The EU’s uneven soft power influence in the Eastern Neighbourhood, and the case of Azerbaijan: failure of democracy promotion or convergence of interests?

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Introduction

The debate on EU’s transformative power intensified after EU enlargement and adoption of two policies towards neighbourhood – ENP and EaP. The acuteness of the topic became even more profound when by the end of the 6th year since the launch of the Eastern Partnership programme, partners divided into two groups - those who signed the Association Agreement and those who did not. Overall, the success of the ENP is assessed as highly questionable (Borzel, 2011). This urged a need to explain persistent failure of the EU transformative power and worsening democracy indicators in the states which are part of the official policies and aid programs, enjoy intense linkages and are located in the Eastern Neighborhood. The official responses to the West’s criticism of the human rights violations in Azerbaijan, for instance, with its uncompromising denial by the country’s leadership, demonstrate an immunity against this pressure. It is almost symbolic that the worst attack on civil society and Western foundations, media and institutions in Azerbaijan took place during the period when the country was a chair of the Council of Europe. There is a deficit of academic work evaluating how actual integration impacts on democratization and on interaction of domestic and foreign factors.

The explanatory factors, as reflected in literature, of the uneven result of the EU policies in its neighbourhood, vary. In drawing a comparison with the wave of enlargement, the absence of membership perspective is often noted as a key factor weakening transformative power of EU integration in the ENP and EaP (Vachudova, 2005; Magen, 2006; Schimmelfennig & Scholtz, 2008; Maier & Schimmelfenig, 2007). Yet, some studies point to the possibility of democratic governance promotion outside of accession conditionality, but stress that the influence of institutional factors is limited in the case of less liberalised and motivated partners (Freyburq et al, 2009). The ambiguity of the outcome of EU relations with its neighbourhood has been explained by EU-related factors, such as lack of cohesion between actors or of consensus among EU members (Balfour & Missiroli, 2007; Bosse, 2007; Youngs 2009), inconsistency of “bottom up” (Junemann, 2007), or top down approach, or in the application of tools. This inconsistency as a factor of low effectiveness of the EU policies was extended to the conflicting nature of goals - in promotion of effective and democratic governance (Borzel et al, 2014).

The other studies call for review of existing approaches, which make the EU related variables central, asserting that acceptance of the external governance template by the partner’s leadership depends on the regional context and domestic costs (Delcour, Volzchuk 2015).

Earlier studies, however, have shown that the leadership would cherry-pick reforms, which might strengthen its power, rather than lead to approximation and consequently liberalization. Often improved administrative capacity does not necessarily lead to greater democracy, but rather has an opposite effect (Bunce & Wolchik, 2011; Freyburq, 2012).
Yet, the research on EU democracy promotion lacks analysis of additional factors influencing its effectiveness, or external context, such as EU adverse interests in Russia (Panchuk & Bossuyt, 2014).

At the same time, economic interests directly affect the EU role in democracy promotion. The studies have proved that adverse economic interests prevent the EU from consistent democratic governance promotion, through and at the level of functional sectoral cooperation (Wetzel, 2011).

The case of EU-Russia relations as “asymmetric pragmatism” comes closest to explanation of possible reasons behind low effectiveness of the EU democratising influences, and of resistance of certain neighbours to accept the reform templates. It illustrates the effect of interaction of various agendas of the EU relations in favour of economic considerations, at the expense of the normative approach (Hughes, 2006).

In the broader context, when placed in the “linkage and leverage” conceptual framework (as developed by Way & Levitsky, 2014), the outcome of the EU policies in the neighborhood testify to these two mechanisms having a deeply instrumental, rather than a structural nature. The authors consider two factors to determine the outcome of democratising influences of Europe – leverage (relative power) and linkage (connecting Europe and the respective country of the neighbourhood). The links, which are determined by geographical closeness and culture, are viewed as structural factors. However, considering structural variables insufficient in explaining why some countries being close to Europe do not democratise (such as Belarus), while the others - (like Georgia) do, the factor of identity (Nodia, 2014) as expressed in NATO and EU membership aspirations is brought as a more critical variable in explaining success or failure of the transformation in the EU neighbourhood. On the other end there are studies of international diffusion, proving the success of democracy promotion in cases when it is finely tuned to the local conditions, and arguing that the democracy assistance in diffusion is important, but not decisive, as compared to the domestic factors (Bunce, Wolchik 2006).

This paper argues that the EU’s democratizing effect is only partially channeled through its aid policies and programmes and is strongly influenced by the broader context of European policies and international relations, while the “linkage and leverage” mechanisms - by the interaction of the partners’ interests, which reveal themselves at the level of both strategy and implementation of the EU programmes.

The case study chosen for this paper is Azerbaijan, which stands out rather like an anomaly in the EaP. With its highest and most intense links with the EU in the economic (energy) area by the end of the 10th year of ENP and 6th year of EaP, the country has shown a significant decline in the area of democracy - human rights and liberal freedoms.

The following analysis shows that not only direct effects of foreign policy priorities, derived from the EU interests, toward Azerbaijan - such as EU failure to address individual obstacles to reform and non-applicability of the conditionality principle contributed to the decline of
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democracy. No less, if not more an important effect, has been the interaction extending beyond the ENP and EaP, such as the absence of long-term and individually tailored direct support for civil society, long preceding the official programmes on partnership, lowered standards of norms and expectations, compromised integrity in assessment of elections and of democracy records in the country. The latter weakened capacity of the EU plays the role of inspirational model, based on trust for the European values and institutions. This situation is the result of the shift of relations between the EU as an agency of democracy promotion and Azerbaijan as its recipient, and weakening of the EU leverage. EU “leverage” is affected by the non value-driven agendas and strengthened by the geopolitical competition with the regional powers, such as Russia, for the resource-rich state, whose autocratic leadership is in turn benefitting from the “unconditional love” of the big players. But the very same agendas, besides weakening “leverage”, also affect “linkages” between the EU and its partner, something which was viewed as a structural, or geographical, factor by the authors of the concept. This paper will try to explore the factors behind low effectiveness of the EU as a transformative, rather than stabilizing, power in its Eastern neighborhood, using the case of Azerbaijan.

THE EU AS AN EXTERNAL FACTOR IN DEMOCRACY PROMOTION

The integration patterns of behaviour of the EU neighbors are not solely explained and driven by the incentives created by the EU. Contrary to the argument that the EU’s Eastern Partnership Policy has only a weak incentive to motivate transformation in the partner states, as it does not have a membership perspective, Armenia’s active implementation of reforms in certain sectors is attributed to locally and regionally-driven factors (Delcour, Wolzcuk, 2014).

Yet this explanation is only related to the motivating factors behind the leadership’s position. In fact, this approach puts aside the variety of actors whose potential activities, interests and positions might multiply and eventually affect the pattern of integration. Besides, reforms limited by the self-interest of the post-Soviet autocratic leaders are selective and at best shallow and do not guarantee deeper integration into EU structures. The selective implementation of reforms of a technical nature may actually have a reverse, far broader political effect, expressed in the phenomenon of upgraded authoritarianism. This reflects a rather sophisticated way of adjusting reforms by the post-Soviet autocrats to their self-interest, in order to increase their grip on power.

