



STUDIA UNIVERSITATIS

BABEȘ-BOLYAI



# EUROPAEA

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**STUDIA EUROPAEA**

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# STUDIA UNIVERSITATIS BABEȘ-BOLYAI STUDIA EUROPAEA

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STUDIA UBB EDITORIAL OFFICE: B.P. Hasdeu no. 51, 400371 Cluj-Napoca, Romania,  
Phone + 40-264-405352, [www.studia.ubbcluj.ro](http://www.studia.ubbcluj.ro), [office@studia.ubbcluj.ro](mailto:office@studia.ubbcluj.ro)

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## FOREWORD

**Dear Readers,**

I am very proud to have the chance to address a few words to all of you who are interested in a very dynamic and interesting country – Azerbaijan -, so close to Romania in geographical, political and human terms. Special bonds are today linking our two countries – the Strategic Partnership established in 2009, an extensive institutional and economic cooperation, and growing people-to-people exchanges. All those who travelled between Romania and Azerbaijan, myself included, have discovered that Romanians and Azerbaijanis are closer in the cultural sense than one might have previously thought.

I am thus particularly pleased to welcome the initiative to dedicate this issue to Azerbaijan. The Babes-Bolyai University is among the most enthusiastic promoters of stronger Romanian-Azerbaijani cooperation in the education field, having already established long-standing links with some of the most prestigious universities in Azerbaijan. This was also evident during the 1<sup>st</sup> edition of the Azerbaijan-Romania Inter-University Forum held in May 2017, in Baku.

I am confident that initiatives such as this issue of the *Studia Europaea* would also lead to a better understanding of the developments taking place in Azerbaijan and in the South Caucasus region – in the interest of fostering more cooperation, dialogue and fruitful exchanges.

**Dan Iancu**

Ambassador of Romania to Azerbaijan



## FEATURES OF ECONOMIC DEVELOPMENT IN THE SOUTH CAUCASIAN COUNTRIES, CURRENT STATE AND PROSPECTS OF REGIONAL ECONOMIC RELATIONS

Ali Imashoghlu Aliyev (Bilasuvar)\*

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### Abstract

*The current level of territorial - economic relations and production capacities of the South Caucasus countries has become one of the important factors for strengthening and deepening the integration process. The dynamics of globalization necessitates efficient use of the favorable geographical position of the Caucasus Region, as well as, its socio-economic and transit potential.*

*The article analyzes the economic development features and regional economic relations of the South Caucasian countries with the help of key macroeconomic indicators. The research shows that Azerbaijan has formed a strong economy in the region, and the region's transit potential and regional relations are poorly used. The article gives substantiated proposals for increasing the transit potential of the Caucasus region and raising the level of regionalization.*

**Keywords:** South Caucasus countries, regional economic relations, infrastructure index, logistics effectiveness index, the level of regionalization.

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\* Ali Imashoghlu Aliyev (Bilasuvar) is an Associated Professor of Economics within the chair of "Accounting and Audit", Baku Business University Baku, Azerbaijan.

Contact: fyi.s@mail.ru.

## 1. Introduction

We cannot speak about the region's present and future without having a single idea on the economic potential and development prospects of the Caucasus region. The most notable three countries in the South Caucasus are Azerbaijan, Armenia and Georgia. The collapse of the USSR and the independence of these republics radically changed the nature of mutual relations and economic development. Developed European countries, mostly the United States had a strong influence on the region's economy. There are many common features in the development of Azerbaijan, Armenia and Georgia at the modern phase. At the first glance, their way is similar: gaining independence, systematic change and market reforms, free selection of economic partners, however, these countries experience this in a different way. For a number of reasons, the socio-economic development of the countries in the region, compared to other countries of the post-Soviet space, occur at difficult and complicated circumstances.

We should take the South Caucasus region as a part of the world's economic system, the territorial segment in the world and an important region of the world's economic space. At the modern phase when the world economy is globalized and the development gets a new nature, the comprehensive assessment of the economic potential of the South Caucasus region and bringing it to action has a principal importance. Natural production conditions of the region conditioned the complexity of each country's economy to this or that extent and the relatively high level of qualification and centralization created an objective basis for the deepening of integration processes.

The fact that Azerbaijan has high energy resources and favorable geostrategic conditions has caused the increase in the interest of the West, primarily the United States. In addition, Azerbaijan's proximity to the West's strategic partner and favorable geostrategic position has also played an important role. Therefore, special attention is paid to Azerbaijan among

the South Caucasian countries. Thus, the South Caucasus is a remarkable region in the development of new economic and social relations based on free market law, market relations and competition, and processes related to the formation of civil society.

## 2. Preliminaries

Among the economies in the South Caucasus, the weight of the Azerbaijan economy is high and it is developing more dynamically. There are numerous causes of the country's leading position and the formation of a strong economy in the region (rich natural resources, complex and successful economic reforms, the planned exploitation of oil and gas resources, flexible co-ordination of raw materials' export volumes with world conjugation, etc.).

Azerbaijan is a country with a developed manufacturing sector focused on highly developed industries, multi-faceted agriculture and export. Important areas of Azerbaijan's economy are oil and gas extraction and processing, chemical, mechanical engineering, ferrous and non-ferrous metallurgy, light industry and agrarian sector.

From 1991 to 1995, the country's GDP dropped to 60% of the level in 1991 and only in 1996, the economic situation stabilized. If the GDP decline in 1995 was 11.8%, in 1996, the dynamics improved and the growth was 1.3%. In 1997 the situation improved and the GDP growth was 5.8%, and in the subsequent years, the dynamic growth continued to increase.<sup>1</sup>

In the next stage of the development of the transformed economy of Azerbaijan, that's, in 2000-2008, though the elimination of the critical tendency in the industry, a new problem of inflation arose. This was due to the lack of strict fiscal and monetary policy in the country. In 2000, the price index of consumer goods and services was 2%, in 2005 – 10%, in 2006 – 8%,

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<sup>1</sup> See K. Kh. Zoidov; Z.K. Zoidov; "Evolution of the transformational economic systems of the countries of the South Caucasus under the conditions of integration and global instability", in *Regional problems of economic transformation*, No. 9, 2014, p. 188. <http://www.econjournals.com/index.php/ijefi/article/view/2530>.

in 2007 – 17%, and in 2008 - 21%.<sup>2</sup> However, the scale of the country's economy has expanded compared to the previous years and a steady increase was observed in the dynamics of some macroeconomic indicators. Thus, the GDP of the country in 2015 will be approximately 4.5 times more than the level in 2000, the volume of funds directed to the fixed capital - 15.3 times, the volume of industrial production - 3.1 times, the volume of agricultural products - 2 times, and the volume of freight forwarding (excluding pipelines) - 2.5 times (Table 1).

Table 1

Dynamics of some macroeconomic indicators of Azerbaijan<sup>13</sup>, %

Years	Azerbaijan				
	Physical volumes index of GDP	Volume index of funds directed to fixed capital	Volume index of industrial products	Volume index of agricultural products	Freight volumes index (except for pipelines)
2000	100	100	100	100	100
2005	188,3	596	163,0	140,4	168,7
2010	402,5	1007	326,2	158,2	205,8
2012	411,8	1519	302,8	178,4	235,0
2013	435,7	1748	308,3	187,2	245,8
2014	447,8	1718	306,1	182,3	246,5
2015	453,0	1527	313,4	194,3	248,1

In the framework of the Azerbaijan's anti-crisis program, it is possible to distinguish the basic provisions, such as amending the directions of the activity and nature of Azerbaijan's FM (Financial Market) in order to solve problems such as a moderate conservative politics, comprehensive support of strategically important enterprises in the real sector, as well as, the provision of the liquidity of the financial system in the

<sup>2</sup> Statistical indicators of Azerbaijan, *Statistical Summary*, SSCAR: Baku, 2016, p. 42.

crisis, preservation of its stability and stimulation of aggregate demand in terms of regulating the activity of financial institutions.

Despite the positive dynamics of Azerbaijan's socio - economic development after the known global financial crisis, its growth rate also slowed down. This is due to the significant changes in the structure of production growth since 2010. In other words, the non-oil sector acts as the driving force of the economy in the background of the slowdown in hydrocarbon production.

The volume of GDP in the country in 2011 increased by 0.1% and reached \$ 66 billion in comparison with 2010; in 2012, it increased by 2.2% and reached 68.8 billion manat compared with 2011, and in 2013, it increased 5.8% and reached 73.5 billion dollars compared to 2012. Compared to 2013, GDP volume in 2014 increased by 2.8% and reached 75.2 billion dollars. While in 2014, it increased by 1.1% and reached 53 billion manat in 2015. The special weight of industrial sectors in the GDP structure was 46.3%, social and other services - 14.7%, construction - 11.8%, trade and services - 7.1%, taxes on imported goods - 6.4%, transport and storage - 4.8 %, agriculture, forestry and fishing - 5.3%, housing services - 1.8%, and information and transport sector - 1.8% .<sup>3</sup>

Another important indicator in terms of eliminating the consequences of the crisis is the amount of capital investments. Over the last decade, this figure has increased steadily. In the global financial crisis, compared to 2007, the amount of capital investments in the country increased by 31.8% in 2008.<sup>4</sup>

In 2013 compared to the previous year, investment in fixed capital on all funding sources increased by 15.1% and reached 22.8 billion dollars. 76.7% of all investments, that's, 17.5 billion dollars fell to the share of the domestic source, and 23, 3%, that's, 5.3 billion dollars fell to the share of foreign investment. As it is seen from Table 1, the total amount of investments

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<sup>3</sup> Statistical indicators of Azerbaijan, *op. cit.*, p. 382.

<sup>4</sup> K. Kh Zoidov; Z.K. Zoidov, *op. cit.*, p. 189.

directed to fixed capital in 2015 was about 42 times more than the level in 1991 which shows that the country's economy has a great potential for strengthening the innovation orientation and expanding regional economic cooperation.

Significant changes have taken place both in the amount and structure of the investment directed to the economy on all sources over the past period (Table 2). The amount of investments directed to the economy of Azerbaijan on all sources has increased almost 4 times in 2014 compared to 2005 and about 3 times in comparison with 2015. During this period, the trend towards a steady increase in investment dynamics in the economy has been clearly demonstrated by the linear graphics (Figure 1). The amount of investments directed to the economy by all sources in 2014 is 27.9 billion dollar which is 11.7 billion dollars of it (41,9 %) falls to the share of foreign investments and 16.2 billion. dollars (58.1 %) to the share of domestic investments. In 2015, these indicators were estimated as 19.5 billion dollars, 10.7 billion dollars (54.9%), and 8.8 billion dollars (45.1%).

