliable partner of the international community, demands the same stance towards itself, and the renunciation of double standards. An objective evaluation of the situation in the region and the international community's acknowledgment of their responsibility can only positively contribute to the resolution of the conflict.

Fourth, the main reason for Armenia's isolation in the region is

the non-constructive position of Armenian leaders and their irresponsible attitude toward their own people and neighboring countries. Azerbaijan works hard to solve the Nagorno-Karabakh conflict through peaceful means, and along the lines of the principles and norms of international law. The Azerbaijani and Armenian presidents met nine times in 2009 alone in the framework of the OSCE Minsk Group. Alas, concrete regulation mechanisms have not been prepared and every time the Armenians try to procrastinate by continuing discussions on the basic principles. In this case, the weak political will of the Armenian leadership protracts the resolution of the conflict. This implies that Armenia will not be able to achieve any economic development in regional isolation.

The revival of the issue of opening the border between Turkey and Armenia under these circumstances bothers Azerbaijan. This was also reflected in the statement issued by the Ministry of Foreign Affairs of the Republic of Azerbaijan, following the signing of the protocols on 10<sup>th</sup> October 2009, in Zurich, Switzerland. Azerbaijan, of course, does not interfere in the domestic affairs of any country, but supports the consideration of the opening of borders and Armenian-Azerbaijani peace talks as components of a single process, and emphasizes that the general progress achieved is the core condition of peace and stability in the region. The security of the South Caucasus is linked primarily, to the resolution of the Armenian-Azerbaijani conflict over Nagorno-Karabakh. Without the solution of this conflict, the opening of the borders between Turkey and Armenia might lead to continuation of the status quo and a tougher Armenian position at the negotiating table. This, in turn, fosters the weakening of legal power, and risks turning the region into an arena of irreconcilable disagreements with the growing threat of war, rather than an arena of cooperation.

History has always shown that the integration of an occupying state, from the illegal environment they have created by force, into the world community creates great perils to international peace and security and to the existing world order. At the end of the first decade of the 21<sup>st</sup> century, we should have already learnt the lessons of history and should not repeat historical mistakes. That is why terminating the situation created illegally by the occupying state should be the primary legitimate condition in the regulation



of Turkish-Armenian relations, and should be a pre-condition for both the opening of the border and regional cooperation. The active participation of the world community in the opening of the Turkish-Armenian border, instead of pressurizing the Armenian leadership to stop the occupation of Azerbaijani territories, is unacceptable from the legal, political and ethical points of view.

In recent years, Azerbaijan has been playing a leadership role in the political and economic life of the region. Global energy and transportation projects, carried out in line with the oil strategy, are of huge importance both for cooperation and for strategic partnership. The date 20<sup>th</sup> September 2009 marked the 15<sup>th</sup> anniversary of the signing of the "Contract of the Century". This contract was realized thanks to the determination of late national leader Heydar Aliyev. It assured the then present interests of Azerbaijan as an independent state in a sensitive geopolitical arena and its future development. Above all, by opening up the hydrocarbon fields of the Caspian Sea to foreign investment, it assured the direct access of the regional states to the West, created conditions for the development of new non-OPEC energy sources to supply the world's energy and improved the role of the region in European energy security. From that period on, the oil and foreign policy strategies, set forth by Heydar Aliyev, transformed Azerbaijan into the main regional actor, able to affect the dynamics of regional relations, and with distinguished political stability and economic development. It is worth mentioning that the exploitation of Azerbaijan's hydrocarbon fields and its transformation into a main supplier on the world market is an important factor in ensuring the development prospects, stability and security of the region. By putting into use the Baku-Tbilisi-Ceyhan (BTC) and Baku-Tbilisi-Erzurum (BTE) oil and gas export pipelines, and implementing the Baku-Tbilisi-Qars (BTQ) railway project, Azerbaijan contributes to the realization of an East-West energy and transportation corridor, to European energy security, and to the increasing role in transit of the region. Aside from the political and economic dividends obtained from these projects, Azerbaijan also became a leading state in strengthening regional cooperation. It is already an undeniable fact that regional cooperation is possible only with the active participation of Azerbaijan, and if the Armenians want to benefit from such cooperation, firstly, they should cease their aggressive policy.

Today, Azerbaijan is strengthening both its military potential and economic power through its military industrial complex. The development of the military industrial complex does not pose a dilemma of economic growth or security; on the contrary, it positively affects economic growth, increases the production capability of various fields and creates demand in the industrial sector. The military industrial complex gathers a broad mass of scholars around western think tanks and is a main area of research for economists in Azerbaijan.

The decisive economic policies carried out by the country's leadership respond successfully both to the challenges of the globalizing world and their negative outcomes. It should be underlined that Azerbaijan managed to protect itself from the negative consequences of the global financial crisis in 2009. Unlike other states, Azerbaijan did not focus on limiting losses, but instead worked on maintaining economic growth and positive trends in profits. The guaranteed transparency of the country's financial resources and the constant attention of the government to the private sector boosted trust and confidence amongst both owners and investors. The 25% average growth level of GDP before the crisis demonstrates the solid foundations of the economy and the importance of the development of production sectors. Furthermore, in 2009, at a time when other countries were struggling with the economic downturn, Azerbaijan was observing a 9.3% growth in GDP, and an 8.6% increase in industrial output. Azerbaijan suffered the least from the global financial crisis. This is because of the successful role played by the government in the economy: because the government took appropriate action, struck a balance between a liberal approach and government intervention and considered the specific characteristics of the state economy.

Azerbaijan has already achieved the main indicators of economic development: sustainable economic growth, the formation of a middle class and a fall in the poverty level. The global economic and financial crisis proved, yet again, that in a market economy the "invisible hand" of Adam Smith does not always fully regulate the market and bring about economic efficiency. Joseph Stieglitz states that the market is never "perfect". Without delving into the theoretical debates about the impact of global processes on the role



of the government, it maintained its functions as a responsible partner and regulator. Despite the relativity of the concept of the welfare state in recent years, the government is still the main actor in the social field. This, in turn, necessitates the revisiting of the idea that the government should only carry out its "primary functions" (ensuring the security of state and society, forming foreign policy and ensuring the rule of law and organization of an efficient economic system).

Of course, in both the economic and political fields, the formation of a more legitimate and fairer world order relevant to the flow of events and spirit and essence of international law requires international peace and security.

## Novruz Mammadov

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### ABOUT THE MAIN DIRECTIONS IN THE FOREIGN POLICY OF AZERBAIJAN

At the beginning of the 21<sup>st</sup> century, the place and role of the independent Azerbaijani State had already been defined in the world political arena. In the aftermath of the collapse of the Soviet Union, Azerbaijan faced challenges of turning into a victim of the political reverberations but has now become a fully independent actor both in foreign and domestic policy issues thanks to the titanic efforts of the previous national leader Heydar Aliyev. During those years, the policies of the authorities have protected the national interests of the Azerbaijani people and the resolution of vital problems faced by the country and strengthened its national independence.

It is obvious that the oil strategy forged by the great leader Heydar Aliyev has played a crucial role in shaping the strategic guidelines of Azerbaijani diplomacy. This experienced statesman clearly sought the keen interest of the world's leading countries and its large oil companies to the hydrocarbon-rich Azerbaijan and so started the fierce and serious battle for the sake of "black gold". Heydar Aliyev had in mind global issues which were more important than oil incomes: being in the middle of a battle to have a strong influence in the Caspian basin, newly independent Azerbaijan had to build such a policy for its national interests which could ensure not just current trends, but also lay the foundations of future.



In those years, it was Ilham Aliyev, first Vice President of SOCAR who led the negotiations in the field of oil contracts. In order to prepare oil contracts that would play an important role in the economic and political life of the country, talks headed by Ilham Aliyev defined the basis for Azerbaijani oil diplomacy. In the course of those negotiations, Azerbaijan gave preference to the best possible system of economic co-operation with Western investors. The principles of open doors and balanced policy were pivotal elements in the talks. As a result of the well-conceived and professionally implemented oil strategy of Heydar Aliyev, one could see the formation of so-called "oil contracts exchange" where heated battles have continued for more shares in each contract held by foreign companies.

Later, President Ilham Aliyev said while remembering these talks: "During the period of time, I was meeting with leading politicians, ministers and congressmen in various regions of the world and discussing various aspects of the world oil business and its development prospective, and then signing oil contracts. I used to raise geopolitical issues because we could start analyzing feasibility studies only after obtaining a common understanding in the political sphere. Then, I used to talk more concretely about any such issue."

He could convince his foreign colleagues and solve problems effectively. Trusting the head of state and considering Heydar Aliyev as the guarantor of investments. Investors and partners also trusted his son who became known as a very experienced economic specialist and astute diplomat.

The development of fields on the Caspian seabed, the construction of oil and gas pipelines, the restoration of the Great Silk Way and projects such as TRACECA have been discussed in the personal meetings of Ilham Aliyev. These he held with such world politicians as Clinton, Mitterrand, Chirac, Hashimoto, Kohl, Major and Blair. In conducting negotiations with the worlds largest oil companies and making speeches in front of the worlds business elite in Washington, New-York, London, Ankara and Paris, as well as at such Universities as Harvard, Stanford and other international economic forums, Ilham Aliyev has proved his skills as a strong economist, diplomat and world class politician aiming to protect

the image of country and defend its interests.

Avoiding the masterly influence of States competing openly and discreetly to control the region, the national leader Heydar Aliyev demonstrated his commitment to a balanced policy and directed the interests of Western companies struggling for oil in the Caspian to the fostering of economic and political independence for Azerbaijan. In all these issues, he has been guided by ensuring security for his own people and the objective requirements of globalization and world economy directed towards integration.

Time proves that the strategy formed and implemented by him has been serving not only his beloved independent Azerbaijan, but also ensures the prosperity for many worldwide states and their people. Implementation of the Baku-Tbilisi-Ceyhan oil pipeline project can be considered as an historical example of a new logical approach to international relations.

In one of his latest speeches, the President of Azerbaijan Ilham Aliyev rightly noted the following: "The Baku – Tbilisi – Ceyhan oil pipeline named after Heydar Aliyev has geopolitical character and will influence the world political processes". It is not possible to ignore it. While there is an increasing need for energy in the world, the hydrocarbon resources of Azerbaijan also serve international security.

The history of the foreign policy of Azerbaijan has remained consistent for more than 15 years and as we mentioned, this course is loyal to the strategic line determined by Heydar Aliyev. The genius of the national leader is explained by the fact that in contrast to many post-Soviet republics upon gaining its national independence, Azerbaijan has managed to form its relations with neighboring Russia adequately to support present day political realities. It was not necessary for him to shore up his power by choosing the course of joining Western blocks. He did not hire anyone to defend his country from other states. Simply to say, he chose his way to follow. Indeed, during his years of presidency, Azerbaijan sought to connect various vectors – East and West; Islam and Christianity.

His skillful successor President Ilham Aliyev successfully continues this course of "flexible alliances" by avoiding global power axis. And, this course is bearing its dividends: "Azerbaijan has never



**“Disposing rich oil resources Azerbaijan is surrounded by variously combined political gambles. Big oil has not only positive, but also negative sides”**

**Ilham Aliyev**

baijan should not become the playground for competition. On the contrary, it should be a world class co-operation center. Our main goals are to hit our targets through our foreign policy activities, foster the position of Azerbaijan at a global level and help our economic development on the basis of mutually beneficial co-operation with worldwide countries. This policy has continued till our days and will be continued further. If you would like to know: these will be first steps of a new President and his government to be made in the way defined by Heydar Aliyev. I have always tried and will try to follow my father.”

Even before issuing this statement, he had been recognized as world class economist, flexible politician and leader through his struggle for the sake of the economic image of his motherland during difficult diplomatic talks. Seeing his qualities, US Congressman Kurt Weldon said the following about the political skills of Ilham Aliyev as Prime Minister of the Republic of Azerbaijan on August 29, 2003: “Truly to say, this is the first time that I met with such a leader like you who speaks five languages fluently and has a special image in world politics... I am sure that people of many countries would wish to have a skilful leader who speaks five languages and has a deep knowledge of various topics and a deep understanding of the world. I think that Azerbaijan is happy in this respect because it has the luck to have such a leader.”

“Disposing rich oil resources Azerbaijan is surrounded by variously combined political gambles. Big oil has not only positive, but also negative sides”, said Ilham Aliyev. This statement demonstrated that he had a deep knowledge of a situation distinguished by his intellectual level, principal position and charisma long before being elected as the President who has entered into the spotlight of world political elite by his firm position not to compromise at the expense of the national interests. Being the man of a new political epoch we have

been and will never be a temporary geopolitical card as it was with some neighbors.”

This has been explained by Ilham Aliyev in his statements to mass media since the first days of his presidency: “Azer-

observed the formation of democratic values and market economy relations with economic interests dominating over political ones in world politics, Ilham Aliyev has become such a political leader trusted by the people who has reached a high political position both nationally and globally.

In 2003, a new stage began in the history of independent Azerbaijan with the election of Ilham Aliyev as the President of the Republic of Azerbaijan. Philosopher and academician Ramiz Mehdiyev rightly said: “...When President Ilham Aliyev came to power; the situation in the country and world was not quite simple... In spite of all attempts, the presidential elections of 2003 have become the culminating point of our newest history. The fundamental strategic task faced by Azerbaijan is to preserve its geopolitical image and position as well as to preserve Azerbaijan from becoming a place of instability where political groups will struggle benefiting from the aggressive policy of Armenia and satisfying the various interests of insincere forces against our country and newly independent states.”

Being the farsighted, brave and energetic politician able to take responsible decisions, Ilham Aliyev has continued successfully the strategic guidelines defined by the previous national leader Heydar Aliyev. The most important among these strategic lines was the foreign policy line of the country. In this case again, Ilham Aliyev has demonstrated his loyal attitude to the course of Heydar Aliyev standing on his principle - “the past is the prophet of future”. “We conduct policy in line with the needs and interests of Azerbaijani people. Our policy is independent policy. Our policy is independent while building political and economic relations as well as our ties with the international community. ... This policy has proved itself. We do also have relations of strategic co-operation with US.

At the same time, we have good relations with OIC member countries. Our relations with our neighbors are positive. Besides Russia, we also have relations with Iran. In a single word, all these are possible. These factors serve to strengthen the security and stability in the region because the region in which we are located is very complicated.” Strategic directions of the foreign policy of the Azerbaijani State are reflected quite clearly and concretely in these thoughts of President Ilham Aliyev. To put it more briefly, this



means a well balanced political line, preventing Azerbaijan becoming a place for competition, clashes and fights as seen in the past but using the natural resources for fostering the future prosperity of Azerbaijan.

### Europe is the partner of Azerbaijan

On January 29, 2009, the Azerbaijani head of state had been clearly describing the relations with Europe at a meeting called "the Great Game is back" held at the world Economic Forum in Davos. He said: "Since we obtained our independence, the European direction of our policy has been a priority for us, and it continues to be so."

In this field, the first real results of Azerbaijani integration into Europe became visible on January the 25<sup>th</sup>, 2001. Following long negotiations, Azerbaijan became a fully fledged member of the Council of Europe and the tricolor flag of the Republic of Azerbaijan was raised in the headquarters of this organization in Strasbourg with the participation of national leader Heydar Aliyev. In this way, our country had assumed several obligations and undertaken many measures to honor them till their final days.

During our membership to the Council of Europe, it is indeed under the leadership of Ilham Aliyev that Azerbaijan has obtained several important diplomatic successes. In the second year of our membership, the head of the Azerbaijani delegation and member of Milli Mejlis Ilham Aliyev was elected to the post of vice president of PACE with a unanimous vote from European parliamentarians at the first meeting of the winter session of the Parliamentary Assembly. The importance of this event is explained by the fact that the said post has enabled him to take part in all meetings of the Bureau, intervene in all issues discussed here and communicate the position of Azerbaijan. Thus, Ilham Aliyev became the first politician in the history of Azerbaijan to be elected to such an important post of an international organization.

The biggest success of the Azerbaijani parliamentary delegation under the leadership of Ilham Aliyev in PACE was noted in September 2001. The important speech of Ilham Aliyev based on concrete facts of the aggression and occupational policy of Armenia delivered

at the meeting of PACE caused a great echo among parliamentarians. Following this speech, the Committee of Ministers of the Council of Europe announced its decision recognizing the territorial integrity of Azerbaijan at the PACE meeting.

**Following the signature of the Contract of the Century on September 20, 1994, Azerbaijan became the main topic of discussions in world politics.**

According to this document, the Committee of Ministers of the Council of Europe reaffirmed the territorial integrity of states, its independence and supported international principles applied to the internationally recognized borders. The importance of this decision is explained by the principle of territorial integrity dominating over the principle of self-determination in the context of conflict. So far, Armenia has tried at all times to bring these two principles to an equal level in all international forums. In this way, Armenian diplomacy has lost its main argument against the principle of territorial integrity. This event is described by the world media as the next most important diplomatic achievement of Azerbaijan gained at international level after the OSCE Lisbon Summit of 1996.

The co-operation of Azerbaijan with PACE and the activities of our parliamentary delegation in this institution still continues successfully. Currently, the main task assigned by President Ilham Aliyev to our diplomats and the delegate has given positive results. It considers applying the strategy of diplomatic attack against Armenia from all positions.

One of our priorities in foreign policy is co-operation with the European Union, another influential player in the world. The history of relationship with this important organization is roughly equal to the period of our independence. As we mentioned earlier, the basis of these ties relies upon the oil strategy of our great leader Heydar Aliyev. Following the signature of the Contract of the Century on September 20, 1994, Azerbaijan became the main topic of discussions in world politics. The developments were so speedy that Azerbaijan turned into a reliable partner of significant importance for Europe. Not co-operating with it meant failing to see world development prospective. The old Europe knew it clearly and understood the current trends.



The Time was right for Azerbaijan. The period that woke Europe up had started and made it regard Azerbaijan as the leading country of the South Caucasus with its energy resources, communication lines and oil and gas pipelines.

On November the 7<sup>th</sup>, 2006 in Brussels, the President of Azerbaijan Ilham Aliyev and the President of the European Commission José Manuel Barroso signed the Memorandum of Understanding on the Strategic Partnership in Energy Issues between the European Union and the Republic of Azerbaijan.

As it has been mentioned in particular by analysts, this Memorandum makes part of the strategy in ensuring the sustainable energy security of the European Commission. The special attention in the said strategy is paid to expanding relations between the main oil producing and transit countries in the energy sector. At the same time, it became the document serving the integration of Azerbaijan into the energy markets of the European Union and fostering further energy security for the EU in the transportation of energy resources from the Caspian basin.

In his statement given after the signing ceremony, José Manuel Barroso said: "Energy resources that will be transported from the Caspian basin will play an important role in ensuring energy security for the European Union. For this reason, we are thankful to Azerbaijan... We note with pleasure that Azerbaijan is included in the neighborhood policy of the European Union and it will contribute to the stability and prosperity in the country... We are interested in establishing a strong and comprehensive relationship with Azerbaijan."

A similar position is also taken by the Council of Ministers of the European Union. The High Representative of the European Union for Common Foreign and Security Policy Mr. Javier Solana noted the following after the signature of that Memorandum: "We are resolved to deepen our bilateral relations with Azerbaijan and this is not covering just an energy area. Though, it is quite an important field. Azerbaijan is not only a country of energy products, but also an important nation of the region".

It is obvious that this Memorandum signed in Brussels in 2006 has become the continuation of successful co-operation throughout

succeeding years between Azerbaijan and the European Union. The relations have entered into a new stage and level with this document. It indicates in particular two issues – the New Neighborhood Policy of the European Union in South Caucasus and strategic partnership in energy issues – which have had tremendous importance for Azerbaijan. For this reason, the document has always been the center of attention for the head of state.

Commenting on its benefits for the country, President Ilham Aliyev said the following: "Why our participation in the EU New Neighborhood policy and activities in such organizations as the Council of Europe is important? Because it helps us to adapt to the values of the European Union and at least, be closer to those values and improve ours. In this way, if you look at the positive and negative experiences of other countries in the world, you will see best achievements are obtained mainly in Europe: open and democratic society; strong economy etc."

On the other hand, the head of state regards the European Union as an institution able to strongly influence the processes related to the peaceful resolution of the Armenian-Azerbaijani, Nagorno-Karabakh conflict and ensure the territorial integrity of Azerbaijan: "OSCE holds the mandate to solve this problem. UN Security Council has adopted 4 resolutions related to the unconditional withdrawal of Armenian forces from the occupied lands of Azerbaijan. They remain unfulfilled still. In this context, the position of the European Union is important because the European Union is already our neighbor. In turn, we become closer to the European Union and participate in its New Neighborhood Policy. For this reason, differing from other organizations, the European Union is interested more in ensuring security in the region because we are neighbors".

In the field of integration into the Euratlantic community, the policy realized by Azerbaijan has given positive results both for the country and regional co-operation as a whole. During recent years, the New Neighborhood Policy of the European Union has played a significant role in bringing the criteria of political and economic development of our country close to the criteria in EU countries. As a result of this move, Azerbaijan has become a reliable partner and friend of Europe which has an important role in energy security



**In the field of integration into the Euratlantic community, the policy realized by Azerbaijan has given positive results both for the country and regional co-operation as a whole.**

demands of the world economy. The strategic partnership initiated with the signature of the Contract of the Century has got an irreversible character. On the one hand, oil and gas export plays an exceptional role in the development of a national economy, and on the other hand, it constitutes an important factor in fostering positions of the country in international arena. At the same time, it should be noted that the potential of the Azerbaijani-European co-operation is not used fully in the energy sector. In order to decrease the dependence on energy supplies, Europe attaches special importance to its co-operation with Azerbaijan. The Energy Summit held in November 2008 in Baku demonstrated this very clearly. With the participation of heads of states and governments, as well as high ranking representatives from 21 countries, including 9 country-members of the European Union, the diversification of oil and gas transportation towards the world and European markets was the main subject of the Summit. It should be noted that the IV Baku Energy Summit had the organizational support of Baku after energy summits in Krakow, Vilnius and Kiev where Azerbaijan participated as a leading party. The Summit highlighted the irreplaceable role of Azerbaijan in ensuring the energy security of Europe. In his introductory speech, President Ilham Aliyev at the opening ceremony of the Summit mentioned that the economic and political stability as well as independent foreign and economic policies have enabled Azerbaijan to play this role for along period of time. The development of strategic co-operation with the European Union has entered into a new stage during the visit of the President of Azerbaijan Ilham Aliyev to Brussels and the Czech Republic as well as his participation in Eastern Partnership Summit held end April and early May of 2009. Considering "Azerbaijan as a very important partner of Europe in the region of South Caucasus", the President of the European Commission José Manuel Barroso noted the following: "There are already ten years that the implemented

which is gradually becoming more crucial for all European countries. After restoring national independence, Azerbaijan is aspiring to be integrated into Europe and has started to contribute to the energy de-

Partnership and Co-operation Agreement has served as a solid foundation for our relations". As far as the Eastern Partnership Program of the European Union adopted in the Summit of heads of states and governments of the EU countries and the country members of the Eastern Partnership initiative held on May 7 2009 in Prague, the head of our state said that this program will serve to improve and deepen our relations between Azerbaijan and the European Union. The head of the Azerbaijani State has declared that many things are awaited from the Eastern Partnership Program and it will contribute to the European – Azerbaijani relations. Truly, as a continuation of the New Neighborhood Policy, this Program lays foundations to bring this relationship to a higher level. President Ilham Aliyev has evaluated it this way: "... Our goal is to get access to the leading experience of the European Union, bring various fields of life closer to the standards of the European Union and build a prosperous and sustainable country for the years to come". Currently, our integration links with the European Union are being developed in the framework of the implementation of an Action Plan in the context of a New Neighborhood Policy and the participation in Twinning and TAIEX programs. The process of partnership and rapprochement with the European Union has got an additional impetus with the newly expressed initiative of the Eastern Partnership. The said initiative envisages the deepening of commercial, economic, political and humanitarian ties by signing new association contracts, including the contract on the facilitation of free trade and visa regimes in mutual ways.

#### **"Azerbaijan is the valuable partner of NATO"**

This thought has been expressed in a joint press conference by Jaap de Hoop Scheffer, Secretary General of NATO following his meeting with the President of Azerbaijan Ilham Aliyev on April 29, 2009 in Brussels. It is obvious that this position reflecting the level of relationship has not been formed in one or two years. There have been 15 years that Azerbaijan has co-operated successfully with the North Atlantic Alliance in the framework Partnership for Peace program and starting from 2005, within the Individual Partnership Action Plan. For this reason, NATO considers Azerbaijan as its



partner not only in the events organization of the region, but also out of its borders. It gives preference to its co-operation with our country. It should be noted in particular that in 2008 alone, Azerbaijani representatives participated in more than 200 co-operative events organized by NATO.

If we look at the history of relations between NATO and Azerbaijan, we can see that the interest of the North Atlantic Alliance to Azerbaijan is not limited only to its rich hydrocarbon resources. First of all, it is explained by the important geopolitical location of Azerbaijan and its role in the region. One should not forget that one of significant factors that turn Azerbaijan into an important partner of NATO is the very large investments made by giant companies of the allied countries into the Azerbaijani economy. The protection of these investments is a matter of huge importance. On the other hand, the participation of Azerbaijan in peacekeeping operations in Afghanistan, Iraq and Kosovo and antiterrorist activities is also crucial to NATO and its partners.

While commenting on the energy security issues of Europe, the NATO Secretary General has recognized the following: "Azerbaijan is a very important country in this field; this means that it will start to play a more effective role in the field of oil and gas supplies... In spite of this NATO is not the leading organization in this field and discussions related to energy security are very important for our organization. These issues are being discussed in the framework of NATO... If you look at Azerbaijan and the region, you can see clearly that energy supply and the construction of pipelines play an important role in energy security".

Another useful and significant moment in the co-operation between Azerbaijan and NATO is the position taken by this important organization in the context of the Nagorno-Karabakh conflict and Armenian-Azerbaijani relations which are matters of permanent concern for our country. During Summits held in Strasbourg and Kohl in April 2009 with the participation of heads of state and governments members of NATO, the North Atlantic Alliance declared the possibility of a resolution of the Nagorno-Karabakh conflict on the basis of an important principle – the principle of territorial integrity. This coincided strictly with the decision adopted and announced by the European Union and was a huge blow to the position and poli-

cies of Armenia.

Welcoming this decision of NATO, the head of the Azerbaijani state said the following in his statement made in the headquarters of the Alliance in Brussels: "We are very thankful to NATO for its principal position based on the principle of territorial integrity for the resolution of the Armenian-Azerbaijani, Nagorno-Karabakh conflict. I think that we can advance only on the basis of this principle."

Another important moment that attracts our attention is the successful continuation of the diplomatic attack strategy by the head of state Ilham Aliyev since the first days of his Presidency. Another excellent example of this strategy is seen in the principal position taken by the Azerbaijani leader at the meeting "Azerbaijan: an increasingly important partner for the European Union" organized by the European Center of Politics in the framework Eastern Partnership Summit held in Brussels on April 28, 2009. Saying that Armenia is ignoring the position of the international community, Ilham Aliyev stated the following at his meeting with many famous European politicians, political scientists and non-governmental organizations: "20 percent of our territory is under occupation. The resolutions of the Security Council and the General Assembly of the United Nations Organization demanding unconditional withdrawal of all occupying forces from the Azerbaijani territories as well as OSCE decisions remain simply on the paper. This is a big problem. Leading international organizations of the world have adopted decisions, but these decisions are not being fulfilled. Countries which violate these decisions are not punished at all. This is dangerous not only for us, but for the whole system of international relations. This is a big challenge to international community".

Some regional states are jealous and are trying to give a political explanation to these relations and the partnership between Azerbaijan and NATO. But during all periods, having defined exactly and concretely the priorities of the country in foreign policy issues, the President of Azerbaijan has said: "We conduct a policy which is in line with the needs and interests of the Azerbaijani people. Our policy is independent, including our policy of building relationships with the international community... Our foreign policy is clear and predicted. Azerbaijan has proved that it can be a reli-



**Some regional states are jealous and are trying to give a political explanation to these relations and the partnership between Azerbaijan and NATO.**

export is linked to the countries of the European Union."

Today, the co-operation with NATO is developed successfully to reform the following fields: regional and energy security; the fight against terrorism, non-proliferation of weapons of mass destruction; illegal drug and human trafficking; protection of borders; the elimination of consequences of natural calamities, security etc. Paving the way for the next phase in the implementation of the Individual Partnership Action Plan and envisaging reforms in the field of deepening political dialogue with NATO, defense and security, the second document has been adopted in the framework of Action Plan.

**US is a friendly and partner country of Azerbaijan**

The foundation of diplomatic relations with US has been laid down following the state independence of Azerbaijan in 1991. One of the important elements which became a factor of serious political influence in mutual relations is the fact that the US was among the first states which recognized the state independence of Azerbaijan. Making such a step on December 25, 1991 in a quite complicated and contradicting period, the official Washington has expressed its wish to be a sincere partner and friend of Azerbaijan and defined properly the place and prospective of our republic in the region of the South Caucasus. Though the first stone of US-Azerbaijani diplomatic relations was laid on February 28, 1992, the then authorities did not make any real step in expanding the relations with this country. As a result, on December 1992, US Congress adopted the unjust resolution under the influence of the strong Armenian diaspora – 907 Section to the Freedom Support Act which banned all US assistance to Azerbaijan. This was a painful blow to a newly independent state forced into open war operations.

able partner. We have established very strong relations with different countries in the world and Europe. Currently, EU member countries are the main trade partners of Azerbaijan. The main part of our

Being in huge need of political and economic support, Azerbaijan had not been in the sphere of interest of the United States at that period of time. However, the uncertain future of Azerbaijan and the pending choice of the ways of development became a matter of concern for US. After the political comeback of the great leader Heydar Aliyev, mutually beneficial co-operative relations started to be formed between US and Azerbaijan.

Even in 1994, it was openly said in the document signed by President Bill Clinton that the US will use its all means to obtain access to natural resources. It will be ready even to use military force. Knowing the crucial importance of this region for Russia, official Washington declared that "it rejects the concept of dividing the world into the spheres of influence".

The Contract of the Century has played a significant role in making the US-Azerbaijani relationship a strategic one. Following this Contract, various investments projects have been drafted and contracts have been signed to ensure oil production in the Caspian and its transportation to world markets as a continuation of US-Azerbaijani co-operation.

However, political scientists and historians have rightly stated that the year of 1997 became the culminating point for the US proclaiming Azerbaijan as its priority country. Back in the middle of 1997, the political scientist Ariel Cohen said the following in his address to US political circles and diplomats: "Following the breakdown of the Soviet Union, Russian expansion southwards has stopped. Post-communist Russia has no tangible military resources to restore the Empire by resorting to force. The United States has more capabilities to maneuver in Eurasia and for the first time in history, the US and its allies have access to the internal territories of Eurasia and their rich economic resources".

But such statements and appeals have not been yielding the expected results. The Russian media observed: "Serious relations have started to be formed only following the first official visit of Heydar Aliyev on July 27 - August 6, 1997." During the same period of time, deputy secretary of state Strobe Talbott traced main trends in US foreign policy in his speech "US policy in the Caucasus and Central Asia" delivered at the University of John Hopkins.



Political analysts note that the US Congress has recognized the Caspian and Black Seas region as a sphere of its national interests. The special post of Advisor for Caspian regional issues has been established in the President's Office. Many think tanks have started to prepare strategies in region.

Indeed, during the days of this visit, the press release issued to journalists from White House stated: "The visit of President Aliyev is the cornerstone of co-operative ties between the two countries and will play an important role in expanding this co-operation".

This visit can be assessed as a serious step made to waive the unfair 907 Section to the Freedom Support Act which mars US – Azerbaijani relations and was branded by Strobe Talbott as "the obstacle made by us for the development of relations". On the eve of this visit, Talbott said that the Clinton Administration did not agree with the existence of this Section and described it in following words: "I think you will receive wider information on this issue during the visit of President Aliyev to Washington next week".

Starting from 1998, co-operation with the US has become one of the main strategic trends in the foreign policy of Azerbaijan. During the Presidency of George Bush, US-Azerbaijan relations started to expand. At his meeting with President Heydar Aliyev, Mr. Bush stated the following as the basis of US national interests: "Working closely with you, the United States of America stands ready to help ensure global energy security and to build a more prosperous and peaceful future for the Azerbaijani people".

Immediately after September 11, 2001 terrorist attacks which have influenced strongly the international relations, a statement from the great leader Heydar Aliyev condemning international terrorism as a danger to all mankind, as well as his decision to ensure Azerbaijani participation in the anti-terrorist coalition strengthened the confidence of US towards our republic. As a comparison, we can say that in that period of time, several states, including the aggressor Armenia were in a waiting position. The official position of the Azerbaijani leadership has coincided with its practical activities – official Baku has supported politically and militarily anti-terrorist operations held firstly in Afghanistan and then in Iraq. Still today, an Azerbaijani military contingent continues its peacekeeping mission

in Afghanistan. It is not a mere coincidence that US President George Bush noted this fact with pleasure on many occasions and praised the anti-terrorist policy started under the leadership of Heydar Aliyev and continued successfully by President Ilham Aliyev. At the same time, we should note in particular the comprehensive support of US in implementing large scale transnational projects which have been of vital importance for our country in the field of the development of hydrocarbon resources of the Caspian and its transportation to the world markets. In this way, the implementation of two large energy projects has been possible with the support of United States.

The positive dynamics in relations developed in the following years and the US supported the success of Ilham Aliyev in the presidential elections of Azerbaijan. Saying that no changes will happen in our relations with the US while he was still the Prime Minister of Azerbaijan, Ilham Aliyev described his position in the following way: "Bilateral relations between the US and Azerbaijan are developing very speedily and comprehensively. Without the support of the US Government, the implementation of large energy projects in the region and Azerbaijan would be impossible. ...In particular, Azerbaijan stands should-to-shoulder with the US in the fight against terrorism. During the latest events in Iraq, our country has supported clearly the United States. Now, we are in the same coalition and wish to develop further the existing co-operation between our countries."

The first official visit of the President of Azerbaijan, Ilham Aliyev to the US on April 25-28, 2006 ensured a new stage in bilateral relations which have developed rapidly in recent years and have seen some successful results. The results of this visit gave grounds to say firmly that the US was interested in expanding further the relations of a strategic partnership with Azerbaijan. First of all, this interest is explained by the location of Azerbaijan as a connecting

**"Bilateral relations between the US and Azerbaijan are developing very speedily and comprehensively. Without the support of the US Government, the implementation of large energy projects in the region and Azerbaijan would be impossible."**

**Ilham Aliyev**



point of geo-strategic transit ways between the West and East and its leading role in implementing global energy and communication projects along with its rich intellectual resources. A favorable climate was created for the activities of foreign investors in Azerbaijan and attracted the special attention of the US business community. Currently, many companies with US capital are running their activities in Azerbaijan. The increasing interest of US companies to multifaceted co-operation with Azerbaijan is linked also to achievements gained in bilateral economic ties during recent years. While in 2004, the trade turnover volume between two countries was equal to almost USD 157 million, this level had reached USD 630 million in 2008.

### **Russia – a close neighbor and strategic partner**

It would be wiser to divide the history of Russian-Azerbaijani relations since our independence into two parts which differs from each other to some extent. One of these periods can be named as the period of Yeltsin, while the second is Putin's era. We think it necessary to characterize the post Putin period in order to assess the relations under his rule.

Being the pioneer in achieving independence among post Soviet republics, the relations between Azerbaijan and Russia entered into a completely new level which proved to be difficult for Moscow. 200 years of domination did not find Russia calmly sitting behind a table with previous CIS states on an equal basis. Trying to use all means to restore its previous weight, Russia has been increasing its pressure on Azerbaijan. The situation was very dramatic during the first days of independence. In that period of time, the authorities of Azerbaijan formed the feeling of a cold war in Azerbaijani society by citing Russian pressure on many occasions. The aggressiveness of the Yeltsin team and its support to Armenia in the Nagorno-Karabakh conflict seriously strained the relations between the two countries.

However, the situation changed in this field after national leader Heydar Aliyev came back to power in 1993. Demonstrating high class diplomatic skills in a giant geopolitical game initiated by Russia, Heydar Aliyev tried to change the course of relations by restoring

it. But, ever changing and differing in reality from given statements as well as the inability of Russia to properly define economic and political targets in the new conditions of the region have kept this relationship as tense as possible.

When remembering those times, Azerbaijan's President Ilham Aliyev said: "Almost 10 years ago, relations between Russia and Azerbaijan were the worst ever. In that period, Russia used to openly support Armenian separatists. Russia illegally transferred military munitions and equipment worth USD 1 billion to Armenia. There was a huge outcry in the Russian State Duma on this issue and our relations with Russia were extremely tense."

After Putin's accession to power in Russia, official relations between Baku and Moscow changed radically. The 8 years of his presidency proved again the exceptional role played by personalities in any history. This is explained not only by the positive development of Azerbaijani-Russian relations, but also the overall development of Russia.

Azerbaijan became a priority country in Russian foreign policy strategy called "the Putin doctrine". This policy gained support from its relevant counterpart and relations started to develop swiftly. Friendly ties formed between the heads of both countries have played a significant role in the rapprochement of the separate States. Having suffered from terrorism, Azerbaijan condemned categorically the hostage drama in the Nord-Ost Theater in October 2002 and terror acts in Beslan in September 2004 and expressed its support to Moscow in its fight against terrorism. Special services of Azerbaijan and Russia have organized several joint operations to detain terrorists. In 2002, Russia signed a ten year long contract with Azerbaijan to rent Gabala Radar Station.

In 2006, Moscow announced that relations with Azerbaijan were a priority of its foreign policy. In this period, Azerbaijani-Russian relations had already been increasingly developing in economic and political fields. Precisely, on the eve of that move, President Ilham Aliyev assessed the relations between both countries in his interviews given to Russian mass media: "Our relations with Russia are one of the most important elements of our foreign policy and an example of friendly neighborhood. Today, there are trusting and close



**In 2006, Moscow announced that relations with Azerbaijan were a priority of its foreign policy. In this period, Azerbaijani-Russian relations had already been increasingly developing in economic and political fields.**

We should not exclude the importance of humanitarian relations in the development of ties between both countries. Particularly, the holding of the Year of Azerbaijan in Russia and the Year of Russia in Azerbaijan, support of the Azerbaijani diaspora by Russian officials, attitude to Russian language in Azerbaijan and other issues have contributed to a further strengthening of relations between the two countries.

Today, there are very strong political and economic ties between Moscow and Baku. Last summer, the two countries signed the Treaty of Friendship and Strategic Partnership in Baku stating the importance of security in the South Caucasus and the Caspian in separate Items. This demonstrates the serious intentions of Russia. This Treaty also mentions the earliest possible resolution of the Armenian-Azerbaijani, Nagorno-Karabakh conflict on the basis of international law norms and principles which protects States' sovereignty, territorial integrity and inviolability of borders. It stipulates: "Russia and Azerbaijan will help refugees and internally displaced persons as a result of the conflict to return safely and soon on a voluntary basis".

Thus, due to Azerbaijan's commitment to the foreign policy strategy of Heydar Aliyev, the vitally important interests of Russia have been coordinated in the South Caucasus whilst implementing a long term foreign policy course, including ensuring the development of reliable friendly relations and multifaceted bilateral ties in the region, primarily, with Azerbaijan. This course has resulted in the trade turnover between two countries reaching USD 2 billion in 2008. It covers not only energy resources, but other different fields. Relying upon all these elements, Russian President Dmitri Medvedev said to Azerbaijani President Ilham Aliyev at their meeting on April 17<sup>th</sup> 2009: "The most important thing for now is to keep up

relations between the leaders of Russia and Azerbaijan. The level of our political talks is the highest possible. Trade turnover is increasing each year. Both Russia and Azerbaijan have enormous potential for dynamic development".

this pace and prevent a decrease of trade turnover due to economic problems".