The policy choices defining the linkage, or the ties with certain foreign actors, are determined by the local conditions, rather than simply geographical or cultural ones (Toltrup, 2014). The concept of gatekeepers here helps to identify more refined determinants among what are called local conditions in democracy promotion. According to Toltrup, the gatekeepers determine the density of ties to an external actor. The strategic calculations behind the decision of each type of elite, and their relative capacity to influence, are determined by
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certain domestic conditions with regime type being the most important, along with an “audience cost” and “external alternative” (Way, Levitsky, Toltrup). As Toltrup puts it, “gatekeepers in cross-pressured states have a greater capacity to maneuver” (p. 130).

While these sets of studies conclude that dense linkage network is the key to the success of democracy promotion, they also acknowledge that the efforts to extend linkage with the authoritarian regimes often prove ineffective: that’s why the most important objective is to win hearts and minds of people for democratic reform. The weak side of the conclusions is that they assume that EU interests and the degree of its commitment to democracy promotion is an independent variable and remains unchanged in regard to different states. While this assumption can help to derive and isolate the domestic factor for the objective of analysis, it overlooks the fact, that EU has a role and influence beyond the formal policies and programs, and that the degree of its commitment to democracy promotion is determined by the whole set of conditions, including influence of other priorities in its relations with the partner, its bargaining power, availability of leverage of influence, willingness to apply this leverage etc. In the end, being conditioned by EU interests, the nature and dimension of linkage has a greater role than its density. This is also confirmed by the data of the annual study of EaP integration index - cross country survey on indicators of integration: linkage, approximation and EU integration management. Azerbaijan showed the lowest degree (after Belarus) of linkage on human rights and democracy, as compared to the other 4 states of the EaP. Thus it is not so much the linkage itself, but the content and direction of the linkage which is crucial for democracy progress in the country1.

In the recent literature on challenges to democracy promotion, the authors include a factor of a multipolar world and availability of regional powers - spoilers, such as Russia, whose influence runs counter to the Western value-driven policies. This “Russia” factor may have not only directly affect support for authoritarianism, but as an external alternative to the EU has an indirect effect of extending the autocrat’s space of maneuver.

Yet the role of the external alternatives in geopolitical competition may appear opposite to the usual expectations. By putting on pressure, Russia may cause greater centrifugal policies of the state, as it was the case since the early 90s, or trigger domestic changes towards greater political opening, like in the Ukraine (Delcoure, Wolzcek, 2015). And the opposite is true - the EU policies due to geopolitical interests and an alternative agenda, such as energy, may have the effect of promotion of the status quo, in spite of the declared agenda of support for democracy. In that case, the external geopolitical competition may double, with the effect of strengthening any autocrat’s position.

For the oil-rich Azerbaijan, the presence of an alternative power such as Russia did extend the space for the country’s foreign policy maneuvers. Although officials of the Western states never admitted that there was a fear to lose Azerbaijan to Russia, independent observers

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would note drifts towards Russia, when the West was pushing on the issue of human rights or democracy. On the other hand, the perceived strength of the unchallenged regional power, especially as demonstrated in the Ukraine conflict, also motivated the country to be more responsive to Russia’s interests. The increasing perceived power of Russia after the Ukraine war was strengthened by suspicion that the West, first of all the US, have a direct role in revolutions, which were coming much closer to the borders of the country. After Euromaidan in Kiev, the pattern of domestic power consolidation in Azerbaijan even more intensely followed Russia and Turkmenistan’s example by adoption of legal provisions which practically eliminated opportunities of foreign funding for local NGOs. Most recently, the Azerbaijani MP openly admitted that Azerbaijan did not sign the Association Agreement with the EU in order not to upset relations with Russia. He stated that Azerbaijan is not a puppet of the West - which put pressure on Azerbaijan, because it refused to join EU sanctions against Russia2.

In EU-Azerbaijan relations, due to the influence of energy interests, the factor of leverage of the EU over Azerbaijan weakens and thus turns the democracy promotion policy into a bilateral bargaining process, transforming values and principles into bargaining tools. This balancing act has been possible precisely because of the geostrategic assets and importance of Azerbaijan, which the leadership has extensively used in its foreign policy.

While the EU enlargement was relatively clear in its goals, the ENP and especially EaP’s objectives are widely debated.

The ENP was offered to the countries of South and East neighbourhood in 2004 as a privileged relationship based on shared values: human rights, rule of law, good governance, market economy principles and sustainable development. However, a recently conducted survey revealed that 37% of the stakeholders in Eastern Europe and members of EaP perceived the EaP as a EU geopolitical project.3

There is also a convincing logic behind viewing EaP as predominantly technocratic project, meaning its major focus on good governance issues (Hug, 2015). However, the events on the eve of the Vilnius Summit have transformed it “from the broadly technocratic exercise into a geopolitical fault line between Europe and Russia” (Hug, 2015, p. 4)

But even given the genuine democracy promotion intention of the EU the actual influence and the implementation of this agenda in practice is an extremely complex objective. The distinctive approach of the EU, based on the analysis of its policies in the Mediterranean and East Asia, is the combination of the governance and grass roots level, rather than high institutional level of democracy assistance (Youngs, 2001). However, in the opinion of

2 Azay Guliyev: Baku refused EU Association Agreement for the sake of Russia.26.10.2015, Minval.az news portal

http://minval.az/news/123505574

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the author, the governance angle does not guarantee the transfer to the level of political reforms.

In democracy studies literature, the interfering agendas - such as energy (trade) or security interests were recognized as the obstacles to democracy promotion. In the process of international diffusion the reaction of the external actors in such cases would be different. Thus, EU delegations in Azerbaijan or official visitors from Brussels for many years did not meet with opposition or certain NGOs fearing to irritate the government, unlike in neighbouring Armenia or Georgia.

The effects of alternative agendas were demonstrated both in the case of Ukraine in the West's “Russia first” policies (Solonenko, 2009), and in the case of Azerbaijan, where even the building of domestic institutions was affected by the energy-driven priorities of external actors (Aliyeva, 2006, Gahramanova, 2012)

Critical common institutions of the “non-motivated” states in EU integration

While the dominating explanations of refusal to sign Association Agreements by the “laggers” – Armenia, Azerbaijan, Belarus - are tied to geopolitical factors, such as pressure of Russia, it is hard to ignore commonalities in their domestic politics. The democratic indicators as reflected in the ratings by the international organizations, such as Freedom House, point to the overall lower level of all freedoms as compared to the group of frontrunners - Moldova, Georgia and the Ukraine. But most importantly they are characterized by little if any progress, and in some cases - by regress in these indicators, since the signing of the ENP documents. Thus the “non-motivation” in EU integration, expressed in resistance to accept the EU reform template, is directly related to intransigence to democratic reforms within this group of states.

The democracy scores in the group of “laggers” are lower than in the group of frontrunners, but to a varying degree. Of three states two – Belarus and Azerbaijan - are “not free”, while Armenia is “partly free”. However, one obvious commonality in three countries is “entrenched leadership”. In all three states the cycle of elections does not change political leadership for at least a decade, or if it changes - through significantly fraudulent elections. During the last decade, the elections, as compared to the group of frontrunners, were characterized by a significant degree of violations and fraud, in some cases accompanied by unprecedented state violence - like in Armenia, in the post-election March 2008 protests, or particularly the prolonged repressions against protesters to falsified elections in Azerbaijan in 2003. In contrast, it took limited to one term leadership and change of power through free and fair elections, like in Moldova, or “colour” revolutions, like in Georgia and the Ukraine, to open the political systems and deeper integration within the EU. The colour revolutions in the early
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2000s in the Ukraine and Georgia demonstrated the importance of the balance of “society versus state” in overcoming the key Soviet legacy – controlled and falsified elections.