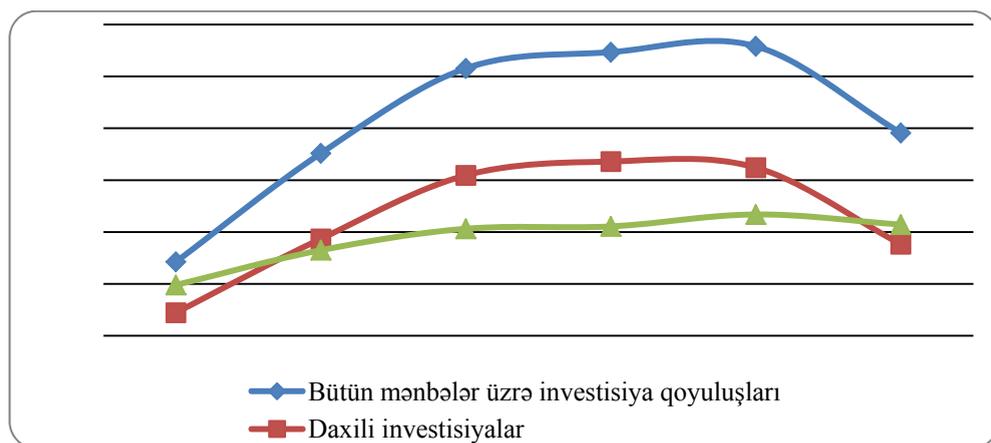
In 2005, foreign investment directed to the economy was about 4.9 billion dollars, but it rose to \$ 10.7 billion in 2015, that's, it increased by 2.2 times.

**Table 2**

Investment directed to Azerbaijan's economy in 2005 – 2015<sup>13</sup> (mln. USD)

	2005	2010	2012	2013	2014	2015
Investments from all sources, including:	7118,5	17591,4	25777,8	27340,0	27907,5	19547,2
Domestic investments	2225,3	9343,6	15463,8	16799,1	16209,8	8828,1
Foreign investments, including:	4893,2	8247,8	10314,0	10540,9	11697,7	10719,1
Financial Loans	698,4	3405,9	3135,5	2655,8	1880,6	2210,2

Direct Investments	4030,4	3614,9	5382,3	5976,2	8049,2	7483,1
Including:						
Oil sector	3799,9	2955,3	4287,8	4935,2	6730,7	6622,7
Non-oil sector	230,5	659,6	1094,5	1041,0	1318,5	860,9



**Figure 1.** The amount of investments directed to Azerbaijan's economy in 2005 – 2015 (billion USD) Investments from all sources, Domestic investments, Foreign investments

During this period, direct investment in the structure of foreign investment played a leading role, which had a positive impact on the development of the country's economy, its regional economic relations and investment opportunities, increase in the technological level of production, and attracting advanced technologies to the country. 4030,4 billion dollars, that's, 82.4 % of 4893,2 billion dollars foreign investment directed to economy in 2005, and 7483.1 billion dollars, that's, 69.8 % of 10719,1 billion dollars foreign investment in 2015 fell to the share of direct investments. In this period, direct investments in the non-oil sector along with oil sector are clearly visible.

Thus, the dynamics of the investment directed to the economy in the last decade has gradually increased, both foreign and also domestic sources have played an important role in the formation of such a trend, and also direct investments comprised most of the attracted foreign investment.

The sectoral structure of employment is dominated by the service sector (52.6 %), agriculture, forestry and fishing (32.1 %) and industry (15.3 %).<sup>5</sup>

The role of the non - government sector in the country's economy is great. Thus, if the share of the non - government sector in GDP in the country in 2005 was 77.8%, in 2014 it was 81.9%, and in 2015 - 81.2%. The role of the non - governmental sector in separate fields is more important.

of the main macroeconomic indicators of Azerbaijan, taking into consideration In 2015, the share of non – governmental sector in the industry was 83 %, in construction - 84.5 %, agriculture, forestry and fishing - 99.8 %, transport and warehouse - 81.7 %, information and communication - 81 %, and social and other services - 57.8 %.<sup>6</sup>

This increase in the dynamics even the impact of any global financial and economic crisis, shows the sustainable development of the national economy in the present stage and in future, and significant resources for the status of the leading and strategic country of regional economic cooperation. In addition, according to the Global Competitiveness Index in 2016, Azerbaijan is on the 35th place, moving up to 2 levels in comparison with 2015.<sup>7</sup> This shows that Azerbaijan has the most competitive economy in the region, the favorable business environment for investors, the complex nature of reforms in the country's economy, and also the availability of effective economic development opportunities based on quality factors.

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<sup>5</sup> *Ibidem.*

<sup>6</sup> Statistical indicators of Azerbaijan, *op. cit.*, p. 383.

<sup>7</sup> World Economic Forum, *Global Competitiveness Report, 2015-2017*, <http://reports.weforum.org/global-competitiveness-index-2015-2017>, pp. 65-67.

Thus, summarizing the priorities of the Azerbaijani government's strategic development concepts and programs, the main characteristics of the modern model of economic development of the country can be given as follows:

- formation of a fully - socially oriented economic system - independent national economy based on market relations and capable of self-development,
- natural-economic, production-technical and scientific-technical potential of the country, as well as active involvement of foreign investment into economic turnover,
- ensuring the effective integration of the national economy into the global economic system.

Another country in the South Caucasus region is Armenia. Until 1991, when the country gained its independence, the country's economic development was largely based on industrial-chemical, mechanical, light, non-ferrous metallurgy industries. The agrarian sector comprised about 20% of the economy.<sup>8</sup>

After the collapse of the USSR, a large part of industrial enterprises stopped their activity. In 1990-1993, the GDP in the republic dropped dramatically, i.e. to 53% of the level in 1991.<sup>9</sup> The reason for this situation was the decline in railroad operations, the interruption of inter-business relations, and the deep energy crisis.

In 1994 there was a positive growth dynamics in this country and other macroeconomic indicators continued in 2000-2008.

In 1996, GDP volumewas 63% of the level in 1991. In 2001-2008, the average annual GDP growth of this country was 11.9%. Such a growth rate was provided in the background of currency and inflation stability that did not exceed the level of 5-6%. Compared to 2007, Armenia's economic growth in 2008 was 6.8%. Under the influence of the global financial crisis, the rate of economic growth has slowed down almost twice.

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<sup>8</sup> K.Kh. Zoidov, Zoidov Z.K., *op.cit.*, p. 193.

<sup>9</sup> 10 years of the CIS (1991-2000): stat. Sat. / MSK CIS. - M., 2001.

Compared to 2012, GDP in 2013 increased by 3.5 % and reached 10.5 billion dollars. The share of industry in the structure of total value added was 18.9 %, agriculture, forestry and fishery - 21.2%, construction - 11.6%, services - 48.3%. Armenia has been ahead of Georgia for more than 20 years of GDP per capita, but is far behind by Azerbaijan.<sup>10</sup>

Due to the global financial and economic crisis, investment activity in Armenia declined in 2010-2015. Investment in fixed capital declined from 366% to 301% of the level in 2000 (Table 2).

**Table 2**

Dynamics of some macroeconomic indicators of Armenia<sup>13</sup>, %

Years	Armenia				
	Physical volumes index of GDP	Volume index of funds directed to fixed capital	Volume index of industrial products	Volume index of agricultural products	Freight volumes index (except for pipelines)
2000	100	100	100	100	100
2005	178,0	351	153	155	202
2010	214,8	366	160	149	264
2012	241,0	325	199	186	237
2013	250,0	300	212	199	302
2014	258,0	300	218	212	233
2015	...	301	229	237	238

The decline in industry has been widespread throughout the industry's all structure practically by types of economic activity. This impact has affected mostly mechanical engineering and light industry. In 2015, the volume of industrial production was restored by 229% compared to the level in 2000. In the period compared, the volume index of

<sup>10</sup> K.Kh. Zoidov, Zoidov Z.K., *op.cit.*, p. 193.

agricultural products and freight (excluding pipelines) was 237% and 238% respectively. Moreover, in many respects the crisis has forced the competition mechanism to improve, moderate and optimize, and apply new technologies. Thus, it is necessary to significantly improve the logistic conditions of industrial development in the country for the future technological growth. From this point of view, the formation of the "Northern – Southern" transport corridor that connects Georgia and Iran via Armenia can play an important role. As a result of this corridor, Armenia may partially reduce the transit risk of economic development.

In Georgia, among the republics of the former Soviet Union, GDP has dropped dramatically. In 1992, the physical volume index of GDP dropped from 55.1 % of the level in 1991 to 34.9 % in 1994.<sup>11</sup>

In 1995, the government directed all debts given by International Monetary Fund to reduce inflation and to stabilize the financial sector to remove the economy from the crisis. Prices for wheat and grain products were released, an agreement was signed on the construction of the pipeline from Georgia, the law on commercial banks was adopted, land, agrarian and tax reforms were implemented. The introduction of new monetary units and the relative balance of the state budget in October 1995 had a positive impact on the economy.

In 1995, serious measures were adopted to regulate the banking system, as well as, the accounting system was renewed according to the international accounting standards. As a result, GDP grew by 11% in 1996. More than 30,000 enterprises were registered in transport, service, construction and food industries. The private sector gives 50% of GDP. The dynamic growth in Georgia's economy started only in 2001.<sup>12</sup>

The Georgian government has succeeded in overcoming the budget crisis, wages and pensions were regulated, and also a number of anti-corruption measures were implemented. Already in 2004, the currency

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<sup>11</sup> 10 years of the CIS (1991-2000): stat. Sat. MSK CIS. - M., 2001.

<sup>12</sup> K. Kh. Zoidov, Zoidov Z.K., *op.cit.*, p. 197.

reserves of the Georgian CB were doubled. Despite the sharp decline in taxes, budget revenues have increased by 5 times. The passage of the Baku-Tbilisi-Ceyhan oil pipeline through this country has made it an important transit country. Oil shipment is also carried out through the Georgian Railway. In addition, in 2006 Baku – Tbilisi - Erzurum transit gas pipeline which the release capacity is 6.6 million cubic meters per year was put into operation.<sup>13</sup>

During 1991-2009, there was no improvement in the real sector of the Georgian economy. The volume of industrial production continued to decline and in 2009 it amounted to nearly 39% of the level in 1991. The sharp decline in the volume of industrial production took place in 1992-1995. The average rate of decline in this period was 34%.<sup>14</sup>

Since 2010, the economic growth has been restored. Compared to 2009, the country's GDP growth was 6% in 2010 and 5% in 2015 compared to 2014.<sup>15</sup> After this period, the provision of economic growth is largely due to restoration of export growth and a sharp increase in the private sector lending. Further development of the Georgian's economy will be related to attract indirect foreign investment, policy aimed at expanding export potential, as well as transit potential of the country.

A significant dynamics indicator of economic transformation and development is the foreign economic relations, reflecting changes both in the structure of the national economy and also in the interaction with separate countries.

Significant changes in the geographical structure of foreign trade took place in the period of 1995-1999, on the conditions of the deepening of economic decline and the break of regional co-operation. The special weight of the CIS countries in the total trade turnover of Azerbaijan has

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<sup>13</sup> K. Kh. Zoidov, Durandin, O.G., "On the problem of the formation of innovative economy in the countries of the post - Soviet space under the conditions of modernization", Part I - III in *Regional problems of economic transformation.*, 2011. № 4; 2012. № 1-3.