Sharing the views of the Russian co-chair, President Ilham Aliyev said the following in his turn: "There are no problems between our countries... The positions of Russia and Azerbaijan are coinciding in many areas... Our relations can be better described by using the term of strategic partnership".

However, it should be taken into consideration that this strategic partnership with Russia does not exclude other priorities in the agenda of Azerbaijan's foreign policy. Azerbaijan chooses its course of an independent foreign policy in line with the national interests. It defines its priorities as the basis of its decisions.

### **Turkey – a brother country and strategic partner**

Further strengthening and expanding our relations with Turkey, which is the most reliable strategic partner of Azerbaijan, are the most important parts of our foreign policy. Mutual visits by the heads of both States have played a significant role in the development of bilateral political and economic co-operation. Today, they are the basis of the strategic partnership between our countries. Our ties are developing successfully in all fields. In the international arena, Turkey always acts as an active supporter of Azerbaijan. It supports the efforts of Azerbaijan directed to the fair resolution of the Armenian-Azerbaijani, Nagorno-Karabakh conflict. Turkey and Azerbaijan are active and influential participants in the regional co-operation process. Both countries rationally use their economic and energy potential and geopolitical location for the sake of expanding bilateral and regional co-operation. On November 2009, during his official visit to Turkey, President Ilham Aliyev stated the following in his comprehensive address to the Great National Assembly of Turkey: "As a result of our joint efforts and initiatives, very important transnational projects are being implemented in the region. Successful operation of the Baku-Tbilisi-Ceyhan oil pipeline not only serves to foster the stability and deepening co-operation in the region, but makes our economic possibilities stronger. Today, we already observe the successful functioning of the East-West energy corridor. Our initiatives are based on this itinerary. Everyone knows



that the construction of the Baku-Tbilisi-Ceyhan oil pipeline was completed in a very complicated geopolitical situation. Following long discussions and sometimes disputes and even pressures, this is now a reality and each side should take this reality into account. This is not a simple energy or economic project. It has tremendous importance. This pipeline will continuously connect the economic interests of our countries throughout many years. It increases our importance and issues related to the security of the East-West energy corridor cannot be solved without the participation of Turkey and Azerbaijan.

The natural resources of the Caspian are a new source for the world energy market and their importance will increase further. We stand at the beginning of this source and obviously, we will see its outstanding results in future projects. We celebrated together the joint implementation of the Shahdeniz project. Today, Azerbaijani gas enters into the Turkish market. Several years ago, Azerbaijan had been importing natural gas, however, nowadays, we export it and firstly, it goes to our brother Turkey. I am confident that in the years to come, we will have larger volumes as the result of the development of Azerbaijani natural gas resources. We strengthen ourselves with our own policies and projects. This should be the way, so that our pool of possibilities in the region and the world will grow by increasing our capabilities of influence. At the same time, we will have better protection of our political interests with the subsequent successful implementation of our economic and energy policies.

Today, we are constructing Baku-Tbilisi-Gars railway connection. This is also an historical project which will unite Europe and Asia via Turkey and Azerbaijan. It will also connect Turkey with Azerbaijan and evidently has great economic and political importance.

All these projects, I can say, have been completed in recent years. I do remember that four years ago, whilst addressing the Assembly from this podium and speaking about these projects, I had been talking about its successful implementation. But at that period of time, neither Baku-Tbilisi-Ceyhan, nor Baku-Tbilisi-Erzurum nor Baku-Tbilisi-Gars projects had been implemented; its implementation had not even started. But, today, all these issues have become

a reality. During this historically short period of time, we have managed to start it thanks to our joint efforts and it will strengthen our friendship and brotherhood. I do not doubt that all issues that stand in front of us will be solved with the same success".

**The head of State stressed that the interaction between Turkey and Azerbaijan is a stabilizing factor in the region. He said: "... we live in a very sensitive region and the future destiny and stability of the region as a whole depend on our policies".**

The head of State stressed that the interaction between Turkey and Azerbaijan is a stabilizing factor in the region. He said: "... we live in a very sensitive region and the future destiny and stability of the region as a whole depend on our policies".

Being right in his position, the President of Azerbaijan has described the peace in the South Caucasus as a very sensitive one by stressing the lack of stability in the region. It is true to say that a situation of war or peace cannot last for a long time. But, what should be done?! As a leader of a country of the South Caucasus, Azerbaijan has formed its position and demonstrated a good deal of patience towards peaceful resolution of problems.

The diplomatic and political efforts of Turkey directed towards restoring peaceful, friendly and prosperous relationships in the Middle East and the region of the Caucasus are being watched attentively. In order to ensure stability in the Caucasus, officially Ankara has significantly increased hopes by preparing a package of special proposals. Nevertheless, reality shows that Armenia has occupied 20% of Azerbaijani territory fully contradicting universal values, as well as the principles of peace, democracy, stability, regional co-operation and international law. It has conducted an ethnic cleansing policy in those territories and distorted the whole region by destroying historical and cultural monuments. Armenia started the illegal settlement process in Karabakh, plundered natural resources in that territory and created conditions for transnational criminality in this region whilst remaining out of international control. Due to these reasons, Turkey has not established diplomatic relations with Armenia and has not consented to open its borders in any form. However, in recent years, particularly from 2009, Azerbaijan has been puzzled by the support of the US President Barack Obama



in his Turkish visit to talks related to the opening of borders between Turkey and Armenia through the mediation efforts of Switzerland. This has been seen as open support to Armenia and has rightly caused concern for Azerbaijan.

However, this concern was addressed in early May 2009 in statements given by President Abdullah Gül and Prime Minister Recep Tayyip Erdogan. The core of these statements coincided with the position expressed so far. "Till the liberation of the occupied lands of Azerbaijan and the withdrawal of the occupying forces of Armenia from those territories, the opening of borders cannot be a subject of talks".

It should be recognized that the head of the Azerbaijani State demonstrated his political wisdom, principal position and flexible diplomatic efforts constantly throughout this period. Finally, the processes which had caused some tension in relations resulted in the following statement given by Recep Tayyip Erdogan, Turkish Prime Minister when visiting Azerbaijan on May 14, 2009: "Due to the occupation of Nagorno-Karabakh, Turkey has closed its borders. Till the end of this occupation, the opening of borders will not be possible. As I have openly stated in many places, I state it again today in Baku."

In turn, President Ilham Aliyev declared the following in reply to a question from a journalist: "It is not a secret to anyone that during recent months, there were some concerns inside Azerbaijani society. These feelings have prompted by genuine concerns. But, most importantly today I tell the Azerbaijan people that there no reasons for doubt or anything else. The Head of the Turkish government and the Turkish President have clarified this issue on many occasions and today, I would like to say once again that the words of my dear brother, mister Prime Minister is the best reply to this question."

### **Iran – a close neighbor; a friendly country**

After having gained its independence, one of first countries to recognize the Republic of Azerbaijan was the Islamic Republic of Iran which it did on December 25<sup>th</sup>, 1991. Diplomatic relations between Azerbaijan and Iran were established on March 12<sup>th</sup>, 1992

The Azerbaijani-Iranian ties have deep historic roots. In this regard, the great leader Heydar Aliyev noted the following: "Throughout the centuries, our people have lived jointly and worked together. Our historic and moral values are the same. All of us, meaning the Iranian and Azerbaijani people are the people of Islamic world. The values of the Islamic world are important for us and we respect them. We will continue to promote these values during our lives. Our scientific, moral and cultural ties have united us throughout history. There is a very long border between the Republic of Azerbaijan and the Islamic Republic of Iran. Taking this into account, Azerbaijan is committed to the development of friendly and brotherly relations with the Islamic Republic of Iran".

The visit of Heydar Aliyev, the President of the Republic of Azerbaijan to Tehran on June 29<sup>th</sup> – July 2<sup>nd</sup>, 1994 had significant importance in expanding ties with Iran. Being one of the most brilliant pages of the foreign policy of Azerbaijan and having historic importance for our independent state, this visit helped to dismantle previously strained relations between the two countries by ensuring normal development and playing a principal role in creating good foundations for a deepening of Azerbaijani-Iranian relations. During this visit, the Declaration on the Development of Friendly Relations consisting of 13 articles was signed between Azerbaijan and Iran. The Declaration defined the main trends of closer co-operation of two countries.

Azerbaijan has managed to develop bilateral political, economic and cultural relations with neighboring Iran on the basis of friendly neighborhood and mutually beneficial co-operation principles for the benefit of both countries. Documents that encompass all fields of our bilateral ties have been signed between our countries. In recent years, the official visit of President Ilham Aliyev to Iran and visits by Iranian Presidents to Azerbaijan have paved the way for the speedy development of bilateral co-operation. These important meetings have defined the principles of friendly and cooperative relations and the future development trends of our ties. The favorable geographical location of both countries as well as their rich economic potential have expanded the existing co-operation, and resulted in the speedy development of economic ties between Azerbaijan and Iran these in turn annually increased trade turnover. Iran is



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and other fields. Several development projects are already on the agenda which can give stronger impetus to our bilateral relations. First of all, concerns the creation of a North-South transport corridor through Azerbaijan. In order to implement this significant project, which envisages a network role played by our country, relevant agreements have been reached between Azerbaijan, Iran and Russia. The railway connection which will unite Central and Eastern Europe with South Asia, as well as the commissioning of an important international land transport line, will create conditions to expand and deepen the co-operation between Azerbaijan and Iran. The regulation of electric power sharing between both countries, as well as the construction of a gas pipeline to Nakhchivan through Iran are significant contributions to the strengthening of bilateral relations with Iran.

### As a preface

Azerbaijan has gained tremendous importance in the region by being the country that connects East with West and being located at the crossroads of new communication, transportation and energy corridors which serve to expand commercial and economic ties in Eurasia.

The foreign policy strategy of Azerbaijan requires the development of its priorities and relations with the world's leading states and international organizations to further national interests. Using the most prestigious podiums of the world our head of state for the last 6 years has advanced national interests which are extremely important for the current and future development of Azerbaijani statehood. A successfully implemented course of foreign policy has turned Azerbaijan into the leading country of the South Caucasus

and ensured the participation of our country in all transnational projects implemented in the region. Gradually fostering co-operation with important worldwide organizations and states has formed a new qualitative foundation in the foreign relations of our country.

Integration into European and Euratlantic structures is one of the important directions of the foreign policy of Azerbaijan which is being continued successfully today. Azerbaijan shares the same values as the European and Euratlantic communities and contributes to security and stability on the European continent and outside its borders by developing multilateral transatlantic security co-operation programs. The relations of our country with European States and the US have particular importance. This is also explained by the contribution of our Republic to the energy security of the West. In this respect, the West attaches great importance to Azerbaijan. On the one hand, the interests of the West towards our country coincide fully with our chosen strategic course and integration into the Euratlantic community. Conversely, the participation of Azerbaijan in ensuring the energy security of the West increases the weight of our State in the Caucasus region and the world as well as intensifying any integration processes.

Being an integral part of the Islamic world, Azerbaijan develops close co-operation with the Organization of Islamic Conference and helps it to increase its political weight and popularity by solving regional and global issues. As the chair of OIC Foreign Ministers Council in 2007, Azerbaijan made efforts to create co-operative mechanisms with European organizations and further strengthen the structures and functions of the Organization of Islamic Conference. Located at the crossroads between East and West, Azerbaijan combines the Christian world with the Islamic one and different in its geographical location, tolerance, peace traditions and ethnic diversity, the time is right for Azerbaijan to become a natural bridge between cultures and civilizations. This was proved by the decision to proclaim Baku as the Islamic Culture Capital in 2009 taken at the fifth conference of OIC Culture Ministers held in Tripoli.

In foreign policy course, particular attention is paid to expanding the relations of Azerbaijan with international organizations. It is very important to be a member of international organizations, do effective work and raise global awareness about the problems



and realities of Azerbaijan. For this reason, our country co-operates closely with important international organizations and adheres to new collective documents and international treaties.

The Geography of Azerbaijan's foreign relations has expanded significantly. Azerbaijan has become a more visible and respected country in the international arena. It has improved the objectives of its foreign policy. Currently, Azerbaijan has established diplomatic relations with 163 countries. Consular ties have been created between the country signatories of the Vienna Convention and the Republic of Azerbaijan. 93 embassies of foreign states run their activities in Azerbaijan. 42 of this number are based in Baku, while the remaining 51 embassies are accredited in Azerbaijan, but situated in such countries as Turkey, Russia, Iran, Georgia and Uzbekistan. In its turn, Azerbaijan has 64 diplomatic representations – embassies, permanent representations in international organizations and general consulates. Among these representations, there are 51 embassies, 6 general consulates and 7 representations.

The still pending resolution of the Armenian-Azerbaijani, Nagorno-Karabakh conflict is seen as being the most serious problem in South Caucasus undermining peace, stability and potential economic co-operation in the region as a whole. Revealing the true nature of the aggressor, the Armenian State which keeps under occupation 20 percent of Azerbaijani territory, effective countermeasures against the negative propaganda produced by the Armenian lobby are priority issues in our foreign policy. International law norms, as well as the principal position of several influential organizations concerning the conflict prove the absolute groundless claims of Armenia's concocted ideas both legally and politically. As a result, Armenia is the aggressor-State which ignores international law norms and principles and has been so recognized by many worldwide countries. As stated by the head of our State Ilham Aliyev, the territorial integrity of Azerbaijan and inviolability of its internationally recognized borders cannot be the subject of discussions: "We will never compromise on our territorial integrity. The territorial integrity of Azerbaijan is inviolable. Nagorno-Karabakh will never be independent. Azerbaijani leadership and Azerbaijani people will never agree to that. We conduct talks in this direction. The main content of talks is the following: all occupied lands of

Azerbaijan should be liberated from occupying forces; Azerbaijani citizens – internally displaced persons should be able to return to those lands, including Nagorno Karabakh. This is our principal position and we will not deviate from it by even a single step."

In this context, on November 2<sup>nd</sup>, 2008, the Declaration signed by the Presidents of three States – Russia, Azerbaijan and Armenia in Moscow should be particularly mentioned. The document reflects the importance of the conflict resolution on the basis of international law norms and principles by paying efforts to create conditions for its political settlement mentioned in decisions and documents adopted in this framework aimed at improving the situation in the South Caucasus and ensuring stability and security in the region. This document reflects the content and moments of the negotiations conducted so far. The document signed after verbal statements issued so far in relation to the conflict resolution has tremendous importance. The signature of document at the highest possible level is a step forward towards a peaceful resolution. Expressing their opinion on this Declaration, international experts also say that the Moscow Declaration has become a kind of support to the thoughts expressed by Ilham Aliyev, the President of Azerbaijan regarding this conflict resolution. The signature of this Declaration by the President of Armenia hints to another victory for Azerbaijani diplomacy.

As a result of the successful foreign policy run by the President of Azerbaijan, resolution 1416 adopted in 2005 by the Parliamentary Assembly of the Council of Europe has confirmed the occupation of Azerbaijani territories by Armenians and the control of separatist forces of the Nagorno-Karabakh region. Besides that, it underlined in particular the importance of the fulfillment of dispositions contained in the resolutions of the Security Council of the UN and the withdrawal of Armenian armed forces from occupied Azerbaijani territories. The UN General Assembly inserted an issue on the situation regarding the occupied territories of Azerbaijan into the agenda at its 59<sup>th</sup>, 60<sup>th</sup> and 62<sup>nd</sup> session. Referring to the presented facts, the General Assembly adopted resolutions which condemned the settlement of Armenians in the occupied territories of Azerbaijan, causing large fires on these lands and creating dangers to the health and lives of people. These resolutions reaffirm



firmed the right of Azerbaijanis expelled from their native lands to return to their homes. These dispositions have been reflected in recommendation 1690 adopted in 2005 by PACE. Furthermore, on March 14<sup>th</sup>, 2008, UN General Assembly adopted another resolution initiated by Azerbaijan which stresses the sovereignty and territorial integrity of the Republic of Azerbaijan within the framework of its internationally recognized borders, demands immediate, full and unconditional withdrawal of Armenian forces from all occupied territories of Azerbaijan, confirming the right of the local population expelled from these lands to return to their native homes and stating the impossibility for any State to recognize legally the current situation resulting from the occupation. It is particularly worth mentioning an Item in the said document which underlines the necessity for equal legal conditions for both the Azerbaijani and Armenian communities of the mentioned region in order to create a democratic self-governance system which can be run effectively in Nagorno-Karabakh as part of the Republic of Azerbaijan. This is in line with OSCE Lisbon principles concerning the future status and security of this region and guarantees for all its population. A NATO Summit held on April 2<sup>nd</sup>-4<sup>th</sup>, 2009 in Strasbourg and Koln also expressed its support for the sovereignty and territorial integrity of Azerbaijan and noted the necessity of the resolution of the conflict on the basis of mentioned principles.

On July 10<sup>th</sup>, 2009, the Presidents of the US, Russia and France made a joint declaration. It was regarding the settlement of Nagorno-Karabakh conflict at the G8 meeting in L'Aquila, Italy. The Presidents recommended to the co-chairmen as well as the Presidents of Azerbaijan and Armenia to forge a new version of the Madrid proposals declared on November 29<sup>th</sup>, 2007 which reflected the previous proposals on basic principles. The heads of the co-chairing States of the OSCE Minsk Group confirmed their support to the Presidents of Azerbaijan and Armenia in agreeing on basic principles. This Declaration demonstrated the increased interest of G8 to the resolution of the problem.

The legal and political basis for any conflict resolution is based upon international law norms and principles contained in the UN Charter, Helsinki Final Act, the resolutions 822, 853, 874 and 884 the Security Council of the United Nations, the resolution A/

RES/62/243 adopted by the UN General Assembly in 2008, as well as relevant documents and decisions approved by the OSCE and the Council of Europe. All these documents confirm the inviolability of the sovereignty, territorial integrity and internationally recognized borders of Azerbaijan.

Azerbaijan is committed to a peaceful settlement of the conflict and continues co-operation with its partners, international and regional organizations aimed at mobilizing all efforts to support the fair and durable resolution of the conflict in conformity with international law norms and principles. The goal of the Azerbaijani leadership is to liberate all occupied lands, make possible the return of internally displaced persons to their native homes and ensure sustainable peace and stability in the South Caucasus. In the long run, the main objective is to define the status of the Nagorno-Karabakh region within the boundaries of Azerbaijan. The defining of this status is possible only in peaceful conditions with direct and equal participation from both the Armenian and Azerbaijani communities of Nagorno-Karabakh using legal and democratic processes.

However, successful results of this peace process will depend on the commitment and a constructive approach from the Armenian side, including the principal positions of international community, all member states of OSCE, and in particular the countries represented in the Minsk Group and its co-chairs.

For the time being, negotiations related to the settlement of the conflict have entered into a new stage. In an interview given to the commentator of Vesti v Subbotu broadcasted on Russian State Television channel, President Ilham Aliyev commented on some moments related to the peaceful resolution of the Armenian-Azerbaijani, Nagorno-Karabakh conflict: "In principle, it has been agreed that the occupying Armenian troops should start to withdraw from the occupied territories of Azerbaijan; citizens living currently in Nagorno-Karabakh as well as those citizens of Azerbaijani nationality should be given international security guarantees. We think that political guarantees in the current consequences are much more useful than any guarantees from military or peacekeeping forces."

Whilst commenting on the status of the occupied territories, the President of Azerbaijan said that the currently approved proposals



do not envisage the issue of status: "As far as the status of Nagorno-Karabakh is concerned, this is a matter for the future. Today, the issue of status is not present in the proposals we will discuss, accept and agree upon. If this topic is raised again as a precondition to agreeing positions, we will not get anything from it. For this reason, it is necessary to understand the real situation. Of course, we do not consider the possible existence of Nagorno-Karabakh as an independent state and Azerbaijan will never agree to that. It seems to us that the Armenian side understands this... In my understanding, if the Armenian side will demonstrate its political will and make all steps to leave all occupied territories and enable Azerbaijanis to return to Shusha, Nagorno-Karabakh, then of course, we will discuss the issue of status in the future. It is evident that Nagorno-Karabakh should have some status. We understand this but, I would like to reiterate that we do not imagine this status outside of the sovereign Azerbaijani State."

President Ilham Aliyev stated that according to the existing chronology in the proposals of Minsk Group co-chairs, the agreement will begin when Armenian troops start to vacate five regions in the first stage: "The withdrawal of Armenian armed forces from the Kelbajar and Lachin regions located between Armenia and Nagorno-Karabakh is to take place within five years from the agreement. In our opinion, this is a compromised deadline and it is thought that tougher security measures should be undertaken in that zone to dispel the doubts of any party about the true nature of both parties".

The Successes of Azerbaijan in the field of foreign policy are highly appreciated by the national establishment. It increases the confidence of the people in its President. The Prestigious US based Gallup organization which is studying world human resources and extending its statistical research services declared the results of polls conducted in former Soviet republics on July 31<sup>st</sup> 2009. The polls took place with the participation of almost a 1000 respondents in each country. 77 percent of Azerbaijani respondents gave the positive answers to the following question: "Are you satisfied with the activities of the country's leadership?" This proves once again that a large majority of the population in the country supports the activities of the current authorities.

The foreign policy course of the Azerbaijani State remains the same and has an irreversible course. The diplomatic efforts made for the sake of the protection of national interests, fostering the international image of the State, strengthening of the country's integration into international communities, in particular, to the Euratlantic territory, raising global awareness about the results of military aggression by Armenia, completely changing these results and restoring the territorial integrity of the country constitute the main trends of this course. Disposing rich natural resources coupled with the favorable transit possibilities, including the implementation of a balanced foreign policy opens up new opportunities to strengthen its international position. All these elements prove once again the capacity of Azerbaijan to run active diplomacy, strengthen its positions each year and use its economic capabilities more beneficially in foreign policy. As declared by President Ilham Aliyev at the official reception dedicated to the 91<sup>st</sup> anniversary of the Azerbaijan Democratic Republic: "...Azerbaijan has managed to significantly strengthen the international positions of Azerbaijan. We integrate into the international community; whilst at the same time building our policy on the basis of national interests taking into account our deep historical roots and cultural foundations. The foreign policy of Azerbaijan is very clear and transparent. We are interested in mutually developing beneficial bilateral relations with all countries. These relations are based upon mutual respect and reciprocal interest. Azerbaijan is known by the international community as a reliable country and partner. During recent years, the number of our friends and allies has increased significantly".



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# STAGES IN AZERBAIJAN'S INTEGRATION INTO EUROPE

*"Though we are different peoples, we speak the same, common European language – the language of freedom, democracy and law. Our reality is in that,"*

excerpt from the speech of Heydar Aliyev at the session of  
the Parliamentary Assembly of the Council of Europe, 25  
January 2001

## Specific features of Azerbaijan's integration into Europe

For the first time, the end of Cold War had been announced officially in the Paris Charter adopted in 1990. As a result of the completion of this era of confrontation and the breakdown of Soviet Union, a qualitatively new system has started to be forged in international relations. One of the fully-fledged new players of this system which began in the 90's was the newly independent Azerbaijan.

Following the restoration of independence in 1991, the Republic of Azerbaijan had several important obligations which were necessary to be fulfilled. In the first place, it was primordial to stop Armenian aggression started before the restoration of independence and ensure territorial integrity by liberating the occupied lands. Secondly, our country had to ensure the transition from the dis-



integrating centralized planned economic system to a free market economy. Thirdly, it has been necessary to build a society based upon democratic values, human rights and freedoms etc. The fulfillment of all these tasks made it necessary to pursue a policy of building close political, economic and cultural relationships with the Western world.

The democratic world strategy defined by the Western states has constituted the core of a new world order. According to the UN Human Development Report, starting from the 80's, 81 countries have made significant steps in democratization: 33 military regimes have been replaced by civil governments. 140 out of over 200 nations existing in the world run their elections on a multi-party basis. According to UN experts, 82 countries with their populations constituting 57% of the world population are deemed as full democratic nations.<sup>1</sup>

Thus, the most characteristic feature of the new world order is explained for the first time by the fact that over half of the world's population lives in democracy. In this context, the integration of Azerbaijan into Europe has been defined as the main axis of Azerbaijani foreign policy demonstrating this move as a necessity stemming from its external and domestic situations. However, the integration of Azerbaijan into the political-legal system of Europe has not been simple and smooth.

The integration of Azerbaijan into Europe envisages building close reciprocal relations with four international structures constituting the political-legal architecture of the region such as OSCE, the Council of Europe, the European Union and NATO, and becoming a fully-fledged member once national interests require it. Though the international organizations mentioned above have established a common European territory, the process of Azerbaijan's integration into this system is differing significantly by its nature, intensive character and form. We will attempt to describe clearly this difference by studying the reciprocal relations with concrete organizations. Now, we will explain briefly the reasons which engender this difference.

The first condition explaining the difference in the process of

1. Human Development Report. 2002. p.1-10

integration of Azerbaijan into the European structures as the basis of various categories is the existing differences between such organizations. In other words, though the European Union and NATO or the Council of Europe and NATO has been formed the common Euratlantic community, they are differing seriously due to its nature, the fields of activities, the influence possibilities and mechanisms over the processes going on in the region and the world. While the Council of Europe builds co-operation between the member countries using its political and legal means, NATO gives preference to military and military-political capacities. As far as the European Union is concerned, it pays particular attention to the economic components ensuring the same goals assigned to the previous two organizations.

The second factor is stems from the first one. It is reflected in terms of co-operation initiated by these organizations. Thus, while no preliminary condition is put in the way of becoming a member of the OSCE and using its potential possibilities, the process of building and developing co-operative ties with the Council of Europe, NATO and the European Union as well as full membership to these institutions requires the acceptance of terms which are difficult sometimes and demand for a more extended deadline to be fulfilled and even, in some cases, the sacrifice of some elements of national interests.

In third place, the specific character of the region where Azerbaijan is located as well as the system of its national and moral values creates some imperatives. The geographical location of Azerbaijan at the crossroads of different cultures, its integration into Europe at the same time being part of the Islamic world and bearing the cultural heritage and knowledge make this country assume an historic mission: to play the bridging role between West and East and create a political-legal model which is attractive globally and reflecting the positive values of both civilizations.

From this point of view, the integration of Azerbaijan into Europe could not be a unilateral process, and the efforts paid in this direction should be balanced by the fruitful co-operation built with the Organization of Islamic Conference and all its structures envisaging the comprehensive co-operation and solidarity with Islamic nations. This policy of balance (balancing) has become the factor



in an active foreign policy by influencing the intensive character, forms and deepness of integration into Europe.

Fourthly, another important factor influencing the integration of Azerbaijan into Europe is the nature of the relationship between its large neighboring states such as Russia and Iran on the one hand, and the European states, on the other. Though Azerbaijan has pursued an independent policy by having a sovereign foreign policy not so specific for small states and not seen in world practice, Azerbaijan takes into consideration Russia, Iran and the geo-strategic situation in the whole South Caucasus in the processes of its integration into Europe. It defines its foreign policy steps in accordance with the mentioned factors.

The final point is explained by the national interests of the Republic of Azerbaijan. Our national interests consisted of political, legal, economic, social and other necessary needs ensuring the fundamental values, objectives, including the prosperity of the people, the society and the State define the forms, conditions, intensive pace and nature of the integration into Europe.

In general, the process of integration of Azerbaijan into Europe has passed four stages since 1991 till 2009. During each stage, the integration process of Azerbaijan into Europe has been differing by its nature and intensive character.

#### **The first stage of integration into Europe (the declarative stage):**

The first stage lasted from the year of 1991 when Azerbaijan restored its state independence till July 1993 (the declarative stage). In our opinion, the following factors have constituted the fundamental features of this period:

The Azerbaijani people which lived under a totalitarian regime during a long period of time and did not enjoy political and economic rights, has declared the integration into Europe and Western civilization as a priority of its foreign policy aimed at saving the country from chaos, lawlessness, disorder and injustice and building the modern, democratic State ruled by law on the eve of the collapse of Empire. In 1992, Azerbaijan made its first step in the in-

tegration into Europe by entering the OSCE (then, CSCE).<sup>2</sup> This period can also be called as "the golden period" of OSCE development. Thus, during the years of 1990-1999, the organization held its five summits of the heads of states and governments of member countries, strengthened its organizational structure and expanded its fields of activity.

Alongside with the OSCE, the Republic of Azerbaijan declared its intentions to establish relations with other European organizations in the years of 1992-1993. In March 1992, Azerbaijan entered into the North Atlantic Co-operation Council established by NATO in 1991 envisaging mutual partnership and co-operation with Western European countries liberated from socialism.<sup>3</sup> On February 27<sup>th</sup>, 1993, the basis of a mutual relationship was laid down between Azerbaijan and the European Union.<sup>4</sup> However, all these political steps have not gone beyond the level of mere declaration. The political crisis, civil confrontation and illegitimate changes in power started inside Azerbaijan weakened the integration potential, limited possibilities and decreased Western confidence in our country. It is not merely by chance that during this period of 1992, the US Congress adopted Section 907 of the Freedom Support Act against Azerbaijan.<sup>5</sup> In the middle of 1993, the government of Azerbaijan not only lost possibilities to integrate into Europe and build a democratic and secular State governed by law based upon human rights and freedom, but had been incapacitated in ensuring its territorial integrity and sovereignty. In such difficult circumstances, an important event happened in Azerbaijan heralding the beginning of another period of its history. In June 1993, Heydar Aliyev, who was one of the most prominent politicians of the contemporary period, came back to power in Azerbaijan. As this historic personality started to mount the pillars of power, Azerbaijan was in a state of collapse. The danger of civil war in the country was very real. All

2. Hasanov A. Azerbaijan and OSCE. The Armenian-Azerbaijani conflict and the Nagorno Karabakh problem through the Pan-european security. Baku, 1997, page 11

3. Azimli A. Azerbaijan – NATO relations. Baku. 2001, page 57

4. Huseynova H. Azerbaijan in the system of European integration processes. Baku, 1998, page 138

5. Guliyev S. Azerbaijan – US relations in post-independence period. Ankara, 2003, page 81



**As a result of the Armenian aggression, some portions of Azerbaijani lands fell under occupation, and in spite of this fact, Heydar Aliyev managed to sign the ceasefire treaty with Armenia which was dangerous at that time.**

not reject the democratic values, run a policy of force to solve existing problems but gave preference to democratic methods of administration. Indeed, during this period, four important events which could be considered as rare and phenomenal ones in world politics took place in Azerbaijan.

Firstly, Heydar Aliyev shared power with those forces which came to Baku on tanks and equipped with arms in order to avoid the collapse of public order and prevent a civil war. He had gone to meet those armed forces with no arms peacefully. Thus, as a result of his great talent, political experience and diplomatic skills, Heydar Aliyev managed to neutralize armed groups inside Azerbaijan and prevented the collapse of the country.

Secondly, Heydar Aliyev appealed on Armenia to cease fire aimed at limiting further the aggressive policy profiting from the dramatic political and social-economic situation inside Azerbaijan. As a result of the Armenian aggression, some portions of Azerbaijani lands fell under occupation, and in spite of this fact, Heydar Aliyev managed to sign the ceasefire treaty with Armenia which was dangerous at that time. Though sixteen years have passed since this controversial and paradoxical political decision, we can conclude that this was the right and wise political step considering the achievements of Azerbaijan in economic, political, cultural and other fields as well as its level of development since those conflicts.

Thirdly, Heydar Aliyev being one of many managers of the planned economy of the USSR had not used the administrative methods of public management to take Azerbaijan out of a difficult social – economic situation and gave preference to truly democratic methods of management. In the course of the years from 1993-1996, as the result of the systematic stabilization policy run by Heydar Aliyev, decline in – the political, economic, social and other fields

aspirations of the Azerbaijani people related to democratic statehood could end on one day as it was back in 1918-1920. During such a dramatic historical period of time, Heydar Aliyev being as a true leader of his own people did

was prevented in Azerbaijan and the first trends of development became visible.

Fourthly, Heydar Aliyev expanded direct ties with European countries and the USA to lay the foundations for sustainable democratic

evolution in Azerbaijan and intensified the process of integration of the region into leading structures. The paradox nature is explained by the policy of Heydar Aliyev to establish close political and economic ties with such countries as France, US, Great Britain and others where Armenia and Armenians had leading positions with their hostile plans against Azerbaijan. He also decided to pay his first political visit to France making one of the rarest steps in the history of diplomacy. The United States which adopted the unfair 907 Section became the main participant in the Contract of the Century and other oil contracts.

#### **A new level of integration into Europe: the harmonization period**

Thus, a new stage (the harmonization period) started in the political development of Azerbaijan: the country made serious steps from purely declarative plans to build a national democratic state towards real political processes. This stage started in 1993 and was divided into two short parts: 1) 1993-1996; 2) 1996-2000.

Starting from 1993, Azerbaijan started to adapt swiftly to the realities of international co-operation. Only in 1994, did the political activities demonstrate the high pace of harmonization processes. Considering the increasing role and popularity of NATO in ensuring security in Europe, Heydar Aliyev signed the Framework Document of the Partnership for Peace Program on May 4.<sup>6</sup> Following several days after this signature, the Protocol on the Ceasefire in the Armenian-Azerbaijani, Nagorno Karabakh conflict signed in Bishkek on May 12<sup>th</sup>.<sup>7</sup> Finally, the Contract of the Century authored by

6. Azimov A. Ibid, pages 71-72

7. Karimov V.N. A peace to Karabakh. Moscow, 2009, page 162



Heydar Aliyev was signed on September 20<sup>th</sup>.<sup>8</sup> Large worldwide companies were invited to develop the energy sector of Azerbaijan on the basis of this contract. Heydar Aliyev knew well that Western management values could be brought to the country by inviting the leading business structures of the West and for this reason; he put all his efforts and energy into successfully implementing the Contract of the Century.

Thus, during the years of 1991 – 1993, though being occasional and superficial by its nature, the building of the national democratic statehood and the integration process of Azerbaijan into Europe became sustainable as a result of the measures undertaken in 1993-1996. This process has become irreversible.

By making intensive foreign policy visits to the world's leading states, including European countries, Heydar Aliyev managed to dismantle the information blockade on Azerbaijan, present his country as rich by not only natural resources, but in aspiring to integration into the political and legal system of Europe.

In a short period of time, tangible results have been obtained in bringing the country in line with new democratic values. Such values are considered not just as theoretical notions, but accepted as the norms of daily life.

Results obtained in the field of the development of integration into Europe required them to be reflected in the new Constitution. Following the restoration of independence, the first Constitution was adopted in 1995 by referendum. This Constitution met the highest norms and standards in the field of human rights and freedom. By laying the foundations for the democratic development of Azerbaijan, it has created possibilities to adapt its foreign policy to new conditions. According to the Constitution, the values which constitute the core idea of Azerbaijani state building is the quintessence of systems present in developed democratic countries.

Obtaining political stability inside Azerbaijan, Heydar Aliyev started a new stage in the integration process in 1996 by ensuring wider social support to the principles of democracy, human rights and the rule of law and reflecting these values in the fundamen-

8. İlham Aliyev: I believe in my Azerbaijan. Moscow, 2007, pages 142-143

tal laws of the country. On April 22<sup>nd</sup>, the Partnership and Co-operation Agreement was signed between Azerbaijan and the European Union.<sup>9</sup>

The Partnership and Co-operation Agreement (which entered into force in 1999) laid the legal foundations for mutual relations between Azerbaijan and the EU. PCA has been directed to the development of reciprocal ties in fields such as politics, economics, culture, humanitarian, society and others. It defined the common principles of this development. According to the Agreement, the objectives of this partnership could be determined in the following ways:

- To provide an appropriate framework for political dialogue between Parties allowing the development of political relations;
- To support the Republic of Azerbaijan's efforts to consolidate its democracy and to develop its economy and to complete the transition into a market economy;
- To promote trade and investment and harmonious economic relations between Parties and so fostering their sustainable economic development;
- To provide a basis for legislative, economic, social, financial, civil, scientific, technological and cultural co-operation.<sup>10</sup>

PCA was the framework agreement due to the fact that some of its articles needed to be developed and concretized as the basis of bilateral agreements. In order to elaborate and undertake specific measures in the field of expansion and regulation of the partnership and co-operation relations with the European Union, the State Commission was established on the basis of Decree № 272 which the President of the Republic of Azerbaijan signed on November 23<sup>rd</sup>, 1999.<sup>11</sup>

Following the entry into force of the PCA, another quality clearly visible in the EU-Azerbaijan relations is the structuring of these ties. Such new institutions as the Co-operation Council, the Co-operation Committee, the Parliamentary Co-operation Committee

9. EU-Azerbaijan Partnership and Co-operation Agreement. Baku, 2002

10. EU-Azerbaijan Partnership and Co-operation Agreement. Baku, 2002, m.1

11. Aliyeva Gulgaz. About the relations between the Republic of Azerbaijan and the European Union // Consultancy, 2003, №11 (47), page 19



created at the beginning of the said Agreement have ensured the sustainable character of mutual relations by making it more systemized and regulated.

The first meeting of the Co-operation Council took place on October 10, 1999. Up to 2005, the Council had had six meetings.<sup>12</sup> Holding its first meeting in March 2000, the Co-operation Committee held its five meetings during the same period of time by working in an intensified way.

The following discussions were conducted mainly at these meetings: the resolution ways of regional conflicts; the issues of regional co-operation; the role played by such international programs as TACIS, TRACECA and INOGATE; reforms carried out in Azerbaijan; integration into the economic and political structures of Europe; security issues; unification of the judiciary system; freedom for the media and the problems of democratic development; the implementation methods of PCA; issues related to the fight against terrorism.

On July 8<sup>th</sup>, 1996, Heydar Aliyev signed the Decree implementing the Co-operation Program between the Council of Europe and Azerbaijan by establishing official relations with this organization on July 28<sup>th</sup>.<sup>13</sup> Azerbaijan gained the status of specially invited guest to the Parliamentary Assembly of the Council of Europe.<sup>14</sup> This event enabled Azerbaijan to deepen its mutual relations with European partners and create the working mechanism to improve the national legislation by bringing it in line with European standards.

Further, in September 1998, the international conference was held in Baku under the framework of TRACECA program as a result of EU-Azerbaijan co-operation. Representatives of 32 states and 13 international organizations took part in the Baku conference. As an outcome of the conference, the European Commission and

12. The relations between the Republic of Azerbaijan and the European Union / [www.mfa.gov.az/az/international/organizations/unionshtml](http://www.mfa.gov.az/az/international/organizations/unionshtml).

13. The order of the President of the Republic of Azerbaijan on measures to be undertaken for the implementation of the co-operation program between the Council of Europe and the Republic of Azerbaijan // Azerbaijan Newspaper 9 July 1996, № 129

14. THE COUNCIL OF EUROPE AND AZERBAIJAN // [http://www.mfa.gov.az/index.php?option=com\\_content&task=view&id=598&Itemid=1](http://www.mfa.gov.az/index.php?option=com_content&task=view&id=598&Itemid=1)

heads of participating states signed the Multilateral Agreement on the Development of Europe – Caucasus – Asia Transportation and Communication Corridor.<sup>15</sup> At the same time, the Baku Declaration was adopted on behalf of the conference participants who reflected the main principles of comprehensive co-operation and integration between Eurasian countries. In order to plan and co-ordinate the co-operation in the framework of TRACECA project, it was decided to establish a special permanent secretariat in Baku.

Following these events, the foreign policy of Azerbaijan became very active while new horizons and prospective were opened up for co-operation with developed countries. The stable and sustainable character of the political course pursued by Azerbaijan increased the interest in economic projects in the country. As the continuation of the new stage started in 1996, all these events led to the signature of another two decrees by the President in 1998 and 1999 aimed at expanding measures to deepen the co-operation between the Council of Europe and Azerbaijan.<sup>16</sup>

All these processes have not just fostered purposeful efforts aimed at deepening the integration of Azerbaijan into Europe, but increased the weight and force of steps made by Azerbaijan in the field of foreign policy.