Yet entrenched leadership may be sustained both through falsified elections, and by means of an “uneven playing field” (Levitsky, Way, 2012) for the incumbent on the one hand, and the opposition- on the other. Two reinforce each other, and even, as in case of election of Ilham Aliyev, the degree of falsifications continued to be significant, along with the increasingly narrowing playing field for opposition by 2013. Oil is one of the sources of this uneven playing field, where government of the oil-rich states have a monopoly, both over material and societal resources. But in some cases, uneven playing fields can be overcome by Western assistance through support for opposition, civil society, or various movements. In the next chapter the EU aid for the South Caucasus will be reviewed.

### Table 1  Democracy Score and Entrenched Leadership (Freedom House)

<table>
<thead>
<tr>
<th>Country</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Entrenched Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armenia</td>
<td>5.39</td>
<td>5.43</td>
<td>5.39</td>
<td>5.36</td>
<td>5.36</td>
<td>Yes</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>6.39</td>
<td>6.43</td>
<td>6.57</td>
<td>6.64</td>
<td>6.68</td>
<td>Yes</td>
</tr>
<tr>
<td>Belarus</td>
<td>6.50</td>
<td>6.57</td>
<td>6.68</td>
<td>6.71</td>
<td>6.71</td>
<td>Yes</td>
</tr>
<tr>
<td>Ukraine</td>
<td>5.14</td>
<td>4.96</td>
<td>4.82</td>
<td>4.86</td>
<td>4.93</td>
<td>-</td>
</tr>
<tr>
<td>Moldova</td>
<td>4.39</td>
<td>4.61</td>
<td>4.89</td>
<td>4.82</td>
<td>4.86</td>
<td>-</td>
</tr>
<tr>
<td>Georgia</td>
<td>4.93</td>
<td>4.86</td>
<td>4.82</td>
<td>4.75</td>
<td>4.68</td>
<td>-</td>
</tr>
</tbody>
</table>

Fraudulent elections are the major expression of the unwillingness of the leaders to share political power and resources, which defines the borders and limitations of the possible reforms they may undertake. Thus, the leaders of all three states have been resistant to conducting substantial political, or any other kind of reform, which would bear risks of power sharing or decentralization and de-monopolization of power within EU programmes and policies.
Power Change and the EU: Diffusion and Assessment of Elections.

The issue of power change and the role of external factors has been widely discussed, especially after the colour revolutions of the 2000s. The number of publications devoted to the cross border inspirational effect of the public’s mobilization was reflected in the notion of diffusion and discussion over why in some cases it worked, while in others it failed.

The failed attempt of the political change in Baku in the parliamentary elections of 2005, utilizing the attributes of the orange revolution, was explained by the absence of interest in revolution in the country of the external actors. However, the same sources point to the relatively low turnout at the elections, as compared to the other states, where the revolutions were successful. Thus, judging by this indicator, the public was ready for power change as early as 2003. In unprecedented accordance, the observers, both pro-government and independent, mentioned 75% of turnout, which was caused by a purely domestic factor – the death of the president Aliyev. Thus, against obvious domestic mobilization, there was no indication that there would be an external factor to support it. The stakes were so high that the opinion of the observation missions, usually representing a compromise between the “realist” considerations of politicians and assessment by the professional observers of the OSCE/ODIHR, was this time characterized by a split within OSCE observing mission, with 188 observers of the IDEA coming up with a separate opinion.

This opinion, which condemned the election as being a “sham”, expressed its outrage at election fraud, intimidation and political repression and its disagreement with mild preliminary statement of the OSCE observing mission, calling them “generally well-administered”. The recognition of the elections was a clear reflection of the usual compromise between real interests and integrity of assessment. The congratulating phone call by Deputy Secretary of State Armitage to Ilham Aliyev on the 17th of October before the official announcement of the election results was another important signal of political support for the Aliyev’s son. In a similar spirit of demonstration of support, Donald Rumsfeld in December 2003 congratulated Ilham Aliyev with his victory in the elections during his visit to discuss military cooperation.

The case clearly demonstrates that the conditions for power change are mainly domestically driven, but in the presence of contradicting interests of the external actors there is little chance that the mobilization may succeed. In the attempt to crush the alternative political forces, first of all the Musavat opposition party, whose leader Isa Gambar seriously challenged Aliyev’s son, more than 800 people were detained or arrested following the elections. These repressions continued throughout the year 2004.

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None of the elections in Azerbaijan since the arrival of the former communist boss Heydar Aliyev in 1993 have been characterized by the international observers as free and fair; however, almost every one of them was defined as progressive, or another step towards democracy. Only in 2013, in an unprecedented action, the OSCE observation mission voiced an opinion which strongly undermined the overall legitimacy of the newly elected president, quoting bad or very bad counting in more than half of the observed polling stations.

Thus the transformative power of the EU within the framework of its programs and policies involving Azerbaijan and other states of the Eastern neighborhood is tested not in its isolated environment, but in the context of the influence of many other factors and policy actions conducive or unfavorable to democracy promotion. The human rights defender Leyla Yunus, who is currently in prison, repeatedly said at many meetings with foreign diplomats that the intensified persecution of the journalists, NGO activists and other opposition started in particular after the report of CE rapporteur Christof Strasser on political prisoners in Azerbaijan was defeated through voting procedure at the PACE session in 2013.

This happened after 2 decades of the systematically compromised and softened assessments of the elections and weakened hopes of the population that both elections and street democracy can change anything in the country. The undermined trust in major democratic institutions significantly damages the capacity of the polity to mobilize and influence political processes in the country. Low turnout is a logical consequence of the consistently compromised elections (Nikolayenko, 2015).

The experience of membership and relations of Azerbaijan with the Council of Europe has played an important role in Azerbaijan’s leadership calculations about the vulnerabilities and weaknesses of the overall system of European institutions, and not only the Council of Europe. Consistent failure to adopt actions or sanctions against the country’s aggravating human rights situation has boosted the confidence of the government in its immunity within the framework of European institutions.

The destructive effect of such compromises is double-edged, sending signals both to society and the elite. Society’s reliance on democratic states as the primary support for democratic changes wanes along with the attraction of the EU as a model system, while the elite’s confidence in the EU’s “realist” approach to the world, especially when the energy interests involved, actively grows.

The reaction of Ilham Aliyev to the EU and US criticism has been terse and uncompromising. Speaking before the cabinet of ministers on the eve of the European games, he targeted the resolutions of the European Parliament, PACE and of the German Bundestag on the violation of human rights in the country, calling it “the dirty campaign … the basis of which is an envy and evil intentions”.

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5 The discredited image of the EC rapporteurs in the public’s perception is reflected even in the title of news, “Even Agramount (PACE rapporteur-L.A.) raises his voice in defense of Rasul Jafarov” Turan, 04.18.15
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Pointing to the asymmetry in the relations, he also stated that “we want nothing from them. Instead, they need our gas, oil, contracts, our activities in this geography”7.