<sup>14</sup> K.Kh. Zoidov, Zoidov, Z.K., *op.cit.*, p. 198

<sup>15</sup> Statistical indicators of Azerbaijan, *Statistical summary*, SSCAR, Baku, 2016. p. 824.

dropped sharply, from 39.3% to 27.3%, including export from 44.7% to 22.7%. The decline in Armenia was 53.3% - 23.4%. There has been no pragmatic change in Georgia and remained at the level of 39 – 40%.<sup>16</sup>

In 2016, 25.3 % of Azerbaijan's import operations were accounted by the Independent Societies Union, 26.0 % by the European Union, 38.8 % by the Black Sea Economic Cooperation Organization, 17.6 % by Economic Cooperation Organization, 19.7 % - by Islamic Cooperation Organization, 42.3 % - by Asian-Pacific Economic Cooperation Organization and 52.4% - by Economic Cooperation and Development Organization.<sup>17</sup> Compared to 2012, the special weight of the Commonwealth of Independent States, the Black Sea Economic Cooperation Organization and the Asia-Pacific Economic Cooperation Organization has increased in imports in 2016.

In 2016, 43.2 % of Azerbaijan's export operations were made by the European Union, 22% by the Black Sea Economic Cooperation Organization, 15.2% by the Economic Cooperation Organization, 19.3% by the Islamic Cooperation Organization, 20.3% by Asia-Pacific Economic Cooperation Organization and 60.9% by the Economic Cooperation and Development Organization [12, p.35]. In comparison with 2012, the special weight of the Commonwealth of Independent States, the Black Sea Economic Cooperation Organization, the Economic Cooperation Organization, the Islamic Cooperation Organization and the Organization for Economic Co-operation and Development (ECOD) increased in 2016. In general, 95.9% of Azerbaijan's exports, 90.8% of imports fall to the share of geographical region of Europe and Asia.<sup>18</sup>

Diversification of external demand for traditional goods and industrialization, hesitations in the world's fuel and raw material market, the exploitation of large infrastructure facilities, the increase in the domestic

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<sup>16</sup> L.B. Vardomsky, Pylin A.G., Sokolova T.V., *The countries of the South Caucasus: peculiarities of development and regional interaction*, - M.: Institute of Economics, Russian Academy of Sciences, RAS, 2014. p. 35.

<sup>17</sup> Foreign trade of Azerbaijan, *Statistical summary*, Baku: SSCAR, 2017, p. 33.

<sup>18</sup> Foreign trade of Azerbaijan, *op. cit.*, pp. 36-37.

demand for high quality imported goods, the liberalization of foreign trade, the structure and dynamics of the foreign trade relations of the South Caucasian countries in the background of the development of regional economy related to Georgia and Armenia's joining to the WTO have undergone serious changes in 2000 - 2015. (Table 3).

The highest growth rate of foreign trade in this period was recorded in Azerbaijan, and the lowest in Armenia. The rapid growth of foreign trade in Azerbaijan was primarily caused by the production of hydrocarbon resources and the rise in their world prices in the second half of 2000. Compared to 1999, the foreign trade turnover of Azerbaijan increased by 48.4% in 2000, and compared to 2007, it increased by 5 times in 2008. Compared to 2012, the growth was 6.3% in 2013. In recent years, the dynamics of this indicator has been diminished. Compared to 2000, the value of exports in 2008 increased about 28 times in value, and compared to 2009, an increase was approximately 2.1 times in 2014.<sup>19</sup>

**Table 3**

Dynamics of foreign trade of the South Caucasus countries in 2000 -2015<sup>12</sup>  
(billion USD)

Countries / indicators	2011	2012	2013	2014	2015
<i>Azerbaijan</i>					
Export	26,6	23,9	24,0	21,8	12,7
Import	9,8	9,7	10,7	9,2	9,2
Foreign trade turnover	36,4	33,6	34,7	31	21,9
Difference (+;-)	16,8	14,2	13,3	12,6	3,5
<i>Armenia</i>					
Export	1,3	1,4	1,5	1,5	1,5
Import	4,1	4,3	4,4	4,4	3,2
Foreign trade turnover	5,4	5,7	5,9	5,9	4,7
Difference (+;-)	-2,8	-2,9	-2,9	-2,9	-1,7
<i>Georgia</i>					

<sup>19</sup> Foreign trade of Azerbaijan, *Statistical summary*, SSCAR, Baku, 2017, p. 13

Export	2,2	2,4	2,9	2,9	2,2
Import	7,1	8,1	8,0	8,6	7,3
Foreign trade turnover	9,3	10,5	10,9	11,5	9,5
Difference (+;-)	-4,9	-5,7	-5,1	-5,7	-5,1

Compared to 2011, the volume of foreign trade turnover of Azerbaijan in 2014 amounted to 36.4 billion dollars from 31 billion dollars and the volume of export declined to 21.8 billion dollars from 26.6 billion. However, despite the high volume of export operations, the country's foreign trade balance was positive.

The high share of import transactions in the foreign trade of Armenia and Georgia led to their foreign trade balance to be negative. The positive trade balance of Azerbaijan is 6.1% of the country's GDP, the negative trade balance of Armenia and Georgia is 16 % and 36.4 % of their GDP, respectively.

In Georgia, the increase of import in value comprises 11.1 times. This led to considerable liberalization of foreign trade policies. In June 2000, Georgia joined the WTO. In 2007, the new Customs Code started functioning.<sup>20</sup>

Another factor of the rapid growth of this country's import operations is the strengthening of the national currency in the context of a large-scale flow of foreign capital.<sup>21</sup> Finally, the third factor of increasing imports is the broad application of re-export of goods in Georgia. A number of sectors of Georgia's economy have been oriented towards the import and re-sale of foreign products.<sup>22</sup>

The increase in imports and exports in Armenia was less significant and increased by about 5 times. Like Georgia, Armenia has substantially

<sup>20</sup> L.B. Vardomsky, Pylin A.G., Sokolova T.V., *The countries of the South Caucasus: peculiarities of development and regional interaction*, M.: Institute of Economics, Russian Academy of Sciences, RAS, 2014, p. 36.

<sup>21</sup> See A. Pylin., "The Economics of Post - Soviet Georgia: Trends and Problems", *The Russian Economic Journal*, 2013, No. 1. pp. 86-95.

<sup>22</sup> L.B. Vardomsky, Pylin A.G., Sokolova T.V., *op. cit.*, p. 36.

liberalized its foreign trade policy. In February 2003, Armenia joined the WTO. The import customs tariffs applied in this country are the lowest among WTO member countries and the tariff quota is not used in the country.<sup>23</sup> One of the major factors that hinders the active growth of foreign trade in Armenia is high transport and logistics costs.<sup>24</sup>

Despite the fact that in recent years, the three countries have a high rate of economic growth, raw material orientation in their export has clearly shown itself.

The diversity of foreign trade dynamics and the scale of the economy have created differences in the foreign trade openness. Thus, the quota of external debt turnover in 2015 was 40.6% in Azerbaijan, 67.9% in Georgia and 44.3% in Armenia. The indicator of Georgia and Armenia's foreign trade deficit is substantially lower and it is determined by export in Azerbaijan.

The South Caucasus countries have significant transit potential. It is necessary to have favorable transportation and logistics conditions in the form of relevant institutions and modern vehicles for the development of transit traffic, income generation and transit costs reduction. The emergence of new international relations has been one of the key areas of transformation of the South Caucasus region.

The transit potential of Azerbaijan is determined by the fact that it is neighbor to Russia from the north, to Iran from the south and to Turkey from the west. Georgia has great transit potential, which is conditioned by its geographical location in the Black Sea with neighboring countries such as Azerbaijan, Armenia, Russia and Turkey. Through its territory, Caspian hydrocarbons are transited to Turkey and the Europe, and Russian gas to Armenia. The development of transit potential of Armenia slowed down by the war conditions actually related to Armenia's invasion of Azerbaijan's lands and the lack of access to the sea. Among the South Caucasus countries,

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<sup>23</sup> Armenia and the Customs Union: assessment of the economic effect of integration. *CIS EDB. Report* No. 20. 2013. p. 8.

<sup>24</sup> Vardomsky L.B., Pylin A.G., Sokolova T.V., *op. cit.*, p. 37.

Georgia uses more than others its transit potential (transport services comprise 5 - 6% of export GDP). In Azerbaijan and Armenia, this indicator is 1 - 2%, which is mainly explained by the fact that Azerbaijan is on a large scale in the economy and Armenia is out of the process.<sup>25</sup>

It is necessary to improve the quality of transport infrastructure, establish a modern logistics center and develop border checkpoints in order to increase the transit potential of the South Caucasus countries. In the modern world, regional states differ in the level of transport infrastructure development. According to the information given by the World Economic Forum, the rapid development of transport infrastructure has been observed in Azerbaijan (55th among 148 world countries) and Georgia (58). Armenia is still far behind this indicator (67)<sup>26</sup>.

According to the results of 2016, Azerbaijan ranks in the 51st place according to the infrastructure index, including, for the quality of roads – 36th, railway infrastructure – 20th, port infrastructure – 40th, air transport infrastructure – 24th and power supply – 50th. Armenia ranks in the 80th place for the index of infrastructure, including, for the quality of roads – 85th, railway infrastructure – 64th, port infrastructure – 125th, air transport infrastructure – 52th and power supply – 77th. In this rating, Georgia ranks in the 69th place for the index of infrastructure, including, for the quality of roads – 82th, railway infrastructure – 39th, port infrastructure – 69th, air transport infrastructure – 69th and power supply – 68<sup>th</sup>.<sup>27</sup> The future development of the transit potential of the region will contribute to the construction and modernization of the new transport infrastructure.

The countries of the region are far behind in the development of trade and logistics environment and border checkpoints system. In 2010, Azerbaijan ranked relatively high in the rating of the World Bank (LPI index) on the efficiency of logistics (89th among 155 countries in the world). Georgia ranked in the 93rd and Armenia in the 111th place respectively.

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<sup>25</sup> Vardomsky L.B., Pylin A.G., Sokolova T.V., *op. cit.*, p. 26.

<sup>26</sup> Global\_Competitiveness\_Report\_2015-2016.pdf, p.58, p.67.

<sup>27</sup> Global\_Competitiveness\_Report\_2017-2018.pdf, p. 393.

According to the results of 2016, Armenia ranks in the 141th place and Georgia in the 130th place. The main challenges in the region are low reliability and quality of customs and border control, and logistics.

### **3. Main results**

Thus, the strong development of the oil and gas industry and complex economic reforms in Azerbaijan during the period studied have dramatically increased its economic weight in the South Caucasus. In this regard, the socio-economic differentiation of the region has increased. The growth of oil and gas production in Azerbaijan, the creation of an international pipeline network, and the development of other types of transport have sharply expanded the transit function of Azerbaijan and Georgia. Relationships established and being formed allow for the development of mutual trade. Two places that characterize a very high level of interaction of national economies in the South Caucasus - Azerbaijan – Georgia and Georgia – Armenia, as well as, integration unions have been formed within the composition of Azerbaijan, Georgia and Turkey.