Obviously, besides the Decree of the President on deepening the integration into Europe, the changes in Azerbaijani legislation, democratic reforms as well as serious reforms in building the state ruled by law were observed in the country. As mentioned above, following the adoption of a new Constitution in 1995, changes occurred in public administration. Reforms started in the electoral system by laying the foundations of democracy and a state ruled by law.

Personal freedom and immunity, including their rights were ensured; the basis for a multi-party system was created; political

15. Hamedov A. The contemporary international relations and the external policy of Azerbaijan. Baku, 2007, page 602

16. The Order of the President of the Republic of Azerbaijan on deepening the co-operation between the Republic of Azerbaijan and the Council of Europe and undertaking measures to protect interests of the Republic of Azerbaijan in Europe // The Compilation of the Legislation of the Republic of Azerbaijan. 31 May 1999, № 5, Article 319



**Following the return of Heydar Aliyev to power, one of his first steps was the restoration of the pardoning institution. Thus, the Pardon Commission was established on the basis of a presidential Decree signed on May 4<sup>th</sup>, 1995.**

the country. The Constitution Court was created in Azerbaijan<sup>17</sup>; a three pillar judiciary system and a new group of judges have been formed; court independence and transparency of procedures were ensured; tens of thousands of people were covered by amnesty acts; large numbers of prisoners were pardoned<sup>18</sup>; censorship abolished<sup>19</sup>; freedom for media and free NGO activities ensured.

On February 3<sup>rd</sup>, 1998, the President declared the abolition of capital punishment in his address to the Milli Majlis and gave a comprehensive analysis of the legal and criminal situation in the country, as well as the ideals of justice, freedom; humanism and love of mankind to prove the necessity of this historical step.

The decision taken by Heydar Aliyev on February 22<sup>nd</sup>, 1998 to undertake measures to ensure human and civil rights aimed at deepening democracy highlighted the concept and directions of

pluralism, freedom of expression, freedom of faith, rights of minorities, equality in front of the law were also ensured. Being the integral component of the legislative acts of the Republic of Azerbaijan, the presumption of innocence was ensured in

measures to be undertaken in the field of human rights.<sup>20</sup> Following this step, the State Program on the Protection of Human Rights was adopted to increase the effectiveness of measures realized in the field of human rights. According to this program, it was decided to improve legal mechanisms, develop co-operation with international structures, train highly professional specialists and undertake others measures in the field of democratization.<sup>21</sup>

Following the return of Heydar Aliyev to power, one of his first steps was the restoration of the pardoning institution. Thus, the Pardon Commission was established on the basis of a presidential Decree signed on May 4<sup>th</sup>, 1995.<sup>22</sup>

Since the day of its creation till present times, the Commission has studied the cases of thousands of prisoners and fulfilled its obligation on the releasing of "political prisoners" presented by some NGOs. In general, pardon decisions and amnesty acts have covered tens of thousands of prisoners and proved that the Azerbaijani state respects human rights and freedom enshrined in the Constitution and international acts. In recent years, two amnesty acts have been adopted after the initiative of Mehriban Aliyeva, the First Lady, the member of Milli Majlis<sup>23</sup> and as a result of these steps, our country has advanced towards European levels with its rate of 198 prisoners per each 100.000 persons.

Thus, the courageous steps made by Azerbaijan before its entry into such organizations as the Council of Europe and the European Union have not just brought Azerbaijan closer to the values of Europe, but also demonstrated the internal need of the Azerbaijani people for the ideals of justice and humanism.

17. The Order of the President of the Republic of Azerbaijan number 645 dated 24 November 1997 on implementation of the Law of the Republic of Azerbaijan on the Constitutional Court // The Compilation of the Legislation of the Republic of Azerbaijan, 1998, № 1, Article 20

18. The Amnesty Decision of the Milli Majlis of the Republic of Azerbaijan on the occasion of the adoption of the Republic of Azerbaijan to the Council of Europe membership // Azerbaijan newspaper 2 February 2001, № 26; The Amnesty Decision of the Milli Majlis of the Republic of Azerbaijan on the occasion of the 50th anniversary of the Council of Europe № 774-IQR// Azerbaijan newspaper 11 December 1999, № 283; The Amnesty Decision of the Milli Majlis of the Republic of Azerbaijan on the occasion of the victory day over fascism in WWII // Azerbaijan newspaper 7 May 2003, № 102; The Amnesty Decision of the Milli Majlis of the Republic of Azerbaijan on the occasion of the 80<sup>th</sup> anniversary of the Azerbaijan Democratic Republic № 495-IQR// Azerbaijan newspaper 13 May 1998, № 108

19. [http://www.turan.az/public/events/e8/az/2007-07-19\\_az.htm](http://www.turan.az/public/events/e8/az/2007-07-19_az.htm)

20. The Order of the President of the Republic of Azerbaijan on approval of the National Action Plan for the Human Rights Protection in the Republic of Azerbaijan // e-qanun.az

21. The Law of the Republic of Azerbaijan on changes and amendments to the Criminal, Criminal Procedure and Correctional Labor Codes of the Republic of Azerbaijan on the occasion of the abolition of capital punishment in the Republic of Azerbaijan // Azerbaijan newspaper 21 February 1998, № 41

22. THE ORDER OF THE PRESIDENT OF THE REPUBLIC OF AZERBAIJAN on the Pardon Issues Commission under the President of the Republic of Azerbaijan. 19 June 2001, № 508

23. [www.azertag.com](http://www.azertag.com)



During a short period from 1993 till 2000, large scale work carried out in Azerbaijan enabled European experts to elect Azerbaijan as a fully-fledged member of the Council of Europe at the next session of PACE.<sup>24</sup> This event happened on June 28<sup>th</sup>, 2000. Azerbaijan entered into a new stage of its history. Azerbaijan had the right to vote in the representative European family together with such countries as France, Germany, Great Britain and Norway. It became a full member of the Council of Europe. In January 2001, the Azerbaijani flag was raised in front of the building of the Council of Europe. Now since the first days of its reforms, Azerbaijani diplomacy guided by such fundamental principles as democratic values, human rights and rule of law had gained an important victory in its fight for recognition.

### **Azerbaijan in the European family: the implementation stage of integration**

Being an integral part of Europe, Azerbaijan started the third stage of its democratic development. This stage can be called the stage of implementation. Different from the adaptation stage, it was more difficult.

This stage not only required the update of national legislation, the adoption of international conventions and participation in international forums, but also the deep transformation of human thinking and a change in their attitude to the already adopted laws.

The European values fostered in Azerbaijan as a democratic state which produces a secular and developing civil society. In turn, it has facilitated the way Azerbaijan builds and implements its foreign policy with European and worldwide states. This factor has also enabled Azerbaijan to interpret its internal and external policy priorities by using the podium of the Council of Europe.

Thus, in 2001, Ilham Aliyev, the head of the national parliamentary delegation in PACE described the long standing aggression of Armenia against the Azerbaijani people, the occupation of 20% of our lands, the violation of rights of refugees and internally displaced persons, the destruction of cultural heritage, the environmental situa-

24. Assembly debate on 28 June 2000 (21st Sitting) <http://assembly.coe.int/>

tion in the occupied regions and other issues for the first time from the podium of the Council of Europe.<sup>25</sup>

The third period of implementation of the process to ensure statehood building on the basis of democratic principles, human rights and rule by law started by undertaking special obligations mentioned in document 222 of the Council of Europe.<sup>26</sup>

This document consists of four sections. Each of these sections is very important from the point of view of democracy, human rights and rule by law. The especially important first section describes the steps necessary to ensure human rights at an appropriate level. The first section deals with the adoption, ratification and implementation of international conventions: The European Convention of Human Rights and its first, fourth, sixth and seventh protocols; the Convention on the Prevention of Torture and Inhuman Treatment; the Framework Convention on the Protection of Rights of National Minorities; the European Convention on the Development of Regional Languages; the Convention on the Development of Local Self-Governance; the preparation of the Convention on Trans-frontier Co-operation; the preparation, signature and implementation of the European Social Charter as well as the ratification of the Convention against Corruption and other fundamental documents.

When entering into the Council of Europe, the second group of obligations undertaken by Azerbaijan is related to the resolution of the Nagorno Karabakh conflict. In this respect, the following is envisaged:

1. The conflict should only be solved by peaceful means.
2. The resolution of this conflict is to happen in line with international law principles.

The third group represents the obligations related to the development of national legislation assumed by Azerbaijan. In this regard, the obligations undertaken by Azerbaijan in the field of electoral system changes played a significant role. The obligations related to increased parliamentary independence and reports to be delivered

25. Valiyev A.A. The Place of Assistance. Baku, 2002, pages 175-184

26. Opinion No.222 (2000) Azerbaijan's application for membership to the Council of Europe. <http://assembly.coe.int/Mainf.asp?link=/Documents/AdoptedText/tat00/EOP1222.htm>



directly by members of the government in Parliament for the improvement of the national legislation were of crucial importance. In this respect, the preparation of the Constitutional Law on the creation of the ombudsman institution, its adoption and implementation had a special role to play. Besides that, the preparation, adoption and implementation of the legislative acts related to the fight against corruption as well as developing the special program to organize anti-corruption activities were vital in developing the national legislation and its adaptation to the European standards.

The fourth group of obligations assumed by Azerbaijan was related to the protection of human rights and fundamental freedoms. Amongst these obligations, particular attention was paid to the freedom of expression, activities of journalists, liquidation of any limitations applied to the freedom of the media using administrative methods and the creation of Public Television. At the same time, it was envisaged that a law on the protection of human rights was to be adopted. This law would help protect the human rights of people being put on trial or detained due to other reasons.

In general, document 222 was of tremendous importance on the road map of activities necessary to be conducted by Azerbaijan in a short period of time. In fact, this program did not just connect Azerbaijan to the European family, but created possibilities for Azerbaijan to be developed as a European state.

In 2001, since Azerbaijan's entry into the Council of Europe till the present, the implementation of European values has continued. This is a very complicated and even painful process in reality. It is well known that the democratization process cannot be fully perfect from day one because it develop a permanent character by envisaging the development of all spheres of society. Indeed, for this reason, while delivering his speeches, the President of Azerbaijan Ilham Aliyev has noted repeatedly that human rights and freedoms, rule by law and the process of democratic reforms should dominate economic and cultural development and be in the forefront of all other spheres of public life. All these processes should be conducted on a constant basis. Following the collapse of the USSR the experience of many newly independent counties gave grounds to conclude that those countries which define either democracy and human rights or economic development are facing complicated and inadequate con-

sequences. As mentioned above, only if all spheres of society develop in parallel, in particular the fields of democracy and economy, then it is possible to ensure a sustainable development of the entire society. For this reason, President Ilham Aliyev has incorporated into his policies the principle of the deep integration of Azerbaijan into the world economic system parallel with the development and implementation of democratic values.

In this context, Azerbaijan has obtained great results. Ensuring independence from an economic point of view and actively implementing reforms, Azerbaijan reached the economic levels of Eastern Europe in a short space of time by coming close to parameters of some Western European countries.

The commissioning of the Baku-Tbilisi-Ceyhan oil pipeline connecting Azerbaijan, Georgia and Turkey with Europe, the start-up of the Baku-Tbilisi-Erzurum gas pipeline created the possibility for Azerbaijan not just to attract large investments and generate revenues from the development and implementation of various projects in the country, but to co-ordinate Azerbaijani economy with European and world systems through economic ties. We have already noted that development of an economy in the contemporary world; its leader position and integration into world economic institutions are not possible without using democratic management principles in economics. The modern market economy is based upon the adherence to such fundamental values of Western society as rule by law, human rights and democracy. Turning these values into elements of its foreign policy, Azerbaijan made an extremely important step for the development of the country – it built economic relations on the basis of the same fundamental values.

Currently, the economic policy has become an integral part of Azerbaijan's foreign policy due to the fact that both of them are relying upon the same democratic foundations. In other words, deep democratic reforms in the economic field, ensuring the rights of both internal and external consumers, the protection of national and foreign investments, the creation of a favorable environment for the activities of foreign companies have enabled Azerbaijan to use the useful democratic values for a civil society, but also allow the economy to benefit from democratic reforms. By building relations on the basis of mutual respect and rule by law with its partners and ensuring



**By building relations on the basis of mutual respect and rule by law with its partners and ensuring immunity and protection of international companies, Azerbaijan has become a developing reliable, strong and democratic partner in front of the world's leading states.**

immunity and protection of international companies, Azerbaijan has become a developing reliable, strong and democratic partner in front of the world's leading states. Indeed, this factor has made sustainable the development and

deepening of EU-Azerbaijan relations.

Starting from 1999, inter-parliamentary co-operation started to be developed intensively. One of main directions of relations in this field is the co-operation started in the framework of the Parliamentary Co-operation Committee with its first meeting held in April, 2000. During the first meeting of the Parliamentary Co-operation Committee, the discussion of the document – New Challenges from the European Parliament: towards the membership of Caucasian countries in the European Union – reflected the progress in the relations. This progress was boosted by changes taking place in the mutual relationship as a development trend. Considering the entry of the PSA and the improvement of the economic situation in Azerbaijan, the assistance of the EU shifted from the humanitarian field towards expanding ties in commercial and investment fields.<sup>27</sup>

Azerbaijan became the largest commercial partner of the European Union in the Caucasus. In comparison with 2002, the volume of commercial ties between the European Union and Azerbaijan increased by 40% in 2003.<sup>28</sup> The EU share of the overall imports of the Republic of Azerbaijan increased from 19.4% in 2000 up to 32% in 2003 and from 60.4% to 65.7% in export accordingly.<sup>29</sup> During the same period, the mutual trade turnover between EU and Azerbaijan increasingly developed.

Economic indicators between the European Union and Azerbaijan (thousand, USD)

Years	Import	Export	Foreign trade balance
1) 2000	227173,3	1053665,2	826491,9
2) 2001	273743,4	1608001,3	1334257,9
3) 2002	393512,8	1463371,4	1069858,6
4) 2003	840918,1	1701494,8	860576,7
5) 2004	1190844,8	1841031,0	650186,2

On April 3<sup>rd</sup>, 2000, the Permanent Representation of Azerbaijan to the European Union was established on the basis of a Presidential decree "On ensuring the organizational basis of the activities of the Representative Office of the Republic of Azerbaijan to the European Union"<sup>30</sup>. Besides that the first ever official visit of EU Troika to Azerbaijan on February 21<sup>st</sup> 2001<sup>31</sup> expressed the progress in mutual relations.

In 2004, EU assigned a new status to the South Caucasus. According to the Neighborhood status heralding a new level in the mutual relations, the South Caucasus nations had the possibility to join the integration process realized in various fields of society and conduct closer co-operation with the EU in difference to other Eastern EU states. Differing from the PCA, the New Neighborhood Policy is a more perfect concept and envisaged co-operation considering the particular features of each state. According to the decision of the European Council dated June 14<sup>th</sup>, 2004, Azerbaijan and other South Caucasus states were included into the New Neighborhood Policy.<sup>32</sup>

On June 1<sup>st</sup>, 2005, the President of the Republic of Azerbaijan Ilham Aliyev decided to establish the State Committee for the integration of the Republic of Azerbaijan into the European Union taking into account a new qualitative stage in the integration into Europe as a result of the entry of the Republic of Azerbaijan into

27. EU – Azerbaijan relationship in light of EU enlargement / MFA/ the current archives. First Western Territorial Department.

28. "Xalg gazetisi" newspaper. 2004. 29 May

29. Statistics of Azerbaijan. 2001-2005.

30. Azerbaijan newspaper, 2000, 6 April

31. Azerbaijan newspaper, 2001 22 February

32. Meeting with the students of the Baku State University. Speech by Romano Prodi 17/09/04.//www.europa.eu.int/comm/external\_relations/azerbaijan/intro/index.htm



New Neighborhood Policy of the European Union.<sup>33</sup> The decree envisaged setting up working groups in political, economic, transportation and energy, legal, security, human rights and democratization, humanitarian, scientific-educational and other fields. The Memorandum of Understanding on the Strategic Partnership in the field of Energy signed between the Republic of Azerbaijan and the European Union in 2006 contributed to ensuring the diversity of energy sources and transportation routes for EU member countries, developing and modernizing the energy infrastructure in the Republic of Azerbaijan and using rationally energy resources and infinite energy sources.

At the beginning of 21<sup>st</sup> century, both the European Union and the Council of Europe started to take a more objective and fairer position on the documents adopted on the Nagorno Karabakh conflict.

The EU statements related to Nagorno Karabakh adopted in the course of the years 1992-1993<sup>34</sup> did not concretely define which part is subjected to the aggression of the other state in the conflict. However, these statements determined indirectly that Armenia was the aggressive party in the conflict, the fact of occupation of Azerbaijani territories by local Armenians and the material support extended by Armenia to this process by attaching special importance to the territorial integrity and sovereignty of Azerbaijan.

However, the statement of the President of the European Union related to "the forthcoming presidential elections" in Nagorno Karabakh adopted in August, 2002 defined clearly and concretely that Armenia is the part of the conflict by "supporting the territorial integrity of Azerbaijan" and "non- recognizing the independence

33. Hasanov A. The contemporary international relations and the external policy of Azerbaijan. Page 606

34. Statement on Nagorno Karabakh. Brussels 22 May 1992 //www.karabakh-doc.gen.az/ru/law/law007az.htm

Statement on Nagorno Karabakh. Brussels 18 June 1992 //www.karabakh-doc.gen.az/ru/law/law007az.htm

Statement on Nagorno Karabakh. Brussels 7 April 1993 //www.karabakh-doc.gen.az/ru/law/law007az.htm

Statement on Nagorno Karabakh. Brussels 3 September 1993 //www.karabakh-doc.gen.az/ru/law/law007az.htm

of Nagorno Karabakh".<sup>35</sup>

Recommendation 2225 of the European Parliament addressed to the Council at the end of 2003 gave the possibility of watching more clearly the evolution of the EU position towards the Nagorno Karabakh conflict. This document reflected the following items which were important from the point of view of the Azerbaijani interests.<sup>36</sup>

1. It reflected the fact of ethnic cleansing operations conducted in the occupied territories and noted that some territories have been speedily Armenianized and prepared openly for the annexing;
2. To find a resolution suitable for Nagorno Karabakh using the experiences of other regions with a present special status in the European Union;
3. To restore the Baku – Yerevan railway connection and support politically and financially the plan of withdrawal of the Armenian armed forces from five occupied regions of Azerbaijan;
4. To assign some status to the region of the South Caucasus and develop the stability pact idea for the South Caucasus using the elements of the Stability Pact for South-Eastern Europe;
5. To avoid the involvement of any oil conflict in the region.

Furthermore, early in 2004, a document reflecting A New Strategy of the European Union in the countries of the South Caucasus was prepared by Per Garton, a member of the foreign affairs, security and defense committee of the EU Parliament adopted by EU legislative body. One of the most important points in that document is the fact of ethnic cleansing operations conducted in the territories occupied by Armenia.<sup>37</sup>

The document related to the Armenian-Azerbaijani, Nagorno Karabakh conflict adopted in January 2005 at the Parliamentary Assembly of the Council of Europe had a special importance. This document reflected the first ever recognition of Armenia as an ag-

35. The statement of the EU Presidency on forthcoming "presidential elections" in Nagorno Karabakh. Brussels, 2 August 2002 // www.mfa.gov.az

36. Proposal for a European parliament recommendation to the council on EU policy towards the South Caucasus. 2003 / 2225(INI) // www.europarl.int.

37. Xəlg gazetı newspaper, 2004, 27 February; 25 January



gressor by the Council of Europe.<sup>38</sup> The following phrases in that document have attracted particular attention:

*One part of the Azerbaijani lands has been occupied by the forces of Azerbaijan (Article 1);*

*The region of Nagorno Karabakh is kept under the control of separatist forces;*

*Ethnic cleansing has been conducted in the occupied territories and a mono-ethnic territory has been created there (Article 2);*

*The occupation by one member state of the Council of Europe of the lands of other member states is in contradiction with obligations undertaken.*

Thus, starting from the year 2000, relations between Azerbaijan – the European Union and Azerbaijan – the Council of Europe entered into a new qualitative level of development. This stage differed from the previous one by its development being based upon a new structural and legal basis, intensification of economic ties and covering new fields, changes occurred in the approach of the European Union and the Council of Europe applied to the region and conflicts in the region and the dynamic and speedier development of parliamentary relations.

The implementation stage started in 2000 and continued till now is accompanied by the speedy development of all fields of public life in Azerbaijan. The democratic rights and freedoms turning out into the integral elements of internal and external policies of the country, the economic development making Azerbaijan the top country in the world due to its pace, cultural reforms within the frameworks of UNESCO and ISESCO, reforms carried out in the field of implementation of Bologna principles and several other factors have enabled Azerbaijan to be a member of worldwide democratic states and gave the possibility to significantly influence world processes.

#### **A new vision in the process of integration into Europe: from the implementation stage to the correction stage**

But, the implementation period gradually started to be replaced

38. Resolution 1416 (2005) // <http://assembly.coe.int/Mainf.asp?link=/Documents/AdoptedText/ta05/ERES1416.htm>

by a new one. Starting from 2007, by implementing international economic projects and developing the democratic basis of society, we have started to observe more clearly Azerbaijan becoming an integral part of the global system. As much as Azerbaijan has been integrating into the global system, the negative and positive features of global processes have been felt also.

Unfortunately, starting from 2008, the economic crisis started to engulf the world. Without plunging into the details of the crisis theory and concepts, we would like to note that according to our view, the world economic crisis has been in principle the crisis of the system of values standing at the core of contemporary systems of international economic and political relations.

In this difficult international situation, Azerbaijan could not be left behind. The implementation phase which had continued deeply and comprehensively in Azerbaijan was replaced by the stage of correction.

Challenges of mankind, changing attitude towards international principles, ignoring of these principles in majority of cases, its rude violation on some occasions, and policy of double and triple standards in relationships with some states has obliged Azerbaijan to be more serious and prudent in its internal and external policies from the point of view of its integration into the international community. Azerbaijan could not underestimate the processes taking place in the field of international law both at European and global levels. Events in Kosovo, the war between Georgia and South Ossetia, violation of the territorial integrity of Georgia as the result of the recognition of independence of South Ossetia and Abkhazia as well as the relationship between Armenia and Turkey have required particular attention. In fact, these events have obliged Azerbaijan to review seriously recommendations and proposals implemented with full confidence inside the country. In other words, the romantic period of democratic reforms and integration of the country into the system of international relations had finished. The struggle for

**Starting from 2007, by implementing international economic projects and developing the democratic basis of society, we have started to observe more clearly Azerbaijan becoming an integral part of the global system.**



markets, spheres of influence and a place among other nations had started globally. Requiring severe, uncompromising and extremely unusual activities, this fight has required and still requires comprehensive balanced activities envisaging possibilities to preserve and deepen democratic freedom already gained with a view to the geo-political role of Azerbaijan and the conditions of ensuring the stability.

In 2008, Azerbaijan called back its peacekeeping platoon from Kosovo and decided to complete the mission of its peacekeeping battalion in Iraq. At the same time, changes have taken place also in the internal policies of Azerbaijan. In 2009, changes made to the Constitution of the Republic of Azerbaijan and other legal documents reflected a new approach with corrections.

Today, Azerbaijan is an economically strong, developed and democratic state pursuing a balanced policy in the region. This policy enables Azerbaijan to remain a country of dynamic development even during a global economic crisis. In spite of the neo-liberalism crisis in the world, this policy creates conditions to develop democratic values in Azerbaijan. This policy creates possibilities to remember the occupation of Nagorno Karabakh which is the main problem of Azerbaijan. Today, when the world community is desperately seeking a way out of the economic crisis and preparing new forms and types of relations with superpowers, changing the attitude towards values already formed in the country. In addition, a democratic value widely and deeply used in the foreign policy of states to interfere into domestic affairs and pressurize the foreign and domestic policies of targeted countries, Azerbaijan is trying not only to remain at the center of the world's attention, but to be an active participant and the defining chain in some cases.

The world crisis which began in 2008 has proved once again the right and irreplaceable nature of the political and economic course realized in Azerbaijan since 1993. As noted by President Ilham Aliyev, this crisis has become the moment of truth for all states. The Azerbaijani economy has maintained its sustainable development and since 1993, Azerbaijan has been implementing reforms and using means and methods in a systematic way. All these factors foster the international position of Azerbaijan and increase its political and economic role as well as importance.

## Elshad Nasirov

Vice-president, investment and marketing  
SOCAR

## AZERBAIJAN OIL AND GAS INDUSTRY – ACHIEVEMENTS AND PERSPECTIVES

The balanced policy carried out by the leadership of Azerbaijan enables the country to make effective and flexible use of its energy and strategic potential. Today, owing to the success achieved in the oil and gas sector by creating the diverse and powerful export and transit potential, Azerbaijan can position itself as one of the important players in the world energy map. SOCAR plays the key role in the implementation of the strategic objectives of the country in the oil and gas sector. Huge transnational energy projects successfully enforced by Azerbaijan with the participation of SOCAR as well as the development strategy conducted by the management of the company allowed SOCAR to considerably diversify its activities, to bring them to new levels. Presently the activities of the company are aligned with the necessity of posing and settling of qualitatively new tasks determined by the enhanced political and economic strength of the country on one hand and the extent of the development of the company itself on the other.

Azerbaijan – a country with significant oil and gas resources. Proven oil and gas reserves of the country reach over 1.5 billion tons of oil and 2 trillion cubic meters of gas. Till now, starting from the signing of the "Contract of the Century", 308 million tons of oil has been produced in the Republic of Azerbaijan. Starting from 2007, as well as exporting oil, Azerbaijan has turned into a gas exporting country while completely covering its own energy needs.



**In 2009, 27 billion cubic meters of gas will be produced in Azerbaijan; about 8 billion cubic meters will be exported primarily via the South Caucasus pipeline to Georgia, Turkey and Greece.**

security of the consuming countries. Thanks to recently realized projects in the oil and gas sector, Azerbaijan plays an important role in this particular process. Effective and long-term co-operation with the world's leading international energy companies allowed the realization of a number of major projects, such as the development of "Azeri, Chirag, and Deepwater Guneshli" and "Shah Deniz" fields, the construction of Baku-Tbilisi-Ceyhan and South Caucasus pipelines, etc.

In 2009, 27 billion cubic meters of gas will be produced in Azerbaijan; about 8 billion cubic meters will be exported primarily via the South Caucasus pipeline to Georgia, Turkey and Greece. Production and export volumes of natural gas will be more than doubled due to the development of the second phase of "Shah Deniz" gas-condensate field and other yet unexplored, but promising gas structures. According to plans, till the year 2020, gas production in Azerbaijan will be about 40-45 billion cubic meters a year.

It should be noted, that in accordance with the Memorandum of Understanding on Strategic Partnership between the Republic of Azerbaijan and the EU in the Field of Energy, the gradual convergence with the EU energy market and ultimately integration is a shared priority for both parties.

Azerbaijan has become a powerful energy country, developing co-operation in the field of delivery of energy resources with the leading countries of the world based on equal, fair and mutually beneficial terms. Therefore, we consider the project of gas transportation to European countries within the framework of the Southern Energy Corridor as a highly promising direction of inter-governmental co-operation. As is well known, this particular strategy envisages the supply of gas to Europe from the Caspian region by means of a new transportation infrastructure. The most important element

The Significant oil and gas resources of the Caspian region create considerable opportunities for a stable and secure supply of energy resources to international markets, thereby contributing to the strengthening of energy

of any future transportation system is the South Caucasus Baku-Tbilisi-Erzurum pipeline that has been in operation since 2007. It must be complemented by creating a transit infra-structure through the territory of Turkey to Europe.

In perspective, these are large-scale projects, such as Turkey-Greece-Italy Inter-connector, Nabucco, Trans-Adriatic Pipeline as well as a number of projects envisaging the transportation of natural gas through the Black Sea. Azerbaijan is actively co-operating with interested countries and companies as well as with the European Commission for the purpose of identifying the most attractive route with regard to reliability of long-term transit, direct access to end markets and commercial profitability. Azerbaijan is against the politicisation of energy resources' transit. Azerbaijan will participate in all projects that correspond with the national economic interests of the Republic.

Undoubtedly, a European direction is one of the priorities in our export strategy, along with other potential markets for marketing Azerbaijani gas. Russia can be counted among potential clients starting from 2010, we intend to supply to Russia 500 million cubic meters of gas, or to China where we could also export oil and in the future, possibly gas as well by connecting up to the respective projects of KazMunayGaz. The project of establishing the Euro-Asian Transportation Corridor Odessa-Brody-Plotsk and its further connection to a mainline oil pipeline "Drujba" and the exit to the port of Gdansk, along with the Pan-European Pipeline Constanta-Trieste is also of certain interest to us. A final decision to the benefit of one direction will be taken on the basis of cohesion on several key principles in accordance with crucial European standards that we have expressed our adherence to on a number of occasions.

First of all, Azerbaijan advocates for multi-factor transport routes for gas supplies that contribute to the highest extent to energy security of consumer countries. Direct commercial gas sales contracts with consumers, while omitting intermediaries, are also necessary conditions. We are strongly convinced that transit countries cannot participate in commercial contracts for sale of energy resources or as sellers. We see the role of transit states as reliable and long-term partners for producing and buyer countries that provide transit gas streams through their territory with a transparent pricing mecha-



nism for transit and transport services. Such gas resources supply systems (where producers, transit states and consumers operate in a purposeful manner and in coordination) constitute a reliable foundation for uninterrupted operation of transport corridors, guarantees fulfillment of contract obligations by all participants of commercial agreements and provides undoubted consideration of interests of all relevant parties. That is the civilized approach of the 21<sup>st</sup> century.

Taking into account the fact that Azerbaijan is one of the main partner countries of Europe on the issue of providing energy security, our country is ready to provide the necessary conditions for unhindered transit through its territory of energy resources from other countries of the Caspian Region to Europe based on the principles of freedom of transit and non-discrimination, for balanced and commercially based tariffs. We suppose that there are no serious legal, technical or any other obstacles for the realization of such projects jointly with the national companies of interested countries in Central Asia.

The transportation of oil from Kazakhstan within the framework of the Trans-Caspian Transport System project, realized jointly with the company «KazMunayGaz» is a bright example of such mutually beneficial co-operation. The agreement of the main principles of establishing this particular system that creates the possibility to supply the international markets with up to 80 million tons of oil from Kazakhstan though the territory of Azerbaijan was signed at the end of 2008. Today, about 100,000 barrels of oil from Kazakhstan's Tengiz oilfield is transported on a daily basis via Azerbaijan's oil transport routes though the territory of Azerbaijan. New infrastructure is being prepared for more effective transportation of oil volumes from Kazakhstan through the territory of Azerbaijan. In particular, the process of deepening the seabed of the Black Sea terminal of SOCAR in Kulevi, which is conducted for the entry of large-capacity tankers, has been recently completed. Besides the terminal in Kulevi, Georgia, there are Baku, Sangachal, AzerTrans and Dubendy terminals that are actively operating and a new Garadag terminal is being built. This entire infrastructure may be used in order to transit large volumes of Kazakhstan's oil.

Besides the fact that Azerbaijan is the main supplier of natural gas to Georgia, there is already built a network of petrol stations,

the project of Georgia's gasification is actively realized, agreements have been reached with regard to the purchase of gas-distribution stations in the regions, new gas pipelines in south-eastern Georgia are operational, etc. The National Oil Company is planning to build large-scale petroleum refineries and petrochemical complexes that would be capable of processing 10-15 million tons of material every year. We have become joint owners of stocks in Petkim (51%) (Turkey).

SOCAR possesses a highly developed oil and gas infrastructure that is used for the development of offshore fields of the Caspian countries. Besides the transport infrastructure, the oil and gas sector of Azerbaijan has a considerable technical base that includes modern installations, such as the Baku Plant of Deepwater Platforms, two petroleum refineries, a shipyard, modern powerful crane vessels, a pipe-laying crane, semi-submersible drilling installations, etc. In order to attract more utilization of these facilities, a law has been passed last year in Azerbaijan releasing the work of contractors at these facilities from customs duty and income tax. Taking into account that these installations have been utilized for the development of the Caspian fields for a considerable amount of time, it is evident that the share of capital costs in the cost of contract works will be minimal. These plants have well-trained and internationally certified personnel with many years' experience of working with international oil consortiums. An established multi-billion infrastructure, trained and experienced personnel, absence of capital costs and special preferred treatment put our facilities above the competition in the region.

The substantial increase of crude oil production to just over 1 million barrels a day, following the successful implementation of large upstream projects in Azerbaijan, created good opportunities for the diversification of marketing activity by SOCAR, which is oriented to increase the effectiveness of export operations and to develop the export of hydrocarbon reserves of Azerbaijan into new markets, and which has evolved not only quantitatively but also qualitatively.

In 2008 SOCAR emerged as the biggest crude oil exporter in Azerbaijan. Crude oil exports of the company almost tripled in 2008 compared with 2007. SOCAR exported about 23 mln tons (which makes more than 60% of the country's total crude exports



in 2008) of crude oil versus 8 mln tons (or 23% of the total exported crude oil quantity) in 2007.

The existence and operation of reliable transport corridors for the delivery of energy resources is an inherent component in the settlement of energy supply issues which nowadays gains greater importance both for consumers and suppliers, under the circumstances of toughening energy security factors.

SOCAR attaches high importance to the matter of maintaining the operation of multiple export routes for delivery of its hydrocarbon reserves to international markets. The company currently exports crude oil through 3 pipelines: Baku – Tbilisi – Ceyhan pipeline, Baku – Supsa pipeline and Baku – Novorossiysk pipeline. Baku – Tbilisi – Ceyhan pipeline is the main export pipeline in Azerbaijan with a nominal throughput capacity of 1 mln bbls per day. It is the only pipeline that delivers non-OPEC crude oil to the Mediterranean.

Baku – Supsa pipeline which is currently run at the rate of ca 100 thousand barrels a day transports crude oil to the Georgian Black Sea port of Supsa where it is trans-shipped onto tankers for further delivery to international markets.

Two crude oil grades are being exported by SOCAR from Azerbaijan: Azeri Light crude oil constituting the major portion (about 95%) of Azerbaijan crude exports, is delivered via Baku – Tbilisi – Ceyhan and Baku – Supsa pipelines; and Urals crude oil made available from the Russian Black Sea port of Novorossiysk, as a result of SOCAR's equity crude being transported through Baku – Novorossiysk pipeline and mixed during the transportation with the input of other suppliers from Russia and Kazakhstan.

The pipeline infrastructure of Azerbaijan is starting to be actively used by other Caspian producers. Since October 2008 Tengiz Chevr Oil has been delivering its entitled Kazakhstan origin Tengiz grade via Baku-Tbilisi-Ceyhan pipeline.

The increasing volumes of hydrocarbon production in the Caspian region naturally necessitate the need for reliable transit corridors that could efficiently serve the requirements of exporters. With a developed transit system Azerbaijan, besides being a large export-

er, is turning into the important transit country for the huge energy resources of the Caspian region. Effective co-operation with transit countries such as Georgia, Turkey, Russia to transport own energy resources to international markets together with available transport infrastructure strengthens the role of Azerbaijan as a transit hub for the exporters from neighbouring countries.

For many of the large consuming regions SOCAR has become a reliable source of crude oil supplies. The geography of exports has expanded considerably. The company's crude oil supplies now cover the main consumption areas of the world. The Mediterranean has historically been the main export region for the country's crude oil barrels. In 2006 only 10 – 15 % of crude oil was exported to long haul destinations. However, now about 40 % of the country's crude oil reserves are marketed outside the Mediterranean region. The deliveries spread to the world's main consuming regions such as the Mediterranean, North-Western and Central Europe, North and South America, Asia and the Far East.

It is notable that from a pure spot supplier the company has emerged into the important term supplier. SOCAR has concluded a number of term-contracts with large consumers of crude oil. Exporting crude oil on the basis of term contracts as well as the capability to affect CFR deliveries allows supplying crude oil directly to end-users – oil refineries, thereby promoting the strengthening of the energy supply security in the regions of consumption. Thus, the company has been turning into a key energy supply security factor.

The export activities of SOCAR are not only limited with the export of crude oil. Besides crude oil, the company exports petroleum products produced by SOCAR's two refineries: Baku Refinery named after Heydar Aliyev and Azerneftiyag refinery. At present the refineries process about 6 mln tons of crude oil per year. The combined annual processing capacity of the two refineries, however, is around 22 mln tons. In 2008 SOCAR exported about 2.7

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mln tons of petroleum products (gasoil, gasoline, jet fuel, fuel oil, motor oils).

SOCAR is becoming more and more actively involved in projects outside the country, thus expanding its own presence in the international arena and different markets.

In 2008 SOCAR's foreign trading arm in Geneva – SOCAR Trading SA, started to function and thereby we can witness the company's activities rising to a qualitatively new level. SOCAR Trading SA acts purely as a trader and carries out trading with not only crude and products of Azeri origin but also crude oil and petroleum products of other suppliers in the international market. Recently SOCAR Trading SA set up its new office in Singapore, designed to focus and promote the company's trading in Asia and Far East region.

SOCAR has built and currently operates 23 fuel filling stations in Georgia – one of the main markets for the company's exported petroleum products. It is planned to further increase the number of these stations whereby the company arranges the retail sale of its products.

The Kulevi Black Sea terminal in Georgia launched in May 2008 is in operation. SOCAR, the owner of the terminal, trans-shipped about 1 mln tons of petroleum products through that terminal in 2008. This year already about 800 thousand tons of petroleum products have been delivered by SOCAR through this terminal to international markets. The terminal is widely used for deliveries of petroleum products from other exporters.

In 2008, SOCAR-Turcas/Injaz Consortium purchased 51% of stocks of Petkim (Turkey's Petrochemical Holding Co.) worth 2.04 billion USD. The products of Petkim have been primarily produced for the Turkish petrochemical market and the company's total market share was 27% in 2006. It is has been planned that additional investments would increase Petkim's market share in Turkey up to 40%.

#### ***Information related to SOCAR's activity in natural gas operations***

**Reserves/production:** Azerbaijan has proven reserves of gas of approximately 3.5 trln cub meters.

Currently Azerbaijan is producing about 27 bcm annually and

expects that figure to reach 30 bcm this year.

The greatest achievement of the previous decades in the gas field was the contract signed between Azerbaijan and the international consortium regarding the Shah Deniz project back in 1996 in the expectation of a large oil find, instead of which a giant deposit of natural gas and condensate was discovered.

The field's recoverable gas reserves are estimated to be at least 1.2 trillion cubic meters. The consortium includes BP (as project operator) and Norway's StatoilHydro with stakes of 25.5 per cent each, Azerbaijan's State Oil Company, the Russian Lukoil, the National Iranian Oil Company, and Total of France, with 10 per cent each, and Turkish Petroleum with 9 per cent. A separate consortium with an identical structure owns and operates the dedicated export pipeline from the field via Azerbaijan and Georgia to Turkey (South Caucasus Pipeline), with BP as the technical operator and StatoilHydro as the commercial operator.

Phase one of commercial production at Shah Deniz started in 2007 and jumped to 8.5 billion cubic meters (bcm) in 2008.

Phase two of production at Shah Deniz is expected to reach 20 bcm in the plateau years. SOCAR's own production is about 8 bcm which is planned to be increased to 12 bcm by realization of the company program aimed to increase gas volumes produced from the fields being currently developed and also implementing new projects.

**Local market:** SOCAR is the main supplier of gas to the local market (till 2006 local demand was satisfied by fuel oil burned at the electric power stations and about 5 bcm per year of Russian import gas). It supplies about 8 bcm per year of its own gas production. An additional 1.5 bcm of gas goes from the Shah Deniz project under a contract with SOCAR acting as a purchaser.

In addition, starting from July 1<sup>st</sup>, 2009 "Azerigas" CJSV, whose main activity was gas transportation within the Republic and supplying gas to domestic consumers, has been placed by the corresponding decree of the President of the Republic of Azerbaijan under the authority of SOCAR. The main purpose of this decision is to improve the management mechanisms and to establish an inte-



grated control system of oil and gas industry of Azerbaijan.