He even went as far as stating that” these resolutions are just pieces of paper for us. Therefore no one will ever implement them. Let the Azerbaijan people and the ones who drew these ugly resolutions know it. No-one can dictate to Azerbaijan”8.

According to the young Azerbaijani activist, the public trust to EU declined especially after their “mild” position to the attacks and arrests of the prominent human rights defenders and NGOs9.

Ironically the split within the OSCE observation mission, similar to 2003, repeated itself in 2013, but this time the “rebel minority” was the delegation of the European Parliament, who disagreed with the OSCE critical opinion and issued its own - more positive one.

PACE co-rapporteurs reacted to the civil society crackdown, which started in early summer 2014 with significant delay. The first the condemnation of the unprecedented by scale and speed persecution of activists, which called the sentence of human rights defender “disproportionate”, was issued by Pedro Agramont and Tadeusz Iwinski only in April 2015.

Thus complacency of the external actors in recognition of elections conducted with significant violations is perceived as an indication of flexibility in soft power and the EU ability to compromise standards of critical democratic institutions. On the other hand, it contributes to the perception, or signals of priorities of the external actors in favour of stability versus democratic change, while simultaneously strengthening its perception as power politics.

In Azerbaijan the blatant violations and absence of consequences for fraud and state violence in the crucial 2003 elections were followed by significant falsifications in the 2005, 2008, 2010 and 2013 elections.

These elections, according to Gerald Knaus, proved that not only electoral fraud had become a routine, but that the very same democratic institutions delegated to safeguard democracy have turned a blind eye to fraud (p.13).

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7 Ilham Aliyev: they need us, not we-them, Contact.az news site, 13 July 2015 http://www.contact.az/docs/2015/Politics/071300123009en.htm#.VcYll_lViko
9 Interview with the youth movement leader Ehed Memmedli 26 February 2015.
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Social power, political change and long term support for civil society

The importance of the balance of society versus state has been stressed in the works related to transition. In the case of Azerbaijan, this balance became thwarted towards state since the arrival of the first oil companies which created an opportunity for the state to access significant oil bonuses. Besides helping to soften the economic hardships of transition and post-war conditions, oil also strengthened the state - its institutions and elites who represented it. In contrast to the state, Azerbaijan society was most underfunded compared to the neighboring states both from the side of European and the US donors (see table 2). In addition, early in independence, under the influence of the Armenian lobby the US Congress almost immediately – in 1992 - adopted Amendment 907 which prohibits any aid to the Azerbaijani government and state institutions due to the conflict in Nagorno Karabagh. This left the first democratically elected and open to liberal reforms Popular Front leader Elchibey without external support, in contrast, for instance, to multi-billion EU and US aid for leaders of the colour revolutions, such as Mikheil Saakashvili of Georgia, a decade later.

Table 210. EU per capita aid from 1991-2011 and in 2001-2011 (in EUR) to the South Caucasus.

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Armenia</td>
<td>30</td>
<td>85</td>
</tr>
<tr>
<td>Georgia</td>
<td>11</td>
<td>134</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>6</td>
<td>18</td>
</tr>
</tbody>
</table>

While social and cultural factors partly contributed to the “entrenched leadership”, the prioritization of security and stability over democracy by the external actors played a no less important role. In the case of Azerbaijan, the latter was strengthened by the vested interests in the oil sector of economy and energy security considerations.

In most studies of the oil-rich states, the openness to reforms and prospects for democracy are directly connected to the structural factors – political economy of hydrocarbon resources. (Karl, 1996; Ross, 2003; Bayulgen, 2004). At the same time, the inevitability of “resource curse” was challenged by such factors as the “learning curve of the leaders” (Gülüyev, 2014), type of ownership of resources or set of reforms being in place before the beginning of the “oil boom” (Luong, Wienthal, 2010; Alieva, 2009). Having observed President Elchibey’s failure to

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10 This table does not differentiate between the support to the state and direct aid to the society, such as NGOs and other non-state actors, but even from this aggregated sum one can see disparities in EU aid to the South Caucasus states. Sources: L.Alieva, Report “Tale of two regimes: Oil and Politics in Azerbaijan” NED, February 20, 2008 and Library Statistical Spotlight, Library of European Parliament, The EU’s Eastern Neighbors, [http://epthinktank.eu/2013/03/19/the-eus-eastern-neighbours/]
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attract the West as an ally by means of democratisation, the consecutive Azerbaijani leadership used as an asset the oil resources and strategic location to develop a policy to attract the West and conducted what was called “oil diplomacy”. Thus from their early independence, the countries were not passive objects of the unilateral influences of the EU or US, but developed their own strategies and tactics using various assets as tool of international politics. This political utilization of the energy assets, however, reinforced the influence of the structural factors in determining the outcome of the first decade of transition, rather than neutralising it. In close interaction with the international corporations, state ownership over the oil resources and industry was helping the president to establish an effective monopoly over the economy and politics. The probability of emergence of the alternative way – when the policy would neutralize effects of the “oil curse” through promotion of democratic governance – was low due to the limited vision of the individual leadership, greatly influenced by the Soviet bureaucratic background. Moreover, the political institutions based on monopolies and patronage built by the end of the 90s were already directing official policies towards becoming increasingly personalised and centralised.

The reasoning behind low level support for civil society, given by the Western donors, was as a rule that the country was rich and it did not need money. Even George Soros suggested that oil companies may take over his role and start to contribute to the civil society after the foundation withdraws from the country. Overall, he promoted the idea of avoidance of the revolutionary way for Azerbaijan as the “destructive” way of power change, and called the authorities to provide for fair and free elections.\(^\text{11}\)

Three levels and factors complicate the EU’s transforming influence in Azerbaijan and which will be the subjects of the following chapters: the effect of the alternative agenda, both at the level of policy formulation and in its implementation, as well as lowering democratic standards in assessment of institution building. The second is a regional factor - presence of the alternative power, which expands space for maneuver for the leadership and preservation of domestic political status quo. And the final one- is the trend in the international environment, which is not conducive for democratising influences.

**EU Azerbaijan relations: from value-driven to interest-based?**

Azerbaijan has played an important role in energy security of the US and EU since early years of independence through promoting access of the Western multinational oil companies to the Caspian hydrocarbon resources. While president Heydar Aliyev made a breakthrough in the regional dependence on Russia through signing of the “contract of the century” in 1994 with only 10% of the deal going to Russia, Azerbaijan - under the presidency of Ilham Aliyev, gained its importance for its role in diversification of the gas supplies for the EU. It became

\(^{11}\)Azerbaijan should seek
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possible due to the significant gas reserves discovered by BP in Caspian field Shahdeniz, as well as its strategic transit location for the future transportation of the gas from the other coast of the Caspian Sea. This importance evolved against the background of a few gas price crises of Russia and the Ukraine at the end of the 2000s, and further increased after Euro Maydan, annexation of Crimea by Russia and war in Eastern Ukraine.

The 10th year of Azerbaijan’s participation in the European Neighbourhood Policy was marked by an unprecedented attack and the crushing of civil society. In early 2014 the government of Azerbaijan opened a few criminal cases in connection with activities of foreign foundations and local NGOs. Some of the NGO leaders were arrested, certain others managed to escape abroad, while the rest had their bank accounts frozen and a travel ban imposed. One of the most prominent human rights defenders Arzu Abdullayeva, claimed that this was the worst crisis in the human rights situation in 20 years.

