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Multipolarity is key: Assessing Azerbaijan's foreign policy

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Abstract

This paper seeks to outline how Azerbaijan should manage the numerous foreign policy challenges it faces due to its strategic location, wealth in resources, neighbors and surrounding conflicts. As a small state, Baku should seek to balance interests and pursue a path of multipolarity, without however forfeiting a strong stance towards governments that threaten its status quo. Russia, Turkey, Iran, Israel and the West all have their interests and Azerbaijan has to become a pawn in the hands of the powerful. The resolution of the “frozen conflict” over Nagorno-Karabakh would mark a great step in the right direction, providing Baku with more leverage. The economic power of Azerbaijan gives the South Caucasian Republic a unique asset and allows Baku to play a balancing role regarding conflict prevention and conflict solution in this region which is often described as a geopolitical chessboard.

Introduction

The Caucasus is often described as a geopolitical chessboard, where Great Power interests clash and often make “bad local politics worse”. Small states traditionally have a difficult standing and face difficult choices. Thomas De Waal argues that one should overcome bilateralism and implement a “holistic regional approach” by fostering local entrepreneurship with border-crossing small traders, paying more attention to the people than the governments and opening borders instead of blocking regions.¹

This article will deal with the current security environment of Azerbaijan, its history, outside actors, future challenges and provide policy guidance. First, it will analyze Azerbaijan-Armenia relations and the post Soviet dynamics of the Nagorno-Karabakh (NK) conflict. Second, we will take a closer look at Baku’s immediate strategic neighborhood, focusing on Russia, Iran and Israel. Third, the article will examine NATO’s role and interest, especially those of the US and Turkey. Washington and Ankara are important given their influence and furthermore provide an example for the role of Armenian pressure groups influencing NATO’s agenda. The latter is worth exploring as it could play a key role in linking NATO with both, Baku and Yerevan. In a final part we will argue that Baku needs to uphold its multilateral foreign policy and balance between numerous actors to be able to solve the “frozen conflicts” with neighbors and prevent new tensions from boiling over.

¹ http://www.foreignpolicy.com/articles/2010/09/13/call_off_the_great_game?page=full

The Perils of “Divide & Rule” and “Glasnost”

The NK situation is often described as a „frozen conflict“, nonetheless, between 1994 and 2011 about 3,000 Azeris and Armenians have been killed in clashes along the border.² Jale Sultanli, compares the situation in the Southern Caucasus Region with a „volcano which can appear quiet but is alive and therefore poses an imminent danger of eruption.“³ Repeatedly reciprocal accusations of border violations erupt and often lead to deadly clashes and the killings of soldiers. Neither side shies away from aggressive rhetoric and muscle flexing and is fast in blaming the other side for aggressive behavior.⁴ In March 2012 Armenia boycotted the Eurovision Song Contest in Baku.⁵ Despite numerous attempts to settle their differences, e.g. by the “Minsk Group”⁶, the absence of war does not imply lasting peace.

Having already resorted to arms in 1905-1906 and 1918-1920, the NK conflict from 1992 to 1994 resulted in the killing of 30,000 people, displaced approximately one million Azeris⁷ and can be classified as an „Ethnic War“.⁸ The turmoil, mass deportations and killings in the “mountainous black garden” (literal translation of Nagorno-Karabakh) from 1992-1994 can be seen as the result of century-old feuds between ethnic Armenians and Azerbaijani.⁹ In addition to socio-economic, nationalistic and linguistic tensions, the “divide and rule” policies of Stalin in the first years of the Soviet Union added further fuel to entrenched animosities.¹⁰ Although they were the majority in the 20th century, many Azerbaijanis view the Armenians as “intruders” who were encouraged by Russia to migrate from Iran in the course of the last 150 years, a country where 16% of the population consists of Iranian Azerbaijanis.¹¹

The “Glasnost” policies introduced by Gorbachev in the 1980s were the straw to break the camel’s back as it enabled “latent resentments and aspirations to resurface”.¹² The newly found room to maneuver initiated a slow but steady decoupling process from the Soviet Union, which in turn led to the surfacing of new found nationalistic sentiments on the Armenian as well as Azeri