**Export:** Azerbaijan gas currently exports to four countries, with Russia about to become the fifth: Turkey, Georgia, Iran and Greece through Turkey.

From 9 bcm produced from SD 6.6 bcm are due for export annually through the Baku-Tbilisi-Erzurum pipeline to Turkey, 0.8 bcm will be supplied to Georgia. Export conducted by the Azerbaijan Gas Supply Company consisted of SD project partners including SOCAR. The routes and markets for SD Stage 2 volumes are to be defined by the partners and State represented in the project by SOCAR on the basis of reliability and commercial efficiency.

*SOCAR – Russia:* On the 29<sup>th</sup> of June 2009, SOCAR and Gazprom signed general terms and conditions for the Azeri gas sales-purchase contract. Beginning from 2010 the five-year contract will allow Azerbaijan to export at least 500 million cubic metres of gas annually and the volume sold can be increased by mutual agreement of both Parties. The deal demonstrates Russia's interest and intent to buy «big gas» from SD Stage 2.

*SOCAR- Georgia:* Additionally up to 0.8 bcm of SD gas was delivered to Georgia by the SD consortium. SOCAR also supplies to Georgia certain volumes of gas through its own gas transporting infrastructure. The commercial contract signed on the basis of IGA between the Azerbaijan and Georgia governments envisages 5 years of gas delivery with a volume of 0.8 bcm for 2009.

SOCAR has also been conducting on a non-regular basis, mostly in the winter-time season, export deliveries of small volumes of gas to Iran under sales-purchase contracts.

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## AZERBAIJAN AND EUROPE

Azerbaijan is an ancient land at the crossroads of the East and West with a rich cultural legacy and traditions. It lies at the very centre of what 20<sup>th</sup> century British geographer Halford Mackinder named the Heartland - Eurasia from Eastern Europe to China. Azerbaijan is strategically situated within the current contest between a comprehensive political-military influence and the protection of a multipolar international order.

In the modern period, the history of Azerbaijan has been closely linked to the Azerbaijani Democratic Republic. The ADR was officially established in May 1918 after the collapse of the Russian empire, and was the first attempt at modern state building in the history of the Muslim Orient. The newly born country was based on the fundamental principles of democracy and rule of law. For the first time in the near and Middle East, people were able to fully exercise their inalienable rights of freedom of speech and free association. The first opera, ballet, theatre, women schools, free press and voting rights for women in the Muslim world were established in the 19<sup>th</sup> and 20<sup>th</sup> centuries in Azerbaijan. In general, the ADR was following the European model of state building.

The ADR was implementing an independent foreign policy and was trying to establish friendly ties with its neighbours. Its main foreign policy priority was the recognition of the Azerbaijani Democratic Republic by the European powers and international



**At present, the Republic of Azerbaijan is a modern secular and market-oriented state. It is committed to universal human values and being a regional leader has established a goal of full integration into the globalized world**

community in general. After the de-facto recognition of Azerbaijan at the Paris Peace Conference in 1919, many European countries opened up their diplomatic missions in Baku.

However, in 1920 the promising democratic experience of the ADR was brutally crushed by invading

Russian Bolshevik forces. Subsequently, the development of relations with Europe ceased, putting an end to the aspirations of the Azerbaijani people for some 70 years. Finally, in 1991, after the collapse of the former Soviet Union Azerbaijan restored its independence.

At present, the Republic of Azerbaijan is a modern secular and market-oriented state. It is committed to universal human values and being a regional leader has established a goal of full integration into the globalized world. Today Azerbaijan enjoys domestic stability with record-high economic growth. Economic progress and continuing political reforms in Azerbaijan mutually reinforce each other and have had a very positive impact on the advancement of this country. Azerbaijan has proved its credibility as a pioneer and champion for many positive and significant developments in the region and as a reliable partner for Europe. This country has been a driving force behind a number of large-scale regional co-operation projects. Following the example of Europe, Azerbaijan strives to turn the South Caucasus into a stable and prosperous region of peace and development.

Azerbaijan is often called a bridge between East and West. In the medieval period, Azerbaijan was located in the middle of the Great Silk Road linking Europe with Asia and Far East. For many centuries, Azerbaijan played an important role in shaping dialogue among civilizations, connecting people through tolerance and communication. Throughout history, Azerbaijanis preserved their treasures of culture, wealth of customs, traditions and historical heritage, they are proud that despite centuries of hardships and challenges they were able to shape a unique space of mutual respect and understanding in their country. At the same time people

living in Azerbaijan, bear the imprint of enrichment by other cultures of the world, due to many generations of Azerbaijanis being distinguished by tolerance, kindness, an ability to listen and skill to teach and establish bridges between cultures.

In today's Azerbaijan, the historic bonds with the ADR are still clear and evident. Therefore, the principle of continuity with a European dimension is the mainstay for today's foreign policy of Azerbaijan. Since 1991, Azerbaijan has been trying to forge regional policy based on good-neighbourly relations, mutual understanding, and co-operation. Against the backdrop of strong economic competition and continued regional instability, our foreign policy must guarantee the security of the state and the welfare of its citizens. Its foreign policy is always of paramount importance. Therefore Azerbaijan takes into consideration the local and international political, economic and security situation. For reasons related to history, culture, and mentality, developments within Europe have always been of particular importance to Azerbaijan. Since the restoration of its independence, Azerbaijan has started to build up mutually beneficial relations with European countries. In the post-Soviet period, under the determined and visionary leadership of President Heydar Aliyev, a new focus upon the European dimension within Azerbaijan's foreign policy re-emerged. Relations with Europe were developing both on a bilateral basis and within multilateral forums. Integration into European structures has always been high on the agenda of Azerbaijan's political leaders.

Relations between Azerbaijan and the countries of Europe can be examined in two formats – multilateral and bilateral.

The first step towards the integration of Azerbaijan into Europe was its accession to the Conference on Security and Cooperation in Europe (CSCE) on January 30<sup>th</sup>, 1992. On July 8<sup>th</sup>, 1992, the Republic of Azerbaijan accepted the CSCE Helsinki Final Act of 1975 through its formal signing at the CSCE Helsinki Summit. In 1994, the CSCE was transformed into the Organization for Security and Cooperation in Europe (OSCE).

Azerbaijan considers the OSCE to be a unique pan-European security organization, and with this in mind attaches special im-



portance to intensifying its involvement with this Organization in all fields. Azerbaijan actively participates in all three dimensions of OSCE activities, including political-military, economic-environmental, and human aspects of security.

The collapse of the Soviet Union in 1991 created fifteen newly independent countries. At that period, Azerbaijan found itself at the centre of the conflicting interests of global and regional powers. The Caucasian region was suffering from armed separatism, ethnic conflicts, internal political instability, and economic troubles. In the aftermath of the collapse of the Soviet Union, there was a sense of hope for stability in greater Europe based initially on a simplified vision of comprehensive security. The European Union, NATO, and OSCE were busy producing concepts of idealistic security architectures rather than analysing real-time security developments in the countries of the Caucasus and Caspian regions. Voices of those who were appealing for a focused attention to still burning conflicts in the former Soviet Union were mostly ignored. In the period of the post-Soviet euphoria in Europe and the USA, there were very few people who were able to recognize at the beginning of the nineties the emerging grim profiles of ethnic and religious extremism, aggressive nationalism, and international terrorism.

The present day European security architecture rests mostly on the OSCE platform with its early warning, conflict prevention, crisis management, and post-conflict rehabilitation as the core tasks. However, in order to implement them in an efficient way we have to address thoroughly the current problems existing in the security field. We should not forget the earlier mistakes made in the Caucasus. The armed conflict in 2008 between Russia and Georgia showed that there is no such thing as "frozen conflicts" - these are active conflicts, and until they are resolved, they remain a threat to the stability of all Europe. The unresolved conflicts in the South Caucasus region are the most important impediments to its development and greatly prevent it from utilizing its natural resources to the full capacity for the benefit of the people.

One of the major pillars of Azerbaijan's relations with the OSCE is the Minsk Group, which was set up to negotiate the settlement of the ongoing armed conflict between Armenia and Azerbaijan. During 1992 - 1993, Armenia occupied 20 % of the territory of

Azerbaijan; about one million Azerbaijanis were ethnically cleansed from their historic lands in Armenia and occupied territories in the Nagorno-Karabakh region of Azerbaijan and seven adjacent districts around it. Still, Azerbaijan strives for a peaceful settlement of this conflict based upon the norms and principles of international law; however, it is not going to compromise its territorial

integrity. Attempts to define the status of the Nagorno-Karabakh region of Azerbaijan under the continuing occupation and forced displacement of the Azerbaijani population are doomed to failure. Regretfully, the OSCE Minsk Group negotiations have not yielded the desired results as there is no visible pressure exerted from outside to compel Armenia to display a constructive approach. Under these circumstances, Azerbaijan is obliged to keep all options open, including its legitimate right to use force to stop the aggressor. On a more positive note, one should mention that slowly but surely our European partners have started to recognize that the notions of territorial integrity and sovereignty in the context of the latest dramatic developments in the Caucasus play a fundamental role in the stability of the region. Hence, today we are witnessing new international peace efforts to resolve the conflict between Armenia and Azerbaijan.

The continuing erosion of the fundamental principles inscribed in the Helsinki Final Act constitutes a major challenge to European security. In this regard Azerbaijan expects Europe to start reviewing the situation around individual conflicts on their own merits and drop the so-called balanced approach. There should be no balance in attitude between those who ignited the conflicts and those who became a victim of them. In recent years, the international community has displayed determination in similar crises in the Balkans and the Persian Gulf. The top priority of the European security agenda now is to restore respect for these principles.

Since 1998, Azerbaijan has also been developing successful co-

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operation with the OSCE's Office for Democratic Institutions and Human Rights (ODIHR), when the Memorandum of Understanding between the Government of Azerbaijan and the ODIHR was signed. The main objective of the Memorandum has been to assist Azerbaijan in implementing democratization reforms that the Azerbaijani government has launched since the restoration of independence in 1991. Major fields within Azerbaijan-OSCE/ODIHR cooperation include: technical assistance in legislation reform through the expertise of law drafts aimed at bringing domestic legislation into compliance with European standards, the reform of law-enforcement, border control and penitentiary systems, the raising of public awareness on human rights, freedoms, gender issues, and the development of the media and the civil society. Another important area for co-operation has been the monitoring of presidential, parliamentary, and municipal elections in Azerbaijan. The ODIHR has played an important role in improving any election-related legislation of Azerbaijan, including assistance in drafting the Election Code, which was implemented in 2003.

Any discussion between Azerbaijan and the OSCE concerning civil society development cannot fail to mention co-operation with the Office of the OSCE Representative of Freedom of the Media. The authorities of Azerbaijan and the OSCE Representative pursue intensive contacts on many media-related issues. Recommendations by the OSCE Representative contribute to the process of further development of democracy in Azerbaijan.

The OSCE which established its Office in Baku in 2000 plays an important role in co-operation between the OSCE and Azerbaijan. The mandate of the Office includes, inter alia, assistance in the implementation of OSCE principles and commitments, facilitation of contacts and co-ordination of activities, and the promotion of information exchange with the OSCE Chairman-in-Office and other OSCE institutions. The OSCE Office is successfully working on a number of issues, which require the attention of the Government. It does this by identifying priorities, creating efficient mechanisms for support and consultations, encouraging the process of further development of democratic institutions and the role of NGOs. The Office has also established and is successfully maintaining close co-operation with both government agencies and non-governmental

institutions in Azerbaijan.

Accession to the Council of Europe (CoE) was undoubtedly the landmark event in the history of Azerbaijan's integration into Europe. Founded in 1949, the Council of Europe seeks to develop, throughout Europe, common and democratic principles based on the European Convention of Human Rights and other international legal documents on the protection of individuals.

In January of 1992, the Milli Majlis (Parliament) of Azerbaijan appealed to the Council of Europe to obtain special guest status. In 1996, President Heydar Aliyev in his letter addressed to Daniel Tarschys, the Council of Europe's Secretary General, expressed the desire of Azerbaijan to become a full member of the CoE and accede to the European Convention on Human Rights. In November 2000, at its 107<sup>th</sup> meeting, the CoE Committee of Ministers adopted Resolution 14 (2000) on the invitation of Azerbaijan to become a member of the Council. On January 7<sup>th</sup>, 2001, the decision was adopted to admit the Republic of Azerbaijan as a full member to the CoE.

The centrepiece of the Council of Europe's assistance to Azerbaijan is its support of Azerbaijan's efforts to fulfil its accession commitments and statutory obligations as a CoE member state. Co-operation is mainly carried out in the following areas: legal co-operation on the protection and promotion of human rights, rule of law, strengthening the application of the European Convention on Human Rights, and the independence and functioning of the judicial system. This also includes the fight against corruption and money laundering, reform of the prison system, and promotion of the democratic process. Other areas for co-operation include assistance to strengthening civil society by guaranteeing social rights in Azerbaijan via intercultural dialogue, educational opportunities, and the protection of Azerbaijan's cultural and natural heritage.

The focus of the 2008-2010 co-operation programme consists of recent recommendations provided by the Parliamentary Assembly of the Council of Europe, the Ago Group of the Committee of the Ministers, and the CoE Commissioner for Human Rights. Special attention is to be paid to the strengthening of the progress achieved during the preparation and conduct of the recent presidential elec-



tions held on October 15<sup>th</sup>, 2008. A number of projects have been designed to support domestic efforts in implementing the National Action Plan on the Protection of Human Rights for 2007-2010.

The importance of membership in the Council of Europe for Azerbaijan is that this Organization embraces all European states. It means that this intergovernmental institution covers the full geographical and political scope of Europe. By becoming a member of the Council, Azerbaijan has demonstrated its European aspirations.

There is no doubt that the major multilateral institution shaping the present day situation in Europe is the European Union (EU). Created more than fifty years ago as a war prevention mechanism, today the Union represents a unique European integration institution. The EU possesses the features of both an international organization and a national state.

One has to confess, that after the collapse of the Soviet Union, the South Caucasus states received little attention from the EU. This fact is explained by the EU's major focus at that time on Eastern and Central European countries. Relations with the countries in the South Caucasus started to warm up in the middle of the 1990's. The recent period was remarkable with new developments in the South Caucasus, which would inevitably have profound implications for the region and beyond: continued economic development, further expansion of the EU borders towards the South Caucasus, implementation of important regional projects in energy and transport that further enhance its geo-political importance and significance. Against this backdrop, the ongoing conflicts in Azerbaijan and Georgia have certainly slowed down the pace of economic development in these countries but cannot obstruct it forever.

On April 22, 1996, the Partnership and Cooperation Agreement (PCA) was signed between Azerbaijan and the EU and entered into force in 1999. Since that time, the PCA has provided a legal framework for EU-Azerbaijani relations in the areas of political dialogue, trade, investment, economic, legislative, and cultural co-operation. The various joint institutions set up under the PCA (Cooperation Council, Cooperation Committee, Subcommittee on Trade, Economic and Related Legal Affairs, and the Parliamentary Coopera-

tion Committee) have all functioned efficiently and have ensured regular dialogue both at political and technical levels. Respect for democracy, principles of international law, human rights, as well as the principles of market economy are essential elements of the PCA.

After the ceasefire with Armenia had been agreed in May 1994, the Government of Azerbaijan began planning for the restoration of its war-affected areas located close to the front line between the armed forces of Armenia and Azerbaijan. The major goal was to create the conditions necessary for the return of a huge number of Azerbaijani internally displaced persons to these areas. The EU's initial contribution to this important process was through its TACIS Programme (Technical Assistance to the Commonwealth of Independent States). This programme focused on continued support for institutional, legal, and administrative reform as well as on support in addressing the social consequences of transition for post-Soviet states. In turn, the TACIS Programme led to the establishment of the European Union Rehabilitation Programme in 1997. An Emergency Pilot Programme started the same year, with a total budget of 117 million US dollars jointly financed by the Government of Azerbaijan, the European Union, UNDP, UNHCR, the Islamic Development Bank, and the World Bank, for the rehabilitation and reconstruction of the most war-torn areas of Azerbaijan. TACIS also provided essential assistance towards the implementation of Azerbaijan's Poverty Reduction Strategy launched in 2003.

Another step towards building closer relations between Azerbaijan and the EU was the inclusion of Azerbaijan into the EU's European Neighbourhood Policy (ENP) in 2004. It is indicative of the EU's willingness to extend its co-operation with Azerbaijan beyond what is provided for under the existing framework of the PCA. As a first step in this direction, a country report assessing progress in Azerbaijan towards political and economic reform was published on March 2<sup>nd</sup>, 2005. The country report highlighted areas where bilateral co-operation could be feasibly and valuably strengthened. Within the context of the ENP, the EU, in consultation with Azerbaijan, developed an action plan, which contains concrete goals and actions for the short and medium term. The five-year ENP action plan for Azerbaijan was adopted in Brussels at the EU-Azerbaijan



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Co-operation Council meeting on November 14<sup>th</sup>, 2006. It focuses, in particular, on democratization, human rights, socio-economic reform, poverty alleviation, energy issues, and settlement of the conflict between Armenia and Azerbaijan. This action plan is currently in its implementation phase. One of the main elements of the ENP action plan is the commitment of EU member states and Azerbaijan to common values such as respect for and support of the sovereignty, territorial integrity, and inviolability of internationally recognized borders of the other. Based on the EU-Azerbaijan PCA, the action plan takes into consideration the importance of Azerbaijan's relations with the EU, as well as the national policies and priorities of Azerbaijan.

Sometimes it is said that the European Neighborhood Policy is not about imposing solutions, but supporting reform. One can agree to this, though only partially. Depending on a particular situation in international relations, the EU could afford the luxury of being more resolute and determined once it has come to conclusion that firm and swift actions are required. A Greater political role of the EU based on its quick, optimal, and serious decisions would be welcomed in the region. The EU has just started to develop a strategy towards the South Caucasus. We would like to believe that this strategy and ability to demonstrate leadership would pave the way for long-term and dynamic endeavor and would provide a focused and precise approach towards the countries of the region. Responsibility towards the stability and predictability of the South Caucasus and the prosperity and security of its citizens has to be displayed both by the neighbor countries and the EU. We realize that the ENP is not a conflict prevention or settlement mechanism per se. However, the integration of the region into the EU's neighborhood would require joint and tailor-made efforts at a certain stage to protect the countries of the region against numerous risks and complex mixtures of threats, most importantly to their sovereignty and territorial integrity.

Azerbaijan highly appreciates EU's humanitarian and technical assistance programs successfully implemented in this country in

the most difficult period of its modern history. In the meantime, the notion and substance of assistance and support have changed. As my country has been gradually moving up to a qualitatively new stage in its development, we are more interested in expertise and high technology. We need more assistance from the EU countries in the field of education, youth training, science, research and development, information technology, environmental issues, agriculture, transportation. This will allow us to come closer to the point of assuming the responsibilities of an emerging donor-country, which could be our modest contribution to global efforts to alleviate the suffering of the more needy countries. Human contacts are becoming more important these days since it is through them that the citizens of Europe and its neighbors start to discover each other once the necessary political decisions are taken. The free flow of people and ideas across the borders should be encouraged. A lot has been done to this effect with due regard to the fight against illegal migration, transnational crime and international terrorism. However, we should not allow situations, when under the pre-text of strict border control; thousands of citizens in the ENP countries are denied entry visas to EU space. This situation does not serve the interests of developing mutually beneficial relations and damages the image of the EU. The time has come for visa facilitation issues to be given priority in Azerbaijan's relations with the EU.

Recently the EU decided to step up relations with its neighbours to the East, including Azerbaijan. In this regard, the Eastern Partnership Program (EPP) was launched in 2009. The EPP will examine comprehensive free trade agreements with those countries willing and able to enter into deeper engagement and integration into the EU economy. It will also allow for easier travel to the EU through gradual visa liberalization, accompanied by measures to tackle illegal immigration. President Ilham Aliyev attended the Eastern Partnership Summit in Prague on May 7, 2009, where the Joint Declaration was adopted. Azerbaijan is prepared to engage in constructive dialogue with the EU within the framework of the Eastern Partnership.

One of the pillars of Azerbaijan's national strategy is to develop the country as a regional energy, transportation and communication hub with a modern and powerful infrastructure capable of handling



intense trade flows between Europe and Asia. Coupled with expanding the network of regional, European, and intercontinental transportation routes, the South Caucasus in general has the potential to become the energy and transport centre of the whole Eurasia. To this end, Azerbaijan has embarked on a comprehensive multibillion program of upgrading and developing its transport infrastructure, which is an integral part of the East-West transport corridor. Recently, the construction of the Baku-Tbilisi-Kars railway link has been launched together with Turkey and Georgia, which is an important part of this corridor and will connect Far East and Central Asia with Europe through the South Caucasus.

Azerbaijan has started to develop its energy resources, with emphasis upon the diversification of routes to deliver oil and gas to international markets. In 1994, steering his way in a very complex geopolitical situation and facing serious challenges President Heydar Aliyev made a strategic decision to exploit the rich natural energy resources of Azerbaijan in long-term co-operation with international partners and pledged Azerbaijan's contribution to European energy security needs. Two important events established the foundation for the further development of Azerbaijan's energy policy: "Contract of the Century" signed in 1994 and the contract for the Shahdeniz gas field development signed in 1996.

Because of this policy, since 1994 Azerbaijan has been implementing a number of energy and transportation projects, which contribute to regional co-operation and integration, in turn bringing our region closer to Europe. Azerbaijan and its foreign partners have managed to create a new geography of pipeline infrastructure that provides alternative sources of energy supply to European countries. The Baku-Tbilisi-Ceyhan oil pipeline and Baku-Tbilisi-Erzurum gas pipeline provide the delivery of Azerbaijani and Central Asian oil and gas to European and other international markets. These projects contribute to the economic development and prosperity of Azerbaijan, Georgia and Turkey and enhance security of the whole region.

In 2004, acting in close co-operation with the European Union, Azerbaijan initiated the so-called Baku Process. This was aimed at bringing together representatives from the Black and Caspian Sea littoral states and the EU to discuss problems pertinent to broader

regional energy cooperation. Another goal was to jointly explore the possibilities for facilitating energy transit and trade in the region. The importance of Azerbaijan's role was re-affirmed in November 2006, when President Ilham Aliyev and the President of the European Commission José Manuel Barroso signed the "Memorandum of Understanding on a Strategic Partnership between the European Union and the Republic of Azerbaijan in the field of Energy" in Brussels. This document formalized the strategic character of energy co-operation between Azerbaijan and the EU and identified major areas to further develop this partnership.

The new energy landscape of today implies a higher degree of interdependency around the world, where countries should rely on each other for ensuring energy security. In the area of external energy relations, the EU needs to speak with one voice, as energy and security are intrinsically linked. For too long Europe has been comfortable with secure and affordable energy supplies, taken for granted, in the environment of monopoly. In certain cases, monopoly on supplies can guarantee their stability, however this is a very shaky basis for any long-term planning of energy security. As recent crises have shown, Europe is very vulnerable to disruptions of gas and oil supplies. The most recent disruption was the gas dispute between Ukraine and Russia at the end of 2008, which effectively deprived some European nations of this vital resource during the cold winter season. At that time, the countries of Europe started to debate the importance of energy diversification. As a result, the much-discussed Nabucco project rapidly moved up on the agenda of the European Union. Consequently, the importance of Azerbaijan as one of the major contributors and pivotal transit countries to this project once again became evident. For his part, President Ilham Aliyev expressed the readiness of Azerbaijan to assume the important role of delivering much needed gas to European markets.

Thus, currently Azerbaijan enjoys mutually beneficial and integrated relations with the European Union. Azerbaijan sees its future as a fully-fledged member of the European family and actively pursues this goal. The end of the Warsaw Pact and the collapse of the Soviet Union in 1991 were followed by sweeping economic and political changes in Central and Eastern Europe. Being



a country with an open economy Azerbaijan aims at developing mutually beneficial relations with all countries within Europe.

Regarding leading European countries, relations between Azerbaijan and the United Kingdom (UK) are of particular importance. Diplomatic relations between Azerbaijan and UK were formally established on March 11<sup>th</sup>, 1992. Since then, bilateral relations have spread to cover a wide range of issues, from high-level political and parliamentary contacts, growing trade, and investment links to the strengthening of cultural and humanitarian ties.

A number of high-level contacts have further developed relations between Azerbaijan and the UK. The most recent example is the visit of President Ilham Aliyev to London in July of 2009. During that visit, President Aliyev had meetings with Queen Elizabeth II and Prime Minister Gordon Brown. At the meeting with the Prime Minister, support for further expansion of bilateral relations was expressed and future directions of the bilateral relationship were outlined. The Memorandum of Understanding between the State Oil Company of Azerbaijan and the British Petroleum Company was signed in the course of the visit.

Britain is the largest single foreign investor in Azerbaijan with over 100 British companies operating in our country. Exports from Azerbaijan to the UK grow and mainly consist of equipment and commodities. Britain is Azerbaijan's second largest import partner. Goods imported from the UK are general industrial machinery and equipment, power generating and electrical machinery, metals and telecommunications equipment.

There is a strong recent history of cultural and humanitarian links between the two countries, which helps to foster a better understanding of culture and the arts. The Anglo-Azerbaijani Society is the principal organization drawing together the cultural, charitable, and other links between Azerbaijan and the UK. The Society was founded in 1997 to support Azerbaijani-British relationships in all spheres, to keep members closely informed on developments in Azerbaijan, and to increase awareness of Azerbaijan in Britain. The British Council has operated in Azerbaijan for 12 years and organizes events and exchanges in the fields of arts, education, governance, and science. It runs English language courses and provides infor-

mation services on the UK education system and other areas of interest to the Azerbaijani people.

Relations between Azerbaijan and Germany have also been developing with good results. Azerbaijan considers Germany to be one of its most important partners in Europe, particularly with a view to European integration. President Ilham Aliyev visited Germany in 2004, 2006 and 2007.

Today's economic boom in Azerbaijan is reflected in its economic relations with Germany. In comparison to other EU countries, Germany was a latecomer to the Azerbaijani market; however, it has since developed an impressive economic profile in Azerbaijan. Oil is Germany's principal import from Azerbaijan. Germany's major exports to Azerbaijan are motor vehicles, iron and steel goods, machinery and production facilities. A number of German energy companies have invested in long-term oil and gas exploration and production projects within Azerbaijan. Recent visits to Azerbaijan by the Premier of Germany's southern state of Baden-Württemberg Günter Ottinger and President and CEO of RWE Company Jürgen Grossmann have promoted further development of relations between the two countries.

Germany's technical cooperation with Azerbaijan focuses on the development and diversification of the country's market economy. Important joint projects are currently being implemented in the financial and technical sectors of the economy. A politically important development area is the continuation of legal and judicial reform.

Cultural relations between the two countries draw on the historical German settlements in Azerbaijan dating back to the beginning of the 19<sup>th</sup> century. As a result, Germany enjoys a positive image within Azerbaijan. In 2008, Azerbaijan held its first cultural year abroad, and Germany was chosen to host the event. In 2009, Germany reciprocated by holding German cultural and education fairs in Azerbaijan.

Traditionally, relations between Azerbaijan and France have been of a cultural nature. However, over the last few years, relations between the two countries have seen some important developments. On a political level, France, together with Russia and the United



States, is mediating in the conflict between Armenia and Azerbaijan within the framework of the OSCE Minsk Group. President Chirac met with President Heydar Aliyev during the NATO summit in Prague in November 2002 to address, specifically, the issue of this conflict. Furthermore, President Ilham Aliyev made his first official foreign visit as President to Paris in January 2004, which was followed by another official visit in January of 2007. There are also many parliamentary ties between the two countries.

Out of all the countries in the South Caucasus region, France has developed the closest trade relations with Azerbaijan. Economic ties between France and Azerbaijan continue to grow rapidly, especially in the aeronautics and oil services sectors. In part, this is a result of the investment opportunities for French companies after the entry into service of the Baku-Tbilisi-Ceyhan (BTC) oil pipeline and the Baku-Tbilisi-Erzurum natural gas pipeline. French companies have also expressed interest in the Trans-Caspian oil pipeline project, which would connect Kazakhstan's oil fields to the BTC. Consumer goods also account highly among France's exports to Azerbaijan.

The overall amount of cultural, scientific, and technical co-operation between Azerbaijan and France remains stable. Main projects relate to health, veterinary and agricultural co-operation. Others include environmental conservation, support for the rule of law, emergency management, French language instruction, and the development of scientific co-operation. There has been a French Cultural Centre in Baku since 2004, which is an important instrument for cultivating French cultural influence in Azerbaijan.

Special emphasis within Azerbaijan concerns relations with Turkey. Though Turkey is not a member of the EU, its role in European and Euro-Atlantic affairs, in particular through its membership of NATO, continues to be of important significance for Azerbaijan and its own European aspirations. Furthermore, Turkey was the first country to recognize Azerbaijan on November 9<sup>th</sup>, 1991, with diplomatic relations between the two countries established on January 14<sup>th</sup>, 1992.

Turkey attaches a great deal of importance to relations and dialogue with Azerbaijan. Both countries share close linguistic, cultural, and historical ties and Turkey has a strong partnership with Azerbai-

jan. Turkish-Azerbaijani relations continue to develop not only in the political field but in all spheres including the economy, trade, education, transportation, telecommunications, agriculture, social security, health, sports, culture, science, and tourism, etc. Legal frameworks are shaped by a number of agreements signed between the two countries. Frequent high-level contacts and mutual visits at all levels contribute to forge this partnership. The latest visit of President Abdullah Gül to the IX Summit of the Heads of the Turkic speaking States in October of 2009 is another example of this.

The ongoing conflict between Armenia and Azerbaijan is the principal obstacle to political stability, economic development, and regional co-operation in the Southern Caucasus. As a member of the OSCE Minsk Group, Turkey considers the Minsk process as a useful mechanism towards reaching a peaceful, lasting, and just settlement in this conflict, which is a key foreign policy issue for Azerbaijan.

The Balkans is an important part of Europe due to many political and economic factors. Azerbaijan attaches special importance to this area, and our relations with Greece are evidence of this. Diplomatic relations between the two countries were established in 1992. Due to its important geopolitical position and energy resources, Azerbaijan is of special interest to Greece. Furthermore, Greece supported EU initiatives to strengthen EU-Azerbaijani relations and contributed to the signing of the EU-Azerbaijan Action Plan in November 2006.

Regarding bilateral relations, high-level official visits have dramatically increased over the past few years. President Konstantinos Stephanopoulos' visit in 2004 to Baku and President Ilham Aliyev's visit to Athens in February of 2009 indicate a strong will to further develop Azerbaijani-Greek relations. Intensive co-operation in the field of energy delivery infrastructure is further developing. Azerbaijan welcomed Greece's suggestion to become the first country to export Azerbaijani gas to Europe. The future transit of Azerbaijani gas through Turkey and Greece to Italy will strengthen relations and the strategic partnership between Greece and Azerbaijan.

Notable efforts are being made within the sphere of culture, in particular the promotion of the Greek language in Azerbaijan



through the Centre for Modern Greek Language and Culture at the Slavic University of Baku. Greece awards scholarships to students from Azerbaijan to carry out their studies at Greek universities.

Among other developments in our relations with the Balkans, one has to stress the recent visit of President Ilham Aliyev to Romania in September 2009. During this visit, Presidents Aliyev and Basescu signed a joint declaration on establishing strategic co-operation between the Republic of Azerbaijan and Romania.

Among non-EU countries within Europe, one has to highlight Switzerland's relations with Azerbaijan. Following the collapse of the Soviet Union, Switzerland recognized Azerbaijan as an independent state on December 23<sup>rd</sup>, 1991, and the two countries have maintained diplomatic relations since then. In February 2006, Federal Councillor Micheline Calmy-Rey made an official visit to Azerbaijan, during which she signed three bilateral agreements and a joint declaration on migration. In January 2009, President Ilham Aliyev attended the Davos Economic Forum and in the framework of this visit had a meeting with Swiss President Hans-Rudolf Merz. At the meeting, both Presidents discussed important bilateral and international issues. In October 2009, President Ilham Aliyev paid an official visit to Switzerland.

Azerbaijan belongs to the Swiss voting group within the Bretton Woods institutions. Good relations between the two countries are therefore particularly important. Switzerland is involved in humanitarian aid projects for refugees and internally displaced persons who are victims of the Nagorno-Karabakh conflict. Switzerland also provides technical and economic assistance for good governance, sustainable management of natural resources, infrastructure projects, and investment promotion.

As a member of the OSCE, Switzerland supports the initiatives of the OSCE Minsk Group. It has facilitated and arranged various meetings in Geneva between the Azerbaijani and Armenian presidents.

Since the collapse of the former Soviet Union, relations between Azerbaijan and Central and Eastern Europe have made significant progress. Official visits of President Ilham Aliyev to Poland and Hungary in February of 2008 demonstrated a high level of co-operation between Azerbaijan and the countries in the region.

Relations with the Czech Republic are a good example of this. The visit of President Ilham Aliyev to Prague in May of 2009 and his meeting with President Vaclav Klaus, as well as visits of Prime Minister Mirek Topolánek, Deputy Prime Minister Martin Barták, and President of the Senate Přemysl Sobotka in 2009 to Azerbaijan were important developments in our bilateral relations.

Both countries enjoy high levels of political co-operation. It should be stressed that the Czech Republic supports the territorial integrity of Azerbaijan and this fact further strengthens the existing strategic partnership between the two countries. Both sides agree that economic co-operation lags behind the political partnership and needs to be improved. Both countries are currently taking necessary steps to help achieve that goal. Measures directed at improving the legal framework of the Azerbaijani-Czech relationship is one of the most important projects currently underway between the two countries.

It is worth noting that, along with Sweden and Poland, the Czech Republic was an initiator of the Eastern Partnership. It demonstrates the Czech Republic's eagerness to play a leading role in defining the EU's relations towards eastern partners, which is both welcomed and supported by Azerbaijan.

In addition to the political and economic heavyweights in the Western Europe, Azerbaijan appreciates its relations with medium-sized European countries, which constitute the majority of members in the European Union. Belgium is one of these countries. The visit of President Ilham Aliyev to Belgium in April of 2009 and his meeting with Prime Minister Herman Van Rompuy provided a good opportunity to further develop these relations.

Belgium fully supports Europe's policy vis-à-vis with the former Soviet states, and endeavours to contribute towards the development and integration of these countries. Being a medium-sized federal state with an open economy, Belgium with its experience in the European Union could prove useful to new EU neighbours and partners. Belgium has some key advantages both as the main headquarters of certain EU institutions and as the headquarters of NATO.

Austria is another country, which has growing relations with



Azerbaijan. President Heydar Aliyev paid an official visit to Vienna in July of 2000. The high level of political relations between the two states has become the main reason for the Austrian Federal Government's recent decision to open a fully-fledged diplomatic mission in Baku. The economic relations between two countries are characterized with increasing cooperation in a whole range of fields, including the energy sector. At present, a number of large and leading Austrian companies are represented in Azerbaijan. Austria is also mentioned in the list of main foreign investors in Azerbaijan.

Close interaction and co-operation in the humanitarian field are significant elements in these bilateral relations. Among the highlights are the Azerbaijani cultural days in Austria in 2002, the erecting of the monument of famous Azerbaijani composer Uzeyir Hajibeyov at the Danube Park in Vienna in May 2006, the first ever German performance of his "Arshin mal alan" operetta in Vienna Chamber Opera in September 2006 and the presentation of an electronic version of the restored manuscript of the XIIth century epic "Khamsa" by Azerbaijani poet Nizami Ganjavi in April 2008 in Vienna.

Azerbaijan has a lot of interest in further developing multifaceted relations with the Baltic countries. Wide scale cooperation in trade, energy, and transportation is crucial for the countries located in the Baltic, Black, and Caspian Sea regions. President Ilham Aliyev paid official visits to Latvia in October of 2006 and to Lithuania in September of 2007.

Relations between Azerbaijan and Estonia are evidence of this cooperation. Diplomatic relations between the two countries were established on April 20<sup>th</sup>, 1992. Co-operation between Estonia and Azerbaijan has grown closer over the past few years. Both sides are interested in the further development of mutual economic and political ties. Like Estonia, one of Azerbaijan's main directions in foreign policy has been directed at closer co-operation with European and Euro-Atlantic organisations. Estonia supported Azerbaijan in joining the Council of Europe. Azerbaijan submitted its application in 1996, when Estonia presided over the Council of Europe and became a full member in January 2001.

Estonia recognises and supports Azerbaijan's economic openness,

great economic potential, and development of international connections. Estonia is interested in developing economic contacts between the two countries and in intensifying bilateral trade. The total value of goods traded between Estonia and Azerbaijan has been small in recent years, but during the past few years, it has grown significantly. Azerbaijan's rapidly growing economy has been an attractive destination for Estonian companies.

In conclusion, it is important to underline that despite somewhat difficult internal and global processes which require Europe's increased attention and demand its political and economic involvement, Europe should be ready to undertake the role of a leader. Otherwise, Europe and the EU risk being sidelined and bypassed by other global and regional players increasingly active in the South Caucasus. Development of relations between Azerbaijan and Europe is not being done at the expense of relations with other regions of the world. European institutions constitute strong added value for Azerbaijan. As the integration of Azerbaijan into Europe is based upon mutual respect, future closer ties with Europe will inevitably raise to a new level. For Azerbaijan, the benefits are attractive: a higher standard of living, increased competitiveness and economic growth, and the attraction of considerable foreign investments. In this regard, strong and constructive bilateral relations for Azerbaijan with members of the European family are essential and it will continue to further intensify them both in bilateral and multilateral formats.



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## ARMENIAN-AZERBAIJANI CONFLICT SETTLEMENT SEEN THROUGH THE EUROPEAN

In this case, the author let slip knowingly the term "Nagorno Karabakh conflict" due to the fact that the inner content of this clash between the two States is larger and historically deeper than the mere struggle of Azerbaijan with Karabakh separatists. There is the acknowledged Armenian aggression against an independent State which resulted in the occupation of 20% of the latter's lands. The international Armenian community has played and is still playing a giant ideological, organizational and financial-material role in the Karabakh cessation movement as well as in aggressive and occupying acts.

Spanning its historically accurate period, this conflict dates back to the times of the liquidation of the Albanian Church Autonomy with the assistance of the Russian Tsarist government and the subsequent deletion of the Church of Caucasian Albanians by a full-scale extermination of their language, culture and historical memories (maps, archives, cultural and material artifacts). To put it more mildly, it has been the falsification of their history and the history of Azerbaijani Statehood in the period of Safavi (1502-1736) and Kajar (1737-1925) States. These semi-independent or factual full decades of independent institutions (such as beglerbeylikler, khan-

\* The Führungsakademie der Bundeswehr (FüAkBw) is the highest military academy of the German armed forces, the Bundeswehr. Established in 1957, and since 1958 located in Hamburg, it is the successor of the Prussian Military Academy that was established in 1810.



lyglar, sultanlyglar, jamaatlar others) have existed throughout the centuries in the territory of modern Azerbaijan and Armenia.

The memories of Azerbaijanis and Armenians, historical documents and archives from many countries, as well as the scientific research of scholars with different national backgrounds have recorded the authentic history of the mass resettlement of Armenians in the territories of the Azerbaijani state entities at the end of the XVIII – the middle of the XIX centuries. This happened thanks to the direct orders of the Tsarist Court of the Russian Empire as it faced militarily the State of Kajars and the Ottoman Empire prompting the entry of fresh new territories from the Trans-Caucasus. To boost “the Christian element” in Azerbaijani khanlyglars conquered or “peacefully” annexed by the Tsarist government, the settlement of thousands of Armenians from the Kajars’ State (modern Iran) and the Ottoman Empire to the South Caucasus region has been organized and “sponsored” duly. There is plenty of official, literature and other documents proving this officially regulated informal settlement, as well as privileges granted to these settlers. Before that process, Armenians had been represented in these territories and the Russian Empire mainly as “the merchant element” this being quite active “Armenian” capital.