EU-Azerbaijan relations, especially after signing the energy Memorandum in 2006, developed in two parallel tracks: one - on the pragmatic basis, the other – a normative one, as envisioned in the Action Plan.

Similar to EU relations with Russia, the relationship developed into one where calculations from the mutual energy trade was taking over the normative approach and became those of “asymmetric interdependency” (Hughes, 2006) due to the dependency of the EU on Azerbaijan as a source of diversification of the gas supply. There are a few obvious differences between Russia and Azerbaijan: one is a big former empire with nuclear weapons and gas, as a significant leverage over the EU. Azerbaijan – a much smaller state - is part of the EU policy of Eastern Partnership and has the capacity to satisfy only an insignificant percentage of the EU need for gas.

Yet there was another asset in strengthening Azerbaijan’s position of “asymmetric interdependency” – awareness of vulnerabilities of the Western partner, such as inconsistencies in promotion of values, corruption, and broader aspects of international relations, which are the subject of the last chapter.

There are two contrasting views on how to deal with less motivated and more authoritarian states, which reflect the dilemma of inherent and unresolved ambiguity of interests of the EU in the neighbourhood. The point of discord is whether the EU should constructively engage the governments or “punish” by principle of conditionality. Azerbaijan is often cited as an example of a “blatant case in Eastern neighborhood” - of how the conditionality principle is eroded by security, energy or trade interests (Raik, 2011). Facing lethargic implementation of the domain of reforms, as indicated in the Action Plan, the EU did not apply a conditionality approach; moreover, during the major crackdown on civil society, it agreed to negotiate more comfortable terms for the Azerbaijan leadership: the Strategic Modernization Partnership Agreement.

In contrast to Belarus, where the EU applied a dual track approach to the country (by putting sanctions on the officials and engaging with society) in Azerbaijan, the EU utilised constructive
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engagement with the officials, while being cautious in relations with society, especially in support for political parties and campaigning activities. As society is a major actor and stakeholder in the reform process, this policy weakened the EU’s capacity to influence any significant opening of the political system.

The other inconsistency lies in interpretation of the differentiated approach to the partners in the EaP. The relations with partners are claimed “to be governed by principles of differentiation, developing according to the ambitions and capacities of each” 12

This approach would however simply reinforce the political status quo in authoritarian states. In fact, in relations with Azerbaijan, the dual track approach, similar to that in Belarus, should have been applied with significant engagement of civil society, and with conditionality applied to the officials. The differentiated approach would then, by this logic, target the individual obstacles to reforms - in the case of Azerbaijan - addressing structural political imbalances caused by the oil dependent economy; in the case of Armenia: de-securitization of economy and politics; in case of Belarus - disentangling its politics and economics from those of Russia. Formulation of the principles of individual approach assumes the EU role of rather adjusting to the trends in the ground, than being a pro-active actor. And in this way contributes to the failure to produce any interaction conducive to democratic transformation in the country.

One of the characteristics of the “rentier state” phenomenon is a disconnect between the government and the public, when the vital link between the two appears to be undermined due to oil rents. The government and state structures function not due to the taxes, but based on high oil revenues. The ENP strategy paper on Azerbaijan does stress the necessity to diversify the economy of the country and fight corruption, but very little indicates that there is an awareness of necessity of much greater, as compared with the other states of the East, empowerment of the civil society and the opposition along with promotion of institutes of “checks and balances” to neutralize structural effects of the “rentier state”.

On the other hand, the replacement of the value-based agenda by a more pragmatic one in the EU policy is not a novelty in the post-Soviet space. The human rights issue of the Chechen War in relation to the EU’s engagement with Russia showed a gradual loss of salience, due to the capacity of Russia’s leadership to promote personal relations with the number of European leaders, and by increasing domination of the bilateral summits by the pragmatic negotiations over economic issues and broader strategic cooperation (Hughes, 2006).

The effects of the energy agenda on democracy promotion are extended to relations of the EU with the other resource-rich states of the post-Soviet territory, such as Turkmenistan and Kazakhstan. Although these states, unlike Azerbaijan, are not members of the European Neighbourhood Policy or Eastern Partnership and conditionality mechanism is not part of these relations, the EU’s relations intensely developed in the area of trade and economy and also

follow a similar pattern. Brussels had difficulties in reconciling energy and democracy promotion agenda in Turkmenistan – a rentier non-free state important for its potential role in diversification of the EU gas supply through projected trans-Caspian pipeline (Boonstra, 2012). The international human rights NGOs immediately reacted to the EU listing Turkmenistan, along with other authoritarian states, as partners of EU Energy Union, stating that such energy cooperation without publicly and simultaneously condemning human rights violation will entrench dictatorships. Although the EU postponed approval of the PCA, there was no consistent pressure on human rights issues in exchange for finalization of the agreement, while High Commissioner Ashton failed to mention human right violations publicly during her first visit to Ashkhabad in 2012.

Kazakhstan is the EU third largest trading partner after Russia and Ukraine, while among non-OPEC countries is the largest EU energy supplier after Russia and Norway. Growing economic links led to the signing between the two on 9 September 2014, after 3 years of negotiations, of the first of this kind Enhanced Partnership and Cooperation Agreement, which replaced the PCA, being in force since 1999. Although the EU put signing of the agreement in dependence on the pace and success of political reforms, the human rights situation since the beginning of negotiations in 2011 has deteriorated. This included violent suppression of the protest rallies in Zhanaozen in December 2011, followed by arrests, torture and violations of the legal procedures, elections in 2012 which did not meet international standards, and repression against the media. In spite of the deteriorated human rights record, the EU upgraded its relations with Kazakhstan and has signed the EPCA.

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Similar to EU policy in Russia, the relations between the EU and Azerbaijan transformed from the one type of asymmetric relationship, where Azerbaijan was a country aspiring to greater integration in the EU, to the relation of asymmetric pragmatic interests, where Azerbaijan appeared in a more beneficial position. This transformation was enhanced by the increase of the oil price up to 80 dollars per barrel, which boosted the economy, “resource nationalism” and self–confidence along with resulting centrifugal trends in foreign policy.

**Linkage: quality versus quantity**

In reference to the factors of linkage and leverage, developed by Way and Levitski (2005), and their prioritization of the former in its democratizing influence, the case of Azerbaijan tends to look like an exception, rather than a rule and allows calibration of the essence of linkage as the decisive factor of influence.

The ENP country strategy paper states that the “principle of objective of the EU Azerbaijan cooperation is to develop an increasingly close relationship going beyond past levels of economic and political cooperation and including cooperation on energy, foreign and security
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policy”. The document further underlines that EU assistance will “aim to support Azerbaijan’s ambitious reform agenda, as outlined in PCA and ENP Action Plan, to root democracy and market economy firmly in the country and to ensure that Azerbaijan manages its oil and gas resources efficiently and transparently to the benefit of their country.” (p.19).

Nevertheless, the document fails to apply a holistic approach and to identify an already evident trend of the “oil curse”, and rather presents a compilation of the “policy mix” objectives. The strategy paper avoids making any connection between the energy interests and the goal of reforms promotion already at the level of defining the priorities of EU-Azerbaijan relations. There is no indication of any possible “side effects” of the energy cooperation on the priority number one - promotion of political reforms.