The main criteria showing the image of Azerbaijan in the world are related to its being a stable country, reliable energy supplier and having extensive transit opportunities, favorable geographical location, space industry, the South Caucasus's most developed economy and rapid development of the economy. The Davos Economic Forum's being held in Baku on the "Strategic Dialogue about the Future of the South Caucasus and Central Asia" on April 7-8 is not accidental. By organizing this forum, our country didn't just approved that is a leading country in the region in terms of economy, but also Azerbaijanis a decisive country in the integration of South Caucasus and Central Asia. At the same time, on September 14, 2017, the extension of the term of Agreement on joint development and production sharing for the Azeri and Chirag fields and the Deep Water Portion of the Gunashli field in the Azerbaijani sector of the Caspian Sea until 2050 at HeydarAliyev Center will play a key role in the economic development of the country and the region in the coming decades.

Finally, Azerbaijan's declaration on its achievement of a great progress in social and economic spheres, its important role in global energy market, acting as a guarantor of energy security for many countries in the world, as an important oil and gas supplier in international markets, Azerbaijan's being persistent in the completion of the project "Southern Gas Corridor", one of the largest infrastructure projects in the world, together with its international partners and making big investments in East- West and North- South transport corridors at the 72<sup>nd</sup> session of the UN General Assembly on 20 September 2017 once more proves that our country has a strong economic and political potential in the South Caucasus region, and Azerbaijan will play an important role in the development of region's natural resources, transport, infrastructure, agriculture, mining, telecommunications and finance sectors and regional economic relations, future strategic planning, and improvement of regionalization level.

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# BUSINESS ENVIRONMENT AND INVESTMENT ATTRACTIVENESS IN SOUTH CAUCASUS: MODERN SITUATION AND DEVELOPMENT TENDENCY

Ayatulla Suvahiloghlu Jabbarov (Guba)\*

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## Abstract

*The article focuses on studying investment environment in the South Caucasus region from an economic point of view. It has spotlighted the research and substantiating of economic potential of the countries of the South Caucasus, investment climate, competitive advantages and so on. At the same time, the article substantiated trends and priorities of the infrastructure, investment attractiveness and favorable business climate in the South Caucasus region.*

**Keywords:** South Caucasus region, investment environment, Azerbaijan, investment attractiveness, road map

## 1. Introduction

In modern conditions, the South Caucasus region acts as an independent economic factor of the world economy and the subject of an international competition. Economic behavior and position of the region's, and its role in the world economy is conditioned by the potential possesses, and its competitive advantage is provided depending on its effective utilization. Regarding this, the investment attractiveness of the region is one of the priority tasks for investors.

One of the conditions for sustainable development of the country is the intensification of investment activity aimed at attracting financial and material resources of local and foreign investors as well as their efficient

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\* Ayatulla Suvahiloghlu Jabbarov (Guba) owns a Ph.D in Economics. Prof Guba is the Head of the Chair of Accounting and Audit, Baku Business University Baku, Azerbaijan.  
Contact: ayatulla.cabbarov@gmail.com

use in the most priority sectors of the economy. Investment is one of the most important aspects of any country that is dynamically developing.<sup>1</sup>

World experience shows that attracting foreign investment has a positive impact on the country's economy. Proper use of foreign investment allows for product competitiveness in the world market, production development, increase in the labor productivity, transmission of advanced technology, creation of new jobs enable the growth of the remaining regions and sectors of the economy. The availability of investors for capital investment in the country's economy and its separate sectors depends on existing business and investment climate. Creating a favorable business and investment environment is a prerequisite for intensifying the flow of foreign investment into the country's economy.

There are three main approaches to the determination of the country's or region's investment atmosphere: One of them is an assessment of macroeconomic indicators (GDP dynamics, inflation rate, state budget structure and its distribution, tax burden, etc.). This method is convenient for the fact that it is possible to obtain statistical reports from those that are necessary to calculate the indicators. Its lack is its being rather non-representative. It is related to some factors that have an impact on investment attraction and which are not taken into account. Secondly, it is a multi-dimensional approach that uses the broad range of factors - political, natural, social, legal or financial conditions of the country or region. This method is representative. However, its use complicates the number of those required to calculate the indicators and makes it difficult to determine relevant coefficients. Finally, the third one is the assessment of the risk of investment. A broad range of indicators for risk of loss are used in this approach. Such risks include economic, financial, political, environmental, legal, social, etc.

Investment attractiveness of the region is to coordinate the investment potential and investment risk. In general, investment atmosphere and investment attractiveness are often identified in the economic references. Investing activity is viewed as the actual realization of current potential, taking into account the investment risk.

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<sup>1</sup> V.V. Litvinova, *Investment Attractiveness and Investment Environment in Regions: Monograph M*, Baku: University of Finance, 2013, p. 116.

Investment potential is an objective basis for intensifying investment activity. The investor is guided by certain characteristics when selecting the region to invest its own funds. Investment potential and investment risk determine the country's investment attractiveness. The investment potential is the quantitative characteristics of the country's investment attractiveness, which reflects a set of objective conditions for the implementation of investment that can be measured with quantitative indicators. Investment risk is the qualitative characteristics of investment attractiveness that reflect the expediency of capital investment in that area (region), its revenues or the likelihood of an investment loss.

Concepts related to the investment attractiveness can also be attributed to investment activity. Investment activity can be identified as potential to increase investment attractiveness. This concept includes portfolios and direct investment divisions, the ability to activate new production capabilities, and the indicators to centralize the capital.

The main condition for attracting and placing investment resources is the availability of money, labor, production, innovation and other capital. Investment risk is one of the manifestations of uncertainty in the investment sphere of the economy. So, investment activity in a broader sense is the actual result of the complex and dynamic interconnection of investment opportunities on the one hand and the likelihood of achieving the final outcome of investment activity on the other hand the risk level of entrepreneurial activity and profitability of investment projects are the key criteria for the attractiveness of national economy for foreign investors. Here, certain factors - political stability, macroeconomic policy and perspective economic growth, development of legal regulation of foreign investors' activity in the country, competitiveness of economic entities, production costs and the quality of labor force, domestic market capacity etc. are taken into account.

The business environment and investment attractiveness in the country are influenced by global - economic (world economic development situation, international market factors, including investment, stability of the world's currency system, transnationalization and regional integration level, development of international investment infrastructure), political - economic (political stability, the degree of state interference in the economy, attitude to foreign investment, compliance with bilateral and

multilateral agreements), resource-economic (availability of natural resources, demographic situation, geographical situation) and overall economic (economic growth rate, consumption and savings ratio, net profit ratio, inflation dynamics and rate balance of payment) factors.<sup>2</sup>

There are several approaches to assessing investment attractiveness. The most common one is the development of a list of factors that affect the rise or decline of investment attractiveness and the calculation of the indexes - derivative indicator for each region, area or potential investment subject based on them. Various ratings are organized on this basis. Some authoritative credit ratings from various countries (The ratings of Standard and Poor's (S&P), Moody's, Fitch - IBCA, Dun & Bradstreet, British newspaper "Financial Times" and British magazine "Euromoney") are organized from macroeconomical point of view.<sup>3</sup>

## 2. Preliminaries

So, 25 years have passed since the independence of the South Caucasian countries. It is enough time of period for the formation of a new model of the economy, determination of long-term development goals, and development of a model of interaction with investors, including foreign investors. Unfortunately, with a few exceptions, it can be admitted that the region's countries have not achieved a significant success in the creation of a realistic system of protection of private property and investors' rights, competitive, diversified and open economy. In addition, it is impossible to rely on quality development and improvement of socio-economic situation without the attraction of foreign investment in modern conditions and the use of advanced experience and technology. The growing interest of investors in the South Caucasus region enables a systematic development of transport infrastructure within the framework of regional integration projects as well as a number of huge projects such as "Great Silk Road", "Southern Energy Corridor", TRACECA, TAP, TANAP etc. The final selection of countries for investment is determined by a set of crucial factors.

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<sup>2</sup> T.I. Levtsova, "Approbation", *Factors of Formation of Business Environment /Current Problems of Modern Science in the 21st century. Collection of International Scientific-Practical Conference*, Machackala: 2015, pp. 98-99.

<sup>3</sup>See Станислав Притчин, „Вся президентская рать“, *Expert Center For Eurasian Development*, <http://www.e-ced.ru/insights/>

In the last 15 years, the investment relations of the South Caucasus countries have been actively developed. Foreign investment acts as the most important source of funding for the region's economy. A favorable investment environment has been formed in these countries to stimulate direct and portfolio investment flow. However, at the same time, this region can not be unequivocally considered safe in terms of the protection of property rights and business which are more profitable, and prospective. Therefore, it is crucial to evaluate the investment attractiveness of these countries in terms of the stability of political institutions, the economic potential, and the openness and sincerity of domestic and foreign investors.

First of all, we should pay attention to the results of international investment and credit rating assessments in order to have a general idea on the investment attractiveness in the South Caucasus countries. For this, let's look at the international assessment of each country's credit rating, ease of business, and corrupt practices.

The rating of Azerbaijan for the last time has been revised in 2016 on the above-mentioned parameters. Thus, in February 2016, Moody's lowered its rating from Ba3 to Ba1 c level according to the characteristics of assets. This means having a credit risk, such as negative dynamics. Fitch has lowered the level of credit stability of the country's economy from BBB- to BB+ c with a negative prediction. Standard & Poor's has a stable forecast for Azerbaijan's rating for 2016. By the end of the year, it even exceeded negative forecast BB + c rating.<sup>4</sup>

Ease and convenience of doing business in the countries is assessed through the Doing Business global survey and their rating is compiled. The results of the ratings are valuable information for the subjects interested in business in every country of the world. A number of factors such as the frequency of registration of enterprises, obtaining construction permits, implementation of international trade, taxation of business, getting credit, registration of property rights, protection of investors etc. are taken into account in the assessment.

The results of the Doing Business survey, which describes the conditions of entrepreneurial activity, implemented by the World Bank every year, allow to evaluate the current state of business climate in the

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<sup>4</sup> *Ibidem.*

Caucasus. So, in 2016 Azerbaijan ranks in the 65th place. Compared to 2013, the country has improved its rating in 2016. Azerbaijan ranks in the 67th in 2013. In 2015, the country ranked in the 63rd among the countries taking part in the country's rating (Table 1).