Until the Russian revolution in 1917, there were no serious diplomatic plans to create an Armenian State in the territories of the former Azerbaijani State. European powers and the US had constantly regarded the territory of the Ottoman Empire or the region of Middle East as a good place for the creation of an Armenian autonomy or State. For example, according to the idea of T. W. Wilson (1856 - 1924), the 28<sup>th</sup> President of the United States, the Armenian Statehood entity could be established in the Northern-Eastern provinces of the Ottoman Empire with a 100 kilometer long access to the Black sea. However, the Ottoman Empire and more importantly its European allies did not agree on that issue. The same can be said about the decree of the Soviets of the People’s Commissioners of RSFSR (dated 31 December 1917) related to the free self-determination of “Turkish Armenia”. The creation of an Armenian State in the territory of Turkey, and not Russia could meet easily the strategy of the then Moscow revolutionaries.

In the creation of their own State, Armenians are thankful to the

democratic revolution in Russia, Trans-Caucasus Seim created under US influence, Trans-Caucasus Commissariat, Trans-Caucasus Democratic Federal Republic and the first ever democratic State in the Muslim populated country – Azerbaijani Democratic Republic. When at the end of May 1918, Trans-Caucasus Seim has ended its existence, three independent republics were proclaimed in Tbilisi – Azerbaijan, Armenia and Georgia. On the 29<sup>th</sup> of May 1918, the very next day after this proclamation of its independence, the Azerbaijani Democratic Republic guided by the principles of good neighborhood and taking into account the appeal of the Armenians conceded to give a part of Irevan uezd, including the city of Yerevan to be the capital of the Republic of Armenia which did not have any territory or capital in accordance with international law of that period. This is explained by the willingness of the Azerbaijani side to solve this issue so vital for both the Armenian and Azerbaijani people, jointly in the spirit of co-operation in difficult times to create and enable independent states. It is evident that the main precondition for this move should be the rejection by Armenians of their claims to have a part of Yelizavetpol province, e.g. Karabakh.

Since those times, the clear and hidden territorial expansion of the Armenian State started as the basis of their aspirations to set up, a mono-ethnic State. This expansion accompanied by the mass resettlement of Azerbaijanis from Armenia had continued also in Soviet times and reached its apex in the secessionist movement of Armenians from Karabakh, the military aggression against Azerbaijan and the occupation of a large part of the latter’s territory. Following the end of World War II Armenia presented its territorial claims also against Turkey. The most precious assets in any State are its people and the territory: all others can be generated on the basis of these values. It is an outrageous injustice when one State takes away more than 20% of the territory of another State and expels its local population under the threat of death in front of the entire world and against all international agreements and law. Even in such cases, all international communities represented by the United Nations and its affiliated bodies, the European Union and its structures do not undertake any serious measures to punish aggressors or restore international law while limiting their efforts only by adopting decisions and resolutions. It is obvious that other countries do think also “to redraw” boundaries and territories at the



expense of their neighbors while others fulfill this mission openly not fearing about the "grave" consequences, in particular (the proclamation of "independent" South Ossetia etc.) Separatists and Armenian aggressors already run their economic activities in occupied Azerbaijani territories; we see the growing new generation considering these lands as their own independent State. As long as this lasts, this status of "neither war nor peace" between Azerbaijan and Armenia, the restoration of international law and the peaceful settlement of the conflict will be more difficult.

Unfortunately, the public opinion of Europe as reflected in the mass media and revealed by the author in the result of many declarations, has shown weak interest in the Nagorno Karabakh problem, seeing it as the separatist problem of a breakaway territory with self-declared independence. Europeans are more interested in relations between the Armenians and Azerbaijanis in light of aggression by Armenia against Azerbaijan and the occupation of 20% of its lands. There is a forming impression that public opinion thinks Nagorno Karabakh is a solved problem which needs only the completion of legal formalities. This is the result of disregarding the policy of the EU, which concedes to separatists or limits itself by admonishing declarations (Kosovo, Abkhazia, South Ossetia are the clear examples of this move seen in recent years). Besides that, the issue on the seven regions of Azerbaijan occupied by Armenia is on a somewhat background plan. Instead of the immediate and unconditional withdrawal of the aggressor from these lands, the deal about the fate of those regions is being interpreted by some groups of pro-Armenian interests as the preamble for the settlement of the problem of separatist Karabakh.

Many EU politicians and the overwhelming majority of ordinary European citizens do not see or do not wish to notice that besides the two main sides of the conflict – Armenia and Azerbaijan jointly, with a third incoming side (separatists of Nagorno Karabakh), there is also a fourth side which has significant (propaganda, organizational, financial and other) resources – the world Armenian Diaspora. Many EU politicians disregard also the existence of indirect, but influential sides behind one side of the conflict (Russia, the US and others). Such politicians also rely on the sympathy felt by the majority of Europeans towards Armenians as "the ancient

cultural nation". However, few people in Europe know about such Azerbaijani Statehood entities as the ancient States of Midiya, Manna, Antropatena and definitely, Albania as well as the State of Safavis and the khanlyglars which have existed for many centuries.

This situation is mainly explained by the fact that the majority of European politicians are barely concealed supporters of the superiority of the Euro-Atlantic culture, political system and civilization (including the US and Canada, besides the EU) over all others. They treat Armenians as their "own" and Azerbaijanis as "barely close to them". Obviously, they understand that Armenia is the aggressor, but it is "their own" aggressor due to its culture and religion (now, there are rumors about claims to Samtskhe - Javakheti). On the other hand, the extent of hypocrisy and so-called political correctness is overwhelming amongst the majority of European politicians. Therefore, they are reluctant to call Armenia the aggressor due to the tragedy incurred by the Armenians in the Ottoman Empire at the end XIX and early XX centuries. Truly, it is unclear why this issue is to be dealt with by the Turkish Republic and the Republic of Azerbaijan which did not exist at that period. Many European politicians "look constantly back" at the US and its old tradition of "the politically correct" attitude to Israel.

Significant numbers of European politicians as well as the majority of ordinary citizens continue to underestimate the dangers stemming from local conflicts in the South Caucasus of the European Union. Politicians and mass media focus their attention to the problems of Afghanistan, Iran, Iraq, North Korea, even Venezuela and others. Indeed, one can presume that these countries are neighboring the EU and not the South Caucasus. And these threats posed by local conflicts in the South Caucasus to the energy security of Europe, have been demonstrated recently and fully by the Russian – Georgian war (August 2008). Till recent times, it has been widely understood that the US and Russia could overcome any dangers jointly or even separately incoming from local Caucasian conflicts. They might be

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able to cope with this problem, but what about Europe?

Peaceful settlement of the conflict, by satisfying the interests of all involved parties via rational compromises, not insulting any of the sides and reflecting the existing legal realities is neither fantasy nor good intentions in spite of the strategic interests of the Russian Federation in Armenia and those of the European Union and the US in Azerbaijan. Azerbaijan and Turkey enjoy the exclusive importance in the diversification of energy supplies from the Caspian in a Western direction. Furthermore, differently from Turkey, Azerbaijan does not have intentions to enter into the European Union and its transit functions can be regarded as quite neutral ones, vis-à-vis to the EU. Azerbaijan plays an increasingly important role in the energy security of the EU not only as a transit country, but also as an oil and natural gas supplier. By 2012, Azerbaijan will probably be able to meet 20% of the oil and gas consumption needs of Greece, Italy and the whole of southern-eastern Europe.

If we take into account that Kazakhstan has adopted the strategic decision to complete the construction of the Yeraliyevskiy Port on the Caspian shore (near Kuryk district) which will be able to host tankers with a capacity of 60.000 tons by 2010, then one can predict the drastic increase of transition functions for Azerbaijan in the years to come. Once Turkmenistan decides to supply the major part of its energy resources through the Caspian, the said transit will expand further. These functions, as well as the diversification of energy supplies which are so necessary for the EU in light of the recent (2008-2009) gas crisis between Russia and the Ukraine, can be reliable only after peace is established in the Trans Caucasus and stability is maintained in the States of this region.

The author is convinced that a peaceful and fair settlement of this conflict based on existing international law and rational compromises between interested parties is still possible with the necessary joint efforts of the EU, the US, Russia, Turkey and Iran. For this reason, the involved parties can undertake the following measures.

### **Azerbaijan**

**Firstly**, Azerbaijan repeals its decision (dated November 1991) about the liquidation of the autonomous status of Nagorno Kara-

bakh. It recognizes the highest possible status of autonomy for Nagorno Karabakh in the framework of its internationally recognized borders and acknowledges also the possibility of creating the Autonomous Karabakh Republic within these frontiers. This autonomous entity could have parallel regulated relations with the central government in Baku as the basis of international guarantees and under international control. For this reason, the newly created state entity can enjoy also other rights: creation of a free trade zone; permanent representation in Baku; veto right for all decisions related to this entity; guaranteed representation in all public institutions of the Republic of Azerbaijan.

**Secondly**, Azerbaijan guarantees maximum accessibility for transportation, information and cultural links between Nagorno Karabakh, Armenia and Armenian Diaspora.

**Thirdly**, The Azerbaijani community of Nagorno Karabakh jointly with Azerbaijani refugees from the occupied regions outside Nagorno Karabakh undertakes an obligation to support the said compromised proposals of Azerbaijan.

**Fourthly**, Azerbaijan does not present any contribution demands to Armenia and the Armenian community of Nagorno Karabakh for the prejudice made by the separatists' military actions and the aggression of Armenia against Azerbaijan. The exception is the cultural values which will be restored at the contractual basis by all sides of the conflict.

### **Armenian Community of Nagorno Karabakh**

**Firstly**, The Community declares that self-determination of the national Armenian community can be realized in the form of the autonomy proposed by Azerbaijan.

**Secondly**, Nagorno Karabakh is demilitarized; armed units are transformed into a police force controlled by the administration of Autonomy and the Ministry of Internal Affairs of Azerbaijan. For some period of time, this police force is under the control of international inspectors designated by the United Nations.

**Thirdly**, Restored or created again, Autonomy will guarantee under international control, the voluntary return of Azerbaijani refugees,



their safety and equality in rights.

### Armenia

**Firstly**, Armenia liberates the occupied territories of Azerbaijan immediately or gradually by separate rayons or regions under international control in accordance with a timetable agreed by Azerbaijan.

**Secondly**, Armenia recognizes Nagorno Karabakh as an autonomous state entity within the boundaries of Azerbaijan.

**Thirdly**, Armenia gives up any territorial claims in Azerbaijan.

**Fourthly**, Armenia is ready to revise the proposals of M. Baghirov made in 1945-1946 and the Gobble plan dated 1994 related to the exchange of territories between Azerbaijan and Armenia.

The possibility to solve the conflict peacefully is boosted by the fact that there are increasing positive moves inside Armenia. During the last presidential elections in Armenia, the former President of this country and presidential hopeful Levon Ter-Petrosian had been commenting on the conflict between Azerbaijan and Armenia in his pre-election campaigns: it is hard and unpleasant to assume the responsibility to stir the emotions about this conflict. Therefore it is necessary to think about financial compensation for prejudice against Azerbaijan. This issue of prejudice is important, but the rapid and unconditional liberation of the occupied lands as well as assuming responsibility for the operations in the past and prevention of further aggressive actions in other lands are more important. In this regard, it would be wise for both sides in this armed conflict to declare officially that they will not prosecute their participants, excluding those who committed war crimes. Parallel to the statements about refusal of contributions, prosecution of organizers and participants of the separatist movement, as well as those who were in armed clashes and did not commit crimes against humanity, we think it would be beneficial for both sides to start promoting public diplomacy and its possible realization. Currently, contacts between the populations of Azerbaijan and the Armenians of Nagorno Karabakh and Armenia are very rare and usually happen in foreign countries.

The author of this article has taken part in such meetings bet-

ween scholars and fine arts representatives in Germany (The European Academy, "Contacts" Public Organization, The Conrad Adenauer Foundation etc.) The main conclusion taken out of these meetings is the following: none of the sides in the conflict wish to have bloodshed again. It is widely known that public diplomacy (meetings between religious dignitaries, representatives of fine arts, science, public non-political organizations, trade unions, stakeholders etc.) is the necessary prerequisite for a peaceful settlement of a conflict. So far, there is an impression that the elite on both sides of the conflict underestimates the potential of such contacts leading to peace, justice and the implementation of the main principles of international law.

The significant role in a peaceful resolution of the conflict can be played by Russia, Turkey and Iran. Without their goodwill, peace and stability in the Trans Caucasus would be impossible. "Stability and co-operation platform in the Caucasus" initiated by Turkey and the latter's efforts to establish diplomatic relations with Armenia can stimulate any move in this direction. The same can be said about the Moscow Declaration signed (on 2 October 2008) by the President of Azerbaijan, Ilham Aliyev and the President of Armenia, Serj Sargsyan. It has also been highly assessed by the President of Turkey Abdullah Gul. This uncertain situation of neither peace nor war between Azerbaijan and Armenia slows down the economic development of the whole region, and Armenia in particular which is excluded from the majority of international economic projects in the area. This situation is not economically viable for all – Tehran, Moscow and Ankara. It is not possible to underestimate the aspirations of Iran to favor the peaceful and fair resolution of the conflict, particularly in light of relations between Tehran and Baku which are not always tolerant of each other.

Activities of the OSCE Minsk Group (US, France and Russia) as well as the work done by OSCE are not cancelled by anyone. However, their efforts in the last decades have not yielded any tangible results towards the peaceful resolution of the conflict based on international law. The only thing that has been attained through these activities: the current status has been maintained while the territories of Azerbaijan are still under occupation and hundreds of thousands of people are expelled from their lands. Can this be



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acceptable for the country subjected to the aggression? The question is a rhetorical one. It even took one decade for the UN to recognize Armenia as the aggressor in this conflict.

In Meiendorf Castle located in a Moscow suburban area (2.11.2008), Presidents Aliyev and Sargsyan discussed the ten

principles of the Madrid proposals made by the Minsk Group. The following constitutes the main part of these proposals: a referendum in Nagorno Karabakh and the liberation of seven Azerbaijani regions around Nagorno Karabakh occupied by Armenia. However, it is obvious that this referendum in current circumstances even with the participation of expelled Azerbaijani residents from Karabakh would give negative results for Azerbaijan. As far as the liberation of occupied lands are concerned, there has been no significant step made in this direction by Armenia. On the contrary, lands are being settled; resources are being developed; historical monuments of Azerbaijani culture are being deformed and destroyed. Satellite images prove it very clearly. Many think that the compromises mean humiliation. But in fact, this explains that every man tends to be wise. It is not right to suggest the struggle for one's own interests will exclude the compromises and interests of the rival side. Compromises are a part of our life. In particular, political life and international policy are simply impossible without compromises. But there are other periods and situations when it is impossible to reach a compromise.

One can easily make the conclusion that the previous mediation methods and previous mediators have not been able to accomplish the mission and should be replaced or at least added to (Turkey and Iran, for example). At the same time, the methods of their activities should be corrected significantly. This correction should be mainly linked to the fact that the famous cliché "pro-Western – pro-Russian" is not suitable for Azerbaijan.<sup>1</sup> Azerbaijan is considered

1. S. Markedonov, Price of Issue, Kommersant newspaper № 187 (4004), 15 October 2008.

as "their close ally" in the majority of worldwide capitals. It takes part in pro-Western GUAM and underlines the strategic importance of its partnership with Russia trying to find understanding with Moscow. In spite of independent internal and external policies, Azerbaijan has not been inserted into the black list of "non-democratic" States drafted by the United States. Some structures of the European Union criticize the Azerbaijani political process. But, this country has been included into the program of European Neighborhood Policy. Baku and Astana in our eyes have become the special points in Eurasia where the positions of the US, the EU and Moscow coincide very much. This policy carried out by President Ilham Aliyev, unity of society and increasing might of the State, opens up an objective possibility for Azerbaijan to put more serious pressure on Armenia and the international community about the liberation of occupied lands, territorial integrity and prevention of separatism.

Increasing the role of Azerbaijan in ensuring the energy security of the European Union will "pressurize" further the EU to boost its efforts for the peaceful settlement of the conflict between Armenia and Azerbaijan based on international law. I think that if Azerbaijan puts constantly and more decisively this question, at all levels of world politics, the chances of success will increase. However, the hope for the EU is weak: this Union is the liberal economic tiger which does not have its own military teeth. The decisive role in a peaceful settlement of the conflict between Armenia and Azerbaijan can be played jointly by the US and Russia with comprehensive support from the Turkish Republic and the Islamic Republic of Iran.



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# THE CHANGE PARADIGM IN THE MIDDLE EAST POLICY OF TURKEY

## Introduction

Currently, Iran is being shown as the most powerful state in the region following, in particular, the occupation of Iraq. In many evaluations, analysts claim that Turkey pursues a silent, prudent and “sissy” policy against the aggressive, attacking and uncompromised policy of Iran. Turkey is being even blamed for “a lack of policy”. But recent development of Turkish foreign policy has demonstrated the fact that Turkey aspires to play a more discreet influential role without prompting any reaction contrary to the opinion expressed above. Recent developments observed by us have shown the desire of Turkey to take a central position in the resolution of regional problems.

Such factors as expectations of Turkey from visits of Obama to Ankara, the harsh reaction of Prime Minister Erdoğan to Israeli attacks in Gaza, word brawl in Davos and most importantly and earlier, mediation efforts between Syria and Israel, attempts to engage HAMAS to this system and the desire to be a mediator between Iran and US have stirred up debates about the role of Turkey in the region. The topic of debates and discussions is the role of Turkey as a regional power and actor as well as comments related to a newly formed front in favor or against Iran, the Turkish role defined by West or its distancing from the latter. The aim of our ar-



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East relying naturally upon its specific features. Its population is 70 million which places this country among the largest 17 countries in the world by population. The existence of a strong economy and continued energy needs in a parallel, dynamic economic structure, seeking new markets, its religious and historical ties have formed such a necessity. In brief, the historical and cultural legacy of Turkey, its geopolitical privileges, the largest soldier quantity in the region and membership to NATO, good relationship with the US, EU and Israel are the features characteristic to Turkey.

All these specific lines shape a more active role of Turkey to be played in the region. In this context, the core idea in the Turkish Middle East policy is to develop comprehensive ties with all regional countries in each field and ensure the promotion of regional stability, security and prosperity aimed at creating a mutual economic dependence. Turkey has studied the rule of distancing itself from regional confrontations. On the other hand, it envisages any intervention into the development in the framework of existing possibilities in order to ensure peace and stability in the region. In the field of being neutral towards regional problems, Turkey has decided to restrain itself from being involved deeper into the complicated situation in the Middle East. In other words, Turkey did not want to become the gambling and ordering actor defining the processes in the Middle East and has played the role of reconciliation and has not demonstrated the neutral position which enables it to have better intervention.

In recent times, the attempts of Turkey in the Middle East, its alienation from the fundamental stance described above demonstrate directly or indirectly its desire to be the actor which defines the rules of the game and sets the boundaries. Though, it is not

ticle is to try understanding the reasons for the position, aspirations and actions in the light of developments taking place in Middle East.

Change paradigm is explained by the fact that Turkey wishes to play a more influential role in the region of Middle

declared openly, but appears to be the change paradigm. In many evaluations, this fact is simplified by being linked to the Party of Justice and Development (AK Partisi) and kept out of the analysis of regional and global changes. However, if any other party was in the place of AK Partisi, it would have formed such a policy towards the Middle East because this policy is the requirement of a specific period of time. In this case again, the ideological past of AK Partisi has motivated itself to start this process of change which gave the possibility of more confidence for it to be realized and accepted easily.

### **Dynamics of Change Paradigm**

The reasons for Turkey to perceive the need to intervene in the regional processes could be found in the changing Middle East situation following September 11<sup>th</sup> attacks. Coupled with the occupation of Iraq, the difference has started to appear in the views of the US and Turkey towards regional issues. In this regard, the document signed on March 1st can be deemed as the beginning. The rejection of this document has shown the idle attitude of Turkey and the US to the wish of re-designing the region, targets and means. It has revealed the divergence in opinions of the US and Turkey. Following this process, though the good relations of the US with the Iraqi Kurds have been put on a back stage, the discussions related to the Wider Middle East Project having importance in its proper period of time have resulted in a crisis of confidence between Turkey and the US. In addition to that, the United States has not made any efforts against the PKK for a long time which could be deemed satisfactory for Turkey. These factors have made Turkey understand the need to have closer relations with its neighboring countries and the failure of ensuring its interests in the region using US support. In turn, this has created conditions for boosting the wave of anti-US supporters inside Turkish society.

Another reason which obliges Turkey to be active in the Middle East is the re-drawing of the region's geography. The Sunni Arab face of Iraq has been deformed with the occupation of Iraq and the toppling of the Saddam regime. One could see a new emerging Iraq which has encompassed also Shiites and Kurds. The overthrowing of Saddam has removed the danger of Iraq for Iran by forming a



completely new country falling under the strong influence of Tehran. The decline of Iraq's previous force has altered drastically the regional balance of power. Iraq could withstand both Iran and Israel in its previous status-quo. Other Sunni Arab states could have more possibility to maneuver due to this function of Iraq. As a result of the occupation of Iraq, Sunni Arab states have been left alone in front of Iran and Israel. In particular, the increasing might of Iran and its aggressive look at the regional states have pushed Sunni Arab states to perceive Iran as a source of menace. In the light of the collapse in Iraq, the resistance force of Sunni Arab states against Iran has been daunted to significant extent. The fear of the "Shiite Crescent" is another indicator of these activities. For this reason, Sunni Arab states have started to need Turkey more to restrain Iran. Sunni Arab states have demonstrated their intention to form a block composed of anti-Iran supporters jointly with Turkey. In this respect, visits from Sunni Arabian countries to Turkey have increased significantly. In this framework, Arabs have offered Turkey an important playground. The signature of an Agreement Note in 2004 between Turkey and the League of Arab States, granting the leadership of OIC to a Turkish man, prompting more co-operation between the Gulf States Council and Turkey and the Arab support to the temporary membership of Turkey in the Security Council of UN have been stated as the most important developments.

During this period of time, Syria has weakened further. Syria has been forced out of Lebanon under heavy pressure from the West by falling into deadlock and the situation is very dependent on Iran. Besides creating a tense situation for Syria the security crisis between Iran and the Sunni Arab states has put this country into the center of criticism upon Arab states. On the other hand, the nuclear problem between Iran and the Sunni Arab states is also a matter of serious concern for Syria. For this reason, trying to save itself from the Sunni Arab states and Western pressure and seeking to avoid being the target in the tension between Iran and the US, Syria has chosen to be closer to Turkey.

As far as Iran is concerned, Iranian nuclear works and the tension with West have strained Iran – US relations in the Middle East and turned such persistent problems as Lebanon, Iraq and Israeli-Palestinian conflict into sensitive points of contact. Following the

occupation of Iraq, Middle Eastern countries have faced two deep doubts. Despite the serious doubts of Sunni Arab states towards Iran, neither do they believe the United States. For this reason, in the aftermath of Iraq's occupation, it would not be wrong to suggest there is an awkward situation between the Arab states and the US and Iran.

After the occupation of Iraq, we have witnessed the unsatisfactory behavior of global actors in front of the regional powers of the Middle East. The US has damaged its image in Middle East by boosting seriously anti-American movements and decreasing the confidence of regional nations in the US. In addition, the US has become stuck in "swamp" and instead of rebuilding a new Middle East; it has created "a spot of pending problems" in that region. Furthermore, Europeans have also failed to demonstrate their strong will and play any important role in the resolution of problems in the Middle East. However, Sunni Arab states also could not manage to find any solution for such problems among themselves.

This process has created the need for Turkey to prompt rapprochement with the Middle East countries. The occupation of Iraq and its consequences have become the most important problem in Turkish foreign policy. Turkey has felt a need for a regional will to solve this problem. In particular, being unsatisfied with the Iraq policy of the US and the violation of the territorial integrity of Iraq as a result of this policy, Turkey has started more active dialogue with the neighbors of Iraq. In other words, the occupation of Iraq, developments seen in the northern part of Iraq and the existence of PKK in the region are the main factors that have encouraged Turkey to turn its eyes towards the Middle East.

As a result of all these events, the developments in our region have increased the importance of Turkey which resulted from competition between countries to be closer to Turkey. In such an environment, Turkey can be seen as a more reliable partner from all points of view. In reality, we can presume that the long standing policy of Turkey as "being impartial in all problems" has created a kind of confidence for the said countries. Though Turkey faced some difficulties in front of problems on various occasions, we admit that it has managed to prove itself as a relatively reliable partner. Another detail which strengthens this confidence is the foreign



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policy of Turkey not to interfere in the internal affairs of other countries which is quite important for some regimes in the region so sensitive to a power change. Contrary to the efforts of the US and the EU to interfere in domestic policies, Turkey's partial position towards regional problems made

Turkey differ from these two sides. Therefore, though Turkey is seen as a part of the Western axis when treating regional problems, it serves the principles of not interfering in internal affairs and impartiality. In this regard, the rejection of the document signed on March 1st has brought positive elements to the image of Turkey in the region. Furthermore, states which branded Turkey as "the paid soldier" of the US have changed its opinion and witnessed the independent attitude of Turkey for the sake of its national interests. This has enabled these countries to think about their possible influence on Turkey and any future gains.

### **Is Turkey a regional power?**

This position of Turkey engenders very different views. Thus, Turkey's aspirations to be a regional power create serious doubts. Though Turkey is a medium sized state, it can be considered the most important state of the region by its many characteristics. In spite of being the most important power in the region, Turkey does not have any intention to be in a position to steer the processes in the Middle East. Considering it a Western country, Turkey does not regard the Middle East as a place of competition. For this reason, Turkey does not wish to be a country which will settle security issues and political problems in the region of the Middle East. Truly, Turkey has chosen to distance itself from these problems that are uninteresting for the country by exposing its neutral position to such topics. It makes its steps legitimately on the basis of the state-to-state relationship model and keeping itself out of the internal affairs of any country. Looking from this perspective, Turkey's strategic defense line is limited by its geographical borders. It would

be wrong to consider a country which limits its strategic defense line by its geographical borders as a regional power. The strategic defense line of any regional power goes far beyond its geographical frontiers. So far, Turkey has been dealing strongly with all challenges stemming from Iraq in particular. It has the image of a state which pays attention to problems in its foreign policy. It is not possible to be an innocent and impartial power as well. The suggestion of being a regional power without irritating any other country can be deemed true. Any country aspiring to be a regional power finds it impossible not to have tension with Iran wishing to re-define the rules in the region. A country with ambitions of being a regional power is a country which is able to take into account the confrontation and continue it further.

Until recent times, Turkey has demonstrated its intentions to be a regional power. Some steps have been made in this direction. To make Turkey a regional power, it is important to give up the traditional Middle East policy and draw a new framework of political strategy. In fact, this is possible through the change paradigm. However, this process is not defined by the capabilities, motivation and diplomatic skills of Turkey. Due to the complicated nature of the resolution of problems in the Middle East, the existence of many inter-linked ideological movements and it being where many global and regional powers keep competing, the Middle East could be a kind of swamp for Turkey. Taking this into account, there is a large number who see these political steps as a result of long tests done in front of the failed and unskilled traditional Middle East policy of Turkey. The same can be seen in such examples as Gamal Abdel Nasser or those who lost their lands or Syria still entangled in problems. It may be suggested that Turkey has had less losses in the Middle East due its distanced attitude.

The Turkish position on the Middle East coincides mainly with the views of Europe. Turkey has wished to have gradual changes in the Middle East by avoiding any military interference, but it did not have the zeal to be directly involved in any such changes. Today, we can see that Turkey is willing to see changes in the region. However, one of the most important questions for us is related to the real intentions of Turkey.

In this period of time, we can talk about the presence of three



axes in the Middle East. The most prominent one is the axis formed by Iran, Syria, Hezbollah and HAMAS. The fundamental components of this axis are the anti-Israel and anti-America moods of conservative Arab states. The second axis is the axis of the US-Israel. The main objective of this axis is either eliminating other groups or neutralizing them. Though the third axis demonstrates its closer ties with the US-Israel group, it is in a very different position. We can say that this axis has been formed by Egypt, Saudi Arabia, Jordan and the Gulf countries. In spite of this there are similarities in Turkey's position with the second and third axes; in fact, Turkey does not participate in any of them. Staying out of these axes enables Turkey to have more playgrounds, to be impartial and not to interfere in the internal affairs of others.

Turkey's participation in the axis formed by Iran and Syria is impossible. Any sliding by Turkey towards this stream can take the country away from the West. Besides the coincidence of some fundamental principles of Turkey's Middle East position with the principles of Iranian axis, we can also talk about contradictions in this field. If the recent policy realized by Turkey will yield any results, it will damage mostly Iran. Even not disclosed to the public openly, in the aftermath of September 11<sup>th</sup>, it is possible to presume that the tension between Iran and the West in our region has been in favor of Turkey because the concern of the West towards Iran is really significant. In this context, it is clearly seen that there is only Turkey which can limit the regional power and leadership aspirations of Iran. In comparison with Iran, Turkey is more reliable both for the Arabs and Westerners. As well as understanding the situation, Turkey is seen as a main candidate to play this role. The lack of Turkey's desire to be a part of the Iranian axis is a very important indicator while Turkey stands with the West on all regional issues and in particular, the protection of the territorial integrity of Iraq by trying to describe Iran as a dangerous state.

As far as the Sunni Arab states are concerned, these countries find it difficult to obtain results expected from Turkey by having many common issues with Turkey. Sunni Arab states are trying to expose Turkey against Iran while Turkey is slipping into such a confrontation.

When looking at the Western axis, we can see the negative at-

titude of Turkey towards the partial position of the West. At the same time, Turkish diplomacy thinks that Westerners do not know the region and fail to build meaningful communication. Turkey's position – "we know the region the best and we are the ablest communicators" – is hinting at the lack of professionalism of the West. But, it would be erroneous to conclude that this will lead to the formation of a new axis by Turkey in front of the West. Turkey sees itself as a bridge or regulating and balancing element between West and East. Following these steps, we can presume that Turkey has a wish to be a leader in the Middle East on one hand, and to demonstrate pro-Western support on the other.

It is interesting to see how able Turkey will be in maneuvering between these three axes because it will be very difficult to run this policy in the conditions of deepening confrontation which could be satisfactory for each side and avoiding entering into any hostile attitude. Turkey says that any of its relations are not directed against any other country. For instance, it is stated that the relations of Turkey with Syria are not reliant upon anti-Israeli moods or vice versa. Turkey declares to be attentive to this principle seen in its ties with Syria and Israel and which is also applied in all its other relationships. But, the tension observed in Israeli-Turkish relations in the aftermath of attacks in Gaza demonstrates the uneasy nature of this task. To be strong and influential by creating good relations with each country means "to enter hammam and get out without sweating" in the Middle East.

Recently, Turkey has attracted the world's attention by its important project of arranging meetings between Syria and Israel. Since the long years of tension in Turkish-Syrian relations, it has started to improve since 1998. While being satisfied particularly in the PKK issue, Turkey has also tried to pursue a policy of supporting Syria. In this context, Turkey has attempted to solve the problems of Syria with Israel and the West. The good relations of Turkey with Syria have brought a positive trend to relations with the Arab world which had not been very satisfactory so far.

Developing its ties with Turkey, Syria has sent a message to the West about its probable change in stance once the problems are solved. For this reason, if peace is secured between Israel and Syria, then regional co-operation between Turkey and Syria could increase



unexpectedly. In spite of being the produce of "a new Middle East", peace attempts between Israel and Syria is not a new fact in itself hinting at the readiness of Syria to have peace with Israel. This issue has been brought to various agendas in different frequencies since 1992. The willingness of Syria to sit behind negotiations table with the aim of obtaining full control in the Golan Heights is the beginning of an important process. Acceptance of peace by Syria can be seen also as a propaganda battle. By putting the withdrawal of Israel from the occupied Golan Heights as a pre-condition, Syria is trying to describe its legitimate right for defense in front of the occupation and neutralize the propaganda war of Israel against Syria. In this way, decreasing the pressure against itself, Syria plans from now to have a final settlement with Iran once the confrontation between Iran and the US has reached its peak. The Increasing force of Iran, complicated problems between the US and Israel, and in particular the famous expression of Ahmadinejad as "No existence for Israel" have created the room for Syria to maneuver in its ties with Israel.<sup>1</sup> Syria could accept reconciliation within this framework. During the presidency of Obama, the US will watch this issue more seriously. Finally, the green light of Syria for Obama brings new hope for activating this process again. In this context, one can clearly see the need for Turkey. However, it is important to repair the relations between Israel and Turkey damaged after the Davos Summit in order to enable the continuation of this mediation function of Turkey. Though it is not easy, it is a task necessary for us.

The Davos Crisis can be characterized as a short and interrupting "alienation" in the fundamental behavior of Turkey. Turkey damaged its visible impartiality and limited its playground. This step has been felt openly not only by Israel, but also the Sunni Arab states. As a result, Turkey's position on the HAMAS issue could be seen as a starting breakdown point. Turkey thinks differently on HAMAS in comparison with Israel, the West and Sunni Arab states but shares their concerns. Israel does not wish to see the repetition of the Hezbollah experience. According to the Sunni Arab states, the stance of Turkey wishing not to share such views on HAMAS as "a kind of Iranian satellite in the security garden of the Arabs" or

1. For more information about relations between Syria and Iran can be found at the following article. Arif Keskin? "Relations between Iran and Syria", *Stratejik analiz*, Unit 100, August 2008.

"another crying fact of Muslim Brothers phobia" is liked by these Arab countries. Though the Turkish position on HAMAS is a kind of acceptable area for Iranian propaganda, it looks still different. Iran does not want to see HAMAS integrated into the system while rejecting any offer of peace with Israel.<sup>2</sup> On the contrary, Turkey wishes to integrate HAMAS into the system and see it sit jointly with Israel behind a peace table. But, the dialogue of Turkey with HAMAS has created the situation where Sunni Arab states started to believe in a closer rapprochement between Turkey and Iran and the futility of their hopes to restrain Iran via Turkey. Arabs are able to give preference to Turkey in front of the might of Iran. However, the Davos Crisis and the position of Prime Minister Tayyip Erdoğan on the attacks in Gaza has pleased the Arab states because it has created a passive and surrendering image of the Arabs on the Palestinian issue. Furthermore, though the stance of Erdogan is commented as "Islamism" or "the force of democracy", this is litmus test for the political system of the Arabs. We can presume that Arabs are obliged to come closer with Turkey because they do not have any feeling of enmity towards Turkey compared to Iran's planned and programmed attempts to dominate them. Therefore, we think that the Arabs would opt for Turkey in front of such question as: "Either Iran or Turkey". The positive reaction of the Arab community and intellectuals to the statements of Erdoğan demonstrates their deeper confidence in Turkey. In spite of harsh statements from Ahmadinejad since 2005 till the present, Erdoğan has failed to become famous in this respect during a shorter period of time. In addition, the principle of a multi-faceted approach lies at the center of Turkey's foreign policy towards the Arab world. The signing of an Agreement between the League of Arab States and Turkey in 2004 is a concrete indicator of this fact.

The Davos crisis pleased Iran even for a short period of time. The propaganda war between Iran and Israel is highlighted by Iran's victory with Peres "eating his hat". In this part of the world, the attention of the international community has changed from Iran to the relations between Israel and Turkey. This has assured Iran remaining passive and not supporting actively during Gaza attacks.

2. To get more information about the policy of Iran related to the Middle East Peace process, please see: Arif Keskin, "Iran and Israel-Palestine problem", *Stratejik Analiz*, Unit 105, January / Ocak 2009.



We can state that the tension in Turkish – Israeli relations has been a kind of joy for Iran because it is seen that Iran is making efforts to hinder Israel – Turkey relations. But, the statement of the Turkish government to continue its relationship with Israel following the world crisis between both countries has abated the joy of Iran.

Today, due to the fact that Turkey and Iran understand that they are the most powerful countries in the region; both countries do not want to form any tension in their relations. Though the crisis of confidence is felt in the relations between Iran and Turkey, it is important not to voice it at the highest level. In spite of this Turkey is suspicious about the increasing role of Iran in the region, but it is not a huge problem for Turkey. Turkey is trying to have a better rapprochement with Iran in the region taking into account the Iraq centered foreign policy and Kurdish separatism in particular. For this reason, it is not openly opposing the increasing regional force of Iran. In turn, Iran observes suspiciously the efforts of Turkey and considers the latter as a problem for itself. Though many analysts in Iran think that Turkey aims to steal the power of Iran in the region, official circles keep silent on this matter. But, they are not happy to see Turkey gaining more influence in the region. This is also seen by the absence of any statements relative to the positive attitude of Iran towards the mediation attempts of Turkey between Iran and the US. In spite of Iran distancing itself from this point; we can assume that Turkey is able to make efforts in this field by seeing the support of these attempts on the Iranian side and its waiting position under Obama's presidency.<sup>3</sup> Turkey rightly believes in waiting for its mediation efforts to be strong enough to play a positive role in normalizing US-Iranian relations in the course of time. If the United States and Iran wish any normalization in present times, they definitely need the support of Turkey. But this should not be exaggerated by saying that "the matter is not possible without the participation of Turkey".<sup>4</sup>

3. In one of his interviews given to foreign mass media, Turkish Prime Minister has stressed the wish of Turkey to be a mediator between Tehran and Washington. Nevsal Elevli, "Mediation Wish", <http://www.milliyet.com.tr/>, 26 February, 2009, Felestinasiite

4. To get more comprehensive information about relations between Turkey and Iran, please see. Arif İti, "Ties between Iran and Turkey: Balance, competition and mutual need", *Stratejik Analiz*, Unit 101, September 2008.

It is also possible to predict a particularly privileged place for Israel in the Middle East policy of Turkey. On the one hand, the relations with Israel are destined to balance the efforts of the Iranians and the Arabs in the region; while on the other, it serves to keep the balance of power at a global level.

Separately, Israel has a particular importance in strengthening security and military capabilities of Turkey. Turkey became the first Muslim nation to recognize Israel. Differently from the relations with other Middle East countries, the ties between Turkey and Israel have been very stable in spite of some disputes between the leaders of both countries. The multi-faceted relations of Turkey with Israel cannot be seen as an example of any other state in the Middle East. The relationship between Turkey and Israel has not negatively influenced negatively ties with country-members of the Arab and Muslim communities. On the contrary, it has fostered the communication abilities of Turkey. For example, the Military Framework Agreement signed between Turkey and Israel in 1996 has not hindered the positive continuation of its ties with Syria and Iran. Turkish mediation efforts will not yield any result without good relations with Israel. The core idea of Turkey's relationship with Israel relies upon the principle of not being against any third country and envisages an opportunity to participate in any actions jointly with the Palestinians. Turkey has wished to see the just and durable resolution of the Palestinian problem via mutual discussions based on "the vision of two states to co-exist within reliable and recognized borders" in the framework of "the Law on Lands for Peace", "Roadmap" and "Arab Reconciliation Attempt". Turkey stands for the restoration of borders which existed till 1967. For this reason, Turkey has always used ever changing criticism against Israel. Though the crisis in Davos has raised the tension in Turkish-Israeli relations, it would be erroneous to perceive this drama as a breaking point in the relations between the two countries. Both of them need a strong relationship. For this reason, Turkey and Israel hint at not wishing to exaggerate the word brawl that happened in the past. However, it should also

**The multi-faceted relations of Turkey with Israel cannot be seen as an example of any other state in the Middle East. The relationship between Turkey and Israel has not negatively influenced negatively ties with country-members of the Arab and Muslim communities**



be noted that the mediation mission of Turkey has been undermined even during this short period of time. But, in the framework of Obama's new Middle East policy, there is a huge need for Turkey in many fields. In this context, due to the desire and probably, the pressure of the US, the tension between Turkey and Israel could end in a very short time because many plans of Obama will be difficult to be realized without Turkish-Israeli co-operation.