In spite of the stated goals, and rather revealing the gap in the strategy, the relations would soon indicate how the energy cooperation agenda affects normative goals. Since new level of cooperation, ENP and then EaP, the country has had an outstanding linkage indicator with the EU in key economic area - energy - with EU being the top trading partner on oil. Moreover, during the last few years, Azerbaijani civil society enjoyed a high level of aid, in 2013 even exceeding all the other EaP states. However, as EaP integration index shows the political dialogue, especially the frequency of meetings of the EU officials with the opposition and civil society, as well as intensity of networks of the political parties with the European ones, are significantly lower compared to the rest of the Eastern Neighbourhood.

Thus there has been little political empowerment of the pro-democratic forces and social power by the EU, either through contacts or diplomatic demonstration of the importance of these institutions, for decades.

This testifies that it is not the degree – intensity- of linkage, but rather its quality, which would create pressure for democratization. Moreover, as Michael Ross and Terry Karl showed, the cooperation in the energy area structurally creates obstacles for democratization.

In Azerbaijan the combination of the Soviet bureaucratic legacies with the political economy of hydrocarbon resources has created structural obstacles for democratization.

The Azerbaijan political system was built with utilization of the abundant natural resources as a tool both in consolidation in domestic power and as an effective asset in foreign policies. The former communist boss Heydar Aliyev based on its bureaucratic network consolidated oil-fed patronage and vertical hierarchy of executives, similar to that in the Soviet regime. The system was based on controlled elections and gradual curtailment of basic freedoms, which kept Azerbaijan for almost a decade after his arrival in the Freedom House category of “partly free states”, or semi-authoritarian states. The growing dependence of the national economy on oil rents, especially with change of power in 2003 from the father to the son and beginning of the major oil flow after 2005, when BTC became operational, made Azerbaijan an almost perfect illustration of the effects which natural resources have on political regimes. With the

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arrival of major oil revenues and strengthening of the national oil company, the latter was used for control over the transportation systems through diversification. The outstanding political nature of the oil resources, successfully used by the Aliyev father in his foreign policy by means of distributing oil contracts, was continued by his son through utilization of the “pipe-line” politics through expanding the state’s influence through SOCAR’s participation in transportation projects. Analyzing relations between energy and politics and stressing the role of SOCAR as a political tool for the country’s presidency to become a regional leader, Lussac (2010) suggests, that Ilham Aliyev “somehow runs the country as the multinational company”. This relationship of the state and the state oil company has resulted in significant mutual benefit, reinforcing each other’s power.

The Head of the International Commission of the National Council of Democratic Forces (NCDF), Gultekin Hajibeyli, said that the country does not make significant steps in this direction, although it claims that it seeks gets closer to Europe. “It is connected with the corporate interests of the authorities, who do not want to give up the monopoly, do not go on the economic and political reforms. The situation with human rights is very bad,” she said.

The timing of crackdown was chosen wisely. In June, when the bank accounts of the leading NGOs were frozen in the eve of the unprecedented persecution, the visit of Jose Manuel Barroso to Baku confirmed that the country is one of the EU’s major and most reliable energy partners, and this contributes to the mutual economy and energy security,” The parties discussed the progress of the South Gas Corridor pipe line project, which is supposed to supply Europe with 10 bcm of gas by 2019 and more beyond that. Obviously, that application of conditionality was out of the question in the presence of such heightened importance of the country for EU energy security, quite on the contrary, the EU agreed to negotiate a new agreement suggested by Azerbaijan - the message which was communicated by the commissioner at the meeting with the civil society the same day.

No less important was the meeting of the EaP Energy Ministers in Baku on 8th September 2014 within the framework of informal dialogue, which was attended by the energy ministers of the Ukraine, Moldova, Georgia, Azerbaijan and Belarus, as well as vice president of the EC G.Ottinger and European Commissioner for Enlargement and Neighborhood policy Fule. The subject of the following round table was diversification of the supply routes and energy security of the EU and Eastern partners.

The resolution issued by the Southern Corridor Advisory Council on 12 February and signed among others by the officials of the EU and representatives of the US and UK, in the context of the importance of energy security and the security of energy transportation recognized “the leading role of Azerbaijan Republic as the real major hydrocarbon producer in the Caspian

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region” and reiterated political support for the implementation of the Southern Gas Corridor as a milestone in securing a new source of gas supply from the Republic of Azerbaijan to the European Markets. \(^{22}\)

The destructive attack on civil society which started in the Spring 2014 was almost completed by the time of the “ground-breaking” ceremony of the Southern Gas Corridor in Baku on 20 September 2014, which marked an agreement on the last part of the gas pipeline, and where the vast potential of other gas fields was presented by Azerbaijani officials. \(^{23}\) Yet, against such a disparity in level playing fields with the incumbent and the low level of integration and networking with the European institutions, the political opposition according to many independent polls was very close to victory in the presidential elections of 1998, parliamentary in 2000 and presidential in 2003.

The post-Soviet history of Azerbaijan shows that on many occasions the democratic forces, first of all opposition, even saw Western governments as an obstacle to democratization through recognizing significantly falsified elections and thus legitimising authoritarian incumbents. The very soft phrasing of the opinions of observation missions, absence of consequences for the leaders who came to power through fraud and moreover - continued “constructive engagement” – all this contributed to the weakening both of the opposition, and of the general trust of the public in the institute of elections and the EU as a moral power.

The peculiarity of external influences in the case of an energy-rich state, such as Azerbaijan, is not that some actors, like EU, tend to promote democracy, while regional powers - like Russia - support autocracies. The policies of the EU and other established Western democracies, along with the alternative regional “spoiler”, such as Russia, contribute to the political “status quo”, rather than to a political change through a number of ways, one of which is election observation missions.

Consequently, the energy interests of the external actors lead to a limited number of allies for the opposition and pro-democracy constituency. Where Western business and governments unite to undermine the power of autocrats – in the case of strong energy (or any other alternative) agenda, they both seem to support personalized autocratic leadership, which makes striking big deals with only one actor much easier.

\(^{22}\) Southern Gas Corridor Advisory Council, Joint Press Statement 12 February 2015, Baku.

Leverage: inconsistency in promotion of values as perceived weakness of the EU and pragmatic agenda as source of asymmetry in relations.

The compromised assessment and lowered standards of democratic institutions, first of all, elections, has a noticeable effect on the political regime. First, it undermines the democratic polity (civil society, opposition parties, media) and the public trust in the institution of elections. On the other hand, it empowers and legitimizes autocracy, along with creating an impression of the relative importance of democracy and values for the EU, signaling their provisional nature. The principle of conditionality as asserts literature on EU transformative power works only if the partner aspires for greater integration. In the case of Azerbaijan, the prioritized energy component in relations with the EU reduces these relations to those between the bureaucracy in Brussels and Baku. Disconnect between the public and government, mentioned above, is also reflected in the government’s diminutive concern about benefits from integration for the population, as opposed to the personal interests of the ruling elite. The elite of the country has already successfully integrated into a European community, with bank accounts, properties in European capitals, investments and industries, children and families studying and residing in Europe. According to local experts, often even medium level officials in Azerbaijan have families and houses in Europe and sometimes have to commute weekly between Baku and European cities. On the other hand, there is a perceived high cost of integration for the elite due to increasing obligations to conduct political reforms and democratization. This naturally deprives the elite of the incentive of deeper integration in the EU at the state level and even more so to aspire for membership.

