

AZERBAIJAN'S STRATEGIC ROLE IN THE CONTEMPORARY GEOPOLITICS OF EURASIA

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At the present time, Azerbaijan is experiencing a completely new period of its historical development. The early years of independence became the turning point for national transformation of the country. Working in a very tense atmosphere during 1993-2003, nationwide leader Heydar Aliyev undertook a whole set of radical measures to stabilize the political and economic life of the country. In reality, Heydar Aliyev succeeded in strengthening the statehood and defined the long-term strategy of national development for years ahead, given that the national leader regarded newly independent Azerbaijan as a vital strategic locality and important economic partner for the international community. The outcome of Heydar Aliyev's well-conceived policy strategy has led not only to intensive development of the national economy but also rapidly transformed the young country into the main integrator of regional processes as a result of which Azerbaijan became a reliable actor within the international relations system.

Already in the new millennium, the policy of reform conducted during the last few years has enabled the Azerbaijani authorities to reach the necessary level of political and economic development which testifies to the efficient steps taken towards maintaining a stable political situation and building an effective system of market economic structure. The main concept being laid in the contemporary reform agenda of President Ilham Aliyev can be explained by the desire of the Azerbaijani political elite to ensure the competitiveness of Azerbaijan in regional processes and the consolidation of economic leadership in the South Caucasus. For this reason, Azerbaijan remains one of the most frequently discussed countries in international arenas.

Being a pivotal country with the largest population in the South Caucasus, Azerbaijan indeed matters and deserves special consideration. Today this secular Muslim state has close contact with the Islamic world, while it is simultaneously influenced by neighboring Christian countries oriented towards Western culture. Its position on the junction of the East and West has enabled Azerbaijan to develop a synthesis of the values of both cultures. Consequently, Azerbaijan acts as a bridge which can unite not only different cultures and civilizations but also the major economic systems of Europe and Asia.

Meanwhile, Azerbaijan is growing closer to the Western world for the three major reasons that make this Caucasian state a special case. These are Azerbaijan's energy resources, the contribution of a settlement over Nagorno-Karabakh to regional stability and the country's democratization through profound modernization. It is the combination of the aforementioned issues that has placed Azerbaijan at the core of international relations.

Azerbaijan: Caspian Keystone of the Wider Black Sea Region

Quite obviously, the wider Black Sea-Caspian basin is increasingly becoming a place of utmost importance in terms of energy production, transportation and distribution. The entire region finds itself on the crossroads of transportation corridors to connect Europe with the South Caucasus, Central Asia and the Middle East. In this context, the wider Black Sea area has an enormous potential to become a gateway between the Balkans and the South Caucasus, linking Romania to Georgia, and, via energy-rich Azerbaijan to the Caspian Sea. From a geo-economic standpoint, Azerbaijan serves as a hub connecting energy and transportation infrastructure between Asia and Europe. As a strategically vital country in the South Caucasus-Caspian basin, Azerbaijan not only links Central Asia with Europe but also offers enormous strategic benefits to member states of the European Union (EU).

In recent years Azerbaijan's perceived willingness to cooperate closely with the enlarged European Union has attracted an unprecedented level of international attention for this rapidly developing, young democracy with the fastest growing economy in the world. Currently, energy security is gaining prominence on the EU agenda and it is likely to guide the EU's relations with Azerbaijan in the coming years. The country's energy wealth constitutes an important counterpoint to the volatile Persian Gulf for Western democracies, which will help Europe to diversify its energy imports. In the contemporary world, as is known, the economy is closely linked to geopolitics. Relying upon the country's favorable geographical location, Azerbaijan attempts to effectively use its economic potential while adhering to its own national interests in transnational projects. To date, the Azerbaijani leadership has implemented a number of strategically vital projects which already have become important milestones in ensuring the country's participation in global integration initiatives.

Presently, Azerbaijan realizes the opportunity to export oil via the Baku-Supsa pipeline to Georgia, via the Baku-Novorossiysk pipeline to Russia, via the Baku-Tbilisi-Ceyhan (BTC) pipeline to Georgia, Turkey and the

world market. In the same way, Azerbaijani natural gas now flows via the Baku-Tbilisi-Erzurum (BTE) pipeline to Georgia and Turkey, where it connects to the Turkish gas network through which Azerbaijan can deliver natural gas all over Europe. Besides, there is a gas pipeline to Russia (Hajikabul-Mosdok) through which Azerbaijan imported Russian gas until Azerbaijan's production became self-sufficient. Azerbaijan also exports gas to Europe via the Turkish-Greek pipeline which was filled with Azerbaijani gas through the Baku-Tbilisi-Erzurum pipeline for the first time in July 2007. It is planned that this pipeline will be extended to Italy by 2012. At the same time Azerbaijan thoroughly explores the NABUCCO project which envisages transit of Azerbaijani natural gas via Georgia, Turkey, Greece and Italy to the countries of the European Union. Likewise, the realization of the geo-strategically important Baku-Tbilisi-Kars railway project, a major Eurasian transportation link, will foster regional economic cooperation, thus creating new possibilities of developing wide scale cooperation between North and South.

