



Oil and democracy in the
UK-Azerbaijan relations – an
opinion poll analysis
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Summary

The purpose of this paper is to analyse the UK-Azerbaijan relations in light of the findings of a recent Populus (www.populus.co.uk) opinion poll on the importance of values in British foreign policy, commissioned by the Brussels-based European Foundation for Democracy (EFD, www.europeandemocracy.org). The UK and Azerbaijan have what many refer to as a “special relationship”.¹ Although the UK is working with Azerbaijan on democratisation projects, their relationship is dominated by business interests, in particular investments by British Petroleum and Shell. At the same time, Azerbaijan is, along with Belarus, the only authoritarian country in Europe² and regularly threatens war with neighbouring Armenia about the breakaway region of Nagorno-Karabakh. This paper highlights the UK’s leverage in the South Caucasus and the ways in which the UK can use it to prevent the renewal of war in Nagorno-Karabakh. The paper begins by describing the geopolitical situation on the ground, before analysing the findings of the poll in the framework of UK-Azerbaijani relations. It concludes by outlining options for the British government and major UK investors in Azerbaijan to contribute to peace, security and prosperity in the South Caucasus.

Introduction

While balancing the UK’s contingent economic interests with foreign policy goals, the government should prioritise the values of human rights, democracy, international peace and security in the formulation of its foreign policy. The latter is the preference of 71% of the UK public, according to a recent opinion poll commissioned by the European Foundation for Democracy (EFD) and carried out by Populus in the UK.³

In a recent commentary published by Project Syndicate, Gareth Evans, Australia’s former foreign minister and the President Emeritus of the International Crisis Group, sets the record straight by writing that: “When states preach virtues they do not practice, or set lower hurdles for allies, trading partners, or co-religionists than they do for others, irritation and non-cooperation are the least they can expect. International policymaking is a hardheaded, cynical business, but tolerance for double standards has its limits”.⁴

Recently, key European values such as human rights, democracy and the promotion of peace and stability have become increasingly important in the foreign policies of the major Western powers, including the UK. The promotion and enforcement of these values seems to be prevailing over the conservative practice of *realpolitik*, as indicated by the support for the Arab Spring and the ongoing NATO-led operations in Libya. In other words, the West is decisively moving away from trade partners and regional “stabilisers” who have proved to be vicious friends, either due to their human rights record, or militaristic rhetoric and use of brute force. It remains to be seen, however, whether these recent practices by the international community are intended to launch and eventually consolidate a

¹ *Azerbaijan and the UK – “The Special Relationship”*, TAES London, July 2009, <https://teas.eu/sites/default/files/UKAZ.pdf>

² *Nations in Transit 2001*, The Freedom House, 2011, p.21 http://www.freedomhouse.org/images/File/nit/2011/NIT-2011-Release_Booklet.pdf, see also Europa (2011) European Commission, High Representative of the European Union for Foreign Affairs and Security Policy, ‘Implementation of the European Neighbourhood Policy in 2010, Country report: Azerbaijan’, http://ec.europa.eu/world/enp/pdf/progress2011/sec_11_640_en.pdf, on the same issue see also the *European Parliament Resolution of 12 May 2011 on Azerbaijan*, <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2011-0243+0+DOC+XML+V0//EN>

³ *UK voters demand that government policy focuses on human rights*, European Foundation for Democracy, Brussels, 31/08/2011, <http://europeandemocracy.org/media/press-releases/summary-of-efd-omnibus-questions.html>

⁴ G. Evans, *Hypocrisy and war*, Project Syndicate, 27/04/2011, <http://www.project-syndicate.org/commentary/evans5/English>

new doctrine of international affairs, or merely constitute a rosy exception to the predominance of interests over values.

The UK has very strong political and commercial ties with Azerbaijan. Arguably, this is the stereotypical relation with an oil and gas-rich country, where BP and 170 other UK companies have invested intensively for many years. It is publically known that a number of high-level UK representatives, ranging from members of the Royal Family to members of the Government, support Azerbaijan politically.⁵ “Likewise, a number of UK MPs are said to have co-operated closely with The European Azerbaijan Society, an Azerbaijani lobbying organisation which was strongly criticised by Baku-based US diplomats for their funding and management by the son of an oligarchic Minister in Baku.⁶

A look at ongoing developments around the conflict in Nagorno-Karabakh helps contextualise the findings of the Populus survey in the framework of the UK-Azerbaijan relations, and shows how a value-based policy towards the Southern Caucasus can better safeguard and advance the UK’s interest in this troubled region.