### Conclusion and general evaluation

The aspirations of Turkey to become a new axis in the Middle East are more complicated than they seem to be. As observed in the Davos Crisis, those who wish to be influential in the said region become a party which takes the position of any side. It is impossible to realize this dream without defining a partner and an opponent in the geography of the Middle East. For this reason, the inability of Turkey to be freely present in the streets of Middle East is a topic of discussions because as seen from past experience, the Middle East problems are not problems which can be solved easily. Turkey demonstrates no bias towards the states in the Middle East or the West. In this context, it is necessary to find some magic equation which can satisfy the interests of all parties in order to solve the problems in the Middle East, and this is not an easy task. Once this approach is applied, we can say that Turkey would wish to realize the expectations of the West using different channels. Other comments supporting this fact are smug statements from Turkey such as "we know this region; we understand it; we are able to talk to the people of this region!" In this respect, Turkey can present itself as an alternative for Iran. It is also a fact that this idea is being accepted and supported by Western countries. Turkey's probable role of being an alternative to Iran is not easy. It is not easily possible to solve the problems in the region separately using diplomatic attempts. That is to say currently, there is no concrete problem in the region that can be solved by Turkey.

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## FROM SOVIET TO EUROPEAN LANGUAGE POLICY STANDARDS: THE CASE OF AZERBAIJAN

### Introduction

Language occupies a traditional and very important component of nationhood and is widely viewed as a symbol of identity and group consciousness. For example, in Israel, Hebrew was revived at the time of the creation of state from an almost exclusively religious function into an official language, since it had high symbolic importance to the population of the country which came from many parts of the world, speaking many different languages.<sup>1</sup> At the same time, an attempt to revive Irish as a national language in Ireland has not been so successful. Although it was named as a national and first official language of the Republic of Ireland, along with English as a second official language, it is not more secure now than it was seventy years ago when the national language policy first took shape.<sup>2</sup> However, even though it is spoken by a small minority of the Irish population and is a minority language in Northern Ireland, it became an official language of the EU on 1 January 2007.

1. Bachi R. (1956). A statistical analysis of the revival of Hebrew in Israel. In: Scripta Hierosolymitana, vol. 3. Jerusalem, Hebrew University, p.4

2. O Riagain P. (1991). National and international dimensions of language policy when the minority language is a national language: the case of Irish in Ireland. In: A language policy for the European community. Prospects and Quandaries. Mouton de Gruyter. Berlin. New York, 1991, p.256



Thus, multilingualism<sup>3</sup> is becoming one of the important characteristics of a new European modern identity. There are twenty-three official languages within the European Union along with regional and minority languages used by people within the EU member states, along with a range of others. Although the European Union does not have a common language policy, which is the responsibility of its member states, the EU encourages all its citizens to be multilingual and to be able to speak two additional languages beside their mother tongue. It provides a number of funding programmes to promote learning of foreign languages.

Azerbaijan, as an independent multiethnic state, has certain features in common with European values, traditions and linguistic diversity. Integration into European and Euro-Atlantic institutions remains at the top of Azerbaijan's foreign policy agenda. It is also a member of OSCE and Council of Europe and since 2004 has been developing close cooperation with the European Union through the European Neighbourhood Policy. Azerbaijan is a party to a large number of international human rights instruments, including, since 2000, the Framework Convention for the Protection of National Minorities. Azerbaijan has also signed but not yet ratified the European Language Charter.

However, as a part of the Russian empire for more than a century and then incorporated into the USSR in 1922, Azerbaijan followed its own road from dependence to a short period of first independence (23 month), pseudo-independence (as a Union Republic within the USSR) and at last real independence, re-gained again in 1991. Along with other Union Republics of the former USSR, Azerbaijan for almost 70 years has experienced a specific linguistic situation which threatened the very existence of not only the languages of linguistic minorities (groups of speakers who have a native language which is different from that of the official dominant language in their country), but also that of the linguistic majority.

### Brief historical background

Azerbaijan has always been a country with a multilingual popu-

3. Resolution on Multilingualism was adopted by the UN General Assembly on 16 May 2007; 2008 was proclaimed as "International Year of Languages" at UNESCO.

lation. This was linked with the specific geographical position of Azerbaijan at the crossroads of Asia and Europe. Permanent migrations of people passed through its territory. It was a zone of active contact of nations, cultures, and languages.

In the 19<sup>th</sup> century Azerbaijan consisting of several khanates was colonised and divided between Russia and Iran. Russian, as the state language of the Russian Empire, could not effectively play the role of a common language in this region because its social significance in the minds of native people, especially in the countryside, was very low. At that time Russians referred to the Azeris as 'Tatars' and accordingly the Azerbaijani language was termed a 'Turkic-Tatar language', which was widely used on the whole territory of Azerbaijan including the South Da-gestan. K.F.Gan, who made a trip in summer of 1988 to Daghestan, in his book "Trip to Kakhetie and Daghestan", published in Tiflis in 1902, wrote: "in the whole of Daghestan the Turkic-Tatar language is accepted as international. Nobody knows Russian".<sup>4</sup> Azerbaijani language kept its position of common language in Dagestan until the beginning of 30<sup>th</sup>.<sup>5</sup>

Azerbaijan became the first secular Muslim country with a multiethnic and multiparty Parliament on May 28, 1918. The Azerbaijan Democratic Republic (ADR) proclaimed democratic principles and prioritized human rights in this period. The law 'Concerning Azerbaijani Citizenship', adopted on 11 August 1919<sup>6</sup>, stipulated equal rights for all the citizens of the former Russian Empire born on the territory of the Azerbaijan Republic without distinction in national and religious background.

The Azerbaijani government also gave serious consideration to the functioning of the Azerbaijani language as the official language. In particular, on June 27, 1918<sup>7</sup> it adopted a decision declaring the Azerbaijani language to be the official language within the Republic and planned to realise a full transition to Azerbaijani language in all government agencies within two years. Unfortunately, the collapse of the ADR in April 28, 1920 prevented this language policy

4. Ibid, p.34

5. Sultanov K. (1993). Azeris in Dagestan, Newspaper Yurddash, October 2, 1993, p.4

6. Azerbaijan History, (2001), volume 5, p. 559

7. XX century Azerbaijan history (2004), pages. 184-186



from being carried to completion.

### Language policy under the Soviet rule

In the period from 1922 to 1991, Azerbaijan was a member of the USSR as one of the Union Republics. The Russification policy that spread in all the republics of the former Soviet Union was also reflected in the linguistic situation of Azerbaijan.

It should be noted that as far as Soviet language planning was concerned, it is probably useful to distinguish between linguistic purposes and political purposes. The linguistic purposes were always subordinate to the political purposes within the USSR. "For more than six decades, social planners and instructors have been trying to abolish the national language as the exclusive marker of identity by educating Soviet citizens to adopt a supranational socialist identity. In this process of sovietisation, the priority of self-identification through the medium of the mother tongue was supposed to change into a general appreciation of Russian as the inter-Union vehicle of socialist internalization par excellence... National language - Russian bilingualism, in its essence, was understood as a transitional stage towards the development of a new socialist identity which would favour Russian as the only language of wider communication in the Soviet Union".<sup>8</sup>

Thus, "as in many Soviet countries, this promoted asymmetrical bilingualism where Russians and monolingual Russian speakers could have opportunities to use only Russian at work and while receiving services, and the indigenous people (Azerbaijanis and other local minorities) had to be bilingual to serve or receive services from Russian monolinguals".

In this period people in many republics of the former Soviet Union who did not speak Russian were de facto second class citizens. The cultural and linguistic situation throughout the Soviet Union made it impossible for those who did not speak Russian to get a good job in state and party institutions. Thus, Russian was the lingua franca not only of all the former union republics, but also of

8. Haarmann H. (1991). Language politics and the new European identity. In: A language policy for the European community. Prospects and Quandries. Mouton de Gruyter. Berlin. New York, 1991, p.108

the Warsaw Pact countries,<sup>9</sup> because this language was considered to be the international instrument of socialism.<sup>10</sup>

According to the data 1970, 1979 and 1989 Census<sup>11</sup> of population, Azeris made up correspondingly 73.8%, 78.1% and 82.7% of the residents of the country. Russians made up 10%, 7.9%, and 5.6 %; Armenians - 9.5%, 7.9% and 5.6%; Lezghins - 2.7%, 2.6% and 2.4%; other ethnic groups - Avars, Ukrainians, Tatars, Jews, Talyshs, Meskhetian Turks, Georgians, Kurds, Tats, Udins, Highland Jews and etc. - 4.0%, 3.5% and 3.7%.

The data of the Census is indicated that the percentage of persons who considered Russian their native tongue changed drastically during these almost twenty years: 34% (1970), 49% (1979) and 31% (1989) of Tats; 24% (1970), 32% (1979) and 26% (1989) of Tatars; 16% (1970), 22% (1979) and 16% (1989) of Armenians considered the Russian language as their native tongue. The similar tendency proving the consequences of Russification policy in Azerbaijan has been observed for the majority of linguistic minorities in Azerbaijan. It should be noted that the decrease in 1989 of the number of persons who considered Russian their native tongue took place during the period of the disintegration processes in the USSR and concomitant growth of national self-consciousness among the linguistic majority and minorities in Azerbaijan.

It is also important to note that the linguistic communities of Azerbaijan were bilingual. According to the data of the 1970, 1979 and 1989 censuses, some of these linguistic minorities (Armenians, Ukrainians, Tatars, Tats, Udins etc.) spoke Russian, others (Lezghins, Avars, Talyshs, Kurds etc.)- Azerbaijani fluently.

One of the most striking characteristics of Soviet language plan-

9. Garibova J. (2009). Language policy in post-Soviet Azerbaijan: political aspects. In: International Journal of the Sociology of Language. Sociolinguistics in Azerbaijan: New Perspectives on Language and Society. Mouton de Gruyter. Berlin. New York, 2009, p. 14.

10. Radnai Z. (1994). The educational effect of language policy. In: Ethnicity in Eastern Europe. Multilingual Matters Ltd. Clevedon, 1994, p. 68

11. Itogi vsesojuznoj perepisi naselehija 1970 goda, tom 4. Natsionalnyj sostav naselenija. Moskva, 1973; Chislennost i sostav naselenija SSSR. Po dannym vsesojuznoj perepisi naselehija 1979 goda. Moskva, 1985; Goskomitet SSSR po statistike. Itogi vsesojuznoj perepisi naselehija 1989 goda, Moskva, 1989.



**One of the most striking characteristics of Soviet language planning in Azerbaijan and other Central Asian Turkic-speaking states between 1923 and 1939 was the constant change in orthographies and alphabets.**

both scripts could be used equally by the population, however "by 1929, Soviets had banned Arabic and gone on ravaging book-burning campaigns throughout the towns and villages of Azerbaijan and the Central Asian Turkic-speaking states to scourge the alphabet from the land, along with anything associated with Islam. In 1939, again the cultural burden was shifted. This time from Latin to Cyrillic as Stalin became very concerned that Latin might become the consolidating factor unifying all Soviet Turkic-speaking nations and Turkey against himself. So he imposed Cyrillic.<sup>12</sup> Thus, these changes which took place in the Azerbaijani alphabet during the Soviet period very clearly demonstrate sui generis repression with regards to the Azerbaijani language.

At the same time "as early as the 1950's, the government of Soviet Azerbaijan initiated the promotion of Azerbaijani to the state language level. This led to the 1956 amendment of the 1937 Constitution of the Azerbaijan Soviet Socialist Republic whereby Azerbaijani was accorded the status of Azerbaijan's state language. The constitution of 1978 (as well as the Constitutional Law of 1989) reaffirmed the status of Azerbaijani language".<sup>13</sup> However this regulation had no effect and Azerbaijani was not used in government agencies, organisations, enterprises, institutions and so on. The language of official work and correspondence was Russian.

During the Soviet period a strange approach to the language choice within the system of secondary education was also used, especially in urban areas of Azerbaijan. A choice was given in

ning in Azerbaijan and other Central Asian Turkic-speaking states between 1923 and 1939 was the constant change in orthographies and alphabets. The Azerbaijani language was at that time written in an Arabic alphabet. The shift from Arabic to Latin began in 1923, when

language of instruction between the native tongue of students, the closest and the most understandable for them, and Russian, as the more reliable and prestigious. In this context, students graduating from the schools with Russian tracks used this language more often than their native languages both at school and at home.

According to the data which have been taken by us from the Ministry of Education of Azerbaijan over 10 years (1978-1988), the number of the pupils of the Azerbaijani language schools was permanently decreasing in Azerbaijan: they made up 83.7% of the total in 1978-1979, 79.6% in 1988-1989. A similar tendency took place in Baku: the number of pupils of Azerbaijani language schools made up 47% of the total in 1978-1979, 45% in 1988-1989. It is important to note that the number of pupils of the Armenian language and the Georgians language schools also was decreasing in Azerbaijan. Only the number of the pupils of the Russian language schools was increasing: they made up 13.6% of the total in 1978-1979, 18.3% in 1988-1989 within Azerbaijan and 52.7% of the total 1978-1979, 54.9% in 1988-1989 within Baku.

There were also bilingual and trilingual schools in this period in Azerbaijan. The bilingual schools comprised Azerbaijani & Russian, Azerbaijani & Armenian, Russian & Armenian and Azerbaijani & Georgian schools, but the trilingual schools contained Azerbaijani & Russian & Armenian, Azerbaijani & Russian & Georgian schools. Such school made up 8% of the total schools in this period.

In this regard it is quite interesting to compare the linguistic situation in the Nagorno Karabakh autonomous region<sup>14</sup> of the Azerbaijan Soviet Republic. According to the 1970, 1979 and 1989 census the population of Nagorno Karabakh consisted of correspondingly 80.5% - 75.9% - 77% of ethnic Armenians, 18% - 23% - 21.5% of ethnic Azeris and 1.3% - 1.1% - 1.5% of others. The percentage of Armenians of this region who consider Armenian their native

12. Betty Blair. Alphabet & Language in Transition. In: Azerbaijan International, 8.1, Spring 2000, p.10

13. Garibova J. & Asgarova M. (2009). Language-policy and legislation in post-Soviet Azerbaijan. In: Language Problems and Language Planning 33:3. 2009. iv, p.194

14. The first and longest running conflict that took place in the territory of former Soviet Union between Armenia and Azerbaijan over Azerbaijani Nagorno-Karabakh autonomous region started in 1988. Armenian forces seized close to one fifth of Azerbaijan's territory, including all of Nagorno Karabakh and seven other adjacent Azerbaijani districts located outside the autonomous region (Lachin, Kelbajar, Fizuli, Jebrail, Zangelan, Aghdam and Gubadli). Since 1994 when a cease-fire was reached between parties, many attempts have been made to find a political solution to this conflict which still remains unresolved. (GP)



tongue has almost<sup>15</sup> been unchanged from 1970 to 1989: 98.25% (1970), 96.33% (1979), 98.44% (1989). This index is higher than the similar index for ethnic Armenians who resided in Azerbaijan Republic then (compare: 83.47% - 77.47% - 84.17%). The similar tendency has been observed for other inhabitants of Nagorno Karabakh autonomous region.

The number of ethnic Armenians who consider Russian their native tongue more than the number of ones who has recognised Azerbaijani language as their native tongue: Russian - 1.75% - 3.66% - 1.54%; Azerbaijani - 0.005% - 0.012% - 0.017%.

It is also important to note that the number of ethnic Armenians who spoke the Russian language fluently (17.22% - 31.41% - 55.22%) was always more than the number of them who spoke the Azerbaijan language fluently (3.42% - 3.75% - 0.31%). Moreover it is very interesting that according to the 1989 census the number of Armenians speaking Azerbaijani fluently decreased ten-fold in comparison with 1979. To our mind it demonstrates a negative attitude to the Azerbaijani language: in 1988-1989 the conflict between Armenia and Azerbaijan had already begun and these figures were not a reflection of the real level of knowledge of the Azerbaijani language

According to Ministry of Education data (Table 1.), in 10 years (1978-1988) the number of Armenian language schools in Nagorno Karabakh was permanently increasing: they made up 62% of the total in 1978-1979, 69% in 1988-1989. Azerbaijan language schools made up 19% of the total in 1978-1979, 23% in 1988-1989. The pupils of the Armenian language schools made up 64% of the total in 1978-1979, 60% in 1988-1989 (compare with data on the number of pupils of the Azerbaijani language schools: 24.6% of the total in 1978-1979, 24.3% in 1988-1989). Only the number of the pupils of the Russian language schools was increasing: they made up 11% of the total in 1978-1979, 15.5% in 1988-1989.

**Table 1.** Structure of the system of secondary education in Nagorno

15. Itogi vsesojuznoj perepisi naselehija 1970 goda, tom 4. Natsionalnyj sostav naselenija. Moskva, 1973; Chislennost i sostav naselenija SSSR. Po dannym vsesojuznoj perepisi naselehija 1979 goda. Moskva, 1985; Goskomitet SSSR po statistike. Itogi vsesojuznoj perepisi naselehija 1989 goda, Moskva, 1989.

Karabakh Autonomous region according to the language of education.<sup>16</sup>

Language of education	1978-1979 academic year		1988-1989 academic year	
	schools	pupils	schools	pupils
Azerbaijani	34	7226	45	7599
Russian	4	1676	3	2000
Armenian	110	17309	136	16120
Azerbaijani & Armenian	23	4377	6	1208
inc. Azerbaijani		1276		376
inc. Armenian		3101		832
Russian & Armenian	5	3453	7	5837
inc. Russian		1936		3067
inc. Armenian		1517		2770
Azer. & Russ. & Armen.	1	556		
inc. Azerbaijani		12		
inc. Russian		247		
inc. Armenian		297		
Total	177	34597	197	32764
Azerbaijani		8514 (24.61%)		7975 (24.34%)
Russian		3859 (11.15%)		5067 (15.47%)
Armenian		22224 (64.24%)		19722 (60.19%)

There were also bilingual and trilingual schools in this period in Nagorno Karabakh. The bilingual schools comprised both Azerbaijani & Armenian and Russian & Armenian schools, but the trilingual schools contained Azerbaijani & Russian & Armenian (see Table 1). Their number diminished in 1989 after the beginning of the conflict.

16. The Archives of the Ministry of Education of Azerbaijan



According to Luchterhandt '...the educational system in the Autonomous region even managed to present a relatively favourable picture. The compact Armenian settlement (200 out of 215 settlement in the region can be attributed to them), or rather the actual separation from the residential areas of the Azerbaijanis led to the division of the educational system in the autonomous region into Armenian and Azerbaijani schools. This contributed to the fact that in 1979 96.3% of the Armenian ethnic group in Nagorno Karabakh spoke Armenian as their native language. The extraordinary resistance, or even ethnic opposition to Azerbaijan was reflected in the fact that in 1970 only 3.44% of Armenians of Karabakh could speak Azerbaijani-Turkish and that this number stayed practically constant (1979: 3.76%). In contrast to that, the percentage of Armenians who could speak Armenian and Russian rose between 1970 and 1980 from 17.2% to 31.4% directly after the Russification was strongly increased in the educational system at the beginning of the seventies'.<sup>17</sup>

Hence we can observe that the ethnic Armenians of Nagorno Karabakh autonomous region have not suffered from linguistic assimilation of Azeris, even though Russification existed in this region too.

With the break-up of the Soviet Union in 1991, in all countries of the post-Soviet space (with the exception of Russian Federation) to some extent de-russification processes have taken place. The first governments of the newly independent successor states tried to take vengeance on the prestige status of Russian as *lingua franca*. "They promoted local legislation to make native languages the official mediums of state discourse, setting goals for their preferential social, educational, and political use".<sup>18</sup>

### Language policy towards European standards

Azerbaijan became an independent state in 1991 with a multi-ethnic population of 7.95 million (the 1999 census). Together with ethnic Azeri Turks who make up 90.6% of the total population,

there are living the representatives of various ethnic groups: Avars, Highland Jews, Kurds, Lezgins, Russians, Tatars, Tats, Talyshs, Tsakhurs, Udis, Ukrainians etc.

According to the 1999 census the largest linguistic minorities are Lezgins, making up 178,000 or 2.2% of the population, Russians, making up 1.8%, or 141,700 of the population and Armenians, making up 1.5%, or 120,700 of the population. Other minorities include Talysh (1.0%), Avars (0.6%), Turks (0.5%), Tatars (0.4%), Ukrainians (0.4%), Tsakhurs (0.2%), Georgians (0.2%), Kurds (0.2%), Tats (0.13%), Jews (0.1%), Udis (0.05%), and other ethnic groups (0.12%).

Each of these people passed their own historical way of formation and development. All of them are citizens of the Republic of Azerbaijan and are united under civic, rather than ethnic or national identity.

Compact groups of Avars, Tsakhurs and Ingilois reside in the northwest regions of the Azerbaijan Republic (Sheki-Zakataly zone). Avars speak the Avari language of the Avari subgroup, Tsakhurs speak the Tsakhurs language of the Lezghin subgroup of Nakhsko-Daghestan group of Caucasian family of languages.

The origin of the Ingilois is associated with an Alban tribe which, for some reason or other, adopted the Georgian language. But there is also another version according to which Ingilois are Georgians who embraced Islam in the end of the 17<sup>th</sup> and the beginning of the 18<sup>th</sup> centuries.

In the northeast of the country (Kuba-Khachmaz zone) live Lezghins, highland Jews, Tats, Rutuls and the peoples of Shahdag group - Khynalygs, Budugs, Kryzes. The Tat language which Tats and highland Jews speak represents one of the Iranian languages and enters the Western-Iranian subgroup of the Iranian group of Indo-European family of languages. There are two main dialects in the Tat language, southern and northern. Highland Jews speak the northern dialect of the Tat language (in the scientific literature it is called the Jewish Tat language). The languages of Lezghins, Rutuls, Khynalygs, Budugs and Kruzes belong to Lezghin subgroup of Nakhsko-Daghestan group of Caucasian family of languages.

17. Luchterhandt O. (1993), Nagorny Karabakh's right to state independence according to international law. Boston, pp.62-63

18. Smith M. (1998). Language and Power in the Creation of the USSR, 1917 – 1953. Mouton de Gruyter. Berlin. New York, 1998, p.178-179.



In the village of Nidj, Gabala region, and the town of Oghuz in north-west of Azerbaijan reside Udins - descendants of ancient Albanian tribe of Uti. Their language also belongs to Lezghin subgroup of Nakhsko-Daghestan group of Caucasian family of languages.

Talyshs live in south-east of the Azerbaijan Republic. They are settled in Lenkoran, Astara, Lerik, Yardimli and Masally regions. Talyshs speak the Talyshs language which belongs to the Western-Iranian subgroup of Iranian group of Indo-European family of languages.

Until recently Kurds lived in south-west of Azerbaijan, in Lachin and Kelbadjar regions. Occupation of these regions by Armenian forces in the course of the Armenian-Azerbaijani conflict over Nagorno Karabakh turned Kurds into IDPs, now settled in various towns and regions of Azerbaijan. The Kurdish language also belongs to Western-Iranian subgroup of Iranian group of Indo-European family of languages.

Beginning with the Decree of the President of Azerbaijan Republic from September 16, 1992 "On protection of the rights and freedoms of national minorities, small-numbered peoples and ethnic groups living in the Republic of Azerbaijan and on rendering state assistance to the development of their languages and cultures" the government began to solve step by step a complex of questions such as state assistance for the preservation and development of the cultural, linguistic and religious traditions, the protection of the historical and cultural monuments, the free development of the national handicrafts, as well as support of professional and amateur talent groups.

Among the first steps undertaken on language planning issues in independent Azerbaijan was the promotion of the Latinized alphabetic writing system in 1991. Latin had to replace Cyrillic. "However, due to economic difficulties, the period between 1991 and 2000 saw little progress in implementing the Latin alphabet. Although schools were required to teach in the new script, they encountered a serious lack of Latin-alphabet books and teaching materials. The issue was revived by the Presidential Decree of 2001 on the "Improvement of the Implementation of the State Lan-

guage.<sup>19</sup> At the same time 1 August 2001 was announced as a day of the Azerbaijani alphabet and Azerbaijani language by Decree of the President on 9 August, 2001.

**Among the first steps undertaken on language planning issues in independent Azerbaijan was the promotion of the Latinized alphabetic writing system in 1991.**

Another important issue, the process of language legislation, also started in Azerbaijan during the same period. The Law on the State Language was adopted on December 22, 1992, "which declared "Turkish" (not Azerbaijani) the state language of Azerbaijan...The three-year debate over the name of the language was finally ended by the adoption of the first post-Soviet Constitution in 1995, which named the language "Azerbaijani" (Article 21).<sup>20</sup>

Thus, in the new Constitution of the Azerbaijan Republic (November 12, 1995) the official language of Azerbaijan is considered the Azerbaijani language, and at the same time it is noted, that the state guarantees preservation, the free use, cultivation and development of other languages of the Republic's population (article 21).

The problem of the choice of the language of education is also given attention in this document. Citizens of the Azerbaijan Republic have a right of free choice of the language of education. In the 45<sup>th</sup> Article there is the provision covering the right to use the mother tongue. Everyone may receive education in his/her mother tongue and use this language in his/her daily life. Nobody can be deprived of using his or her mother tongue.

As regards legislative provisions, according to the Azerbaijani constitution, Azerbaijani is the state language of the country but everyone has the right to use their mother tongue, to work and to receive education in any language (Articles 21 and 45).

After Azerbaijani independence, despite the remaining bilingualism, the number of parents preferring Azerbaijani to Russian considerably increased and the number of overall students studying in Azer-

19. Garibova J. & Asgarova M. (2009). Language-policy and legislation in post-Soviet Azerbaijan. In: Language Problems and Language Planning 33:3. 2009. iv, p.198

20. Ibid, p. 195



baijani schools rose. At the same time there are still functional bilingual (Azerbaijani & Russian, and Azerbaijani & Georgian) and trilingual (Azerbaijani & Russian & Georgian) schools in Azerbaijan now.

According to the Sixth periodic report submitted by Azerbaijan to the UN Committee on the Elimination of Racial Discrimination<sup>21</sup> at present, of the 1,760 preschool establishments in operation in Azerbaijan, in 10 establishments (635 children) education and instruction are provided in the Russian language only, and in 6 establishments (280 children) education and instruction are provided in the Georgian language. In 228 establishments, where education and instruction are provided in Azerbaijani and Russian, 7,730 of the 26,015 children study in Russian groups. In two establishments that provide education and instruction in the Azerbaijani and Georgian languages, 40 of the 175 children study in Georgian groups. In Azerbaijan, complete general education is provided in three languages - Azerbaijani, Russian and Georgian.

In 19 schools, attended by 6,208 pupils, instruction is provided only in Russian, and in 6 schools, with a total of 991 pupils, instruction is provided only in Georgian. In 334 schools that provide instruction in Azerbaijani and Russian, 101,291 pupils study in the Russian sector, and in 5 schools that provide instruction in Azerbaijani and Georgian, 770 pupils study in the Georgian sector. In one school, where instruction is provided in Azerbaijani, Russian and Georgian, 125 pupils study in the Russian sector and 126 in the Georgian sector.

Hebrew is studied in one of the public schools in Baku along with another private school where Hebrew and Jewish history and culture are studied. At present, 251 pupils are enrolled in this private school.

Children of linguistic minorities in elementary grades in schools in Quba, Qusar, Ismailli, Khachmaz, Oguz and Qabala districts of Azerbaijan study Lezgin; Talysh is studied in schools in Lerik, Lan-karan, Astara and Masally districts; and Avar, Udi, Tat, Tsakhur, Khynalag and Kurdish are studied in schools in Balakan, Qaba-

21. Sixth periodic report submitted by Azerbaijan to the UN Committee on the Elimination of Racial Discrimination, 3 March, 2008, p. 27

la, Khachmaz, Zaqatala, Quba and Samukh regions of Azerbaijan. Their native language is taught to children in primary school (grades 1-4).

For the efficient organization of the teaching of languages of ethnic minorities, a great deal of attention is given to the preparation and publication of teaching programmes, textbooks, study aids, didactic materials, teacher's editions and recommendations. In recent years, teaching programmes and 17 textbooks, including *We Study Our Native Language*, *Alphabet*, *The Lezgin Language*, *The Talysh Language*, *The Tat Language*, *The Kurdish Language*, *The Tsakhur Language*, *The Avar Language* and *The Udi Language*, have been published in Azerbaijan.

Libraries are also active in this field. Libraries include in their collections books by representatives of ethnic minorities, and they hold events to acquaint people with the works of ethnic writers. In Qakh, Zaqatala, Balakan and Qusar districts, literature in the Lezgin language is acquired from Daghestan and literature in the Georgian language is acquired from Georgia.

At the same time Azerbaijan, as a member state to the Council of Europe, attaches particular importance to the development of multilingualism – “the life-long enrichment of the individual’s linguistic and cultural repertoire – with the aim of enabling the citizens of Azerbaijan to interact in a number of different languages and cultural contexts. Students are encouraged to learn at least two foreign languages at secondary and higher educational institutions...” which is predominantly related to English and Russian languages.<sup>22</sup>

In today’s globalised world the role of English as a global language has increased tremendously. Today it is the most common language used in international trade, academia, technology, etc. “In November 2005, the French government published a report by Francois Grin which argued that as English had become the de facto lingua franca of Europe, the burden fell on European governments to teach their citizens English. Comparing the difference in expen-

22. Mammadov A. (2009). The issue of plurilingualism and language policy in Azerbaijan. In: *International Journal of the Sociology of Language. Sociolinguistics in Azerbaijan: New Perspectives on Language and Society*. Mouton de Gruyter. Berlin. New York, 2009, p. 68-69.



diture in foreign languages education in the UK and elsewhere in Europe, Grin concluded that the dominance of English represented a net annual payment to the UK of over 10 billion euros".<sup>23</sup>

At the same time it should be noted that "many (mainly public) secondary and higher educational institutions have Russian as a language education. However, there has been a shift in the status of Russian from being the second language of the country to being a foreign language of choice".<sup>24</sup>

In this context, the role of Turkish is also important in the educational system of Azerbaijan. There are "a network of state and private secondary schools, and one private university was established in the country. All of them still function successfully. These schools, some of which are free of charge, can be accessed not only by the prestigious and wealthy urban population, but also by people from the rural areas. This makes Turkish schools distinct from other international schools, which only the wealthy can afford."<sup>25</sup>

Therefore, the protection and promotion of minority languages as well as the official language is one of the very important characteristics of newly independent Azerbaijan. At the same time the young generation is encouraged to learn foreign languages at education institutions of the country, which is considered as one of the valuable contribution in moving towards the European language policy standards.

23. Graddol (2006). D. English Next. British Council, 2006, p.122.

24. Mammadov A. (2009). The issue of plurilingualism and language policy in Azerbaijan. In: International Journal of the Sociology of Language. Sociolinguistics in Azerbaijan: New Perspectives on Language and Society. Mouton de Gruyter. Berlin. New York, 2009, p. 70.

25. Garibova J. (2009). Language policy in post-Soviet Azerbaijan: political aspects. In: International Journal of the Sociology of Language. Sociolinguistics in Azerbaijan: New Perspectives on Language and Society. Mouton de Gruyter. Berlin. New York, 2009, p. 28

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## AZERBAIJAN'S MULTIPLE OPTIONS FOR ITS GAS EXPORTS

Countries and companies along the Nabucco route in Europe (Bulgaria, Romania, Hungary, Austria and Germany) as well as in Greece, Italy, and Switzerland are all expressing an interest in purchasing Azerbaijani gas. If Turkey continues to block the transit agreement and the E.U. and the U.S. fail to pull their weight with the AKP government (AKP in Turkish – Adalet ve Kalkınma Partisi, The Justice and Development Party, the incumbent Turkish party), Azerbaijan could resort to alternative solutions for its gas exports.

Baku is now actively considering other market and pipeline options. On October 14<sup>th</sup> 2009, Azerbaijan's State Oil Company signed an agreement with Gazprom for an initial volume of 500 million cubic meters in annual deliveries to Russia, starting on January 1<sup>st</sup>, 2010. The Azerbaijani-Russian agreement is a logical follow-up to the June 29<sup>th</sup> 2009 agreement, signed by the same company chiefs – in the presence of Presidents Ilham Aliyev and Dmitry Medvedev in Baku – on the main principles of the gas trade between the two countries.<sup>1</sup>

This agreement turns Azerbaijan for the first time in history from an importer of Russian gas into an exporter of gas to Russia – albeit with initially small volumes – thanks to growing internal production in Azerbaijan. If understood and handled appropriately by the Eu-

1. Eurasia Daily Monitor, July 2, 2009



**Gas extraction in Azerbaijan is set to reach 27 billion cubic meters (bcm) in 2009. The rate of increase could have been faster, but has been affected by slowed development at the giant Shah-Deniz offshore field.**

The Russian purchase price is not publicly specified. According to the President of the State Oil Company of Azerbaijan Rovnag Abdullayev at the signing ceremony, the price-setting formula "suits the Azerbaijani side" – apparently a hint that the price is in line with the anticipated European netback prices for 2010. This had been Baku's objective all along in the negotiations. Chairman of Gazprom's Management Committee Alexey Miller had proposed to buy Azerbaijani gas at \$350 per one thousand cubic meters in the lead-up to the June 29<sup>th</sup> preliminary agreement.

Gas extraction in Azerbaijan is set to reach 27 billion cubic meters (bcm) in 2009.<sup>2</sup> The rate of increase could have been faster, but has been affected by slowed development at the giant Shah-Deniz offshore field. That slowdown in turn reflects delays on the Nabucco pipeline project and Turkish government obstructions to a gas agreement with Azerbaijan. These two factors have postponed the opening of Azerbaijan's gas export route to the West. In this situation, Azerbaijan can only open an export route to Russia while awaiting progress on Nabucco and with Turkey.

Meanwhile, Azerbaijan remains committed to the Nabucco project. The government and the State Oil Company are consistently reaffirming Baku's readiness to supply 7 bcm per year for that pipeline's first phase. Construction work on Nabucco is now expected to start in 2011 so that the first gas flows by 2015 from Azerbaijan to Europe.

Consequently, Baku has set the time-frame of the agreement just signed with Gazprom to expire in 2014, so as to release Azerbaijan from obligations to Gazprom after that year. Alexey Miller, however, declared at the October 14<sup>th</sup> signing ceremony explicitly that

European Union and Turkey, this event can lend impetus to the E.U. and U.S. backed Nabucco pipeline project, notwithstanding European media speculation that Russia is pre-empting Nabucco's Azerbaijani gas supplies.

Russia wants to prolong this agreement after 2015, and for larger volumes of Azerbaijani gas. That would pose risks for Nabucco. The October 14<sup>th</sup> agreement does not.

This agreement, however, reiterates and amplifies certain lessons for the E.U., Turkey, and the U.S. that were in the June 29<sup>th</sup> preliminary agreement. Azerbaijan's move can actually help concentrate minds all-around on the Nabucco project, bearing the following considerations in mind.

Firstly, the volumes committed to Gazprom are meagre and the time-frame does not impinge on the Nabucco project, assuming that Azerbaijan retains the necessary Western support to pursue Azerbaijan's own Western choice. Awaiting Nabucco's commissioning, it makes sense for Azerbaijan to use the existing pipeline(s) to Russia for exporting Azerbaijan's growing surplus of gas during the interim period until 2014.

Secondly, this agreement does not allow Gazprom to compete against Nabucco for Azerbaijani gas. But the situation could change in Russia's favor, if Turkey's AKP government insists on its extortionate terms for the purchase of Azerbaijani gas and its transportation through Nabucco.

Thirdly, Baku's agreement with Gazprom is a reminder to Ankara that Azerbaijan does not totally depend on the Turkish gas market or the Turkish gas transmission route. From Azerbaijan's standpoint, adding a Russian export outlet – albeit a small one – is an export diversification move, away from Turkey's perceived monopoly on transportation, which the AKP government seeks to abuse. Azerbaijan can also use the Baku-Astara pipeline to Iran, or swap arrangements with that neighbor country, during the interim period until 2014.

Fourthly, Baku is successfully ruling out Gazprom's wish to re-export Caspian gas to European countries, at a profit to Russia and at the expense of Caspian producers. Baku has stipulated that its gas shall be used in Russia's North Caucasus. And if the Russian purchase price is consistent with European netback prices (as envisaged at the time of the June 29<sup>th</sup> preliminary agreement), Baku will have achieved a strategic gain. Turkey's AKP government would place itself in an embarrassing position by insisting on worse terms

2. Day.Az, October 8, 2009



**No third country transit solutions are necessary for Azerbaijani gas to reach Russia or Iran. Nor is the construction of new pipelines necessary.**

from Gazprom. If Russia declines to meet that benchmark, then a part of Turkmen volumes would become available for the proposed trans-Caspian link to the Nabucco project.

Baku is also considering the possibility of starting gas exports to Iran, initially in small volumes, by early 2010. Iran is already importing Turkmen gas for consumption in Iran's northern provinces. Those volumes, however, do not fully meet requirements there. Iran intends to import additional volumes of gas for off-season storage and peak-season consumption. This creates a market for Azerbaijani gas in northern Iran.<sup>3</sup>

No third country transit solutions are necessary for Azerbaijani gas to reach Russia or Iran. Nor is the construction of new pipelines necessary. Pipeline connections to Russia and to Iran existing since the Soviet era, now require modernization of lines and compressors. Pipelines in both of these directions add up to approximately 10 bcm in annual capacities. These can accommodate Azerbaijan's annual export surpluses for the next few years, in the event that the Nabucco project falters, or if Turkey's AKP government remains un-cooperative on pricing and transit terms for Azerbaijani gas.

Azerbaijan plans to upgrade the Baku-Novoye Filya and Gazima-homed-Mozdok pipelines for gas exports to Russia's North Caucasus territories. These Soviet-era pipelines can easily be adapted for use in the reverse-mode. Their combined capacity (after upgrading) would enable Azerbaijan's State Oil Company to deliver up to 7 bcm of gas to Russia annually, according to the company's president Rovnag Abdullayev.<sup>4</sup>

Similarly, Azerbaijan plans to upgrade the Gazakh-Astara and Gazima-homed-Astara gas pipeline links to Iran. Pending this, Iran's gas storage authority is expressing interest in using gas storage sites

than Russia has now consented to with Azerbaijan. Across the Caspian Sea, Azerbaijan will have set a beneficial precedent for Turkmenistan to also demand European netback prices

on Azerbaijan's side of the common border, with a view to using those gas volumes during winter in northern Iran.<sup>5</sup>

During the October 16<sup>th</sup> 2009, session of Azerbaijan's government<sup>6</sup>, President Ilham Aliyev clearly alluded to the proposed White Stream pipeline as a possible option for Azerbaijan's gas exports.<sup>7</sup> White Stream is being proposed by a London-based project company to carry Azerbaijani and Turkmen gas via Georgia and the seabed of the Black Sea to Romania and onward into E.U. territory (an earlier, now-discarded version would have run on the seabed to Ukraine). White Stream is one element in the E.U.'s Southern Corridor concept, designed to increase capacity and security of transportation for Caspian gas to Europe.

Azerbaijani President Ilham Aliyev discussed the White Stream proposal for the first time with the Romanian President Traian Basescu in September 2008 in Bucharest, where the two presidents signed a strategic partnership agreement. In parallel, Azerbaijan's State Oil Company intends to examine the option of gas liquefaction for export via the Black Sea to E.U. territory. According to company president Abdullayev, "we are ready to review these forward-looking proposals in detail".<sup>8</sup> Consideration of the Black Sea options suggests that Turkey does not necessarily enjoy a monopoly on gas transportation from the Caspian basin to Europe; and that Turkey can ultimately be circumvented, if the AKP government overplays its hand.