In actual fact, the BTC and BTE pipelines, mainly built to relieve the Western world's oil and gas dependency on the Middle East, underscore Azerbaijan's geopolitical importance for the European market. These two pipelines also give the country more control over its own destiny by providing strategic alternatives to Russia. Furthermore, 17,500 tons of Kazakh oil from the Tengiz field was pumped by the BTC pipeline in October 2008. This oil was supplied to Azerbaijan on tankers. Recently, the state-owned energy companies of Kazakhstan and Azerbaijan signed an agreement on basic principles of the implementation of a Trans-Caspian transport system, thus envisioning the supply of Kazakh oil to Azerbaijan and further to the world markets. It is expected that the biggest volume of Kazakh oil will be transported by the BTC after 2012, when the Kashagan field starts operating. Both the BTC and BTE pipeline projects have increased the geopolitical significance of the South Caucasus, contributed to regional cooperation and accelerated the integration of the wider Black Sea-Caspian basin with the Euro-Atlantic community. The successful implementation of the regional infrastructure projects demonstrates that Azerbaijan has become a vital geopolitical actor within and beyond the region.

In addition, resource-rich Azerbaijan forms a transit hub in an evolving geostrategic and geo-economic system that stretches from Europe to the South Caucasus and Central Asia. Azerbaijan's participation in the trans-national energy projects is aimed at protecting its strategic interests in the wider Black Sea-Caspian basin area and moving forward in accomplishing measures for closer integration into the European Community. Today the EU seeks alternative energy supplies that could satisfy Europe's growing consumption. More precisely, the EU strongly supports the multiplicity of both suppliers and transport pipelines as a means of diversifying its supply of energy resources and lowering energy prices. Accordingly, the EU seeks to enhance its relations with Central Asian states in order to establish a long energy corridor, which could bring Eastern Caspian hydrocarbon resources to Western Europe via Azerbaijan, Georgia, Turkey and south-eastern Europe. Therefore, the participation of Kazakhstan and Turkmenistan in the Trans-Caspian energy project for shipping gas through the underwater pipeline via Azerbaijan to European markets is of particular focus in the discussions on transportation cooperation between Azerbaijan and the European Union.

Armenian-Azerbaijani Nagorno-Karabakh Conflict

The restoration of Azerbaijan's territorial integrity and the return of the ethnically cleansed internally displaced people (IDP) to their homelands remain a chief priority of the country's foreign policy. The lack of resolution of the Armenian-Azerbaijani conflict prevents security cooperation and impedes economic development across the wider Black Sea-Caspian basin area. The present-day deadlocked situation of no war, yet no peace in the conflict zone plays a crucial role in the political instability of the entire South Caucasus and even beyond. It is obvious that the integration of the South Caucasus into the European community can happen only on the basis of respect for international law, recognition of the value of diversity and rejection of ethnic cleansing and violence against civilians. In recent years Azerbaijan has tried its utmost to use every opportunity to move the negotiation process forward in the peace talks on the conflict settlement. The negotiations have been held at the level of presidents and ministers of foreign affairs in the framework of the so-called Prague process.

Clearly, Armenia's position in the negotiations is assessed as uncooperative, given that Yerevan's uncompromising attitude led to the country's self-imposed isolation from all regional cooperation initiatives and its almost complete dependence on external players. Although most Armenians, including state officials, are ready for compromise; they are under severe pressure from powerful domestic groups promoting a confrontational policy. It is regrettable that the Armenian authorities do not see the realities of the current situation and the potential benefits of the conflict settlement. Indeed Yerevan's approach undermines Armenia's own future and continues to deteriorate the situation in the region.

Meanwhile, the EU welcomes the dialogue between the presidents of Azerbaijan and Armenia and the regular meetings between the foreign ministers, hoping these negotiations will result in a peace deal. In turn many in Azerbaijan are keen to see a larger EU role in resolving the conflict. Compared with the OSCE and the Council of Europe, the EU offers a unique combination of economic power and possibilities for solid political dialogue, adding value to conventional multilateral diplomacy under the OSCE's aegis. Diplomatic efforts continue to further

consolidate the position of the international community based upon the support for the territorial integrity and the inviolability of internationally-recognized borders of Azerbaijan, as well as the condemnation of the occupation and ethnic cleansing. The EU, OSCE, the Council of Europe and principal powers declared the so-called presidential and municipal elections in the occupied Nagorno-Karabakh region of Azerbaijan illegal and with no legal effect. This proves that the international community has expressed support and respect for Azerbaijan's territorial integrity, thus demonstrating that international organizations and leading nations are providing a clear signal to those destructive forces who try to attempt to lead the peace process into a deadlock and accept the occupation of Azerbaijani lands as a *fait accompli*.