**Table 1**

The place of Azerbaijan in the international rating on World Bank's Doing Business survey <sup>7,8</sup>

Important criteria for the rating	DB-2015	DB-2016	Change in the rating, +; -
General	63	65	-
1. Registration of new enterprises	7	5	+
2. Obtaining construction permits	114	127	-
3. Connecting to power supply	110	105	+
4. Registration of property right	22	22	Unchanged
5. Getting a loan	109	118	-
6. Investor protection	36	32	+
7. Business taxation	34	40	-
8. Implementation of international trade	40	83	-
9. Execution of contracts	94	44	+
10. Settlement of solvency problem (insolvency)	84	86	-

Progress has been observed in Azerbaijan's position on the registration of new enterprises, connecting to power supply, protection of investors and implementation of contracts from indicators included in the assessment in order to characterize the feasibility of doing business. There has been no change in the registration of property rights, while the other indicators have been diminished.

According to Corruption Perceptions Rating, Azerbaijan (Transparency International) scored 29 points in 2016 and was ranked in the 119th place.<sup>5</sup>

Moody's lowered Armenia's rating to the level of Ba3c with a negative forecast in January 2015. At the same time, Fitch lowered credit stability value.<sup>6</sup>

In 2016, Armenia was ranked in the 35th place in the Doing Business rating. In 2013 this country was ranked in the 32nd place in the rating (Table 2). Armenia has significantly improved in four of 10 control indicators used in the assessment, while it declined on the remaining six indicators. Compared to the report's information for 2015, in 2016 Armenia was ranked in the 53th place from the 49th place in terms of investor protection indicators, from 41st to 88th place for business taxation, and from the 28th level to 48th level for international trade ranks.

**Table 2**

The place of Armenia in the international rating on World Bank's Doing Business survey<sup>7,8</sup>

Important criteria for the rating	DB -2015	DB -2016	Change in the rating, +; -
General	35	38	-
11. Registration of new enterprises	5	9	-
12. Obtaining construction permits	62	81	-
13. Connecting to power supply	99	76	+
14. Registration of property right	14	13	+

<sup>5</sup> See Transparency International, *Corruption Perceptions Index 2016*, [https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2016](https://www.transparency.org/news/feature/corruption_perceptions_index_2016)

<sup>6</sup> Станислав Пригчин, *loc. cit.*

15. Getting a loan	42	20	+
16. Investor protection	17. 49	18. 53	19. -
20. Business taxation	21. 41	22. 88	23. -
24. Implementation of international trade	25. 28	26. 48	27. -
28. Execution of contracts	29. 29	30. 28	31. +
32. 10. Settlement of solvency problem (insolvency)	33. 71	34. 78	35. -

According to Corruption Perceptions Rating, Armenia (Transparency International) was ranked in the 95th place among 176 countries .<sup>7</sup>

In March 2016, Moody's affirmed the stable Ba3 forecast of Georgia. Fitch has not changed the country's rating since December 2011 and repeatedly confirmed BB-. The rating of Georgia at Standard & Poor's has not changed since November 2011.<sup>8</sup>

According to the 2015 Doing Business survey, Georgia ranks in the 24th place in the rating. In 2011 the country was ranked in the 12th place in the rating (Table 3). In 2016, Georgia ranked in the 16th place in the rating by eight places ahead. Generally, as can be seen from the information given in Table 3, Georgia's position is much better in the international rating of the World Bank's International Finance Corporation and its business doing. Thus, on five of the aforementioned indicators, progress was observed: obtaining construction permits, connecting to power supply, protection of investors, business taxation and execution of contracts, and decline was observed on three of them – registration of new enterprises,

<sup>7</sup> Transparency International, *loc. cit.*

<sup>8</sup> Available at *Expert Center for Eurasian Development* <http://www.e-ced.ru/insights/>

implementation of international trade and settlement of solvency problem (insolvency), and there was not any change on two of them – registration of property rights and getting loans.

Georgia is ranked in the 48th in Corruption Perceptions Index (Transparency International) in 2016.<sup>9</sup>

Macroeconomic indicators of the South Caucasus countries are important for investors to understand the overall socio-economic situation, assess the market's capacity as well as the prospects for business development as a whole and in some areas.

**Table 3**

The place of Georgia in the international rating on World Bank's Doing Business survey <sup>7,8</sup>

Important criteria for the rating	DB-2015	DB-2016	Change in the rating, +; -
General	24	16	+
36. Registration of new enterprises	6	8	-
37. Obtaining construction permits	11	8	+
38. Connecting to power supply	62	39	+
39. Registration of property right	3	3	Unchanged
40. Getting a loan	7	7	Unchanged
41. Investor protection	20	7	+
42. Business taxation	40	22	+
43. Implementation of international trade	13	54	-
44. Execution of contracts	78	16	+
10. Settlement of solvency problem (insolvency)	101	106	-

<sup>9</sup> Transparency International, *loc. cit.*

Azerbaijan is a state with a population of 9.6mln. The number of people involved in the national economy is 4.67 million people. Compared to 2015, Azerbaijan's GDP declined by 3.7% in 2016. The special weight of public debt in GDP was 16% (in 2015 this indicator was 13.75%). In 2016, high inflation was observed, i.e. 12.4%. The official rate of unemployment remained relatively low, i.e. 5%. In 2016, the total volume of domestic goods per capita was 6.1 thousand dollars. Despite the decline in world oil prices, this year the trade balance's deficit was positive.<sup>10</sup>

The population of Armenia is 2.99 million people, the number of people engaged in the economy is 994 thousand and it faced serious economic problems in 2016. Over the year, the country's GDP declined by 2.6%. Last year the unemployment rate in Armenia was 18.1%, which is higher than in other countries. The volume of state debt of the country was at the highest level among the CIS countries and GDP amounted to 42.23%. In the previous year, this indicator was low, i.e. 37.5%. In Armenia, deflation was observed in 2016, and the overall price decline was 1.1% at the end of the year. GDP per capita in Armenia was 3.8 thousand dollars. According to the results of the previous year, Armenia's trade balance's deficit was negative. Increase in the volume of exports by 50 % from Armenia to Russia in 2016 also draws attention.<sup>11</sup>

Georgia is a state with the population of 3,72 million people. The number of people engaged in the country's economy is 601 thousand. This indicator is explained by the high level of labor migration of citizens. According to the results of the previous year, GDP of the country increased by 2.3%. In 2016 the inflation rate was moderate and amounted to 3.9%.

However, according to the results of the previous year, the unemployment rate in Georgia was quite high, i.e. 12%.

Georgia differs for the high level of public debt and it increased significantly according to the previous year's results. In 2016, it accounted for 43% of GDP. In the previous year, this indicator was 37.5%. The GDP per capita in this country was 4,000 USD. Georgia's trade balance deficit with a similar structure of neighboring Armenia was negative in the last year.<sup>12</sup>

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<sup>10</sup> Statistical indicators of Azerbaijan, *Statistical Bulletin*, ARSSC: Baku, 2016, p. 824.

<sup>11</sup> Available at *Expert Center for Eurasian Development* <http://www.e-ced.ru/insights/>

<sup>12</sup> *Ibidem*.

Distance from the world market and the development of transport infrastructure are important indicators for investment attractiveness of any country. This factor is very important for South Caucasus countries. So, only Georgia has access to the world ocean. The export of other countries and the nature of its structure depend on a transit country and the development of the transboundary and pipeline routes and the transport system.

Azerbaijan has a rather developed transport system and the launch of two projects, Azerbaijan- Iran and Baku-Tbilisi-Kars railway will provide maximum diversification in the medium term. The Republic has an advanced road network that provides connections for Russia, Iran and Georgia.

The port business of the Caspian Sea has also been involved in the development process. Already, the infrastructure allows the transit for Central Asian countries. In addition, the republic has an advanced, diversified pipeline system: Baku- Tbilisi Ceyhan, Baku - Supsa and Baku – Novorosiysk, gas pipelines: Baku -Tbilisi - Erzurum, “Northern – Southern”.

Armenia where the transportation condition is highly mingled, has been essentially isolated. This country has no economic and transportational relations with both Azerbaijan and Turkey due to NagornoKarabakh conflict. Tensions between Russia - its main partner and Georgia, which provoke complex relationships with this country, complicate the use of the existing transport infrastructure. Only 40-km borderline with Iran allows providing transport availability. However geographical condition and mountainous places restrict the capacity of cargo operations in this direction.

Georgia with its advantageous geographical location possesses the status of important transit country for both Azerbaijan and Central Asian countries in West, and Armenia in North. Numerous major pipelines (Baku-Tbilisi-Ceyhan, Baku-Supsa oil pipelines, Baku-Tbilisi-Erzurum, Russia-Armenia gas pipelines) pass through the territory of the republic. A number of ports operate on the Black Sea shores in the republic. The completion of Baku-Tbilisi-Kars railway construction will get a direct access to European Union railway network.

Furthermore, political problems with Abkhazia and South Ossetia have made a part of infrastructure useless, which requires major investment to restore working capability.

In the context of the economic crisis caused by falling price of energy resources, Azerbaijani government took comprehensive measures for the purpose of improving the investment environment, de-monopolization of the economy, mitigating the settlement. In the first stage the customs procedure has been simplified, import restrictions, covert and unofficial customs charges have been officially prohibited. The abovementioned measure has been carried out during the second devaluation of manat which occurred since the end of 2015, to stabilize the consumer market.

Within the framework of reforming economy, the institute for assistance to president on economic reforms has been founded. Consequently, McKinsey company has been involved to work out large-scale reform program.

The main task of "the road map" developed in cooperation with influential international agencies is to diversify the economy. The document covers the period up to 2020, 2020-2025 and the period after 2025. The government aims to maintain the stability of the financial system and to reduce dependence on transfers from the State Oil Fund. Moreover, the implementation of large-scale privatization of state-owned assets is expected. One of the priorities of the economy is the development of the agricultural sector. Agricultural insurance funds, including special agro-incubators in each economic region are planned to be created.

The other direction covers the support of heavy industry and machine-building. In this regard, it is aimed to reduce the import of spare parts for agricultural machinery, drilling equipment and ferrous metallurgy products. Major investment will be used for metallurgical complex in Sumgait. In 2019, 5 plants total value of which is 1,225 billion euros, are planned to be built in this complex. Tourism is able to be one of the third reasons of growth of Azerbaijan economy. For this purpose the development of tourism infrastructure is expected. In accordance with "the road map" a more integrated tourism sector has been demonstrated. The map included long-term plans over sustainable development of many regions such as Gabala, Shabran, Masalli, Lankaran. In 2020, the ratio of using tourism recovery facilities will increase to 65 percent (according to

the reports in 2015 this figure accounted for 40%) and consequently meet the European standards.<sup>13</sup>

Nowadays, several strategic programs on the development of individual sectors of the economy, and the regions are being carried out in Armenia. The main problem lies in the fact that the vast majority of them have been developed with the participation of western donors, their implementation provides a small foreign funding and they are characterized as truncated. In this country, lack of transparent global development program having a clear purpose and funding source draws attention.

In the approved strategic program of Armenia's development for 2012-2015, it is planned to reach 13.6% of the poverty level by 2025 (poverty level in 2012 amounted to 33.1%). Along with the lack of sufficient number of target values, the document does not contain specific measures for its step-by-step implementation, and refer to existing sectoral programs. Furthermore, the implementation of the program is inhibited by the unequal competitive conditions, inefficient distribution of budgetary funds, corruption risks, unfair competition in domestic and foreign markets, high unemployment rates among youth, inequality in territorial development and other factors.