The AKP government's gas conflict with Azerbaijan is two years older than the Turkish-Armenian political normalization, which is now taking its first, uncertain steps. The two processes have no relationship to each other and Baku insists on keeping them separate. Meanwhile, Ankara's price extortion and its delaying tactics on the transit agreement have hurt Azerbaijan financially in two ways: by cutting into Azerbaijan's annual export revenues and by slowing down the development of Azerbaijan's Shah Deniz field, the main designated source for the Nabucco pipeline.

3. Trend, October 17, 2009

4. Azeri-Press Agency, October 19, 2009

5. Trend, October 17, 19, 2009

6. Eurasia Daily Monitor, October 21, 2009

7. Day.Az, October 17, 2009

8. Azeri-Press Agency, October 20, 2009



Baku's October 16<sup>th</sup> response and its follow-up measures seek to concentrate attention in Brussels and Washington to a festering situation that puts Nabucco and the Southern Corridor at risk. According to Aliyev, at the government session, Ankara's "unacceptable terms proposed to us may lead to a failure of this entire project".<sup>9</sup> While Azerbaijan is irreplaceable as a producer as well as a transit country, Turkey is not irreplaceable.

According to President Aliyev at the government session, Ankara has been paying merely one third of the average European price for Azerbaijani gas in recent years. Ankara's price offer to Baku is slightly higher, but still 50 percent below what Ankara pays for Russian gas. Azerbaijan would be content to receive 10 percent less than the Russian price but could never accept the discriminatory price that Ankara offers to Baku, according to President Aliyev.

Under a bilateral agreement signed in 2002, Azerbaijan sells gas to Turkey at merely \$120 per one thousand cubic meters. That price may have had its reasons in 2002, but had lost all justification by the time the agreement expired in April 2007. From the expiration to the present, Ankara has stonewalled the negotiations on a new price, while continuing to pay the old price for Azerbaijani gas and bargaining for slight increments, still far below the Turkish or European market prices. Azerbaijan sells approximately 7 bcm of gas per year to Turkey at deeply discounted prices, forfeiting substantial revenues in this process.

The AKP government is also stonewalling on a transit agreement for Azerbaijani gas via Turkey to Europe. In the absence of a transit agreement, the Nabucco inter-governmental agreement can hardly become operational on Turkish territory. Turkey hosted the signing of the inter-governmental agreement in Ankara on July 13<sup>th</sup> 2009, but has not relented on the transit agreement thus far. According to Aliyev at the Azerbaijani government's session, the Turkish government proposes to charge transit fees that are as much as 70 percent higher, compared with fees charged by other countries for their transit services. While the figures under negotiation are confidential, the AKP government clearly does not adhere to the concept of cost-based transit fees as embodied in the Nabucco inter-govern-

mental agreement.<sup>10</sup>

Meanwhile, Ankara maintains ambiguity about the volumes of Azerbaijani gas it expects to import in the coming years. Those volumes can originate either from the international consortium's Shah Deniz project or from the Azerbaijani State Oil Company's own gas fields. Clarity is urgently needed on volumes – as well as on prices and transit fees – in order for the Shah Deniz consortium to advance from Phase One to Phase Two of that project. Shah Deniz Phase Two is the main supply source for Nabucco's first stage.

The start of commercial production of Shah Deniz Phase Two has already been postponed by two years, due in part to Ankara's prevarications. Phase Two would increase production from 9 bcm to 16 bcm per year. Its start is possible by 2015 and the consortium is ready for a \$20 billion investment decision in 2010, provided that Turkey co-operates in good faith, according to Aliyev at the government meeting. Meanwhile, the consortium is "seriously concerned. The companies are in a hurry and I share their view," President Aliyev warned. This statement implies that the consortium would have to seek other export routes to markets, if Turkey remains un-cooperative. The six Nabucco participant countries as well as Greece, Italy, and Switzerland are all expressing interest in purchasing Azerbaijani gas.



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# EU NEIGHBORHOOD INITIATIVES AND PROSPECTS FOR IMPROVED ENERGY GOVERNANCE IN THE BROADER BLACK SEA-SOUTH CAUCASUS REGION

## Introduction <sup>1</sup>

The boundaries of the European Union have undergone a rapid eastern and southern expansion in the past decade, bringing Europe in closer contact with countries of the broader Black Sea<sup>2</sup> region, which includes the South Caucasus. Since the majority of these countries seek deeper relations with Europe, the EU has endeavored to help them align with EU principles through the facilitation of technical and legal reforms under the European Neighborhood Policy (ENP), an important objective of which is fostering co-oper-

1. **Methodological note:** The information presented in this article is drawn, in part, from a series of interviews with Azerbaijani energy policymakers and stakeholders during the month of July 2009 conducted by the author, in conjunction with Kamran Agasi of the Columbia University Center for Energy, Marine Transportation and Public Policy. The objective was to learn the interviewees' perceptions on the future of energy governance in the broader Eurasian-Caucasus-Black Sea region. As the interviews were conducted under Chatham House rules, information in this article based on the interviews is not attributed to specific individuals.

2. We define the Black Sea region as comprising the member states of the Black Sea Economic Cooperation: Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Serbia, Turkey, and Ukraine. Note that this definition also explicitly includes the states of the South Caucasus. This article uses the terms "Black Sea region," "Broader Black Sea region," and "Black Sea-South Caucasus region" interchangeably to refer to the aforementioned group of states.



ation among neighboring countries.<sup>3</sup> The ENP ethos of 'technical external relations' is fashioned on a previously successful set of EU external relations towards its Central and Eastern European neighborhood. However, such an approach has been less effective for creating a common vision and generating cooperation among countries in the Black Sea and South Caucasus, particularly on the subject of energy governance.

There are several reasons why the ENP has not lived up to its ambitions in the broader Black Sea region. In contrast to Eastern Europe, the Black Sea has been described as lacking sufficient common interests and common identity to unite the countries which comprise it.<sup>4</sup> Furthermore, dynamics within the region are characterized by political tensions of a different nature and complexity than those of the EU's former neighborhood. From the Nagorno-Karabagh conflict, to the Russian invasion of Georgian territory in August 2008, to Turkey's aspirations to become an energy hub, there are a number of politically sensitive issues to be solved and balances among different interests to be struck before the EU can achieve its objectives of stable, secure, and prosperous relations among the countries of its broader Black Sea neighborhood. With the proper level of political engagement, however, the EU can help to smooth over these tensions and create the kind of common interest that leads to regional cooperation.

Since the Black Sea-South Caucasus region is a critical area for energy supply and transport to Europe, regional cooperation takes on added significance in that it can lead to improved energy governance in the region. We define an effective energy governance regime as encompassing a set of common rules, market structures, formal and informal institutions, and political relationships which facilitate mutually-beneficial, multilateral energy relations. Yet geopolitical and market changes in the broader Black Sea over the past two decades have given rise to a fragmented approach to energy governance

in the region, characterized by incongruent rules and norms, the lack of consensus on market structures, unconstructive competition, and tense political relationships. This situation was recently demonstrated by a second round of gas pricing standoffs between Russia and Ukraine in January 2009.

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**As a hydrocarbon producer and transit country, Azerbaijan is especially poised to benefit from regional cooperation that facilitates an improved energy governance regime.**

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If the energy governance status quo prevails in the broader Black Sea region, all regional players – including Europe – stand to lose from an economic and energy security perspective. Conversely, an energy governance regime that sets boundaries and procedures that promote cooperation arguably benefits the broader Black Sea region even more than Europe, by helping to diffuse tensions and bring about positive economic and political relations among neighboring countries.

As a hydrocarbon producer and transit country, Azerbaijan is especially poised to benefit from regional cooperation that facilitates an improved energy governance regime. Yet Baku perceives its repeated calls for the EU to create an overarching political strategy for the Black Sea-South Caucasus region – which could bring about higher-order regional cooperation – as having largely gone unheeded. The EU's lack of a unified voice on energy matters only reinforces this perception. Understanding why the EU's efforts are seen in this light is an indication of what the EU can do to improve its neighborhood policies in the region, both generally and in relation to energy governance.

Taking into account the perspectives of Azerbaijan as a key regional player, this article examines three EU initiatives involving the Black Sea-South Caucasus region which have emerged since 2004 – the Baku Initiative of the INOGATE programme, and the energy dimensions of the Black Sea Synergy and the Eastern Partnership – and the relative successes and shortcomings of these initiatives in generating enhanced cooperation on energy governance in the region. As the EU continues to engage with its broader Black Sea neighborhood, Azerbaijan should capitalize upon the opportunity to put forward its long-term vision for EU policies that drive

3. Website of the European Commission: European Neighborhood Policy.

"What is the European Neighborhood Policy?" [http://ec.europa.eu/world/enp/policy\\_en.htm](http://ec.europa.eu/world/enp/policy_en.htm). It was accessed on 21st July 2009.

4. Daniel Grotzky and Mirela Isic - "The Black Sea Region: Clashing Identities and Risks to European Stability." CAP Policy Analysis No. 4, October 2008.

The Center for Applied Policy Research (CAP), Research Group on European Affairs, p.6.



regional cooperation and thus improved energy governance, rather than waiting for Europe to devise this vision alone.

### **Regional political dynamics and EU neighborhood policy: the need for a technical and political approach**

The EU has been criticized for not having a coherent approach to the broader Black Sea region<sup>5</sup> in part because it has put in place neighborhood institutions which are not well-adapted to regional political realities. Though Europe does have an overarching strategy for interacting with its entire neighborhood – in the form of the *acquis communautaire* – conveying the gist of 80,000 pages of rules requires intermediary policies and initiatives, such as the ENP (and more recently the Eastern Partnership). Traditionally, the EU's approach to engaging with neighborhood countries has been to begin with practical, technical issues and elevate the political aspect of the relationship as progress is made. However, the EU's attempt to use largely apolitical technical discussions through the ENP to create closer integration with Europe, and a feeling of common interest in the Black Sea, has not been perceived by regional players or external observers as constituting a comprehensive strategy for the region.<sup>6</sup> Integration and harmonization on technical grounds is undoubtedly an important aspect of fostering closer political relations with the EU and among the regional players themselves. But in the broader Black Sea region, this integration must occur in tandem with political dialogue to smooth over problems which impede cooperation with Europe and within the region itself.

From a technical perspective, it is certainly in Europe's interest to play a role in helping devise energy market and governance structures for the broader Black Sea region, and this is reflected in recent EU communications on energy policy. The EU's current energy policy goals of balancing sustainability, competitiveness

and security of supply are outlined in various major documents<sup>7</sup>, which include the March 2006 Green Paper, 'A European Strategy for Sustainable, Competitive and Secure Energy,'<sup>8</sup> and the January 2007 Communication from the Commission to the European Council and the European Parliament, 'An energy policy for Europe.'<sup>9</sup> These documents consistently refer to the need for integration of energy markets and harmonization of energy-related legislation between the EU and partner countries, additional investment in energy infrastructure, and the diversification of energy sources and supply routes. They also highlight the need for a common European external energy policy, which includes a political dimension – both in terms of intra-European relations, as well as the EU's relations with its neighborhood – though such a policy is not likely to emerge before the Treaty of Lisbon is ratified by all EU member states.

In the absence of an EU external energy policy, and given the region's particular importance to Europe on energy issues, several neighborhood initiatives encompassing the Black Sea and South Caucasus – namely, the Baku Initiative, the Black Sea Synergy, and the Eastern Partnership – include measures to promote EU energy objectives. While each of these initiatives incorporates a different set of countries, the overlapping member states show that the geographic center of gravity for all of these initiatives is the eastern Black Sea-South Caucasus region. Table 1 shows the participating countries in each initiative, and where overlapping memberships exist. Because of the role that the Black Sea Economic Cooperation (BSEC) plays in the implementation of the Black Sea Synergy, and because of the relation of the ENP to all of these initiatives, their members are included in the table as well. States which are members of all initiatives/organizations are highlighted.

**Table 1** - Members of Black Sea-Caspian regional governance ini-

5. See Ibid p.5.

6. See discussion by Elkhan Nuriyev. The South Caucasus at the Crossroads: Conflicts, Caspian Oil, and Great Power Politics. Berlin: Lit, 2007. pp. 293-300; see also Marius Vahl and Sergiu Celac, "Ready for a Breakthrough: Elements for a European Union Strategy Towards the Black Sea Region," South-east European and Black Sea Studies, Vol. 6, No. 2, June 2006, pp 169-191.

7. See Ibid p. 21.

8. The Commission of the European Communities Green Paper - A European Strategy for Sustainable, Competitive and Secure Energy {SEC (2006) 317}/\* COM/2006/0105 final. 8 March 2006.

9. On behalf of the Commission of the European Communities, a Communication from the Commission to the European Council and the European Parliament called - An energy policy for Europe {SEC (2007) 12}. COM/2007/0001 final. 10 January 2007.



tiatives and multilateral organization

Country	BSEC member	Black Sea Synergy	ENP* member	Eastern Partnership	INO-GATE/ Baku Initiative
Albania	x				
Armenia	x	x	x	x	x
Azerbaijan	x	x	x	x	x
Belarus			x	x	x
Bulgaria	x				
Georgia	x	x	x	x	x
Greece	x				
Kazakhstan					x
Kyrgyzstan					x
Moldova	x	x	x	x	x
Romania	x				
Russian Federation	x	x			x (observer)
Serbia	x				
Tajikistan					x
Turkey	x	x			x
Turkmenistan					x
Ukraine	x	x	x	x	x
Uzbekistan					x

\* This list of ENP countries only includes those relevant to the broader Black Sea-South Caucasus region. The other ENP countries are Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, the Palestinian Territories, Syria, and Tunisia.

The array of countries in the table, spanning from Europe to Central Asia – and the overlapping memberships in the various initiatives – shows how Europe's approach to regional gover-

nance is aptly compared to a set of intersecting 'Olympic circles.'<sup>10</sup> BSEC and the Black Sea Synergy have a relatively congruent set of members, though the BSS member states do not include EU countries within BSEC, nor Albania and Serbia. Members of the Black Sea ENP are the same as the Black Sea Synergy with the exclusion of Turkey and Russia, since both countries have bilateral agreements which govern their relations with Europe: in the case of Turkey, this is the Accession Partnership; for Russia, the process of renegotiating the 1994 Partnership and Cooperation agreement is presently underway. The INOGATE Programme has the broadest membership of all initiatives and organizations below, and differs from the others in that it extends into Central Asia with the participation of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

Of the five states which are all members of BSEC, the Black Sea Synergy, ENP, EaP and the Baku Initiative – Armenia, Azerbaijan, Georgia, Moldova, and Ukraine – only Azerbaijan is both a major hydrocarbon producer and transit country. From both a geographic and energy governance perspective, then, Azerbaijan occupies a unique and central place in this milieu.

Having established the necessity of pursuing both a technical and political approach to improving regional cooperation and energy governance in the broader Black Sea region, and the centrality of Azerbaijan to such endeavors, we now turn to discussion of the Baku Initiative, the Black Sea Synergy, and the Eastern Partnership and their respective successes and shortcomings in bringing about a higher-order energy governance regime within the region.

### The Baku Initiative

Of the three governance initiatives discussed in this paper, the Baku Initiative of the INOGATE programme is the only one which is exclusively energy-focused. INOGATE is international energy cooperation between the European Union, the riparian states of the Black Sea and Caspian Sea, and their neighboring countries on is-

10. Marius Vahl - "Models for the European Neighborhood Policy – The European Economic Area and the Northern Dimension." CEPS Working Document No. 218, February 2005, p.1.



sues related to oil and gas, electricity, renewable energy and energy efficiency.<sup>11</sup> The programme is also broadly concerned with energy security matters pertaining to Europe as well as the partner countries of the programme.<sup>12</sup> Though the Baku Initiative has broadened INOGATE's scope and made progress on technical integration, it does not yet possess the political aspect of regional cooperation needed to achieve an improved energy governance regime in the Black Sea and South Caucasus.

When the INOGATE programme commenced in 1997, its mandate was not as broad; it focused on technical assistance and investment support for the development of pipeline routes in the region (hence the INOGATE acronym, which stood for Interstate Oil and Gas Transport to Europe).<sup>13</sup> Though technical assistance is still a central element of its activities today, in November 2004, at the Energy Ministerial Conference held in Baku, INOGATE began to embrace a four-objective, expanded mandate, which has come to be known as the 'Baku Initiative.'<sup>14</sup> These objectives are to facilitate the convergence of energy markets on EU principles; enhance energy security through supply diversification, transit and demand; support sustainable energy development; and attract investment to energy projects of common regional interest.<sup>15</sup>

In 2006, at the Energy Ministerial Conference held in Astana, the Baku Initiative was made more concrete through the development of a road map for future energy cooperation in the region, oriented around the four aforementioned objectives. As an indication of this changed mandate, funding for the INOGATE program switched from the EU's Technical Aid to the Commonwealth of Independent States (TACIS) Programme at the end of 2006 to the European Neighborhood and Partnership Initiative (ENPI), also

11. See INOGATE Energy Portal - "About INOGATE." [http://www.inogate.org/inogate\\_programme/about\\_inogate](http://www.inogate.org/inogate_programme/about_inogate). It was accessed 15 July 2009.

12. Ibid.

13. Marius Vahl and Sergiu Celac, "Ready for a Breakthrough: Elements for a European Union Strategy towards the Black Sea Region," *Southeast European and Black Sea Studies*, Vol. 6, No. 2, June 2006, p. 182.

14. See INOGATE Energy Portal - "About INOGATE." [http://www.inogate.org/inogate\\_programme/about\\_inogate](http://www.inogate.org/inogate_programme/about_inogate). It was accessed 15 July 2009.

15. INOGATE Energy Portal - "History and Mandate." [http://www.inogate.org/inogate\\_programme/about\\_inogate](http://www.inogate.org/inogate_programme/about_inogate). It was accessed 15 July 2009.

showing the implicit link between the Baku Initiative and Europe's neighborhood policy. Indeed, the Baku Initiative is referred to in the ENP Action Plan for Azerbaijan – as well as in the Black Sea Synergy, the Eastern Partnership, and other EU policies and documents – as a component of the EU's regional energy strategy.

The Baku Initiative has been described by the INOGATE secretariat as a "political dialogue initiative by the EC in cooperation with the Partner Countries."<sup>16</sup> However, the perception exists among some Azerbaijani decision makers and external observers that while INOGATE is quite successful on technical grounds, it is not effective in generating higher-order dialogue or political cooperation among regional players. The lack of momentum at the political level may be the case in part because projects aimed at implementing the principles of the Baku Initiative have only recently begun. Between 2004 and 2007, nearly every single completed INOGATE project was of a specific, technical nature, such as audits of pipelines and feasibility studies for safety monitoring measures.<sup>17</sup> It was only at the beginning of 2009 that projects commenced which were related to the broader governance objectives espoused in the Baku Initiative of converging energy markets, enhancing energy security, and supporting sustainable energy development. The projects thus far under these headings, however, do tend to focus more on the technical, as demonstrated by the list of ongoing INOGATE projects in the year 2009 in Table 1 below.

**Table 1 - Ongoing INOGATE Projects since 2009 under the objectives of the Baku Initiative**<sup>18</sup>

#### Converging Energy Markets

Harmonisation of gas and oil technical standards and practices (E. Europe and Caucasus)

Harmonisation of gas technical standards and practices in Central Asia

16. See Statement by Mr. Kyriakos Morfis, INOGATE Technical Secretariat, taken from the Minutes of the First Meeting of the Baku Initiative Working Groups, Brussels, 28-29 March 2006, p.2.

17. See the INOGATE website, "INOGATE Projects." [http://www.inogate.org/inogate\\_programme/inogate\\_projects](http://www.inogate.org/inogate_programme/inogate_projects).

18. See INOGATE website and "Ongoing Projects (2009)." [http://www.inogate.org/inogate\\_programme/inogate\\_projects/ongoing-inogate-projects](http://www.inogate.org/inogate_programme/inogate_projects/ongoing-inogate-projects). It was accessed 29 August 2009.



Validation, certification and subsequent commercialisation of the Eastern Europe Regional Centre for Hydrocarbons Metrology (Boyarka, Ukraine)

Capacity-building for Energy Regulators in Eastern Europe and Central Asia

#### Enhancing Energy Security

Rapid response expert facilities for developing energy supplies and interstate transportation (Central Asia)

Safety and security of the main gas transit infrastructure (E. Europe and Caucasus)

Technology and methodology for reducing gas losses from the Central Asian gas transit system

#### Supporting Sustainable Energy Development

Enhancement of environmental protection measures in the oil/gas industry of Central Asia

Support for Kyoto Protocol Implementation

#### Cross-Cutting Projects

Identification and Promotion of Energy Efficiency (EE) Investments in Ukraine and Moldova

Support to Energy Market Integration and Sustainable Energy in the NIS (SEMISE)

Strengthening of the INOGATE Technical Secretariat (ITS) in support of the Baku Initiative

Technical and legal harmonization are essential elements of enhanced energy cooperation among states in the Black Sea-Caspian basin, and are the first step in bringing about a higher-level discussion aimed at developing a regional energy governance strategy. Yet the frustration with the lack of corresponding political dialogue demonstrates that, besides not having infused the Baku Initiative with the proper political dimension from the outset, the EU has not clearly communicated how and when it envisions the transition from technical to political to occur over the longer term.

A factor which offers potential for escalating the level of dialogue of the Baku Initiative is that other political discussions related to energy have in the past tended to be organized around Baku

Initiative meetings.<sup>19</sup> What also appears to be happening is that the Baku Initiative is being incorporated into subsequent neighborhood initiatives with higher-order mandates. This can be seen as an understanding by the EU that it needs to continue elevating the political level of its interaction with the region, while keeping the technical aspect as a cornerstone. In the meantime, Azerbaijan stands to benefit from considering the Baku Initiative within a longer timeline, and putting forth its vision to the EU on how it would like to see such a technical-political transition occur.

Both the Black Sea Synergy and the Eastern Partnership, discussed below, are recent attempts at broader strategies for the EU to interact with its Black Sea-South Caucasus neighborhood, and both embrace the Baku Initiative as one component of their overarching objectives. It is therefore likely that political dialogue will begin to evolve in conjunction with these other initiatives, rather than under the aegis of the Baku Initiative alone.

### Black Sea Synergy

The Black Sea Synergy (BSS) regional cooperation initiative differs from the Baku Initiative in that it does attempt to play a higher-level coordination role among actors and programs within the region in several key areas, including energy. It was developed in 2007, following the accession of Bulgaria and Romania to the EU, as a complement to the European Neighborhood Policy.<sup>20</sup> The Black Sea Synergy is often praised as the first truly regional initiative in the Black Sea, in that it addresses all major political actors and stakeholders in the region, and defines the region as a distinct policy space.<sup>21</sup> However, a lack of political clout establishing it as a program able to achieve its rhetoric means that BSS has been less successful in terms of generating a sense of shared interest within

19. Robert M. Cutler. "Europe keeps Nabucco on life support." Asia Times Online, 27 March 2009.

20. See Burcu Gültekin-Punsmann and Krassimir Y. Nikolov (2008) - "European Union approaches to fostering synergies of cooperation and integration around the Black Sea." Southeast European and Black Sea Studies, 8:2, p. 115.

21. Yannis Tsantoulis. "Black Sea Synergy and Eastern Partnership: Different Centres of Gravity, Complementarity or Confusing Signals?" ICBSS Policy Brief #12, February 2009.



the region, and in fostering a higher-order energy governance regime among countries.<sup>22</sup>

In the Black Sea Synergy, the Commission explicitly states that creating a new Black Sea strategy independent of other regionally-focused initiatives is not its objective, since the European Neighborhood Policy, the pre-accession strategy with Turkey, and the Strategic Partnership with Russia collectively already form the overarching EU policy context for the region.<sup>23</sup> The BSS instead emphasizes its coordinating character, claiming to focus political attention at regional levels and invigorate ongoing cooperation processes.<sup>24</sup>

In discussing the EU's pre-existing multilateral programmes in the Black Sea region related to energy, the Communication draws attention to the Baku Initiative as one of several EC-supported "sectoral initiatives of regional relevance,"<sup>25</sup> and notes that the dialogue generated by the Black Sea Synergy will promote legal and regulatory harmonization through the Baku Initiative, as well as through the framework of the ENP and the EU-Russia Energy Dialogue. It also specifically names a regional organization, the Black Sea Economic Cooperation, as contributing to the success of Black Sea Synergy through facilitating regional-level dialogue.

With respect to energy, the BSS focuses almost exclusively on cooperation that reinforces energy supply security. It states the following as its objectives:

- Promote legal and regulatory harmonization
- Help the countries of the region increase focus on alternative energy sources and energy efficiency in the region
- Facilitate investments in infrastructure upgrades and development
- Develop a new trans-Caspian trans-Black Sea energy corridor
- Explore the creation of a new legal framework between the EU and ENP countries that will address the common interests of se-

22. Ibid.

23. See Commission of the European Communities - a Communication from the Commission to the Council and the European Parliament - Black Sea Synergy - A New Regional Cooperation Initiative. Brussels, dated 11.04.07 COM (2007) 160 final.

24. See Ibid, p. 9.

25. See Ibid, p. 2.

curity of supply, transit and demand.<sup>26</sup>

However, the BSS gives no further detail as to how these objectives will be achieved, nor how the Black Sea Synergy will create a deeper connection among the other initiatives that

it claims to be coordinating. It is therefore unsurprising that the Black Sea Synergy is seen by some Azerbaijani decision makers and regional experts as ineffective in generating the higher-order dialogue to which it portends, instead promoting regional integration in a functional, low-political sense. This is again due to the BSS not being pitched at a sufficient political level from the outset, nor being communicated as part of a longer-term timeline of interaction with the region. The Black Sea Synergy is tentative in proposing formats for political dialogue, and suggests that regular ministerial meetings only be considered in the context of 'tangible progress,' without explaining how such progress would be defined.<sup>27</sup> The progress report from the first year of the Black Sea Synergy on energy issues in fact demonstrates that little was achieved beyond the commencement of the feasibility study for developing a legal framework between the EU and the ENP relating to energy supply security, transit, and demand.<sup>28</sup>

The BSS has also been described as neither constituting nor connecting to an overarching vision for the region on behalf of the EU. Even if the ENP, the pre-accession strategy with Turkey, and the EU-Russia strategic partnership collectively already form the overarching EU policy context for the region, the Black Sea Synergy's perceived lack of connection to this context is symbolic of the EU's failure to establish the Black Sea Synergy as an initiative with the political profile to be seen within a longer-term view of strategic

**Further detracting from the effectiveness of the Black Sea Synergy is the fact that BSEC currently suffers from too many internal divisions and inefficiencies to foster a true regional dialogue.**

26. See Ibid, p. 5.

27. See Burcu Gültekin-Punsmann and Krassimir Y - Nikolov (2008). "European Union approaches to fostering synergies of cooperation and integration around the Black Sea." Southeast European and Black Sea Studies, 8:2 p. 121

28. See Grotzky and Isic (2008).



and geopolitical considerations for the region.<sup>29</sup>

Further detracting from the effectiveness of the Black Sea Synergy is the fact that BSEC currently suffers from too many internal divisions and inefficiencies to foster a true regional dialogue. While considered to be the most established regional institution, BSEC as an organization has not succeeded in overcoming internal political differences to speak with a unified voice, particularly on energy issues. This has occurred for several reasons, not least because the organization must accommodate the interests of Russia, the largest producing state in the region, but also because a lack of vision is said to exist among bureaucrats of the Black Sea states on how to communicate national interests in a way that offers mutual benefits for the region. Moreover, BSEC's bureaucratization and internal politicization has limited the scope and effect of its activities.<sup>30</sup> A consensus-based principle of decision-making means that each member state can veto proposals, which according to Gültekin-Punsmann and Nikolov (2008), "empties BSEC of the dynamism needed for effective policy and impedes achieving more ambitious goals". The result is that BSEC does not offer the kind of institutional strength or unity of vision needed to conduct regional dialogue at a political level. Therefore, the EU has left an important element of the BSS to an organization that, whilst the best option available does not presently have the capacity to help bring about a higher-order dialogue, neither generally or about energy governance.

Assuming that the problems inherent to BSEC are a microcosm of those within the Black Sea region as a whole, the Black Sea Synergy appears to be missing an opportunity to secure its success by not taking these political obstacles into account and endeavoring to address them more explicitly within its framework. This is an area where Azerbaijan's input could be valuable, given that the rotating Chairman-in-Office of the BSEC is being held by Azerbaijan from May-October 2009, and that Azerbaijan is one of

29. Southeast Europe Association conference proceedings, "The Black Sea Region: New Challenges and Opportunities for Regional Cooperation," Berlin, 14-15 May 2009. Available at the Harvard University Black Sea Security Program website, <http://www.harvard-bssp.org/bssp/news/388>. Also see Gültekin-Punsmann and Nikolov (2008), p. 123.

30. Gültekin-Punsmann and Nikolov (2008), p. 122.

only two hydrocarbon producer states among BSEC members (the other being Russia). Azerbaijan thus has an intimate understanding of the bureaucratic, energy, and political challenges which face BSEC countries and the organization itself, and is in a position to constructively use its knowledge by communicating to the EU how these issues should be taken into account in the context of the Black Sea Synergy. BSEC is also an organization where Armenia and Azerbaijan have been sitting around the same table since 1991, demonstrating that some form of cooperation – even if on a limited level – can occur despite the political tensions that exist between the two countries.

In sum, the Black Sea Synergy is a step above the Baku Initiative in its ambition to improve regional coordination and dialogue on energy, and even incorporates the Baku Initiative in its effort to do so. But the Black Sea Synergy's attempt to put forth a regional governance agenda through improved coordination of existing programs has yet been unable to generate greater common interest among Black Sea states or foster an improved energy governance regime, due to the lack of political clout which would establish the Black Sea Synergy as part of a long-term strategic vision for cooperation in the region.<sup>31</sup>

### The Eastern Partnership

The Eastern Partnership (EaP) goes a step further by combining the Baku Initiative project-oriented approach with the Black Sea Synergy's attempt at broader regional coordination, while adding in a political dimension. The EaP therefore appears to hold greater potential for elevating the level of regional cooperation, and by extension, a regional dialogue on energy governance, though this approach is still very new and is still met with tentativeness by some regional actors.

Particularly after Russia's invasion of Georgia in August 2008, the EU recognized that ENP policies did not properly address the

31. Southeast Europe Association conference proceedings, "The Black Sea Region: New Challenges and Opportunities for Regional Cooperation," Berlin, 14-15 May 2009. Available at the Harvard University Black Sea Security Program website, <http://www.harvard-bssp.org/bssp/news/388>. Also see Gültekin-Punsmann and Nikolov (2008), p. 123.



political realities and challenges inherent to the Eastern member countries, and that a “specific Eastern dimension of the European Neighborhood Policy” was needed.<sup>32</sup> The Eastern Partnership (EaP) is the latest governance initiative to emerge onto the Black Sea regional scene, as a product of a joint Polish-Swedish proposal aiming to bring a stronger EU presence to its eastern neighborhood. Participating states include Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine – all members of the Baku Initiative, and of the Black Sea Synergy (with the exception of Belarus).

Formally adopted in May 2009, the EaP intends to go beyond the existing ENP in deepening bilateral relations between the EU and member countries.<sup>33</sup> It therefore has a stronger political orientation than that of the Black Sea Synergy, as evidenced by its main goal of creating “the necessary conditions to accelerate political association and further economic integration between the European Union and interested partner countries... This serves the shared commitment to stability, security and prosperity of the EU, the partner countries and indeed the entire European continent.”<sup>34</sup>

Because the EaP technically leaves the door open to EU membership for participating states, it also creates a shared objective of, and incentives for, regional cooperation at a higher level than those of the Black Sea Synergy. It supports these incentives with a multilateral framework designed to facilitate cooperative activities, dialogue, and information-sharing among partner countries. This framework is comprised of four platforms, one of which is energy security.<sup>35</sup> Two of the EaP’s six proposed initial multilateral flagship projects relate to this platform: one involves the establishment of regional energy markets and improved energy efficiency; and the other is related to the creation of a Southern energy corridor.<sup>36</sup>

32. See Council of the European Union - Joint Declaration of the Prague Eastern Partnership Summit. 7 May 2009. Tsantoulis (2009), p. 2.

33. Tsantoulis (2009), p. 2.

34. See Council of the European Union - Joint Declaration of the Prague Eastern Partnership Summit. 7 May 2009.

35. “Eastern Partnership Multilateral Platforms: General Guidelines and Rules of Procedure.” Brussels, the 5th of June 2009. Now available at [http://ec.europa.eu/external\\_relations/eastern/platforms/rules\\_procedure\\_en.pdf](http://ec.europa.eu/external_relations/eastern/platforms/rules_procedure_en.pdf).

36. European Commission website: External Relations - “Eastern Partnership – Flagship Initiatives.” [http://ec.europa.eu/external\\_relations/eastern/initiatives/index\\_en.htm](http://ec.europa.eu/external_relations/eastern/initiatives/index_en.htm). It was accessed 28 August 2009.

The subjects of the Eastern Partnership’s energy-related cooperation initially do not appear to be much different from those of the Black Sea Synergy or the Baku Initiative. In fact, the EaP communication specifically acknowledges that many of the proposals it contains are addressed by the INOGATE programme.<sup>37</sup> In short<sup>38</sup>, the EaP proposes to:

- Establish mutual energy support and security mechanisms, including early warning systems and joint security actions;
- Accelerate the harmonisation of partners’ energy policies and legislation with EU practice and *acquis*, *inter alia*, in the area of electricity, gas, oil, renewables, and energy efficiency;
- Create a mutually beneficial interconnected and diversified energy market between the EU and partners;
- Diversify supply and transit routes, in part through the EaP contributing towards the ongoing strengthening of the Baku Process as a genuine energy partnership, and including through the development of the Southern corridor the Transcaspian.<sup>39</sup>

This list would seem to replicate the Baku Initiative’s problem of too much emphasis on technical rather than political cooperation. What distinguishes the EaP from both of the previously-discussed initiatives is that there is a formal structure for technical and political discussions to both occur within the EaP, and that the incentive of deeper integration in the EU – which could be interpreted as leading to eventual inclusion – can galvanize participating states to solve existing tensions. The political level of EaP is corroborated by the fact that biannual EaP meetings are to take place amongst heads of State or Government, as well as annual meetings of Ministers of Foreign Affairs, to review progress and provide policy guidance.<sup>40</sup> Sector-specific ministerial meetings will also be held as needed.

37. Commission of the European Communities - Commission Staff Working Document accompanying the Communication from the Commission to the European Parliament and the Council: Eastern Partnership. {COM (2008) 823} at footnote 4.

38. See *Ibid* p.11.

39. Commission of the European Communities - Communication from the Commission to the European Parliament and the Council: Eastern Partnership. {SEC(2008) 2974} Brussels 3.12.2008, COM (2008) 823 final.

40. Commission of the European Communities - Communication from the Commission to the European Parliament and the Council: Eastern Partnership. {SEC(2008) 2974} Brussels 3.12.2008, COM (2008) 823 final.



This contrasts with the Black Sea Synergy, where meetings only occur at ministerial level in light of 'tangible progress,' and lack any clearly established schedule.<sup>41</sup> While not a guarantee of success, the EaP's different operational structure to its predecessor policies does set the stage for it to bring about a potentially different outcome for regional cooperation and improved energy governance.

There are also several measures within the EaP which show its potential to go beyond practical projects and helping to solve multilateral energy governance issues. The fact that the EaP seeks to strengthen the Baku Initiative into a "genuine energy partnership,"<sup>42</sup> implicitly acknowledges that the initiative has not entirely lived up to its original objectives and that action should be taken, though the nature of such action is not specified. Another proposed measure under the EaP which exhibits potential for galvanizing a higher-order dialogue is

[The] exploration, together with non-EaP energy partners as appropriate, of the means to improve conditions for long-term supply and purchase commitments, transit guarantees, and infrastructure security that would create a level playing-field and be attractive to third country suppliers and potential infrastructure investors. As appropriate, this will take account of the provisions of existing instruments such as the Energy Community Treaty and the Energy Charter Treaty...<sup>43</sup>

This is the type of discussion which combines technical issues, existing instruments, and political will in a way that the previously-discussed initiatives do not approximate, thus indicating that the EU's approach to a Black Sea strategy has reached a new plateau – though the EaP cannot be seen as the sole solution for bringing about regional cooperation and improved energy governance. The EaP's major shortcoming is not that the program lacks political clout or substance, but that its relationship to the Black Sea Synergy is unclear. There is a large degree of overlap in subject matter between the two initiatives, particularly with regard to energy. The

Communication on the Eastern Partnership simply notes that there is "substantial complementarity between the EaP and the Black Sea Synergy and other regional and international initiatives."<sup>44</sup>

Another memo explains that the BSS aims to solve problems which require region-wide efforts and attention and has the Black Sea as its center of gravity, whereas the Eastern Partnership will pursue alignment of partner countries with the EU and Brussels being the center of gravity.<sup>45</sup> Yet there is confusion – reportedly even among Commission members themselves – as to how these two policies mesh, and a concern among policymakers that such confusion weakens the effectiveness of EU policy in the region.

Even if the BSS and EaP are intended to be complimentary initiatives, the lack of proper communication on behalf of the EU as to how the two policies fit together in the same conceptual space only fuels the perception that Europe does not have a clear vision or strategy for the Black Sea-South Caucasus region.<sup>46</sup> Another potential concern is whether the participating states in EaP come to interpret the initiative as a potential offer for future EU integration, or as a form of disguised appeasement for countries which will never become members. The EU must again be clear in how it communicates its objectives for the EaP, as it will have a direct effect upon the level of buy-in into the program by its member states, and thus to the extent by which a meaningful dialogue on energy can emerge from its framework.

Generally positive perspectives on the EaP by Azerbaijani policymakers support these conclusions. Azerbaijan's Minister of Foreign Affairs Elmar Mammadyarov states that "we welcome the... initiative on Eastern Partnership and expect it to provide a serious boost

**The EaP's major shortcoming is not that the program lacks political clout or substance, but that its relationship to the Black Sea Synergy is unclear.**

41. Tsantoulis (2009), p. 8.

42. Commission of the European Communities - Commission Staff Working Document accompanying the Communication from the Commission to the European Parliament and the Council: Eastern Partnership. {COM (2008) 823}.

43. Ibid.

44. Commission of the European Communities - Communication from the Commission to the European Parliament and the Council: Eastern Partnership. {SEC(2008) 2974} Brussels 3.12.2008, COM (2008) 823 final.

45. Commission of the European Communities – see "Eastern Partnership." Memo/09/217, Brussels, 5 May 2009.

46. Ibid.



to our cooperation with the EU.”<sup>47</sup> Ambassador Tahir Taghizade implicitly acknowledges its overlap with the Black Sea Synergy by describing it as “a continuation of the EU’s regional approach... it reflects a repackaging of existing programs rather than the development of something completely new.”<sup>48</sup> The Ambassador also expresses that many capitals, including Baku, have reservations about the overall intentions of the partnership, and that not all EU countries are equally enthusiastic in fostering closer relations with the member countries of the EaP.<sup>49</sup> This again demonstrates the kind of EU internal fragmentation of opinion and communication deficit that inhibits regional cooperation and the role of the EU in fostering an improved energy governance regime in the region.

On a positive note for Azerbaijan, the EaP specifically mentions that the EU seeks enhanced political engagement with Azerbaijan as the only EaP hydrocarbon exporting partner, based on the country’s gradual convergence with the EU energy market and infrastructure integration.<sup>50</sup> This is an indication of Azerbaijan’s significance and strategic importance in the eyes of Europe, and the lines of communication at the political level which are open to Baku as a result of progress on technical reforms. However, returning to the issue of political impediments to cooperation, Azerbaijan has also stated that it will not work directly with Armenia on any multilateral cooperation initiatives within the EaP. Because of the benefits which Azerbaijan stands to reap from participating in – and helping to set the agenda for – multilateral initiatives such as those under the EaP, it is all the more important for Azerbaijan to communicate its vision for regional energy cooperation to the EU, and ensure that future discussion occurs in a manner which is in its favor.