² http://www.economist.com/blogs/easternapproaches/2011/03/nagorno-karabakh_conflict

³ <http://caucasusedition.net/analysis/lingering-shadows-of-the-past>

⁴ <http://www.bbc.co.uk/news/world-europe-18328690> and recently <http://www.bbc.co.uk/news/world-europe-19440661>

⁵ <http://www.bbc.co.uk/news/world-europe-17292360>

⁶ <http://www.osce.org/mg/>

⁷ <http://www.globalsecurity.org/military/world/war/nagorno-karabakh-2.htm>

⁸ http://www.swp-berlin.org/fileadmin/contents/products/studien/2010_S08_hlb_ks.pdf, 18-19

⁹ Croissant, M., 1998. *The Armenia-Azerbaijan Conflict: Causes and Implications*, New York: Praeger Frederick, 18-21

¹⁰ <http://www.theglobalobservatory.org/analysis/276-nagorno-karabakh-an-unacceptable-status-quo.html>

¹¹ ; <http://www.au.af.mil/au/awc/awcgate/crs/ib92109.pdf>

¹² Hunter, S. 1994. *The Transcaucasus in transition: nation-building and conflict*, Washington, DC: Center for Strategic and International Studies, 99

side, while Russia remained in the tradition of Armenia's closest ally.¹³ Nationalism was the uniting force that replaced communism.

The Nagorno-Karabakh War and Post-Conflict Mediation

In December 1991 the Armenian majority strived towards the creation of an independent state. Shortly after Azerbaijan gained statehood, Armenians declared control of NK and further buffer zones amounting to about 20 % of Azerbaijan's territory. With about one-eighth of its population being forcefully displaced, Azerbaijan has one of the highest refugee numbers worldwide.¹⁴ The intrusion of Azerbaijani territory in 1992 by Armenian forces led to a condemnation by the UN Security Council, yet further territorial violations followed in 1993 and 1994 despite four UN resolutions condemning the violence. The UN resolutions demanded the withdrawal of all Armenian troops occupying foreign territory, but the lack of deadlines or sanctions turned them into "paper tigers."¹⁵ Additionally, the OSCE peace plans failed to put an end to the atrocities committed by both sides. One of the main reasons was a dispute between Azerbaijanis and Russians regarding the nationality of peacekeeping troops. The Kremlin insisted on deploying own soldiers which in turn was regarded as unacceptable for Baku.¹⁶ Also the so-called "Madrid principles" formulated by the Minsk Group did not change the dynamics of the stalemate between, Armenia and Azerbaijan.¹⁷

Recent public efforts which aim at diffusing the "entrenched" status quo have had some success, but did not however alter the nature of relations. In 2007, Azerbaijan's Defense Minister stated that the dispute over the NK region would almost certainly spark another war.¹⁸ In addition already 60 percent of the population supported a military intervention in 2006 and constitute a domestic pressure to decision-makers on both sides.¹⁹

The normalization of Turkish-Armenian relations, the uncertainty regarding the final legal status of NK, as well as the fact that the Karabakh region itself is excluded from the negotiation process are factors that severely hinder a rapprochement.²⁰ Both countries have official "days of mourning" on which the other nation is condemned and engaging in dialogues is often seen as a sign of weakness within the respective populations. Thus, it seems that the dispute over NK is in a

¹³ <http://caucasusedition.net/analysis/nagorno-karabakh-conflict-war-humanitarian-challenge-and-peacekeeping>

¹⁴ http://www.swp-berlin.org/fileadmin/contents/products/studien/2010_S08_hlb_ks.pdf, 18-21

¹⁵ Ibidem

¹⁶ <http://www.globalsecurity.org/military/world/war/nagorno-karabakh-2.htm>

¹⁷ <http://www.osce.org/mg/51152>

¹⁸ http://www.sundayszaman.com/sunday/newsDetail_getNewsById.action;jsessionid=0F87E692ABC2A8A132066779A66F0D76?newsId=128129