The strategic development program of energy system up to 2036, developed jointly with the US Agency for International Development (USAID) in 2015 should be stipulated. The document envisages the development capacities of various elements, including renewable energy resources, regional integration, and energy security infrastructure.

In addition, with the participation of Oxfam British Foundation, the Ministry of Agriculture of Armenia has developed a strategic project for the sustainable development of agriculture and rural areas of Armenia in 2015-2025, and the main stages of its implementation and funding sources are unknown.

Within the circumstances of sharp devaluation of the national currency, high public debt and high trade deficit, the Georgian government has developed an anti-crisis program to be implemented by 2017. In the

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<sup>13</sup> \*\*\*, *The Strategic Road Map on the National Economy Perspective of the Republic of Azerbaijan*, approved by the Decree of the President of the Republic of Azerbaijan dated December 6, 2016.

framework of measures taken to stabilize and recover the economy, it is planned to strengthen the role of the national currency - lari in the economic life of the country, including the banking sector. The Georgian government hoped to get \$ 5 billion from external lenders - IMF and WB to implement the program. However, neither the IMF nor the WB have so far favored this program, and they doubt its effectiveness, and Georgia's ability to return the allocated funds in an agreed time period.<sup>14</sup>

In accordance with the survey, Azerbaijan has proven itself as a leading country in the South Caucasus region on all parameters taking into consideration the large resource potential, good transport and transit capacities, rather flexible market, economic policy based on the flow of foreign investors, the complex measures for economic reform, its diversification and enhancement of attractiveness for investors, favorable conditions for entrepreneurial activity.<sup>15</sup>

Various issues such as deep structural problems in the economy of Armenia and Georgia, the weakness of resource supply, low productivity, the risk of social reactions and others create serious obstacles to the development of their economic and regional relations.

### 3. Main results

Hence, Azerbaijan, successfully benefitting from its natural resources, geographical location and domestic and foreign investments, has become an active participant of the world economy. Today, investment in our country, which is called a place of stability, takes center stage in such a condition that financial resources are limited worldwide and entrepreneurs are extremely cautious about investment. Azerbaijan has become a country that plays a major role in investment and, in particular, strategically important projects.

At the modern stage, security and macroeconomic stability in Azerbaijan have created favorable business and investment environment in the face of complex socio-economic challenges facing the world. Azerbaijan which is the cornerstone for the provision of peace and security in the South Caucasus, and the most reliable partner of the international

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<sup>14</sup> Available at *Expert Center for Eurasian Development* <http://www.e-ced.ru/insights/>

<sup>15</sup> Vaqif Bayramov, "Sabitlik, davamlı inkişaf və sosial rifah", in *Xalqgazeti*, 26.12.2017. <http://www.xalqgazeti.com/az/news/economy>

community, implements projects requiring major economic, financial and other resources at the expense of its domestic resources. Our country, which determines the development tendency of events in the region, is also characterized as a state with a stable economy worldwide.

Attracting investment plays crucial role in ensuring long-term and sustainable development of Azerbaijan. In order to attract investment into the national economy, the government's "open door" policy is being carried out and shaped by a favorable business environment. Further improvement of investment climate in the country is considered as one of the main tasks in order to ensure the required volume and quality of investments.

As a result of the domestic investment projects for the development of industry and agriculture in our country, the factories, industrial parks and industrial estates, technoparks and aquarium parks as well as other production facilities are functioning. At the same time, investment activities for the construction of large industrial enterprises are also among the priorities.

Today, the number and geography of companies investing in our country are expanding. At present, the negative tendencies in the globalized world have almost diminished investment throughout all countries. However, good investment opportunities and favorable business environment in our country attract foreign investors along with local entrepreneurs. As a result, along with the number of companies investing in Azerbaijan, their geography is also expanding. So, in 2015, about \$ 19 billion was invested in the country's economy on all financial sources, which makes up \$ 10 billion for foreign investment while \$ 9 bln. for domestic one. This once again proves that Azerbaijan is a very attractive country for foreign investors.

It should be also noted that more than 60 agreements on the promotion and mutual protection of investments between the Government of Azerbaijan and foreign countries have been signed up to now. Involvement of foreign investments into the national economy is an important component of the economic development strategy set by Azerbaijan. More than \$ 200 billion have been invested in Azerbaijan over the past 15 years.<sup>16</sup>

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<sup>16</sup> Vaqif Bayramov, *loc. cit.*

39 percent of foreign trade turnover in Azerbaijan belongs to EU countries.<sup>17</sup> Azerbaijan which was once in need of foreign investment, is investing in numerous countries now. Our country is strengthening its position as an active participant in investment markets in Turkey, Georgia, Romania, Moldova, Ukraine, Belarus, Slovakia and other countries today. Our country contributes to the development of the economy by attracting considerable funds to oil and gas, petrochemical, fuel and energy, industry, processing and infrastructure sectors of these countries.

Today, South Caucasus includes Baku-Tbilisi-Ceyhan, Baku-Tbilisi-Erzurum, Baku-Tbilisi-Kars, East-West, North-South transport corridors, four projects - Shahdeniz, South Caucasus Pipeline, TANAP and TAP. Azerbaijan has the largest investment projects such as Southern Gas Corridor. Our republic has become a geographical center of investments in the region. Each foreign investment means the future of Azerbaijan, the reliable financial guarantee of tomorrow. Investments in foreign countries are of great importance to Azerbaijan, and investments of billion dollars mean the strongest financial resources of our country. The parallel economy of domestic and foreign capital is the key factor for our growth. All this proves that Azerbaijan has become even more powerful in the economic field and demonstrates its high level of efficiency in its model. It is no coincidence that the Davos World Economic Forum has ranked 37th place for the competitiveness of national economy.<sup>18</sup> This is the first indicator not only in the South Caucasus, but even in the CIS.

As a whole, rapid development of Azerbaijan has identified many important parameters of the country's economic model. In other words, the stability of the Azerbaijani economy, its competitiveness, the growth of infrastructure and investment attractiveness, and the favorable business climate have become priority and efficiency factors of strategic economic development.

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<sup>17</sup> Foreign Trade of Azerbaijan, *Statistical Bulletin*, Baku: ARSSC, 2017, p. 230.

<sup>18</sup> World Economic Forum, *Global Competitiveness Report, 2015-2017*, <http://reports.weforum.org/global-competitiveness-index-2015-2017>.

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## PERSPECTIVES OF DIVERTING TRANSNATIONAL CORPORATIONS ACTIVITIES TO THE DEVELOPMENT OF NON-OIL SECTOR IN AZERBAIJAN

Turkana Allahverdiyeva\*

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### Abstract

*After restoration of its independence in 1991, Azerbaijan became an important and active player in the region due to its oil and gas reserves and its geopolitical location. As it can be predicted, Azerbaijan soon attracted Transnational Corporations (TNCs) which were seeking natural resources. In 1994, the Contract of the Century (BTC) was signed between partner countries, and Azerbaijan got start towards a rapidly flourishing country. However, today there is an economic crisis since its economy mainly depends on oil and gas exports. The paper reviews three types of FDI, analysis which kind of FDI is beneficial for Azerbaijan and seeks for opportunities and possibilities to divert FDI inflows to the development of non-oil sector, such as agriculture, tourism and updating soviet ventures in industry.*

**Keywords:** Transnational Corporations, Oil-sector, non-oil sector, FDI, Azerbaijan, economic development, economic crisis, agriculture, tourism

### Introduction

Azerbaijan got its independence after the collapse of the USST after 71 years in 1991. Right after gaining independence, the young country found himself in a war with another young country Armenia Republic over Nagorno Karabakh conflict. Claiming possession of these lands, two countries made war for three years until 1994 official ceasefire. If we briefly

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\* Turkana Allahverdiyeva is a PhD Candidate and Lecturer within Economic Theory Department Baku Business University.  
Contact: t.allahverdi@bbu.edu.az

describe the picture of that period of Azerbaijan, all industry stopped production because of financial and economic crisis, currency inflated, unemployment rose to the highest peak, poverty increased in all the regions, and most important that young country had more than one million refugees and IDPs departed from their homes and lands by Armenian troops. Within all this mess, the country had to take some urgent measures with its gas and oil reserves. Subsequently, Tbilisi- Baku- Jeyhan oil contract came to the agenda with Turkey and Georgia. With the consent of European countries and the USA, Azerbaijan started to build this huge pipeline with the sponsorship of its 11 partner Transnational Oil Corporations. After the ceasefire, as the stability was provided throughout the country, investors started to get interested in the country and made some investments. The peak of this kind of investment appealing process happened when "Contract of Century" Baku-Tbilisi-Jeyhan pipeline was signed between Azerbaijan Republic, Turkey and Georgia and their 11 transnational energy partners BP (UK), SOCAR (Azerbaijan), Chevron (US), Statoil (Norway), TPAO (Turkey), Eni (Italy), Total (France), Itochu (Japan), Inpex (Japan), ConocoPhillips (USA), Hess (USA). As BP is the operator of this consortium, it has 30.1% in this contract<sup>1</sup>. Taking into consideration of that hard and harsh period of Azerbaijan, this contract took the healing role for poor and torn economic and social life of Azerbaijan after Nagorno Karabakh war between Azerbaijan and Armenia in 1991-1994. It was the second largest pipeline in the former USSR area after Druzhiba pipeline. Although the first oil was expected to be sent through the pipeline in 2006, economic and political consequences of this contract attracted many more foreign direct investments to Azerbaijan. Firstly, Azerbaijan had to make urgent ceasefire with Armenia and freeze the Nagorno Karabakh conflict in order to stabilize economic, political and social life inside the country, and start to build the pipeline. That stability also would attract foreign companies to come to Azerbaijan and invest here. It was obvious no TNC would spend money on the country, where there was war. One of the main conditions for TNCs to invest in foreign country is having stability and security there. Therefore, with that ceasefire in 1994, security was provided for TNC branches to invest in Azerbaijan. After a year of the pipeline

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<sup>1</sup> \*\*\*, "BTC Celebrates Full Commissioning"- press release,BP. 13 July 2006. Archived from the original on 2007-10-30.

launch, GDP in Azerbaijan boosted to the record level with 35% in 2007<sup>2</sup>. It is understandable for that described situation to attract resource-seeking FDI, since Azerbaijan did not have capability in terms of capital and necessary technology to extract oil and gas from the depth of the Caspian Sea in 1990s. After war with Armenia, Azerbaijan economy was torn into pieces, unemployment was high, USSR factories and plants were closed, military force was weakened, and internal and external security was not in the sufficient level. Therefore, as a transition country or former soviet state, FDI was vital for economy. However, today Azerbaijan has become a leader country in the Caucasus region, has accumulated huge capital from the revenues of oil and gas, and has got stronger army and sustainable economy. Appropriately, it matters now what kind of FDI is flowing to the country. Since J.H. Dunning has determined mainly three types, resource seeking, market seeking and efficiency seeking FDI.<sup>3</sup> Commonwealth Independent States (CIS) including Azerbaijan need to pay more attention to the type of FDI. The focus of the paper is doing research to answer to some questions. What type of FDI does Azerbaijan need? How can Azerbaijan divert TNCs investments to the non-oil sector? What are the perspectives for TNCs to invest in non-oil sectors like tourism and agriculture?