47. Elmar Mammadyarov, Minister of Foreign Affairs of the Republic of Azerbaijan - “Walking a Tightrope: Azerbaijan’s Foreign Policy Strategy in a Changing Environment.” - Azerbaijan Focus, Volume 1(1), June-August 2009, p.25.

48. Tahir Taghizade, Ambassador Extraordinary and Plenipotentiary, Embassy of the Republic of Azerbaijan to the Czech Republic - “The European Union’s Eastern Partnership: What Does It Offer Azerbaijan?” - Azerbaijan in the World biweekly newsletter, Azerbaijan Diplomatic Academy, Vol. 2 No. 13th of July 1, 2009.

49. Ibid.

50. Commission of the European Communities - Communication from the Commission to the European Parliament and the Council: Eastern Partnership. {SEC(2008) 2974} Brussels 3.12.2008, COM (2008) 823 final.

## Conclusion: The Role of Azerbaijan in Shaping a Regional Vision

The European Union’s neighborhood policy and cooperation-building efforts towards the broader Black Sea-South Caucasus region have met with limited success from an energy governance perspective. In the absence of an EU external energy policy, the Baku Initiative, Black Sea Synergy, and Eastern Partnership have not yet proven themselves to be capable of generating a higher-order energy governance regime within the region, though the EaP offers the most potential for doing so in the future.

Because of the nature of Black Sea regional dynamics, the EU must imbue its regional cooperation strategies – and by extension the energy governance initiatives contained within these strategies – with political as well as technical content. While the general perception among Azerbaijanis and other experts interviewed for this article is that EU governance initiatives in the Black Sea region are not accomplishing much, in the case of the Baku Initiative and the Black Sea Synergy, this perception can be attributed to the EU not pitching these programs at the proper political level, nor communicating how technical initiatives will lead to political integration over the long run. The Eastern Partnership is a different case. Besides the fact that it is a very new initiative, the confusion which exists over its relationship with the Black Sea Synergy reinforces perceptions that the EU has a fragmented approach towards interacting with its broader Black Sea neighborhood, both in general and specifically with regard to energy issues. While this also demonstrates a communication problem on behalf of the EU, the fact that the EaP encompasses both a technical dimension and a political dimension which can begin to iron out regional impediments to cooperation increases its prospects of bringing about an improved energy governance regime in the region.

Because of the political sensitivities which exist between states in the broader Black Sea region, there is an advantage to having the EU, as an external force, be the driver for the cooperation necessary to bring about a higher-order regional energy governance regime. There is also an incentive created by the political and economic opportunities presented by closer integration with Europe. The EU would achieve its neighborhood policy objectives more rapidly if it



improved the clarity of its communication and continued to elevate the political level of its initiatives in the broader Black Sea region. But the development of EU-driven regional cooperation, and an ensuing energy governance regime, also depends on the countries of the region communicating their vision to the EU on how political dialogue at a regional level should progress – and how energy should be a part of it.

In response to the EU's seeming unresponsiveness to calls for it to create an overarching strategy for the region, Azerbaijan should be proactive in putting forth its own detailed vision to the EU describing such a strategy. Azerbaijan is well-positioned to be a catalyst for much-needed, higher-order dialogue towards an EU-driven energy governance regime in the region, to the benefit of Europe as well as the countries of the broader Black Sea-South Caucasus region. Given Azerbaijan's pro-Western orientation and positive relations with Europe and other regional powers, as well as its role as a hydrocarbon producer and transit state, an opportunity exists for Azerbaijan to draw upon lessons learned from its involvement in European initiatives and help the EU reframe its neighborhood policies and energy related initiatives at a political level. In doing so, Azerbaijan should consider the role of technical policies within a longer-term spectrum of strategic and political relations. It should also leverage the current lack of a unified voice on energy issues within the EU by promoting its regional agenda both through bilateral relations with EU member states, as well as directly with Brussels.

It is now time for Europe to listen more carefully to Azerbaijan and its broader Black Sea regional neighbors in order to communicate the timeline and trajectory of its neighborhood policies more effectively, and to position these policies at a level of sufficient political importance to ensure that regional cooperation and a higher-order governance regime can emerge from them.

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# ETHNIC CONFLICT AS A GLOBAL POLITICS PROBLEM

## Introduction

Major wars became less likely to happen after the end of the Cold War Era, but regional and domestic conflicts persist and there has always been pressure for outside states and institutions to intervene in the 116 conflicts that have accrued since the end of the Cold War and the beginning of Millennium. More than 80 states were involved as well as two regional organizations and more than 200 non-governmental parties. Ethnic conflicts are often called ethnic wars. These conflicts, in which belligerents define themselves in part, are centered on cultural lines such as language, religion, or similar characteristics.

As with interstate wars, a variety of factors contribute to ethnic conflicts, a type of international and civil war that has become particularly pervasive, severe, and consequential since the end of the Cold War. Ethnic strife threatens the integrity and even the existence of a set of countries that girdles the globe. Ethnic conflicts certainly appeared to be involved in the process that led to the dissolution of the Soviet Union. French separatists in Quebec, Basque separatists in Spain and Armenian separatists in Azerbaijan some fear, could set off a chain reaction that might lead to the dissolution of their countries. Probably the ethnic conflict grabbing the biggest and ugliest headlines in recent years occurred in the former Yugoslavia, but the conflict in Rwanda involved genocide of unimagina-



**Appearances are deceiving, for example, in the early 1990s: the former Yugoslavia was the site of probably the most publicized "ethnic" conflict in the world. And yet it can be argued that ethnicity had nothing to do with it.**

ties in the factors that are relevant to both types of conflict. The causes of both interstate and ethnic wars, for example, can be traced to political and economic relationships, lack of an overarching authority, legitimacy needs of leaders, a history of rivalry, and psychological images and identities. Moreover, in the case of both interstate and ethnic conflict, it seems that more than one of these various factors are operating in a particular war and the multiple factors that are involved, often relate to each other in a complex, and reinforcing fashion.

### What does 'Ethnicity' mean?

An obvious prerequisite to a useful discussion of ethnicity and ethnic conflict in international politics is a clear definition of the term, ethnic group. With ethnic conflict so prominent in the news on a daily basis, it might seem that everybody must have a clear idea as to what the term ethnic means. Appearances are deceiving, for example, in the early 1990s: the former Yugoslavia was the site of probably the most publicized "ethnic" conflict in the world. And yet it can be argued that ethnicity had nothing to do with it. "Yugoslavia's ethnic war was waged among three communities (the Muslims, the Croats, and the Serbs) possessing no distinct physical characteristics or separate anthropological or racial origins. The notion of an exclusive and exclusionary ethnic existence for each of the Yugoslav people is an invention."<sup>1</sup> Although it is often assumed that for an ethnic group to qualify so, it must have some distinguishing physical or "racial" characteristic: this is clearly not the case.

Consistent with the constructivist perspective, ethnic groups can be considered socially constructed or "imagined communi-

ble proportions, similar to that in Karabagh and around other regions in Azerbaijan.

Although the study of interstate war is often separate from the study of ethnic conflict, there are a number of similarities

ties." This recognition, however, can lead to a definitional strategy, suggesting that if any group defines itself as an ethnic group, it qualifies as one. One definition of ethnicity, for example,<sup>2</sup> asserts that it is a "subjective sense of shared identity based on objective cultural or regional criteria."<sup>3</sup> Another writer takes this strategy to an even simpler extreme by defining an ethnic group as "a people who define themselves as distinct from other groups because of cultural differences."<sup>4</sup> Whilst the subjective nature of ethnic identity is important, one can identify many subjectively defined ethnic groups by objective criteria. A recent comprehensive review of ethnic minorities for example, defines communal groups that are, ethnic groups, as "people who share a distinctive and enduring collective identity based on a belief of common descent, shared experiences and cultural traits."<sup>5</sup> This project uses five relatively specific cultural traits to identify ethnic groups:

1. Language.
2. Social customs.
3. Religion.
4. Physical appearance,
5. Region of residence.

For the purpose of this discussion, we will define an ethnic group as one that perceives it to be culturally distinct in terms of its language, customs, religious beliefs, physical appearance, or region of residence.

### Causes of Ethnic Conflict in the Contemporary Global System

#### *International Influence*

Because defining an ethnic group is difficult, there are widely disparate estimates of how many such groups there are in the world. One source asserts there are 862 ethnic groups globally. A geographer

1. William Pfaff, 'An Invitation to War,' *Foreign Affairs* 72, Summer 1993, p.101.

2. Benedict Anderson, *Imagined Communities: Reflections on the Origin and Spread of Nationalism*, London, Verso, 1983.

3. Timothy Frye, 'Ethnicity, Sovereignty and Transition from Non-Democratic Rule', *Journal of International Affairs*, 45 Winter 1992, p.602.

4. Stephen Ryan, *Ethnic Conflict and International Relations*, Brookfield, Dartmouth Publishing, 1990 p.xiii.

5. Ted Robert Gurr, *People Versus States: Minorities at Risk in the New Century*, Washington, USIP, 2000, p.5.



has identified five thousand nations, or distinct communities, in the contemporary world that could claim to be a national people. Using the definition and criteria discussed in the previous section and focusing on disadvantaged groups and groups that have been organized to promote their collective interests, one group of researchers has identified 275 such groups.<sup>6</sup>

Some of the ethnic conflict is confined within the borders of a single state, but most are not and thus they become international in scope. This is in part because quite often, ethnic groups are spread over the boundaries of states. More than two-thirds of ethnic groups in the developing world have ethnic compatriots in two or more adjacent countries. Such situations can create pressures to extend the political power of the homeland to include ethnic compatriots currently outside the boundaries of the country in which they live. Annexation of another state, or part of it, based on ethnic ties, is known as irredentism. "Irredentist movements usually lay claim to the territory of an entity—almost invariably an independent state—in which their in-group is concentrated, perhaps even forming some local majorities. The territory to be regained sometimes is regarded as a part of a cultural setting or an integral part of one's homeland."<sup>7</sup>

Even without irredentist pressures, ethnic conflict can become international when ethnicity combines with nationalism and ethnic groups to seek self-determination and works toward creating a new state in the international system. According to one definition of nationalism, it is present when "individual members give their primary loyalty to their own ethnic or national community" and "these ethnic or national communities desire their own independent state."<sup>8</sup> Ethnic conflicts also become internationalized because other members of the international community have economic, security, or political interests affected by the conflict or become involved for humanitarian purposes. These ethnic minorities are often subjected to discrimination, and that current state boundaries seldom

6. Gurr, *ibid.*, p.8.

7. David Carment and Patrick James, 'Internal Constraints and Interstate Ethnic Conflict', *Journal of Conflict Resolution*, no. 39, march 1995, p.84.

8. Stephan Evera, 'Hypotheses on Nationalism and War', *International Security*, no 18, 1994, p.6.

coincide with the physical distribution of ethnic groups has made ethnic conflict a virtual epidemic.

### International System and Economic Modernization

They have been considered not only annoying but of marginal importance, ethnicity and ethnic conflict also seem to have been confusing to students of international politics as well. In recent decades, it has commonly been hypothesized that ethnic conflict generally tends toward violence because the structure of the international system, a bipolar system, prohibited conflict between the major powers but not amongst its clients. In other words, during the Cold War, it often appeared that antagonism between the superpowers made ethnic conflicts worse. In Angola, for example, the United States and other Western powers tended to support the Ovimbundu people in the southern part of the country against the Soviet-supported Mbundu led coalition that controlled the government. The result was a civil war that dragged on for years. Because of situations like this, during the Cold War the competition between the superpowers to complete a network of international alliances in such a way as to maximize the number and wealth of allies and trading partners, tremendously enriched and inflated ethnic movements, particularly in the Third World. The injection of external resources into domestic ethnic conflicts resulted in larger, better organized, and more violent ethnic movements. The consequences were a lengthening and escalating of conflict, often resulting in civil wars, and a decreased likelihood of negotiated settlements.<sup>9</sup>

But the end of the Cold War has hardly seemed to be a cure all for the world's epidemic of ethnic strife. On the contrary, the end of the Cold War and the end of communism obviously brought to the surface a host of violent conflicts in Eastern Europe and the former Soviet Union. And the end of global competition between the superpowers has not brought to an end many conflicts that previously

**In recent decades, it has commonly been hypothesized that ethnic conflict generally tends toward violence because the structure of the international system, a bipolar system, prohibited conflict between the major powers but not amongst its clients.**

9. Joane Nagel, 'Ethnic Nationalism: Politics, Ideology, and the World Order', *International Journal of Comparative Sociology*, no.34, 1993, p.109.



seemed to be primarily a function of that competition. We can now see that even without superpower encouragement, ethnic conflict in Angola, Sudan, Afghanistan, Burundi, Burma, Iraq, Turkey, and other places continues.<sup>10</sup> So during the Cold War, it was commonly argued that the confrontation between the United States and the Soviet Union made ethnic conflicts worse. Now that the Cold War has ended, we are told that its demise has worsened ethnic conflict. At one time, analysts were relatively confident that economic progress and modernization would ameliorate ethnic conflict, but now that global economic integration has reached new heights, it seems that it may instead also increase the intensity of strife among ethnic groups.

### Other Causes

It is tempting to see ethnic conflict as inevitable, as an expression of deep animosities between groups that are destined to fight. Indeed, one of the first theories about the proliferation of violent ethnic conflict was the ancient hatred explanation, which was mainly the creation of journalists covering the various wars in Europe, Africa, and Asia. The core idea was that the ethnic groups locked in murderous combat had a long history of violent intergroup relations. Historically, the periods of relative peace in intergroup relations arose when strong central authorities managed to keep a tenuous intergroup harmony through the use of rewards and sanctions. Whenever central authority weakened, though, interethnic relations became marked by hostility and violence. From this, it follows that under communist rule in countries like Yugoslavia, ethnic relations were kept in check by strong authoritarian elites like Tito, however, when the center itself became weak and crumbled in the early 1990's, the relations between the constituent ethnic groups—Serbs, Croats, Slovenes, Kosovans, Macedonians, Bosnian Muslims, Montenegrins—naturally regressed back to violence.<sup>11</sup>

Ethnic groups may engage in conflict in situations of a collapsed state or a power vacuum not because of enduring hatreds, but be-

10. James Ray and Juliet Kaarbo, *Global Politics*, New York, Houghton Mifflin Company, 2008, p. 220

11. Raymond Taras and Rajat Ganguly, *Understanding Ethnic Conflict*, New York, Longman, 2002, p.25.

cause of uncertainty and a fear of discrimination if they do not control the state. In this way, ethnic groups fight for the same reason that realists argue states fight. In situations of anarchy, in which there is no overarching government, groups face a security dilemma and must protect themselves. Because groups in anarchical situations are not likely to possess strong military capabilities, "their military strength becomes largely a function of their closeness or cohesion. But because all sides stress this, each appears threatening to the other. Under these conditions, the only way to assess the intentions of other groups is to use history. But prevailing political conditions may lead to nationalistic interpretations of history. The result is a 'worst case analysis' whereby every group thinks the other is the enemy."<sup>12</sup> Even without complete anarchy, weak and unstable states often give rise to insurgencies and civil wars.

The theory of relative deprivation is useful for explaining the rise of ethnic political mobilization not only among economically backward groups but also among relatively prosperous ethnic groups, such as the Sikhs in India, the Tamils in Sri Lanka, and the Tutsis in Central Africa. When such groups perceive a threat to their privileged position, or if they become victims of state discrimination, they too may take to political action. After all, as the theory suggests, it is the realization by a group that it is receiving less than it deserves and that others are receiving more that motivates the group to take political action. When this concept is applied to ethnic conflict, it is easy to understand why perceived disadvantage or discrimination real or imaginary by a group regarding its status is an underlying cause for political action.<sup>13</sup>

Political leaders often recognize the power that group identity can play in mobilizing the masses to commit violent behavior. The instrumentalist approach to ethnicity and ethnic conflict focuses on the role that elites play in highlighting, or even creating, ethnic identities for political ends: from this perspective, ethnic identity, one amongst several alternative bases of identity, gains social and political significance when ethnic entrepreneurs, either for offensive or defensive purposes or in response to threats or opportunities for themselves and/or their groups, invoke and manipulate sel-

12. Taras and Ganguly, *ibid*, p. 29.

13. Taras and Ganguly, *ibid*, p. 15-16.



**In the Balkans, there is no doubt that leaders of the former Yugoslavia, particularly Serbian head, Slobodan Milosevic, helped cause the fighting by inflaming ethnic nationalism.**

use of ethnic symbols.<sup>14</sup>

Leaders are successful at manipulating ethnic identity for instrumental ends when there is a history of group antagonism and there are severe economic problems. In the Balkans, there is no doubt that leaders of the former Yugoslavia, particularly Serbian head, Slobodan Milosevic, helped cause the fighting by inflaming ethnic nationalism. Milosevic and others stirred up ethnic conflict in order to realize their personal interest of remaining in power. He recognized that he could not hold on to power in a multi-ethnic Yugoslavia. So, Milosevic deliberately fostered a racist nationalism that resulted in the replacement of most of Yugoslavia with a state that had a clear Serbian majority.

As with the causes of interstate war, the causes of ethnic conflict seem individually insufficient to explain all ethnic violence. "People do feel strongly about their ethnicity, but very few convinced nationalists actually go as far as to exterminate their neighbors. Maniacal leaders clearly play an important role in civil wars, but simply saying so does not explain why some end up as powerful demagogues while others simply rant in obscurity. Economic grievances and security dilemmas can also push groups toward violence, but such explanations predict far more conflict than actually occurs in the world."<sup>15</sup> Thus, as in wars between states, all levels of analysis—the structural condition of the state, the strategies of the leaders, and the beliefs of the masses—all contribute to an understanding of why ethnic conflicts occur. Some even argue that conditions at all levels must be present to spark an ethnic war: it is the interaction between these factors all of them necessary conditions for an ethnic war—which causes ethnic violence to begin

ected ethnic symbols to create political movements in which collective ends are sought. At such moments, ethnicity can be a device as much as a focus for group mobilization by its leadership through the select

and escalate. There can be no violence without hostile feelings, and they are unlikely to be widespread unless groups have a history of conflict, conflicting symbolic interests, and negative stereotypes of each other.<sup>16</sup> Even in these conditions, violence can only be sustained if the war effort is organized by extremist leaders who gain or hold power by outflanking more moderate rivals. Unless all of these factors operate to a sufficient degree, any ethnic violence which occurs is likely to be brief and on a relatively small scale.

### Resolving Ethnic Conflicts

Given the long-term trend of increasing violence and the global implications of these conflicts, the international community is wrestling with ways to address this problem. An attempt to anticipate the future of ethnic conflicts throughout the world needs to take into account, the unfortunate extent to which ethnic conflicts in Europe have been resolved similarly to the Yugoslav fashion: with ethnic cleansing, forced migrations, and displacing of people. Europe's nationality problem was 'solved' by wars and population transfers over the span of centuries.

Peace settlements after the First World War redrew boundaries in such a way as to decrease the percentage of ethnic peoples without a state or self-government from about 26 percent in 1910 to about 7 percent in 1930. As a result of the Second World War, 20 million people settled in new homelands. Often they were relocated with little attention to their own interests or wishes. For example, "3 million Germans were forced to abandon lands their families had occupied for centuries, banished with nothing but tattered clothes and bandaged feet into a harsh winter. The expulsion of Sudeten Germans from their villages in Czechoslovakia still resonates as one of World War II's most contentious incidents."<sup>17</sup> As a result of such episodes of brutality and relocation, the share of Europe's total population belonging to ethnic minorities without autonomy

14. Taras and Ganguly, *ibid.*, p. 5.

15. Charles King, 'The Myth of Ethnic Warfare: Understanding Conflict in the Post-Cold World', *Foreign Affairs*, November-December 2001, p.166.

16. Stuart Kaufman, 'An International Theory of Inter-Ethnic War', *Review of International Studies*, no. 22, 1996, p.157.

17. William Drozdiak, '50 Years On, Expulsion Rankles for Sudeten Germans', *International Herald Tribune*, December 6, 1996, p.1.



or self-government was reduced to about 3 percent.<sup>18</sup>

The implications of this history of relationships among ethnic groups in Europe and for much of Asia, the Middle East, and Africa are sobering, if not downright depressing. Nationalism as an ideological movement emerged in Europe as a result of the French Revolution in the late eighteenth century. It took nearly two centuries of massive relocations and wars for the people of Europe to sort them out and redraw boundaries in such a way that the distributions of ethnic groups and national boundaries were made largely congruent. And even so, the United Kingdom has yet to resolve the situation in Northern Ireland; Spain faces continuing conflict with the Basques and the Catalans, and France still has problems with the Bretons and the Corsicans. Must Africa, Asia, and the Middle East go through these relocations and wars to establish a match between the physical distribution of peoples and legitimate national boundaries? Or to put this partially rhetorical question in more specific but equally gloomy terms, are "Arab-Israeli Wars," complete with refugees and relocations, destined to be duplicated throughout the rest of the Middle East, in Africa, and in Asia?

Anyone who wishes for a more peaceful and stable global political system in the twenty-first century must hope that this is not the case. Even centuries of wars and relocations in Europe have not resolved all the ethnic problems there, and Stalin's forced relocations of millions in the Soviet Union certainly did not resolve all of those ethnic conflicts. It is, in fact, almost futile to hope that peaceful relationships among the ethnic groups of the world can be established by relocating people and redrawing national boundaries. Africa, for example, is faced with probably the greatest number of ethnic conflicts of all the continents. These problems are often traced to Africa's colonial heritage. "Africa is a continent of a thousand ethnic and linguistic groups squeezed into some 50-odd states, many of them with borders determined by colonial powers in the last century with little regard to traditional ethnic boundaries."<sup>19</sup>

The colonial powers did undoubtedly draw national boundaries

18. Rita Jalali and Seymour Lipset, 'Racial and Ethnic Conflict', *New World Politics*, New York, Academy of Political Science, 1993, p. 60.

19. Joseph Nye, 'Conflicts After the Cold War', *Washington Quarterly*, no 19, Winter 1996, p.19.

in Africa that arbitrarily cut across or combined disparate ethnic groups. But the number and distribution of ethnic groups is such that even had they attempted to be more sensitive in that regard they would have found it nearly impossible to satisfy all the national aspirations of the various ethnic groups. There are too many of them, and they are not organized in neat, state-size geographical packages. Obviously there are many areas in Africa where ethnic groups are intermingled in the same territory. Ethnic peace will never come to Africa or anywhere else in the world if it depends on every ethnic group satisfying its aspirations to national autonomy and self-determination. In short, no amount of national boundary redrawing is going to resolve all, or even most, of the ethnic conflicts in the world. Such redrawing of boundaries historically creates as many problems as it resolves.

The former Soviet Republic of Georgia, for example, has broken away from Russia, to be confronted itself by a rebellion in its own region of Abkhazia.

The Eritreans have successfully established independence from Ethiopia, but "the Eritrean nationalists themselves are an amalgam of Muslims and Christians who, if they gain autonomy, are likely to fracture along ethnic lines."<sup>20</sup>

In the former Yugoslavia, the Macedonians have broken away from Serbia, only to face irredentist pressures from the 20 percent of its population that is Albanian, not to mention its even smaller Serbian population. There may be no end in sight to this kind of process. As it appears increasingly likely that Kosovo, formerly part of Serbia and Yugoslavia, might become independent, "some of the world's most powerful countries are fearful the move will encourage separatist movements elsewhere to intensify their often bloody struggles and give hope to nascent independence groups that have not yet begun to fight."<sup>21</sup> It is incumbent on those of us who live in the major industrialized countries, secure in our national identities within states with a long history of democracy and stability, not to be condescending toward ethnic groups with frustrated desires for national autonomy and self-determination.

20. Gurr, *ibid*, p.38.

21. Nicholas Wood, 'For Albanians in Kosova, Hope for Independence from Serbia', *The New York Times*, June 13, 2006.



It is too easy for us to say why can't those people in Rwanda, Lebanon, Georgia, Burundi, India, or Northern Ireland just give up their delusions of national grandeur and learn to live together? Even so, the conclusion of Ted Gurr, the author of one of the more comprehensive surveys of ethnic conflicts in the world, seems reasonable. He observes that a strategy of reconstructing the state system so that state boundaries correspond more closely to the social and cultural boundaries among ethnic communities would "create as many problems as it resolved." According to Gurr, "A more constructive and open-ended answer is to pursue the co-existence of ethnic groups and plural states. Ethnic groups should have the protected rights to individual and collective existence and to cultural self-expression without fear of political repression. The counterpart of such rights is the obligation not to impose their own cultural standards or political agenda on other races."<sup>22</sup> Indeed, Gurr attributes the decline in ethnic conflict in the second half of the 1990s to a "regime of managed ethnic heterogeneity." This regime includes recognition of the rights of minority races and the right of ethnic groups to have some degree of autonomy within states, democratization that institutionalizes these rights, and an increasingly accepted "principle that maintains disputes between communal groups and states are best settled by negotiation and mutual accommodation."

Democratic governance is one logical solution to the ethnic conflict. "Minorities in the democracies have two distinctive traits. Their grievances are usually expressed in protest, rarely in rebellion, and the most common response by a government is to accommodate their crests rather than forcibly subordinate or incorporate them."<sup>23</sup> In states where governmental power is exercised autocratically, struggle for control of the government is likely to be more desperate and violent. In general, democratic "societies bleed off conflict in divergent directions, preventing that fatal congruence of cleavages and oppositions that leads to intense struggles over societal powers and consequent extreme violence." But it is difficult to initiate democratic reforms in a country already torn apart by ethnic conflict. In fact, many analysts are convinced that transitions to democracy are likely to increase ethnic strife and other sources

22. Gurr, *ibid*, p.323.

23. Gurr, *ibid*, p. 139.

of internal conflict, even if relatively entrenched, stable democracy may ultimately prove to be an important solution to it. Carment and James provide systematic evidence that "high political con-

straint by which they mean democratic controls on the use of political power, reduces threat perception and belligerent behavior" by states involved in conflict over ethnic issues.<sup>24</sup> But they believe that this finding must be taken with a grain of salt, arguing that politicians in democratic countries might use ethnic grievances and strife for their own purposes in ways that could increase conflict.

Despite the difficulties of democratization and resolution to ethnic conflict, the international community remains interested in these tasks. Ethnic conflicts can present moral imperatives—such as the prevention of genocide—and can affect the political, security, and economic interests of other states. As already mentioned, ethnic conflicts frequently become internationalized and can easily spark interstate conflicts. Ethnic conflict can also produce terrorist groups and these groups can become significant transnational actors. International terrorism, along with ethnic conflict, is another significant source of violence in contemporary global politics.

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**In fact, many analysts are convinced that transitions to democracy are likely to increase ethnic strife and other sources of internal conflict, even if relatively entrenched, stable democracy may ultimately prove to be an important solution to it.**



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## Alexandros Petersen

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## AZERBAIJAN'S EURO-ATLANTIC VISION\*

The strategic significance of the nexus between the broader Caspian area and the greater Black Sea region has so far only been surpassed by its neglect by Western institutions. The enduring and volatile tensions between Russia and Georgia lay bare the consequences of such a gap. But, whilst Georgia has for years been the focus of Western integration in the region and Armenia and Turkey draw media attention due to discussions on opening their border, it is Azerbaijan, the region's economic and energy powerhouse that will likely come to determine the geopolitical course of the surrounding states, and beyond. Azerbaijan is increasingly distinguishing itself as an important Euro-Atlantic partner, not only in terms of energy, but as a driver of regional cooperation, important for the goals of the European Union in its neighborhood, and as a conduit for Eurasia-bound non-lethal military supplies, vital for NATO's efforts in Afghanistan.

That said, as both the European Union and the United States seek to repair relations and cooperate with Russia, leaders in the Black Sea-Caspian region have begun to question the Euro-Atlantic commitment to Eurasia. Whilst not directly to do with the Caucasus, the scrapping of the U.S. missile defense plans for Central Europe has engendered a crisis of confidence further east. If Washington is willing to so rapidly change its commitments to NATO and EU

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members, Poland and the Czech Republic, what assurance do non-member countries, however Euro-Atlantic in their orientation, have that their agreements and engagement with the West will yield long-term dividends? In the EU recent report on the causes of the Russia-Georgia War in August 2008, the evidence compiled presents a damning indictment of Russian actions, but the political spin that underlines the document places the principal blame on the shoulders of Georgian President Mikhail Saakashvili. If Euro-Atlantic leaders are prepared to turn their backs on their most enthusiastic cheerleader in the Black Sea-Caspian region, will they desert Georgia's neighbors at their time of greatest need? These are only two of the crucial questions that will shape Azerbaijan's Euro-Atlantic vision.

### Energy and Geopolitics

Azerbaijan hangs in the balance. Since the mid-1990s Baku has pursued a Euro-Atlantic-oriented path, strengthening Azerbaijan's sovereignty and independence through the development of the East-West Transport Corridor, the network of energy and transport infrastructure that links the shores of the Caspian with Western markets through Georgia and Turkey. The corridor's hallmark projects: the Baku-Tbilisi-Ceyhan (BTC) oil pipeline and its natural gas sister route: the South Caucasus Pipeline (SCP) avoid Russia and Iran to provide Western consumers with alternative routes. But, Baku maintains positive relations with both of its powerful neighbors. It is as a gateway for the West to the broader Caspian region, however, that Azerbaijan can fulfill its greatest potential. Baku's strategic location and increasingly deepening relationships with Kazakhstan, Uzbekistan and even Turkmenistan accentuate its strategic importance relative to its South Caucasus neighbors.

But, a lack of engagement on the part of the EU and NATO, combined with concerns about the Nagorno-Karabakh conflict with Armenia and governance in Azerbaijan have so far limited the fruits of East-West cooperation. The consequences of lack of involvement, however, are increasingly clear: Turkey has been able to carve out a Russian-like position as an energy middle man between Europe and the Caspian, despite its foreign policy preferences Baku is exploring stepped-up energy deals with Moscow and Tehe-

ran, even after significant progress in July towards realizing the strategic Nabucco natural gas pipeline to Central Europe. Hardliners in Azerbaijan are increasingly calling for decisive action by Baku to circumvent the OSCE-sponsored negotiating framework to resolve the simmering conflict over Karabakh. Moscow is taking advantage of that sense of urgency to push its case for greater influence in Azerbaijan and the region.

The dispute between Ashgabat and Baku about the Caspian Sea's undersea Serdar/Kapaz gas field is proving to be a major obstacle to the further development of the East-West Transport Corridor. Although tensions have been calmed down since the Turkmen President Gurbanguly Berdymukhammedov's mid-summer assertion that Turkmenistan would seek international arbitration, it looks like Nabucco will tap into Iraqi gas reserves before those of the Caspian, with significant uncertainty about whether the strategic project will ever engender the development of another immensely significant route: a Trans-Caspian gas pipeline running from Turkmenbashi to Baku. Both Azerbaijan and the Euro-Atlantic community lose if these projects do not connect Central Europe with the eastern shores of the Caspian. Not only is Europe's energy security diminished, but the important spillover effects of one of the key functional links to allow for regional and Euro-Atlantic integration in the Black Sea-Caspian region will never be realized. A chance to amplify the dividends of the BTC experience will have been lost.

### Governance and Strategic Partnership

Despite recent setbacks, Azerbaijan's strategic significance for the broader West, and the pivotal nature of this moment in its history would be difficult to overstate. To the country's west lies the promise of the European project and the stability and prosperity of the institutions of the West. To Azerbaijan's east lies the immense potential of the Eurasian landmass, particularly the energy-rich and increasingly dynamic Caspian region. To its north and south lie Russia and Iran, increasingly assertive in their foreign policies. It behooves Western policymakers to begin to engage with Azerbaijani leaders and society at all levels with a full understanding of the country's geopolitical and governance limbo.



**Developing a highly interactive and interdependent partnership with Azerbaijan is a priority that European countries and the U.S. cannot overlook. A stable, transforming and progressive Azerbaijan will become the cornerstone of Western outreach to Central Asia.**

Governance transition beyond Central Europe will not necessarily mirror that witnessed amongst the EU's current eastern members. Transformation in the Black Sea-Caspian region has always had to balance complex geopolitical

cal and security realities. In addition, the speed of transition is regularly undermined by a severe skill deficiency, with direct impact on institution building. In light of events in Georgia and Russia's appetite for violent power politics, continued success and progress in Azerbaijan's domestic reforms and governance are directly linked to the country's relations with Europe and the broader West.

Developing a highly interactive and interdependent partnership with Azerbaijan is a priority that European countries and the U.S. cannot overlook. A stable, transforming and progressive Azerbaijan will become the cornerstone of Western outreach to Central Asia. Sidelining Azerbaijan due to governance concerns is a recipe for failed engagement strategies in the greater Black-Sea Caspian region. Without Azerbaijan on board, the EU and NATO will find it impossible to respond to an ambitious Moscow in the Caspian.

That said, partnership with Azerbaijan is an important piece of the broader cooperation underway across Eurasia to contribute to the stabilization effort in Afghanistan, in which Russia plays a major constructive part. Due not only to its geography, but also to Baku's openness to work with NATO and U.S. forces, Azerbaijan is the Caspian hub for one of the two major supply routes in the Northern Distribution Network to supply U.S. and NATO forces in Afghanistan. Supplies are brought through Turkey or across the Black Sea to Georgian ports, from there to Baku and onward through Kazakhstan and Uzbekistan. In March 2009, Washington and Azerbaijan agreed to the shipment of 30,000 containers of non-lethal supplies a month.

Recent election results in Germany bode well for a reinvigoration of the EU's Central Asian Strategy. Originally the brainchild of the German EU presidency, due partly to Germany's excellent

diplomatic and business representation in Eurasia, the strategy was not pursued with enthusiasm by subsequent presidencies. In the meantime, the EU began implementation of the Eastern Partnership, which groups Azerbaijan with other neighbors such as Ukraine and Georgia. While Azerbaijan's inclusion is encouraging, the Eastern Partnership's geopolitical reality means that from the point of view of Brussels, Baku seems almost a bridge too far. There is significant unfulfilled potential to be realized if EU capitals and Baku engage through the Eastern Partnership, but only with the vision of the EU's Central Asian Strategy are European decision-makers able to comprehend the immense strategic importance of Azerbaijan, as the intersection of the Venn Diagram that are the regions of the Black Sea and Central Asia.

The shift to a center-right government in Germany should engender foreign policies less cautious about Russia's reaction to Euro-Atlantic engagement in Eurasia. As the U.S. reversal of missile defense plans for Central Europe has contributed to a sense of abandonment amongst Euro-Atlantic partners on Russia's periphery, now is the time for European leaders to step up to the plate to develop and deliver a coherent approach to the broader Caspian set on the three pillars of energy, security and governance. In drawing up such a strategy, Euro-Atlantic leaders must reach out to Azerbaijan as a matter of first priority. Anything short of a major overhaul in Euro-Atlantic engagement in the Caspian region will result in a combination of failed cooperation, unstable regimes, compounded insecurity, and weak progress on governance and economic reforms.

### Changing Borders or Changing Policies?

While energy geopolitics and access to Eurasia dominate Western thinking when it comes to Azerbaijan, strategic priorities in Baku understandably center on its almost two-decade dispute with Armenia over Nagorno-Karabakh and its surrounding territories. From the point of view of Azerbaijan's leadership, the occupation of one fifth of the country's internationally-recognized territory by a foreign force is not only unacceptable in terms of Azerbaijan's sovereignty and territorial integrity, but a major public issue, due to almost 1 million internally displaced people dispersed through-



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economic prosperity and reduced Russian interference across the Black Sea-Caspian region can only be realized once conflict settlement has been reached in Karabakh.

Turkey's move to open its border with Armenia is a historic game-changer. It holds the potential to boost the region's trade, economic vitality, energy and transport links and begin to lay to rest historical grievances – on all sides – that have lent the region's politics nothing but enmity and stubbornness. That said, changing the status of the border with Armenia will inevitably be linked to a change in the volatile status-quo that is the Karabakh line of contact. This is not only because opening the border – closed in solidarity with Azerbaijan over Karabakh – would tip the balance of power by depriving Baku of an important bargaining chip in conflict settlement, but because substantive progress in the region cannot be achieved if Karabakh remains unresolved. The fruits of a newly open border will not approach their full potential should Armenia's other major border with Azerbaijan remain blocked by armed forces surrounding an internationally unrecognized entity. The geopolitical hopes pinned on an open border with Turkey: that Armenia will diversify its ties away from Russia and Iran and becomes an integrating factor in the region can only be realized if conflict settlement is reached on Karabakh.

This is not to say that the EU and NATO as institutions should side with Azerbaijan in the dispute. It is, however, to say that little will be gained for the West by fostering rapprochement between Turkey and Armenia if Azerbaijan is left out in the cold. After all, it is Azerbaijan that has sought and is still seeking a Euro-Atlantic path – more so at this point in time than Armenia and Turkey – but could easily orient itself toward Moscow, Tehran or even Beijing for promises regarding Karabakh, “reliable” energy deals or “regional

out the rest of the country, making up a major voting bloc. Any productive partnership with Baku will take this priority into account, informed by the reality that Western-oriented regional integration,

partnerships”. It is Azerbaijan that has its own strategic energy reserves and holds the key to the Caspian and Central Asia, and it is Azerbaijan that boasts the region's most dynamic economic growth, even during a global downturn. Azerbaijan is the key node in the Black Sea-Caspian route for resupplying NATO forces in Afghanistan and for potential future strategic partnerships, given its geopolitically vital position and growing military prowess.

### **A Euro-Atlantic Vision for Azerbaijan**

Decision-makers in Brussels and Washington, both EU and NATO member leaderships must first and foremost come to terms with the strategic significance, in terms of geography, regional transformation, energy security, military supply lines, trade, economic dynamism and resolving frozen conflicts that characterizes Azerbaijan. Second, they must adopt specific policies to anchor Azerbaijan to a Euro-Atlantic vision. Whether through the Eastern Partnership or other programs, the EU will have to engage its neighborhood. NATO will at the same time increase its use of the Black Sea-Caspian supply route. Azerbaijan will be central to both of these efforts, not to mention key developments in boosting Euro-Atlantic energy security. Overlapping decision-makers in both institutions should devise an Azerbaijan-specific approach, within a broader Caspian Strategy, appropriate to the country's strategic significance.

Such a strategy could include, but should not be limited to 1.a clear plan for stepped-up Minsk Group efforts to find a resolution to Karabakh, within the context of Turkish-Armenian rapprochement, 2. a clear public-private sector offer to Baku on gas exports, 3. specific and appropriate NATO security guarantees and EU mediation and peacekeeping offers should conflict erupt in or near Azerbaijan, 4. an advisory program for institution-building regarding governance, professionalization, civil society and media training, 5. provisions for potential security partnerships, including a revitalized Caspian Guard and a NATO lease for the Gabala Radar Station when the current one expires in 2012.

Only with such a sweeping, but detailed engagement of Azerbaijan and the region can Euro-Atlantic leaders and institutions expect



Baku to continue its enormously advantageous geopolitical path. In the wake of largely symbolic setbacks, the West should move forward with the concrete commitments outlined above. For Azerbaijan's part, Baku decision-makers would do well to remember that patience is a virtue. Although usefully identified as a meaningful grouping, the Euro-Atlantic world is far from unified on any of the major issues discussed above. Concrete commitments will be slow in coming, but despite the myriad geopolitical options available to Baku, the ultimate benefits of a Euro-Atlantic partnership cannot be underestimated. The greatest story since the end of the Cold War has not been China's rise, Russia's resurgence or the glories and travails of the United States, but rather the transformative power, however disorganized, of the Euro-Atlantic community. Azerbaijan's Euro-Atlantic vision has so far been sharp. But, it must not be taken for granted that it will not turn its gaze elsewhere.