Azerbaijan as highly questionable trade partner

The scholarly consensus is that Baku runs an authoritarian regime incomparable to any other South Caucasus state,⁷ and repeatedly openly threatens neighbouring Armenia with war.⁸ At the same time, an infant Egyptian-style political uprising in Azerbaijan has been contained in an authoritarian style which was much criticised by the international community.⁹ Moreover, the chances of a renewed outbreak of armed hostilities are highly conditioned by harsh war rhetoric, galloping military spending and a rise in ceasefire violations along the Line of Contact (LoC) in Nagorno-Karabakh,¹⁰ an ethnic Armenian enclave which Stalin allocated to Azerbaijan in 1921.

In 1991 Azerbaijan replied to the quest for self-determination of Nagorno-Karabakh’s Armenian majority with pogroms and military aggression against the enclave. The following tensions triggered a large-scale war in Nagorno-Karabakh, which over four years resulted in 30.000 casualties, 1 million refugees and IDPs on both sides. Azerbaijan then lost control over Nagorno-Karabakh and a security buffer zone surrounding the enclave. Azerbaijan claims to be occupied, the local population claims to have been liberated after decades of physical violence and discrimination. Today, 17 years after the

⁵ *Andrew is only one of the many friends of Azerbaijan*, London Evening Standard: Londoner’s Diary, 14/03/2011 <http://londonersdiary.standard.co.uk/2011/03/andrew-is-only-one-of-the-many-friends-of-azerbaijan.html>

⁶ <http://www.thebureauinvestigates.com/2011/08/29/questions-over-mps-all-expense-paid-trip-to-azerbaijan/>

⁷ See European Commission, High Representative of the European Union for Foreign Affairs and Security Policy, op. cit., on the same issue see also EU Delegation to the OSCE, *EU statement on human rights, fundamental freedoms and the rule of law in Azerbaijan*, Vienna, 01/09/2011, http://www.delvie.ec.europa.eu/en/eu_osce/eu_statements/2011/September/PC%20no.878%20-%20EU%20on%20HR%20in%20AEZ.pdf; Freedom House, op. cit.; European Parliament Resolution of 12 May 2011 on Azerbaijan, op.cit.

⁸ See EuFoA, *War rhetoric of Azerbaijani officials*, <http://www.eufoa.org/uploads/Aliyev%20War%20Threats.docx.pdf>

⁹ For the EU concerns, see Europa 2011, *Statement by High Representative Catherine Ashton on Azerbaijan*, Brussels, 20/05/2011, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/122137.pdf, on the same issue see also the European Parliament Resolution of 12 May 2011 on Azerbaijan, op. cit.

¹⁰ See International Crisis Group, *Armenia and Azerbaijan: Preventing war*, ICG Report, Brussels, 08/02/2011, <http://www.crisisgroup.org/en/regions/europe/caucasus/B60-armenia-and-azerbaijan-preventing-war.aspx>

signing of the Bishkek ceasefire, Azerbaijan openly claims to be preparing an invasion¹¹ and has launched a multi-billion dollar military procurement campaign.¹²

Against this background, official Baku describes the militarisation of diplomatic discourse around Nagorno-Karabakh with the bizarre term of “successful military diplomacy.”¹³ Moreover, it unilaterally rejects the OSCE proposals to withdraw snipers from the LoC. Furthermore, it blocks the implementation of an agreement reached with Armenia on 4 March 2011 in Sochi, for independent OSCE-led investigations of “possible incidents along the ceasefire line.”¹⁴ The most recent trilateral summit in Kazan, which tried to achieve a breakthrough for a diplomatic settlement of the conflict, was blown by a long list of last minute demands by Azerbaijan, according to diplomatic sources.¹⁵ Meanwhile, the Azerbaijani Deputy Prime Minister later openly declared that “Baku is negotiating with Yerevan solely for the sake of negotiating, as Azerbaijan would be labelled an ‘anti-democratic state’ if it did not participate in the meetings”.¹⁶

UK leverage: bridging interests with values

The UK supports the OSCE Minsk Group co-chairs in their efforts to secure a peaceful settlement of the Nagorno-Karabakh conflict. Yet it arguably does not use its full leverage over Azerbaijan, which could be employed to divert official Baku from the war track.