¹⁹ Yusnov, *Azerbaijan in the Early of XXI Century*, p. 221. in http://www.swp-berlin.org/fileadmin/contents/products/studien/2010_S08_hlb_ks.pdf

²⁰ <http://www.cacianalyst.org/?q=node/5199>

deadlock situation so it is vital to separate the actors' positions from their interests when trying to solve a seemingly intractable dispute. The failure of the Minsk Group, the absence of a coherent EU policy steered towards a resolution of the conflict as well as a NATO's unwillingness to clearly position itself do not really ameliorate the prospects of successful conflict resolution. The fierce rhetoric and border clashes aside, there are however mutual interests that, if nurtured, can provide the breeding ground for a rapprochement.

Turkey, a resurging regional giant, should take a larger role in mediating between Azerbaijan and Armenia. In order to make this possible, Ankara has to become an acceptable partner for Armenia. Mutual reconciliation even in such cases is possible as e.g. the Germans showed in regard to France or Israel. Azerbaijan does not fully trust the US and France, due to their strong Armenian lobbies. Calling Russia a neutral broker would be to dismiss historical ties with Armenia as well as support from Moscow during the NK conflict. The involvement of Turkey as a co-chair of the Minsk Group could counter-balance this asymmetry perceived by Azerbaijan. This inclusion or the possibility of Ankara acting as the host of a bilateral Azerbaijan-Armenia dialogue, supported by the Minsk Group, is a long term perspective goal.

In 2010 Moscow and Washington supported the resurfacing of an Armenia-Turkey dialogue and already one decade earlier the US State Department supported the formation of the Turkish-Armenian Reconciliation Forum (TARC).²¹ However, several analysts state, that there can be no normalization of Turkey-Armenia relations without solving the NK conflict; also evident in the official Turkish position where Erdogan explicitly highlights this paradigm in speeches and roundtable discussions.²² We on the other hand see the viability of improving Turkey-Armenia relations as the precursor for NK conflict resolution. Turkey and Armenia could present and enhance their willingness to cooperate within the paradigm of conflict resolution of the NK conflict. Consequently, a positive spill-over effect is likely to happen if successful steps towards peace are taken. Moving beyond just another meaningless cease-fire is pivotal.

“Befriend thy neighbors”

In regard to its direct neighbors, Azerbaijan is attempting to pursue a path of multipolarity and balancing all powers in a “Small State Survival 101”. Key players remain the Caucasian neighbors, Russia, Israel, Iran and Turkey. All policies deal directly or indirectly with the Karabakh conflict, energy questions and national sovereignty. Relations are mainly motivated by economic ties and

²¹ <http://www.monitor.ucepeace.org/documents/intractability.pdf>, 11-12

²² <http://www.tert.am/en/news/2010/10/11/usanalyst/>

security needs.

Azerbaijan traditionally has good relations with Georgia and minor border disputes are outweighed by pipeline cooperation and railway projects. This is underscored by the role Baku played during the 2008 war, when it assisted Georgia.²³ Azerbaijan was a key destination for Chechen refugees, who confronted Baku with economic problems and the threat of Salafi radical elements. Fearing instability, many were extradited to Russia. Furthermore, Azeri businessmen invest and trade in regions where their Russian counterparts do not have an easy standing.²⁴

The Bear stays outside

As shown, Russia was the most dominant actor in the region for the most of the 20th century, and when Moscow's power started fading, it tried to fractionalize the region which is seen as "new abroad". The Yeltsin doctrine's aim was to guarantee Moscow the position of the sole protector. Instability under Russian control is therefore the most desired outcome for the Kremlin in order to function as a broker.

Nevertheless, Baku has shown its ability to counter Muscovite initiatives via balanced multipolar foreign policy. For example, Azerbaijan included Western energy companies so that they had incentives to safeguard domestic stability and regional peace.²⁵ In addition, the future usage of the Gabala radar station seems doubtful and will most likely cost the Russians much more than before.²⁶ Baku also countered the Turkish-Armenian rapprochement by leaning closer towards Russia and fostering a new agreement over the Caspian Sea using rights. As a result, Russia has no power to destabilize Azerbaijan internally and the Western ties and energy policies give Baku ample space to maneuver.