By 2015 Azerbaijani officials stated that equal partnership and mutual commitment to principles based on international law is the key for building reliable and trusting relationship of the parties and fully supported the principle of differentiation.24

Understanding that asymmetrical relations will inevitably lead to adoption of the political reforms, in 2012 Azerbaijan officials showed their intention to build their relations with the EU on an “equal” basis. Thus the issue of integration was removed from the official Azerbaijani agenda and replaced by the will to negotiate a new partnership with the EU, based on mutual interests.

Later in May 2015, the foreign minister explained the reasons of the unwillingness to sign an Association agreement in the interview to the TV Channel Russia 24 by the Baku interest to build “strategic relations” with Brussels. 25 At the same time, while asserting as a pre-condition

24 “Mammadyarov lists conditions for EU Azerbaijan partnership” Statement of Azerbaijan Foreign Minister Elmar Mammadyarov, at the meeting with of EU foreign Ministers and EaP in Luxembourg 20 April 2015. Turan news agency 21.04.15 Baku
a resolution of the Karabagh conflict, the issue of possible membership of the country in EAEU was left open.

In contrast with the sanctions in Belarus, the EU policies of constructive engagement led to successful energy trade and implementation of the important energy security projects, accompanied by “integration” of the elite in Europe and the European club, but resulted in dramatic decline in human rights and democratisation indicators, reaching of its peak in 2014. Ironically, major crackdown took place when Azerbaijan was a chair in the Council of Europe.

The energy agenda affected directly the signals which the EU officials sent to the government. During the signing of the energy memorandum in Brussels, President Barroso mentioned that the EU understood difficulties with democracy building, as “the country never built democracy before”.

Inconsistency in value promotion also contributed to the weakening of the asymmetric nature of relations between the EU and Azerbaijan, exposing EU vulnerabilities. Subordinating values to interests and geopolitical considerations inevitably weakens EU credibility (Vachudova, 2006).

It is by using these vulnerabilities that the Azerbaijani leadership “captured” the Council of Europe, which according to Gerald Knaus had presented an existential challenge to the human rights movement in Europe. The real reason for the success of the lobbying campaigns of Aliyev is “remarkable indifference” of European democrats to their own human rights institutions (Knaus, 2015).

As this case demonstrates, one of the major characteristics of the alternative (in this case oil) agendas, is lowered expectations and standards of assessment of the functioning of the democratic institutions, which along with susceptibility of the European politicians to the lobbying efforts and corruption contributes to the perception of its weakness and vulnerability of the EU as an actor in the region.

At the same time, the vast resources aggregated as a result of the surging oil price in the world market are sparingly spent by Ilham Aliyev, besides support for strict patronage in his home country, to gain political support externally – in Europe and on European projects. Azerbaijan will finance a significant part of the construction of pipe-lines TAP and TANAP, invests in poor East European states, such as Bosnia Herzegovina, Montenegro, Serbia, giving soft loans to the governments for projects, which created new jobs. It also closely works with and invests in Bulgaria, Hungary, Greece, the Baltic States. The Azerbaijani government conducts numerous charitable and cultural projects in Europe such as restoration of the cathedral in Strasbourg and Louvre with the help of the Heydar Aliyev foundation, the assets of which lack transparency, and has created a network of lobby organizations in Brussels and Strasbourg to protect it from criticism on human rights issues (Abbasov, 2014).

The Azerbaijani leadership has extensively used one of the most important democratic institutions such as lobbying for achieving non-democratic goals. By utilizing the leverage at its
disposal due to the access of abundant oil revenues the government has poured money into support for lobbying companies, restoration projects, cultural events, hosting at its expense big conferences and visit of parliamentarians, former influential politicians and Nobel Prize winners. In 2015 Azerbaijan hosted the first European Games, reportedly having spent near 8b dollars for this sports event.

Lobbying activities and corruption have often blurred borders. The ESI report showed how inaction from the side of the Council of Europe emboldened Azerbaijani leadership in pursuing falsified elections and violation of human rights, and how its “caviar diplomacy” helped to silence the European institution, created to promote human rights, democracy and rule of law.  

In the US, Azerbaijan spent 4m dollars on lobbying activities only in 2014.

The operator of the Azerbaijani gas field Shahdeniz BP, as an influential actor in the EU, also has the lobbying capacity to promote its interests in decision-making related to the countries of its operations.

Contrary to expectations, the EU not only did not apply sanctions, but continued the policy of constructive engagement with Azerbaijan after the 2014 crackdown. On 25th March 2015, the head of the EU delegation in Azerbaijan, Malena Mard, stressed the progress in the country’s relations with the EU - visa facilitation re-admission agreements and cooperation in the energy sector, while noting “issues of concern” associated with the transition to democracy. The head of delegation informed, that in 2014-2017 the EU planned to spend 94m Euro on the development of education, agriculture, and reforms in the sphere of justice. One should take into account, that the most destructive crackdown on civil society, journalists and activists with the judicial system as a major tool of repressions took place after 10 years of ENP, where the EU had already spent millions of euro through the European Neighbourhood Instrument - Budget Support - on judicial reform in Azerbaijan.

After the decisive and destructive crackdown in 2014, Azerbaijani sources informed that during his visit in February 2015, the EU special representative of human rights, Stavros Lambrinidis, appreciated the role of the Legal Judicial Council in provision of self - governance of the judicial power, as well as stressing the importance of the legal reform in the area of human rights and “praised positive results in this area”. Human Rights Watch report stressed that Lambrinidis failed to use his visit to publicly mark concern about the crackdown and to call for the release of unjustly imprisoned human rights defenders, journalists and activists.

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27 Lozovsky, Ilia, How Azerbaijan and Its Lobby Spin the Congress?, Foreign Policy, June 1, 2015.
28 "EU believes there is still civil society in Azerbaijan to cooperate with", Turan news agency, 01.14.15 Baku.
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Against this background and ignoring calls of the INGOs and human rights networks, the courts of Azerbaijan sentenced leading and internationally renowned NGO activists to one of the highest terms in prison, on what was recognized as trumped up charges.

These active attempts of Azerbaijan’s leadership to influence European multilateral and domestic institutions demonstrate the interactive nature of the emerging “partnership” agenda rather than the simple influence of unilateral or structural factors, such as leverage or linkage.

The readiness of the EU to continue the policy of constructive engagement through individual approach, that is – according to the individual “wishes and interests” of the country, was confirmed during the official visit of new president of the European Council, Donald Tusk. At the joint press conference the parties confirmed their satisfaction with the course of bilateral relations in the areas of energy security and commerce. Tusk stressed the importance of good governance and rule of law for a favourable commercial environment. Contrary to the logic of the conditionality principle, which would seem to be a natural consequence of the crackdown on all related to Europe and the US institutions, Tusk informed about an agreement to move towards more ambitious bilateral relations – the Strategic Modernization Partnership Agreement.