According to the Populus/EFD survey, UK voters want the values of ‘human rights, democracy and safeguarding peace’ to be the driving force behind the UK’s foreign policy. While the questionnaire was intended by the EFD to focus on the UK’s relations with countries like Libya, Iran and Syria, the data is entirely transferable to UK-Azerbaijan relations, as it states that “Currently, large UK companies invest heavily in some countries with questionable democratic and human rights records or who threaten a neighbour with war...”¹⁷ The UK’s relations with Azerbaijan fit this description perfectly. As described above, Azerbaijan repeatedly threatens its neighbour with war and has very questionable democratic and human rights records. UK companies account for 49,1% of Azerbaijan’s Foreign Direct Investment, mainly in the petro-industry. While this means that the UK’s economic interests in Azerbaijan are paramount, the UK’s leverage over Azerbaijan is greater than that of any other European country.

Meanwhile, the UK is also actively and successfully promoting contacts between Armenian and Azerbaijani civil societies through its “Conflict Prevention Pool”. It is clear that the UK government is engaged in the prevention of the outbreak of war in the region. However, traditionally, the UK is

¹¹ See Reuters, *Azeri Defense Ministry says Armenia making War inevitable*, 04/06/2011, <http://ca.reuters.com/article/topNews/idCATRE7531V420110604>, see also EuFoA, Collection of Official Azeri War Rhetoric <http://www.eufoa.org/uploads/AliyevWarThreats.pdf>

¹² See International Crisis Group, op.cit., p. 5 <http://www.crisisgroup.org/en/regions/europe/caucasus/B60-armenia-and-azerbaijan-preventing-war.aspx>

¹³ Глава МИД Азербайджана: Военная дипломатия поддерживает прогрессивный ход переговоров по Карабаху, (Head of the MFA of Azerbaijan: Military Diplomacy Supports Progressive Course of Karabakh Talks), <http://www.regnum.ru/news/1398476.html>

¹⁴ See *Joint statement by the Presidents of the Republic of Azerbaijan, the Republic of Armenia and the Russian Federation on the Nagorno-Karabakh settlement*, <http://en.president.az/articles/1737>

¹⁵ T. De Waal, *Can the “Medvedev Moment” Be Saved for Karabakh?*, RFE/RL, Prague, 28/07/2011, http://www.rferl.org/content/medvedev_moment_saved_nagorno_karabakh_kazan/24279692.html

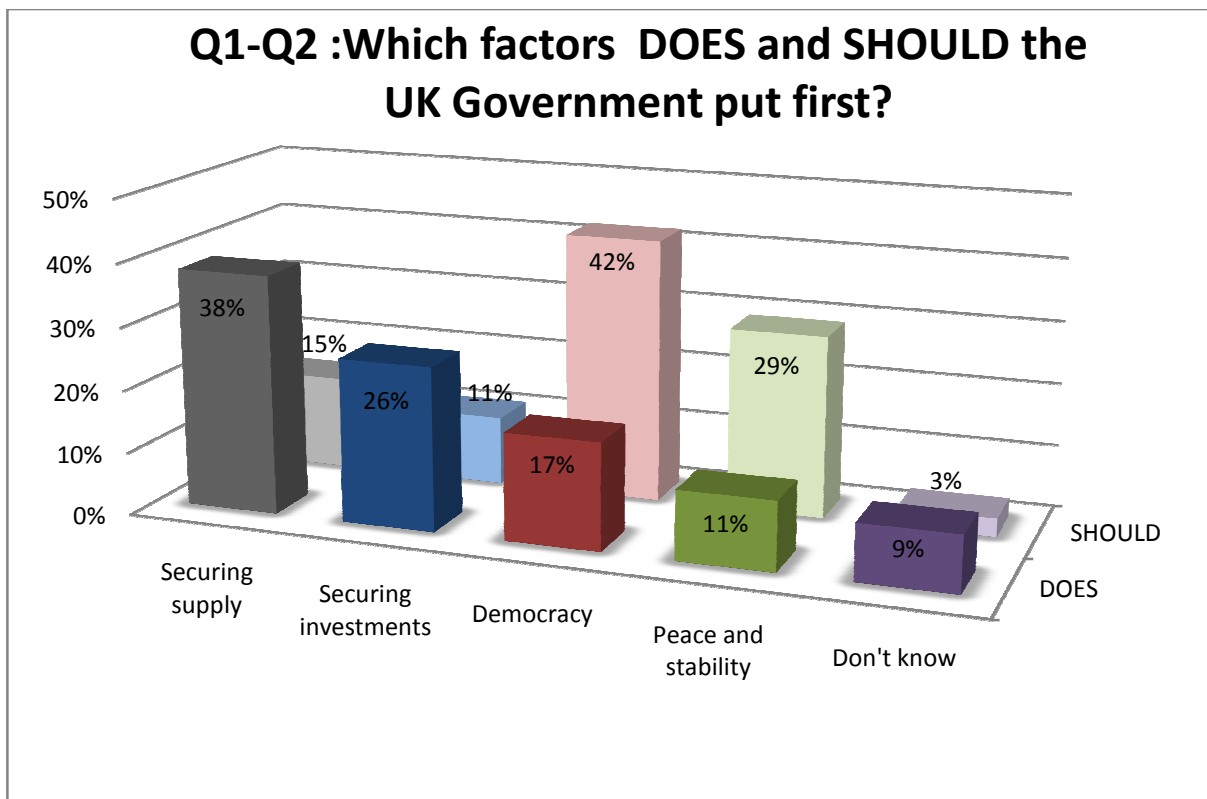
¹⁶ C. Çamlıbel, *Azerbaijan backs Turkey over Cyprus but fears Karabakh impact*, says Azeri deputy PM, Hurriyet Daily News, 21/07/2011, <http://www.hurriyetaidailynews.com/n.php?n=azerbaijan-backs-turkey-over-cyprus-but-fears-karabakh-impact-says-azeri-deputy-pm-2011-07-21>