The public opinion of Russia as a neutral broker and friendly state remains highly volatile and dropped, due to the 2008 war and support for Armenia²⁷, from 80% in 2007 to 54% in 2009.²⁸ Additionally, young Azerbaijanis do not have the same ties to the Russian culture as former generations, even though remittances remain one important link between both societies.

On the other hand both countries can have common interests: by selling gas to Russia and other Caucasian states, Baku derives gas from the EU favored "Nabucco" pipeline which would question the possibility of reaching its maximum capacity. At the same time it is cheaper for Russia

²³ <http://www.laender-analysen.de/cad/pdf/CaucasusAnalyticalDigest27.pdf>, 4

²⁴ <http://www.laender-analysen.de/cad/pdf/CaucasusAnalyticalDigest27.pdf>, 8

²⁵ <http://www.ingentaconnect.com/content/mei/mei/2009/00000063/00000002/art00004>

²⁶ <http://en.rian.ru/analysis/20120302/171688248.html>

²⁷ <http://www.guardian.co.uk/world/us-embassy-cables-documents/197735>

²⁸ <http://ada.edu.az/uploads/file/Neither%20Friend%20nor%20Foe.pdf>

to have its own Caucasian regions supplied from Azerbaijan. Baku on the other hand, is able to sell at market price and gain influence as it "exports" energy security.

The "Iceberg-relationship"²⁹

Energy also plays a key role in the relationship with Tel Aviv, as Baku supplies 30% of Israeli oil imports and receives hi-tech products in exchange. What started with trade in the 1990s soon developed into closer intelligence sharing and Israeli delivery of security and surveillance systems.³⁰

In February 2012 an arms deal over \$1.6 billion was signed that equals Baku's 2012 defense budget. The UAVs and anti-missile systems were welcomed goods as the OSCE still has not lifted its arms embargo against Azerbaijan. The deal shows that Israel and Azerbaijan share security concerns, both being surrounded by not trust-worthy or hostile states. Another hot topic is the possible use of Azeri airfields by Israel, which aims at eliminating the "over-flight problem" in case of an attack on Iran.³¹ The possibility to use Soviet-abandoned Azeri airfields would give returning planes a closer home base, eliminate midflight refueling and thus providing more weaponry weight on board for more firepower.³² These bases could also be used to station search-and-rescue teams. However, both states deny such a deal and the Azeri ambassador to the US was quick to call this report only "interesting fiction but far from the truth".³³ Indeed, Azerbaijan could be the first victim of retaliation in case of an Israeli attack on Iran, if it turned out true that "the Israelis have bought an airfield and the airfield is called Azerbaijan".³⁴

The Islamist neighbor

One main dispute with Iran is related to the large group of ethnic Azeris in Iran, which makes up around 20% of the Iranian population. Irredentism and proposals to name Azerbaijan "Northern Azerbaijan" led to accusations by Teheran of creating domestic unrest. The Iranian strive to become a regional power in the Caucasus³⁵, e.g. by supplying Armenia with energy, also clashes with Baku's interests.

²⁹ http://azerireport.com/index.php?option=com_content&task=view&id=2618

³⁰ <http://www.meforum.org/987/israel-and-azerbaijans-furtive-embrace>

³¹ http://www.foreignpolicy.com/articles/2012/03/28/israel_s_secret_staging_ground?page=full

³² http://www.foi.se/FOI/Templates/NewsPage_9027.aspx

³³ http://www.foreignpolicy.com/articles/2012/04/02/azerbaijan_is_not_israels_secret_staging_ground

³⁴ Quoting a senior US official, http://www.foreignpolicy.com/articles/2012/03/28/israel_s_secret_staging_ground?page=full

³⁵ http://www.foreignpolicy.com/articles/2010/09/20/irans_near_abroad?page=full

Moreover, reports on outside influence and spying activities create tensions, as well as disputes over oil in the Caspian Sea and a continued propaganda war of a secular state against a religious one. Additionally, there were reports of failed plots to assassinate the Israeli ambassador to Baku, hacker attacks on Azerbaijani TV stations, killed journalists, border guard clashes, air space violations as well as government initiated protests against the Eurovision Song Contest.³⁶

After the Israeli-Azeri arms deals was announced publicly the relations further deteriorated as Iran shut its border stations. Ambassadors were called home and a media war continues to rage on a daily basis. Today, Iranian TV stations are reported to attract more and more rural Azeris that do not benefit from the economic progress so far³⁷, hence the possibility of influencing domestic groups is not a one-way option.