Right from the start of the peace talks, Azerbaijan demanded the withdrawal of Armenian armed forces from all the occupied territories, restoration of the sovereign rights of Azerbaijan in these territories and return of the forcibly displaced population to their places of origin. The Azerbaijani people also demand that the Nagorno-Karabakh conflict be resolved in accordance with the norms and principles of international law, as reflected in the strong resolutions of the United Nations (UN) Security Council and the Parliamentary Assembly of the Council of Europe (PACE), including other official legal documents that make a clear reference to the occupation of Azerbaijan's territory in violation of international law and reaffirm the inviolability of the internationally acknowledged borders of Azerbaijan and inadmissibility of the use of force for the acquisition of territory. Although these resolutions have so far received no implementation, it is now time for the international community to be consistent with its principles and take serious steps to safeguard international law.

Recently, frequent breaches of the ceasefire in the conflict zone have demonstrated the fragility and instability of the situation at the front, even if there has been no return to full-scale hostilities. Azerbaijan continues working with international organizations and principal powers to increase the mediation efforts of the OSCE Minsk Group with the aim of reaching the just and lasting settlement of the conflict on the basis of norms and principles of international law. The lack of progress in finding an enduring solution to this protracted territorial conflict is a worrying and destabilizing factor that continues to impact regional European security and demands more extensive efforts by the European security organizations. In this context, much will also depend on how successfully Russia, the U.S. and the European Union develop multilateral cooperation with the OSCE and the Council of Europe and create new possibilities for intensifying constructive dialogue.

Promoting Democratization through Profound Modernization

Azerbaijani society perceives democratization as the most important factor of the country's national development. Azerbaijanis are proud that they established the first democracy in the Muslim world as far back as 1918. Modern Azerbaijan is a proving ground where tools and models for breaking old stereotypes and establishing new democratic values are being tested. Being a young independent state, Azerbaijan aspires to build democratic institutions and create a market economy. During the opening of the Autumn session of Azerbaijani Parliament on October 2, 2005, the President of Azerbaijan H.E. Mr. Ilham Aliyev said that "...the parallel implementation of economic, political and social reforms is fully developing Azerbaijan, is consolidating stability, which is so necessary for our country, and is exercising a positive impact on the social and political situation¹." Azerbaijani authorities strongly believe that the main task faced by the ruling elite during the last several years has been the formation of a new political space of the country where citizens would realize their own rights and obligations². Moreover, political stability, economic liberalization and democratization remain the major priority areas for Azerbaijan, and are essential for the authorities to demonstrate that their country shares values with the EU in practice. Indeed, the Azerbaijani authorities have proved that they can mobilize resources to implement political, economic and social reforms so as to attain European standards.

Despite the fact that democracy is a complicated process, the Azerbaijani government in recent years has made advances towards political and economic transformation by promoting democratization through extensive reform, particularly via the development of democratic elements, good governance and an open society. The base of civil society in Azerbaijan is now being formed purposefully and it is precisely this process that reflects the main context of the future transition towards consolidated democracy. Taking into account that there are more than 3,000 non-governmental organizations in Azerbaijan, the establishment of the Council of State Support for NGOs under the President of Azerbaijan in 2007 became an important milestone in the direction of forming a dynamic and effective "third sector" in the country. Most importantly, the aforementioned factor testifies to the development of democratic processes and indicates the formation of a civil society in Azerbaijan.

Certainly, Azerbaijan still can achieve a true democracy, as Azeri society is prone to evolutionary democratic change. The Azerbaijani leadership's strategy is aimed at improving the democratic system, mainly moving from stability towards modernization. One point is quite clear: success in developing democratic standards and market economy criteria in Azerbaijan could serve as a model for diffusing similar reforms across the post-Soviet Muslim

¹ *Bakinskiy Rabochiy* newspaper, October 3, 2006.

² For an interesting overview on this issue, see Mehdiyev, Ramiz, *Defining the Strategy of Tomorrow: Course Towards Modernization*, (in Azeri, English and Russian), Sharg-Qarb Printing House, Baku, 2008.

states of Central Asia, particularly Kazakhstan, Uzbekistan, Turkmenistan, Kyrgyzstan and Tajikistan, thus creating a new 'corridor of democratic values' that would add to the security and stability of Eurasia as a whole.