Post-Cold War Context of International Relations

The above-mentioned analysis of the failure of the EU to promote democracy in Azerbaijan does not exhaust all the explanatory factors. In fact, the question still remains, of why Azerbaijan’s government, not unlike other authoritarian leaders, has been confident that it could get away with the violation of human rights and other international obligations, and that it could limit itself by building only facades of democratic institutions, often with the objective to strengthen domestic monopoly on power.

There might be a few reasons for that. Gerald Knaus suggests that the importance of Azerbaijan is not as high in the energy security area as it has been presented and not sufficient to affect EU policy. He argues that this is disregard for the human rights institutions, which plays a crucial role in the country’s neglect of the Western policies. However, the application of a softer approach to even worse disregard of human rights than in Belarus suggests that conflicting agendas play an important role in this case.

The other European domestic factor is that there are no significant consequences for the careers of the officials, or prominent politicians for the malpractices in business. The scandals with former foreign secretaries Malcolm Rifkind or Jack Straw on offering their services to

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private companies for cash, which resulted in suspension from their parliamentary parties are rather rare examples of such consequences. The Parliament tightened its rules after that by prohibiting former MPs to work as paid lobbyists for 6 months after stepping down.

But numerous cases of cooperation with oligarchs with illegal fortunes, even followed by wide media coverage, do not lead to social and moral isolation of the politicians committing it.

A rather weak public reaction to the corruption scandals may signal perception of traditional politics as inevitably connected to corrosion. In this context, the emerging tendency of the Western public’s preferences for an “unusual”, or rather anti-establishment type of leaders – such as Sanders in the democratic party of the US, PM Trudeau in Canada, or Corbin in the labor party of the UK – is quite justified.

In spite the optimistic predictions and assertions, that the post–cold war era created conducive conditions for democracy development, the new de-ideologised relations has led to two trends, neither of which are favourable for democracy promotion.

One is to resort to military means- eruption of wars based on territorial claims, or secessionist movements and Russia’s manipulation by conflicts up to direct annexation of the territories in her neighbourhood. The other, which is less evident, but probably even more damaging for the democratization of states in transition, and respectively European and US influence, is “pragmatization” of international relations, or what was observed as a recent trend in “the rise of geo-economics”.

Stephen Szabo traces the re-emergence of Germany as a “trading state, which will give priority to the stable economic relations over considerations such as the political record of its partners, including the state of democracy, human rights and labour rights in economic partner countries. This is an economic form of realism, known as geo-economics which puts the national economic interests or commercial realpolitik similar to that of Political Realism, which puts national economic interests as the ultimate value in a state’s foreign policy” (Szabo, 2015, p.146).

After resignation, politicians are attracted to the business areas with lucrative income, in particular to the energy sector, as can extensively use their networks and political influence: many - such as Gerhard Schroder, Peer Steinbruck, Joschka Fischer, Hans Dietrich Genscher - becoming involved in oil, gas and consulting companies. The latter created a consulting company, which was also promoting the interests of Azerbaijan among its clients. Quoting Salder, Szabo warns that geo-economic Germany is an advanced case of the global moral political dilemma, which transforms market economies into market societies, and with market reasoning emptying public life of moral argument, geo-economics has a tendency to undermine the value-based approach to politics.

33 Ex-MPs banned from lobbying, By Lindsey Telford, Edward Malnick and Charles Young, The Daily Telegraph, 01.10.2015 http://www.telegraph.co.uk/news/politics/11902758/Ex-MPs-banned-from-lobbying-after-cash-for-access-scandal.html
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As the editorial in one of the leading British journals stated: “An ethical foreign policy was always a pie in the sky, but it is unedifying to see our diplomats turned into salesmen, and foreign policy effectively auctioned off to the highest bidder”...\(^34\)

This pragmatic substance of the contemporary international relations has been grasped and utilized effectively by the former Soviet bosses, such as Heydar Aliyev, who skilfully used energy interests as a major asset and a political tool in his consolidation of power and attracting the major players of the democratic West as his allies (Alieva, 2001). Similarly, the leaders of the other two states, “non-motivated” in EU integration, used either security or alternative power to extend their space for maneuvers, both domestically and internationally.

In relations, where pragmatic calculations of benefits connected to trade interdependency take over other agendas, the value-based approach appears to be undermined. It was clearly demonstrated in the example of Russia, whose relations with the EU had become increasingly characterized by pragmatism, asymmetric energy interdependency and EU interests in security and stability (Hughes, 2006).

In the case of Azerbaijan, the pragmatic nature of a driver of international relations such as energy interests affects the power of Europeanization factors - leverage and linkage - through compromised values and standards of approach to democratic performance and practices. The famous “oil diplomacy” of Heydar Aliyev, continued by his son in the area of transportation and gas, was based on awareness and perception of the ‘pragmatism’ in international relations and the growing role of the economy in post-world war international relations in the region.

**Conclusions**

The partial success of the EU transformative power in the Eastern Partnership is thus a combined result of interaction between the EU and its neighbourhood within and beyond the framework of the official multilateral programs and policies.

In particular, EU-Azerbaijan relations during the last decade and within the framework of EU policies illustrate that democracy promotion effectiveness is a result of interactive process, and is strongly influenced by the broader context, such as long-term aid to society and assessment of elections, and by the changing nature of international relations.

The website of the EU delegation to Baku states that “the Union made the human rights and democracy support a central aspect of its external relations policy”.\(^35\)

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\(^34\) Allies, not friends. The Spectator, 17 October 2015, p.5, www.spectator.co.uk

However, Azerbaijan’s history of failed integration in the EU allows to follow how alternative agendas of the EU combined with the alternative power in the region country affect the linkage and leverage and leads to consolidation of autocratic trends rather than to opening up of the political system.

In spite of membership in two consecutive EU policy frameworks by the year 2015, the number of political prisoners in Azerbaijan two times exceeds those in Belarus and Russia, which made the international organizations push for sanctions.

Facing its partner’s resistance to accept the external governance template, the EU dropped the Association Agreement and reconciled with the initiative of Azerbaijan to reduce the agenda to cooperation, rather than integration. This paper has endeavoured to show how two parties arrived at this agenda, which is centred around real interests, rather than promotion of democracy and reforms.

In this process, the outcome of interaction within the official programmes and policies, such as ENP and EaP, are strongly influenced by an overall dominating “realist” agenda, the of which are expressed both within and outside of the context of these programme - besides inconsistency in their strategy conception, application of instruments and lowering standards of such institutions as elections.

Similar to EU Russia relations, taking into account the EU interest in the Caspian resources and Azerbaijan’s role in EU energy security, conditionality-based relations do not only disappear, but are even reversed. This explains the persistent statements of Azerbaijan’s president Aliyev on “equal partnership” relations.

The overall trend in international relations – the rise of geo-economics – undermines the value-based approach of the major democratic actors in the areas of transition in the EU neighbourhood, thus leaving this area a subject of the other diverse influence. In the case of the East, the presence of Russia, Iran and the Middle East may prevent smaller states from the realization of their reform potential.

Pragmatism or prioritization of economic component of relations, combined with lack of consequences for the malpractices in the area of business, lead to consistent erosion of the main added value of the EU as an actor, resulting in increasingly lowering standards of democracy in its neighbourhood and thus in exposing itself to the threat of becoming more vulnerable to the very same worsening standards.

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36 Video interview with the president of the Freedom House Marc Lagon, RFE/RL 05.08.2015, http://www.azadliq.org/media/video/27171780.html.
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