¹⁷ European Foundation for Democracy, op.cit.

Azerbaijan’s strongest ally in Europe, while there is no public record of the UK using its leverage to condemn Azerbaijan’s bellicose policy. The findings of the Populus survey demonstrate that using the UK’s leverage to advance the values of human rights, democracy and peace in its bilateral relations with Azerbaijan would be rewarding both at home and abroad.

The poll finds a gap between what voters see as the driving force behind the UK’s foreign policy, and what they would prefer to have:

1. Currently, large UK companies invest heavily in some countries with questionable democratic and human rights records or who threaten a neighbour with war. When the UK Government looks to balance the country’s economic interests with broader foreign policy values, which of the following factors do you think it puts first?
2. And which of the following factors do you think the UK Government SHOULD put first?

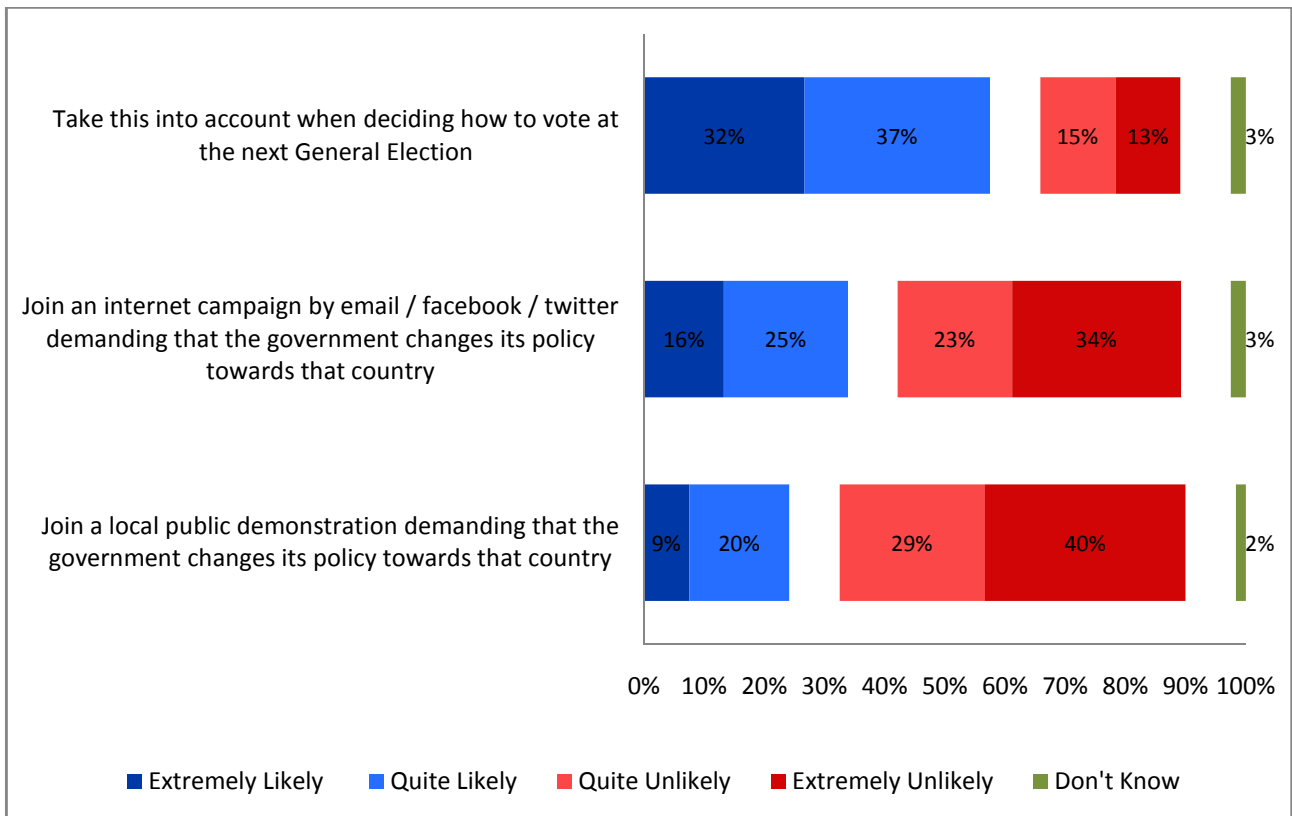


The EFD analysis reads: “More than two-thirds (71%) of the public think that the UK government should put either democracy and human rights (42%) or promoting peace and stability (29%) first in its foreign policy. However, only 38% think that the government currently puts these first (17% think it puts democracy and human rights first, 11% promoting peace and stability). Instead, nearly two-thirds (64%) think that the government currently prioritises securing essential suppliers (38%) or securing the investments and profits of UK companies (26%). Only a quarter (26%) think that these

should be put first (15% securing essential supplies, 11% securing investments and profits).¹⁸

The third question shows that decision makers in the UK should urgently bridge the gap between the perceived driving force behind the UK's external action and the one preferred by voters. Moreover, this question refers specifically to the case of a UK partner country "which threatens a neighbour with war."

3. If you found out that the UK government kept good political and trade relations with a country which threatens a neighbour with war, how likely or unlikely would you be to do each of the following?