### **Resource seeking and market seeking FDI**

“FDI in the CIS up to the early 2000s were related to the extraction of natural resources, to the construction of pipelines transporting these energy resources, large privatizations, and to debt/equity swaps to pay for energy supplies. The disappointing level of FDI at that time reflected weak investment climate in the region, particularly because of incomplete structural reforms.”<sup>4</sup> A big portion of TNCs are dealing with natural resources and get revenue from them in developing countries by processing, transferring and producing goods from them. Therefore, raw

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<sup>2</sup> "Republic of Azerbaijan – Concluding Statement of the IMF Mission". International Monetary Fund. 2007-09-06. Retrieved 2007-12-30.

<sup>3</sup> Dunning, J.H. (1993), *Multinational enterprises and the global economy*. Workingham.: Addison-Wesley.

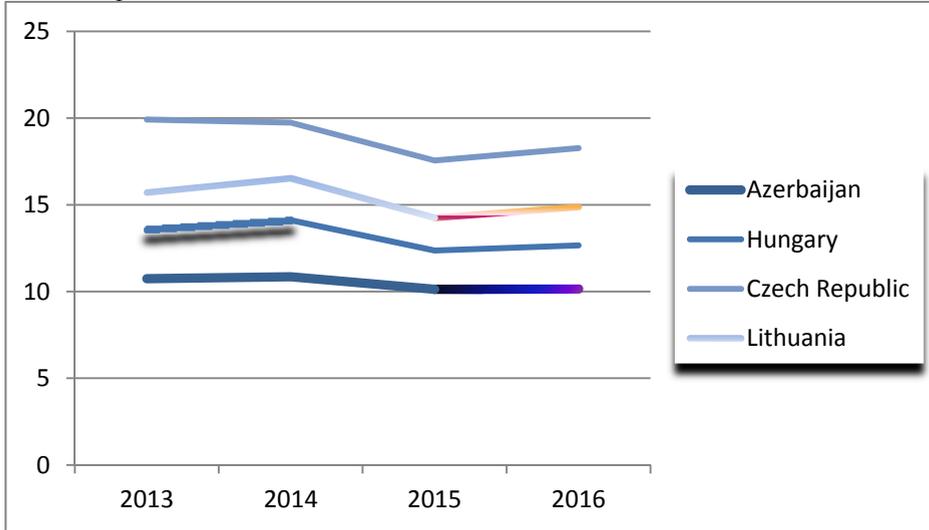
<sup>4</sup> The Motives and Impediments to FDI in the CIS Alina Kudina & Malgorzata Jakubiak, VII Global Forum on International Investment, 27-28 March, 2008, page 4

materials and natural resources are crucial for their operations. Today, “the prime foreign investment motive in Azerbaijan is resource seeking. This is in contrast to many other transition countries in CEE, where the majority of foreign direct investment has been of market and efficiency seeking nature”.<sup>5</sup> Undoubtedly, this tendency has some reasons. During 1990s, Azerbaijan had 7 million populations with low GDP, which means there was not big market or high consumer society to attract market seeking TNCs or their FDIs. However, market-seeking FDI usually depends on the internal factors and growth rates of the country. “Market-seeking investment is attracted by factors like host country market size, per capita income and market growth. For firms, new markets provide a chance to stay competitive and grow within the industry as well as achieve scale and scope economies.”<sup>6</sup> However, from natural resources TNCs can earn huge amounts of revenue. Therefore, small markets with low GDP do not attract market-seeking investors. If we look at comparative GDPs of different countries where market-seeking investments are high, then the picture would be more clearly. While, GDP per capita in Azerbaijan has been around 10.000 dollars, it has been around 13.000, 15.000 and 19.000 dollars in Hungary, Czech Republic and Lithuania, although all of these states have passed transition periods after the collapse of the USSR. Of course, there are some other factors that cause and attract relatively higher GDP in those countries, like geographic location, natural resources, distribution of social wealth, stability, rule of law, effective governing and economic reforms.

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<sup>5</sup> Jutta Günther, Björn Jindra, *Investment (FDI) Policy for Azerbaijan Final report*, Halle Institute for Economic Research, 2009, p. 8.

<sup>6</sup> Alina Kudina, Malgorzata Jakubiak, “The Motives and Impediments to FDI in the CIS”, *VII Global Forum on International Investment*, 27-28 March, 2008, p. 4.

**Table 1.** Comparative Gross Domestic Product per capita in Azerbaijan, Hungary, Czech Republic and Lithuania

Source: World Bank, [www.data.worldbank.org](http://www.data.worldbank.org)

As we can see from the graph, during last four years GDP per capita was lower than other developing countries. Therefore, market-seeking investment is higher in these countries. Besides GDP, number of population also attracts market-seeking investment. If there is small population, then consuming rate will also be low. Of course, this argument does not apply to the above-mentioned countries, since Hungary, Czech Republic and Azerbaijan have similar population around 10 million, and Lithuania have almost 3 million people. But for example, if we take into account the countries with huge populations like Turkey (80 million), China (1.5 billion), then we can easily imagine how big market and consuming society stands in front of investors. In China, there are a lot of brands and goods that they do not need to go to the world market, since Chinese population is enough for their targeted sales. A beverage company Jianlibao, sport apparel company Li Ning, Xiaomi, Haier and Hisence have seen consumer boom in China, so very few of them have looked beyond the Chinese borders. For such sales companies, having big market is sometimes can be enough to attract large investments.

In a nutshell, currently Azerbaijan is not an appealing country for market seeker investors, since population is small, and consumer society is not in the high level due to lower GDP. Vice versa, as Azerbaijan owns abundant oil and gas reserves, right now it is more attractive for resource seekers. The paper is going to analyze how the government would divert the attractiveness from resources to non-oil sector.

### **Efficiency seeking FDI**

Such kind of investment happens when there is an effective institutional arrangement, economic system and active cross-border activities. Some countries can attract such FDI, as they have large number of cheap labor, which is ideal for efficiency-seekers. However, "there is a lack of efficiency-seeking investment that poses further concern about the nature of FDI in the region."<sup>7</sup> Although, all three Caucasus states have labor-productivity advantage, some negative cases such as corruption, gaps in the legislation, volatile rule of law and other factors hinder increasing of efficiency-seeking FDI. Moreover, efficiency seekers will wish to export their produced goods in the region and for that they need low transportation costs, low customs taxes and flexible border rules. However, in this situation Azerbaijan is in the war condition with Armenia and subsequently borders are closed. Another point here is that Azerbaijan is not the member of World Trade Organization, although membership negotiations have started for a long time. Decision has not been made due to the lack of border, legislation and trade reforms and adaptation of the rules to European standards. Therefore, currently the main motivator for investors is resource -seeking. Caucasus region does not attract efficiency seekers due to the above-mentioned problems.

Throughout our research, we determined that most of the FDI flowing to Azerbaijan is resource-seeking which is not positive trend right now. Since Azerbaijan needs to diversify its economy, government needs to seek for remedies to divert FDI to non-oil sector. In this case, what can be perspectives for investors to direct their investments to other sectors and how Azerbaijan can attract them.

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<sup>7</sup> *Ibidem*, p. 2.

## Agriculture

Agriculture sector for TNCs might be rather appealing for foreign investors, since Azerbaijan has vast lands which have not been planted or used by peasants in the regions. "For many years, oil sector has been pillar of economy of Azerbaijan, while agriculture and service have not been developed adequately."<sup>8</sup> As we can see from the Agricultural country report of 2015, we can see that FDI inflow to oil sector is more than agriculture sector for many times. The situation was worse in 2010-2011, and then we see increase up to 12 million Azn, however it is again very very lower than FDI in oil sector. We believe, this situation can be diverted to the favor of agriculture, if government conducts several reforms and make this sector more attractive for investors.

**Table 2.** FDI flows to oil and agriculture sector in Azerbaijan Republic<sup>9</sup>

FDI	2009	2010	2011	2012	2013
Oil sector (million dollar)	752.7	777.6	999.5	1001.2	1107.2
Agriculture sector	9.7	1.0	0.5	5.7	12.3

There is good opportunity for building irrigation system from Kura and Araz river and other small seasonal rivers. "Sustainability of Azerbaijani economy will require shift towards technologically advanced and innovation friendly production with balanced approach to agriculture."<sup>10</sup> Today, Azerbaijan is not able to supply demand of its 10 million population with needed internal agricultural goods. Neglected agriculture sector can be attractive sector to invest for TNCs and with increased productivity with the help of modern technological machines, they can earn huge amounts of revenue. If Azerbaijan makes efforts to

<sup>8</sup> Fikrat M. Pashayev, „Investment policies and competitiveness of Azerbaijani economy“, in *Khazar Journal of Humanities and Social Sciences*, Khazar University, Baku, Azerbaijan, 2013, p. 26.

<sup>9</sup> H. Khalilov et al., *Country Report Azerbaijan*, Research Institute of Agricultural Economics, 2015, p. 9.

<sup>10</sup> Fikrat M. Pashayev, *op.cit.*, p. 31.

divert FDI to agriculture sector, the regions which have stayed under development in the comparison with Baku will start to show development signs, rural income will increase and rural people living in these areas will get employed in the fields. As a result of it, Azerbaijan will be able to supply the internal demand in the market, will not be depend on the import and social welfare, employability, and development in the regions out of Baku will get better and better. FDI can be diverted mainly to grains, fresh fruit, vegetables, tea, tobacco and cotton.

### **Transition of Soviet enterprises into the up-to-date ventures**

The role of the government in diversification policy is undeniably important especially in the case of Azerbaijan. Diversification of the economy will not happen without carrying on removing artificial barriers and demotivating factors in the market. First of all, the focusing on reforms, rebuilding effective institutions, infrastructure, and human services is the most significant step to the forward. Secondly, focusing an industrial policy on a few target sectors will help Azerbaijan both build institutions and work collaboratively with business world inside and outside. The question arises how to conduct industrial policy if the state does not own modern technology and ventures. According to Linear Growth Model which has been developed by Rostow in 1960s, states pass five stages in terms of economic development: 1. Traditional society; 2. Transitional stage; 3. Take off; 4. Drive to maturity; 5. High mass Consumption;

Rostow showed that development requires substantial investment in capital. He was arguing that if the country has reached stage 2, then substantial investments are needed in order to develop and pass to stage 3. Because in stage 2, specialization and infrastructure are built and it is easy to invest in existing infrastructure. In stage 3, industrialization, growing investment and regional growth happen already and Azerbaijan is in between Stage 2 and 3. As we know, Azerbaijan inherited several plants, factories with soviet type technology and ventures during 71 years of union, and when the USSR collapsed these factories and plants were mostly closed due to financial shortage, war and following economic crisis. Another way to divert FDI to non-oil sector would be reopen, reconstruct and reform these factories, modernize the buildings and technology

inherited from the soviet and develop industry sector. If the government conducts such an industrial and privatization policy, investors will be more interested to invest in non-oil sector privatizing such ventures. Transition of Soviet enterprises into the up-to-date ventures will also create new job places and will increase employability.