Geopolitical Determinants of Azerbaijan's Foreign and Security Policy

Recognition of being an integral part of a wider and closely interlinked Black Sea-Caspian region has enabled the Azerbaijani leadership to pursue a balanced interest-based policy in foreign relations with major regional powers. Azerbaijan cultivates warm and friendly relations with Russia, Turkey, Iran, the United States and the EU, thus trying to satisfy the interests of all powerful actors whether near or far. From a geopolitical standpoint, only through such a balanced diplomatic stance, has Azerbaijan been able to guarantee national security and good economic prospects. Azerbaijan has always been able to play a more independent role because of Caspian energy riches and a very experienced political leadership. Even despite Russian and Iranian jealousy in regard to Azerbaijan's endeavors to expand cooperation with Euro-Atlantic structures, the Azerbaijani ruling elite continues to strengthen warm and friendly relations with Moscow and Tehran while maintaining a strong strategic partnership with the United States and the European Union. President Ilham Aliyev has skillfully played the relations with Russia, Iran and the West to preserve a balanced, multi-vectored and pragmatic foreign policy and with that, consolidating stability in the country and the region. In reality, the Azerbaijani leader has succeeded in deepening strategic partnerships with the major neighboring powers and managed to find a way to cooperate with every powerful actor in the region.

For Azerbaijan, national interests have indeed begun to take on a more pronounced role in the country's strategy for developing bilateral and multilateral ties. Azerbaijan's strong support of the anti-terrorism campaign has significantly extended security ties with the United States, mainly deepening American strategic interests in the entire region. The strengthening of U.S.-Azeri security relationships has also cleared the way for wide-ranging cooperation with other Western democracies, most notably the EU member states such as Germany, Great Britain, France, and Italy. To date, the development of pragmatic and mutually advantageous bilateral relations has enabled Azerbaijan and its partners to find mutually acceptable solutions to the major regional security problems.

In recent times world nations have witnessed a change in the international political and economic environment, thus facing a number of new security challenges. In order to meet these challenges, in the past several years Azerbaijan has begun to increasingly play an effective role in creating a certain space for developing an active dialogue among cultures and civilizations. Being a bridge connecting East and West, Azerbaijan is a unique country that could contribute significantly to expanding dialogue among cultures and civilizations. Consequently, this new initiative allows the Azerbaijani authorities not only to consolidate the country's regional stance but also to attract more attention from Azerbaijan's allies and partners to the problem of maintaining stability and security in the South Caucasus-Caspian basin. Likewise, this initiative helps the Azerbaijani leadership to intensify mutually beneficial cooperation in the entire region.

Conclusion

As a pivotal country in the South Caucasus, Azerbaijan has the opportunity to influence economic and political trends not only in Central Asia and the Caspian basin but also in the Middle East. Investments made by major European energy companies and the growing presence of some EU member states demonstrate that Azerbaijan is seen today as a reliable partner with which the EU is trying to cultivate trade and economic relations. In practice, Azerbaijan has already taken a lead in developing the East-West energy and transportation corridor, the most ambitious initiative in the Black Sea-Caspian basin to date. Moreover, it was a regional approach that determined Azerbaijan's strong push for major transnational energy projects, such as BTC and BTE which have underscored not only the closer relationships among Azerbaijan, Georgia and Turkey but also have highlighted the activation of EU involvement in the wider Black Sea area. All of these factors are necessary elements of any successful EU strategy for the wider Black Sea-Caspian basin. Given today's debate on the future of the entire region, the success of the Azeri-Georgian-Turkish alliance in building reliable partnerships with Greece and Ukraine and in advancing European strategic interests in the Black Sea region is quite remarkable.

Currently, Azerbaijani leadership is formulating a new comprehensive strategy, aimed at bringing about drastic political change and extensive economic modernization of the society. Much of the work is to be done by Azerbaijanis themselves, although the international organizations should also come up with their part of the new agenda as major contributors to Azerbaijan's future success. It is about a new strategic vision of how to respond to existing and future challenges in an ever-changing world. The restoration of territorial integrity and the consolidation of the balanced, interest-based foreign policy are absolutely necessary to keep that vision strong. Russia, the United States and the European Union should better coordinate their policies to help Azerbaijan consolidate stability and security in the long run. All three principal powers could assert a more vigorous role in fostering regional stability and enduring peace through their cooperative policy actions. For this to occur, Russia, the United States and the European Union need a fresh, comprehensive action plan which will aim at asserting their

more active and pragmatic role by taking practical steps to contribute significantly to conflict resolution and formulating a Russia-US-EU trilateral response to regional security challenges.