What can NATO do to reduce tensions?

A problem that occurs when trying to explore the Alliance's position is that collective statements are usually rather blurry and leave generous gaps for interpretation. Due to their different views, the member states seem to try to prevent a firm positioning by all means. Thus far, a military intervention in NK has not been on the table and the alliance does everything it can to avoid strong involvement in the NK conflict.

NATO and Baku have just signed the third Individual Partnership Action Plan (IPAP) in which the alliance and Azerbaijan set an agenda for the following two years. The balancing act for NATO lies in maintaining quasi neutrality vis-à-vis Azerbaijan and Armenia without abandoning this strategically located region, creating a power vacuum that can be filled by proxies and turmoil.

Azerbaijan's accession to the Non-Aligned Movement (NAM) just a couple of months ago could be interpreted as turning one's back on NATO,³⁸ as the leaders as well as the population of Azerbaijan seem to be dissatisfied with NATO's diplomatic efforts. After all, however, this behavior should be seen as an example that goes in line with Baku's determination to uphold its multilateral foreign policy. This stance sends a signal towards NATO, showing that Baku is capable of leaning towards non-Atlantic positions, if NATO does not act according to Azerbaijan's interests.

Up until now, Azerbaijan has been a Troop Contributing Nation to ISAF's Mission in Afghanistan, currently stationing 94 personnel in the Hindu Kush region. Baku has also supported

³⁶ <http://www.foreignpolicyjournal.com/2012/05/25/iran-azerbaijan-how-a-close-relationship-disintegrated/0/>

³⁷ http://www.nytimes.com/2012/06/06/world/middleeast/iran-and-azerbaijan-wary-neighbors-find-less-to-agree-on.html?_r=1&pagewanted=all

³⁸ http://www.rferl.org/content/azerbaijan_cooperation_nato/24448824.html

the NATO-led KFOR mission in Kosovo³⁹. Yet, it is doubtful that a fourth IPAP will implement satisfactory results for Azerbaijan and the chances for a Membership Action Plan, paving the path for full membership, are close to zero. The reason behind this lies in some member's anxieties, mainly the former Warsaw Pact states, of doing anything that might increase tensions with Russia, especially enlarging NATO across the former Soviet sphere. Germany also has no interest in disrupting the relations with Russia that have shown rising tensions during the past years under the Merkel administration. The case of Georgia in 2008 illustrates the anxieties and appeasement, as Berlin was by far not the first to condemn the invasion of Georgia by Russian troops.

NATO and the European Union

The big European NATO states try to avoid formulating a clear position by referring to the frameworks of co-operation they set through the European Neighborhood Policy (ENP). Since the enlargement of the European Union in 2004, the interest and desire for EU presence in the region has grown significantly. A first EU/Azerbaijan Action Plan was negotiated and signed and finally came into force in 2006. The action plan states that the ENP's scope of co-operation is divided into ten Priority areas, the first one being the broad goal of peaceful settlement over the NK conflict. However, the EU pursues the same strategy as the members' foreign ministries by referring to yet another institution.⁴⁰ Pointing fingers towards the OSCE seems to be a popular move by western actors.⁴¹ For a fruitful contribution to the Minsk-Group's talks, European politicians usually offer the prospect of increased economic co-operation as incentives towards Armenia. However, Germany alone is already Armenia's second largest donor behind the United States.⁴²

