

## **Aser Babayev: Azerbaijan at the Crossroads in Domestic and Foreign Policy: 'Oily' Integration in the West vs. Authoritarian Orientation towards the East**

On November 7, the EU and Azerbaijan signed a memorandum of understanding on energy partnership, and on November 14, they agreed on the action plan of European Neighbourhood Policy. With this, the Caucasian republic, which is classed as a transition country, took two important steps towards Europe. However, it seems that – despite recent modernisation measures – it has left the path of democracy and the rule of law, setting out on the way towards an authoritarian state.

Azerbaijan's importance in geo- and regional politics is evident: Not only is it situated between Russia and Iran, it is also the gateway to Central Asia which presumably holds enormous energy reserves.

In this Muslim country, the wish to integrate Azerbaijan into Western structures is to be found only among the educated. According to political observers, Azerbaijan's population in general shows a rather passive attitude towards expanding relations with the West. Nor is there much of a pro-Western euphoria in politics. On the one hand, some are concerned that the authoritarian president, Ilham Aliyev, might not be willing to promise further political and economic reforms in his country to the West, and on the other, some are heard to say that foreign interest in Azerbaijan's oil has strengthened the government's self-confidence. As a matter of fact, the country views itself not only as a consumer of Western security but also as a partner in shaping that security. This fits in with the fact that Mr Aliyev does not show any haste on his way towards Europe. What also fits, however, is that the EU does not appear to be considered a player of major importance compared to NATO and the USA.

On the day the energy partnership memorandum was signed, president Aliyev emphasised Azerbaijan's basic orientation towards Europe, saying that he intended to establish 'a democratic society with a strong rule of law and human rights as well as a strong economy'. However, when he announced that the EU and Azerbaijan 'shared the same values', this statement was met with a tense and rigid expression by Mr Barroso, the president of the European Commission.

Especially the USA appreciate the value of Azerbaijan's strategic proximity to Iran. It is quite possible that Washington intends to expand its military presence in the country. Even today, US officials talk about the subordinate role the promotion of democracy plays in American-Azerbaijani relations. Thus, Barry F. Lowenkron, Assistant Secretary to the US Department of State, recently named the three pillars of America's policy towards the country – safeguarding global and regional security, improving global energy security, and promoting democracy and basic liberties. It is worth remarking that democracy ranks last.

Since the presidential elections of 2003, Russia's position in Azerbaijan has become stronger. The ruling elite in Baku is closely linked to the country whose president, Vladimir Putin, called Azerbaijani-Russian cooperation an 'important factor for geopolitical stability in the region' early in 2006. Increasingly using its own energy resources as tools of power in foreign policy, Moscow observes Azerbaijan's rapprochement with the West with a suspicious eye.

After the fall of the Soviet Union, Azerbaijan's relations with its neighbouring countries, Iran and Turkey, started on a new tack, and especially Ankara was happy to see to the new power vacuum in the Caucasian-Central Asian region. After independence, Turkish ethno-nationalism was an identification factor that underpinned the state of Azerbaijan. Even today, the people of both countries – Turks and Azerbaijani – are familiar with the slogan, 'One nation – two states'. Since

the mid-nineties, bilateral relations have been focussing on economic interests, with the project of the BTC pipeline playing a special role.

The core problem in Azerbaijan's relations with Iran is the legal status of the Caspian Sea. Another factor which still generates tension is historical: The way in which Azerbaijan was divided among the Russian and the Persian empires in the Turkmanchai treaty of 1828 is still perceived as an injustice which has to be mended.

Since Azerbaijan joined the European Council in 2001, the West has kept close watch on the country's domestic policy. Alarm arose when Ilham Aliyev succeeded his father, Haidar Aliyev, in the first presidential elections held at the end of 2003 and everything pointed towards a consolidated dynastic rule. Nor were the elections of 2005 democratic in character. Meanwhile, the pressure on the country's media has grown; a local court even ordered the editorial office of an opposition newspaper to be cleared out. When Elmar Hüseynov, a journalist critical of the regime, was murdered in March 2005, the opposition felt that the democratisation of Azerbaijan had failed once and for all and spoke of an emerging dictatorship. The ruling elite, on the other hand, still praises the 'absolutely democratic atmosphere' which, so it says, it created itself.

Due to increasing oil exports as well as other reasons, the country experienced an economic upswing lately. In this, the BTC pipeline which was commissioned in 2006 plays a key role, since it opens up undreamt-of possibilities: After the fall of Soviet communism, the discovery that the Caspian region was a depot rich in oil and gas was of prime geopolitical and geoeconomic importance, and the prime future beneficiary was to be Azerbaijan. On the one hand, this gives the country a chance to free itself of its dependence on Russia and integrate itself in the Western economic area, and on the other, it may look forward to gigantic revenues in petrodollars. There is talk about 140 billion dollars of revenues from oil – at 50 dollars per barrel.

In the course of time, Azerbaijan's national identity moved between the poles of religion – i.e. Islam – and blood brotherhood – i.e. Turkism, which is mirrored in the local language. Azerbaijanis, especially those living in rural areas, still call their own language 'Muslim/Turkish'. Today, Azerbaijani national self-identification is still grappling with the problem of giving their language a name which, during the adoption of the constitution of 1995, divided politicians into two camps, one championing *Azərbaycan dili*, the other *Türk dili*.

Turkish nationalism in this Caucasian country was and still is first and foremost anti-Russian, not anti-European. Among the most important stakeholders there is no doubt about Azerbaijan's integration in the European family of states. However, another tendency is becoming apparent, namely that a national rebirth caused by independence may give way to a religious rebirth which, on the other hand, carries the danger of politisation. Such a political Islam might find nourishment not only in the conflict between the rich and the poor but also in the opposition's weakness, and might develop into a danger not to be underestimated.

Another factor of instability in Azerbaijan is the 'frozen' conflict about Nagorno-Karabakh, which resulted in the death of tens of thousands of people on both sides and caused hundreds of thousands to flee the region. By the end of 2006, the conflict grew even more acute when the OSCE promptly dismissed a referendum as illegal in which around 78,000 Karabakhi Armenians almost unanimously voted for their independence. With regard to similar 'referendums', such as those held in South Ossetia and Transnistria, people now invoke to the Kosovo process: 'If the West is willing to release the province into independence, it cannot withhold this right from other republics which have not been recognised as yet.'

Due to the fact that Russia has by now acquired a strong position in Azerbaijan, the West must give priority to its political and economic interests in the country. However, the capabilities of Western actors are limited: If the regime in Baku were urged even more strongly in the direction of democracy and human rights, it might quickly drift into the arms of Russia, which is becoming increasingly undemocratic inside and increasingly aggressive outside. Having its own energy resources, however, Azerbaijan needs not fear that it might become less attractive to the West. Rather, the West itself lost its standing among the Azerbaijani people by promoting the hackneyed phrase 'oil versus democracy'. However, what the government in Baku should ask itself is how long it will be able to keep up its own policy of geopolitical manoeuvring between the West and Russia.