More than two-thirds (69%) of those questioned say, if their government has kept good ties with a country that threatens a neighbour with war they would be likely to take that into account during the next General Election. Besides, other forms of protest are also strikingly likely, with 41% saying that they would be likely to join internet campaigns against their government and 29% even to join public demonstrations. In the case of Azerbaijan the UK government keeps close political and trade ties while Baku openly threatens its neighbour with war. The data above means that as soon as the UK public becomes aware of this situation, the government could face very serious problems.

Conclusion

Nobody doubts that a renewed armed conflict over Nagorno-Karabakh would be catastrophic for the

¹⁸ European Foundation for Democracy, op.cit.

entire region, not just Armenia and Azerbaijan. Its effects would go well beyond the geopolitical unit these states belong to, and would arguably affect US-EU-Russia relations, as well as triggering Turkish and Iranian reactions. Both the UK government and Azerbaijan's UK-based trade partners are concerned by the growing threat of regional instability in the Southern Caucasus.

Specifically, the UK should gear up its *actorness* and use its leverage to convince Azerbaijan to follow the peaceful track. There is not much time left before the next, decisive, trilateral summit over Nagorno-Karabakh. In these circumstances, a regional visit by the Foreign Secretary William Hague, delivering relevant messages to the parties concerned, would certainly be beneficial - both for the settlement of the Nagorno-Karabakh conflict, and for the UK itself. Above all, the government owes this to the security of its companies' investments AND to the demands made by the UK electorate. Democracy and human rights are a key guarantor of stability and peace. Their current weakness in Azerbaijan must be overcome. Contributing to this change publicly would help the UK government correct its public image which, as the poll shows, is currently marked by favouring trade interests over the UK's key values.