Is the EU being a passive, comfortable bystander that enjoys keeping all options on the table? It does go a bit deeper than that. Even though the EU has a strong voice, it is often heard through other groups or institutions, in this case the OSCE. The EU approach towards the NK conflict in particular and multilateralism in general is characterized by supporting existing international frameworks instead of proactively creating a strong position through e.g. the European Council. In detail, as France is a co-chair of the Minsk Group, creating a quasi oligarchy with the US and Russia leading negotiations, the role of the EU in actively promoting a solution of the NK conflict should not be overestimated. As the EU does clearly not desire military involvement, it should attempt to leverage its considerable soft power resources. Bearing these resources,

³⁹ <http://www.nato.int/isaf/docu/epub/pdf/placemat.pdf>

⁴⁰ <http://www.osce.org/mg/51152>

⁴¹ http://www.auswaertiges-amt.de/EN/Aussenpolitik/Laender/Aktuelle_Artikel/Armenien/111028_BMtrifft_Nalbandian_node.html

⁴² <http://www.auswaertiges-amt.de/EN/AAmt/BM-Reisen/2012/03-AZE-GEO-ARM/120316-Armenien-node.html>

underlined by its status as a civilian power that promotes certain values, the chances for a peaceful solution through active support of the EU could be higher than solely through NATO, which is merely a collective security organization. Either way, the EU should in any case formulate a grand strategy that defines the Union's preferred outcomes rather than letting France, which occasionally appears to be biased due to its large Armenian Diaspora at home, design the strategy all on its own..

The United States

Next to being the largest donor to Armenia, the United States' position is also heavily influenced by a strong Armenian pressure group.⁴³ Until August 30, 2012 the US did not even have an ambassador to Azerbaijan after the formerly appointed Matthew J. Bryza left office at the end of last year and Chargé d'Affaires Adam Sterling was appointed Deputy Chief of Mission to Azerbaijan for the meantime.⁴⁴ Ambassador Bryza had a temporary recess appointment that could not be renewed due to Armenian pressure group's opposition in congress⁴⁵. A delegation of the state department recently traveled to Baku in order to discuss political-military issues in a security dialog. It goes without saying that relations seemed to be tense for some time. However, though, considering that Richard Morningstar, a Caucasus expert and former Secretary of State for Caspian Basin Energy Diplomacy has just been appointed as the new ambassador as well as the increasing relevance of energy security, we are probably witnessing the resurrection of Azeri-US diplomacy. In addition Washington seems to be interested in giving further advice and deepen co-operation in the fields of maritime-security in the resource rich Caspian Sea to counter-balance Russian and Iranian influence. Further fields of cooperation include counter-terrorism in Azerbaijan as well as enhancing the progress in NATO-interoperability.⁴⁶

⁴³ <http://www.usak.org.tr/EN/makale.asp?id=1394>

⁴⁴ <http://www.state.gov/r/pa/ei/bgn/2909.htm#relations>

⁴⁵ <http://www.nytimes.com/2012/06/06/world/middleeast/iran-and-azerbaijan-wary-neighbors-find-less-to-agree-on.html?pagewanted=all>

⁴⁶ <http://www.fas.org/sgp/crs/row/97-522.pdf>, pp.21-25

So, what should NATO do?

NATO obviously has no direct involvement in negotiations over the Azeri-Armenian conflict itself; however, NATO can still use some of its assets to decrease the slight tensions that arose lately. Whereas IPAPs usually just lay the foundation for short-term goals⁴⁷ and with a MAP being out of sight, the usual measures must be changed in order to set and reach long-term prospects. In order to strengthen the ties again a plain all-NATO strategy might not be sufficient. It is important that a smart power⁴⁸ strategy would be neatly aligned with its member states, especially the big European states. Now, this might sound untraditional but again, it would increase the ties between the membership countries and the Azeri government and therefore might be beneficial for speeding up a solution of the conflict.

Measures could be increased in the field of energy and other economic co-operation (soft) with the member states and, of course, through military co-operation (hard) by the Alliance itself. The advantage could be long-term prospects and in army cooperation training missions and schooling assistance, bear the possibility to push for more democratic control of the defense forces. Ensuring democratic control might be tough to achieve but was obviously one of NATO's major concerns during the past years and will not be thrown overboard. Increasing co-operation is important as cutting it down could indispensably empower Baku to push for a military solution over the Karabakh case. If both, the EU and NATO, were willing to formulate a firm position the best way would to work together and align their strategies. Thus, a commitment of co-operation between all NATO states as well as the EU might be the solution that bears the best prospects for a peaceful solution of the NK case.

⁴⁷[http://www.aznatomission.be/files/uploader/\(2\)%20Brochure%20on%20Azerbaijan-NATO%20Cooperation.pdf](http://www.aznatomission.be/files/uploader/(2)%20Brochure%20on%20Azerbaijan-NATO%20Cooperation.pdf), 27

⁴⁸ Joseph Nye defines Smart Power = Soft Power + Hard Power, see <http://www.youtube.com/watch?v=K3sLkLbmsuU>

Conclusion

Assessing Baku's foreign relations shows the multiple problems the country faces in keeping an independent profile. Given its size and position several key players have to be balanced and kept in check. Azerbaijan is doing extremely well in keeping Russian influence at a minimum and balancing all great power interests while developing the economy. Baku should pursue the same policy here as it did so successfully with Moscow: economic ties, diplomatic offensives and defensives as well as providing a feeling of security on both sides. The partnership with Israel is another example of Baku's successful multilateralism to balance great(er) powers and use its advantages to increase security and stability. Consequently, balancing the relations to the Kremlin remains a "necessary evil" and the unsolved NK conflict, where Baku seeks Moscow's support, remains the only hurdle hindering a completely independent foreign policy.⁴⁹

Regarding the Minsk group and the resolution of the NK conflict we have to adhere to its failure, as described above. Two possible scenarios could change this dynamic. The first option would be to strengthen the role of Turkey within the Minsk group to counter perceptions of an Armenian Friendly Troika represented by France, USA and Russia. Turkey, as a regional key power and NATO member could be a useful partner to provide Azerbaijan with the necessary support. The second option would be to go one step further and question the format of the Minsk group as a whole. Option one only seems realistic if the Armenia-Turkey rapprochement is strengthened on all levels.

The only bleeding wound in this concept remains Armenia and increasingly the growing tensions with Iran, especially the stance of the Azeri minority. Turkey, Armenia, Azerbaijan and the EU have clear incentives to end the NK stalemate, to safeguard the energy export via Armenia, as it is the only safe transit hub for delivering Central Asian and Azeri gas to the EU with its ever rising energy demand and increasing dependency on Russia. Enhanced co-operation with NATO could be useful as Baku could leverage them as a gateway to the West and deter Tehran and Moscow strategically. This will be beneficial for future energy and economic co-operation and will in turn give Baku the advantage to lobby for more support in the NK conflict.

The US also has a high interest in strengthening the "Armenian Option" since it would allow circumventing and weakening Iran and Russia. For Azerbaijan it bears yet another advantage besides the prospect of turning the traditional pro-Armenian standpoint in Washington into a more

⁴⁹ http://www.gwu.edu/~ieresgwu/assets/docs/pepm_112.pdf

Baku friendly stance. The restrictions of arms trades to Azerbaijan may eventually be revisited if a more stable trust relationship emerges. With these prospects in sight, it would be in Baku's interest to push for enhanced co-operation with NATO and especially the US.

Armenia has a crumbling, eroding economy and could benefit from re-opening its borders, becoming a focal point for energy trade and export. Azerbaijan has a booming economy and would be able to deliver gas directly to the EU and its neighbors without having to deal with Iran and Russia. Broken down to the dimension of economics, solving the NK conflict seems to be a win-win situation for both conflicting parties. Consequently, "it's the economy", that should be the driving motor for resolution, enabling opportunities for peace and prosperity, especially by engaging in closer energy cooperation. .

Baku will only be able to successfully promote its multipolar approach if it maintains its delicate balancing act between several powers; each displaying interests of their own. Becoming too dependent on certain actors could have severe negative impacts on Azerbaijan's position in the region. Starting efforts in the field of economics can lead to a reduction of ideological and passionate aspects of the conflict. At the same time Baku must also develop a clear roadmap which enables the country to effectively combine domestic needs and international aspirations in order to secure its position in the South Caucasus and prevent new tensions from arising.