### **Tourism sector**

“Many developing countries are looking to tourism as a potentially promising avenue for economic and human development. This is a relatively new position for some countries, and reflects the rapid increase in tourism in terms of both numbers of arrivals and revenues for several economies in recent years.”<sup>11</sup> Tourism was usually considered less important than manufacturing or agriculture, as it was not supposed as a crucial or profitable source of development. Therefore, there is little research on the overall impact of FDI on tourism sector in developing countries, while “today, a “quiet but significant reappraisal” is taking place, which values tourism as a potential means of earning export revenues, generating large numbers of jobs – including for young people and women – promoting economic diversification and a more services-oriented economy, helping to revive declining urban areas and cultural activities, and opening up remote rural areas. For example, there is now growing research on what is called “pro-poor tourism” that is gaining mainstream support through the donor and development assistance communities.”<sup>12</sup> Attracting FDI to tourism sector will involve a lot of new constructions of hotels, resorts, recreation sites, museums, entertainment centers and trade centers which will have great job creating effect. Azerbaijan regions have such opportunity as it has 11 climate zones in the country, various types of lands such as mountainous or plain and hot lands. Azerbaijan regions have suitable conditions for winter tourism as well, which have made several efforts to develop it in Shahdag winter resort and Qabala Tufandagh winter resort. These places are ideal for summer resorts as well. Moreover, some regions have some medical water

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<sup>11</sup> *United Nations Conference on Trade and Development*, FDI in Tourism: The Development Dimension, United Nations, New York and Geneva, 2007, p. 11.

<sup>12</sup> *Ibidem*.

or mud, which is extracted from the ground and in these places, investors can develop huge medical resorts and cure people with kidney or heart diseases with this mud baths and sulfur water. Naftalan, Istisu and Duzdag in Nakhcevan regions, there are such potential places for investors. Currently, some small hotels and resorts have been built and are used in a nationwide. However, if these places attract TNCs and in case huge five starred medical resorts are introduced to these places, for sure they will attract many health-seeker tourists from overseas. After all, both TNCs and local SMEs will gain, region will develop, people will get employed and consequently social welfare and GDP will increase. Tourism in itself also means export of currency. As Azerbaijan manat has been devaluated against dollar, foreign currencies are very expensive right now and economic crisis is deepening more every day. Governmental steps towards diverting FDI to tourism sector would have great effect on the struggle with economic crisis and overall social welfare. For instance, Indonesia government is encouraging TNCs to develop their resorts in Bali for holiday makers, and especially offer great all-inclusive honeymoon trips for newly married couples. FDIs are usually playing as the main mean of funding such projects in the country. Next, it also helped the government to build better roads, bridges and develop the region in order to transfer it to a better destination from all over the world. Tourists after all have made Bali a flourished economy with the help of governmental reforms. In a nutshell, in case Azerbaijan eases taxes and registration procedures for TNCs, they might have incentives to invest in tourism sector. If we take into consideration that Azerbaijan really has beautiful, ancient and historical places as sight-seeing, it will motivate tourists to travel to a Caucasus with unique culture.

## **Conclusion**

To sum up, in Azerbaijan, there are many opportunities and sectors that can be very beneficial and attractive for investors, if just some governmental reforms are conducted efficiently by effective institutions. As a young country, there are a wide range of goods and services that Azerbaijan still export them since there is not production of particular goods or they are not enough supply or the quality of goods are not high.

In all three conditions, for investors there are massive opportunities and chances to use effectively and occupy all these gaps in economy. For example, Azerbaijan has fantastic regions with historical places and wonderful nature that very few tourists visit there and even by locals these places are not widely known and visited. However, in touristic countries, such places are considered as "touristic traps" and by promotion widely, thousands of tourists are attracted there. Both local people get employed, regions develop, and export of currency happen in the country. Updating soviet ventures might be another way of developing country by foreign investments. Azerbaijan has got a lot of factories and plants that have been locked after the collapse of the USSR. By renewing them with expert engineers, these places can be returned to productive economic life. Another non-oil sector is of course agriculture sector that vast fertile lands of the country give huge promises to investors. Looking at some statistical figures, we also witnessed that how enormous differences there are between the investment inflow to oil sector and agriculture sector. By promoting this sector to investors and reforming conditions in Azerbaijan, agriculture can revive and provide the country with necessary wheat, vegetables and fresh fruit.

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## MUTUAL RELATIONS OF THE CAUCASIAN COUNTRIES

Ilaha Zabil Aliyeva\*

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### Abstract

*The paper provides a brief review of establishment and development of relations in Azerbaijan over the last 25 years. It describes the different phases of this development and how cooperative country has traditionally dealt with the benefits. The paper notes that to expand an effective cooperation the nations need to work on a particular field following various rules. The author mentions specific tips and groups of communication culture and etiquette that is very important to set up on a firm and evolve the mutual cooperation and relations between countries.*

*The cooperation of individual states in a certain format in the Caucasus region, which is one of the most geopolitically vulnerable regions, can cause various reactions. If we take into account the fact that historically the Caucasus was in the focus of attention not only of regional forces but also of global forces, the expected backwardness of these reactions is expected. Therefore, it is important to emphasize the importance, first of all, of the political will for the trilateral cooperation of Azerbaijan, Georgia and Turkey.*

*The basis of tripartite cooperation between Azerbaijan, Georgia and Turkey was built on the basis of economic interests and meets the national interests of all three countries. Since Azerbaijan is a source and producer of hydrocarbon resources, Georgia has a favorable geographical location and transit potential, Turkey has domestic energy demand and is a regional hub, all this is a natural basis for tripartite cooperation. The joint creation of economic and transport corridor makes this approach a historical necessity.*

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\* Ali Imashoghlu Aliyev (Bilasuvar) is an Associated Professor of Economics within the chair of "Accounting and Audit", Baku Business University Baku, Azerbaijan.

Contact: fyi.s@mail.ru.

*Thus, the trilateral format of cooperation between Azerbaijan, Georgia and Turkey can be called a successful model, which can serve to build sustainable peace and progress in the Caucasus.*

**Keywords:** cooperation, development, communication, etiquette, culture, relations

## **Introduction**

The new world order, formed after the collapse of the socialist pole at the end of the 20th century, led to the emergence of completely new forms of relations between countries. If in the past century, in some cases, even the closest neighboring states could not cooperate, because of their representation of different poles, then in the new world order, mutually beneficial economic cooperation between geographic neighbors seems to be a priority. In this regard, it is possible to highlight the Caucasus as one of the most geopolitically vulnerable regions of the world.

Historically, the Caucasus has identified relations between neighboring states, as well as changes in borders based on the interests of regional and global power centers. So, if in ancient times and in the Middle Ages the positions of regional power centers were predominant in the Caucasus, then at the beginning of the 19th and 20th centuries, an important role here played the interests of such global forces as the United States, Britain, Germany and others that were far from the region. After the establishment of Soviet power in the Caucasus, a completely different configuration arose<sup>1</sup>.

The countries of the South Caucasus included in the Soviet Union were deprived of the possibility of any cooperation with neighboring Turkey and Iran, because of their representation of different poles.

The Soviet period of the Caucasian countries can be characterized as a complete separation from the historical traditions of geographical proximity. New forms of cooperation in the Caucasus began to form only after the collapse of the Soviet Union.

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<sup>1</sup> See Georgi M. Derluguian, *Bourdieu's Secret Admirer in the Caucasus: A world-System Biography*, Chicago: University of Chicago, 2005, pp. 116-118.

## **Relations of Azerbaijan with the countries of the Caucasus**

After gaining its independence in XX century, which was adopted by the supreme Soviet of Azerbaijan SSR in 1991, new-formed country, Azerbaijan made big steps in enlarging its relations with other countries.<sup>2</sup>

Young Azerbaijan is closely linked to its position in the international arena, the mutually beneficial relations that meet the national interests of different countries and intensification of integration into the world community. In that case, it is essential for a new formed country to regulate the relation with influential states or countries which take a particular place in the international arena for the political weight, educational system and economic potential of countries playing a leading role in formation of world politics for a decent place in Azerbaijan's international relations system.

It should be noted that in the third millennium a new format of cooperation was added to Azerbaijan's foreign policy. Since the first years of independence, the priority of our republic in the system of international relations has been cooperation, both in bilateral and multilateral formats. At the new stage, Azerbaijan added to its foreign policy a trilateral regional cooperation format. Azerbaijan is the initiator and participant of several trilateral formats at the regional level. Such formats as Azerbaijan-Georgia-Turkey, Azerbaijan-Iran-Turkey, Azerbaijan-Turkey-Turkmenistan and Azerbaijan-Russia-Iran are important initiatives in terms of implementing joint projects, in-depth development of cooperation relations, as well as discussing regional issues.<sup>3</sup>

This new trend, at the same time, shows that Azerbaijan attaches great importance to mutually beneficial relations with all neighboring countries with the exception of Armenia. The first trilateral format of cooperation, initiated by Azerbaijan, is the Azerbaijan-Georgia-Turkey format. Such trilateral cooperation in addition to the South Caucasus also includes such a strategic area, which unites the basins of the Caspian-Black-Mediterranean Seas.

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<sup>2</sup>Ibrahim Zeynalov, *20 Years On: 1991-2011 Independence Gained*, Baki, 2005, pp. 8-12.

<sup>3</sup> Sergey S. Zhiltsov, Igor S. Zonn, Andrey G. Konstyanoy, *Oil and Gas Pipelines in the Black-Caspian Seas Region*, Switzerland: Springer International, 2016, pp. 70-79.

Based on the formation of such a triangle, there are historical and cultural ties, geographical proximity, the desire to become an integral part of a single transit corridor, as well as a favorable condition for joint economic cooperation and political will. All three countries are strategic partners. So, Azerbaijan is a strategic partner of both Turkey and Georgia, at the same time, strategic partnerships exist between Georgia and Turkey.

On May 5, 1997, a bilateral "Declaration on the deepening of strategic cooperation between Turkey and Azerbaijan" was signed. On February 18, 1997, the "Declaration on further deepening of strategic cooperation between the Republic of Azerbaijan and Georgia" was signed. The year 2017 was a landmark in the history of diplomatic relations between Azerbaijan, both between Turkey and Georgia.<sup>4</sup>

Thus, this year marked the 25th anniversary of the establishment of diplomatic relations between Azerbaijan and Turkey, as well as between Azerbaijan and Georgia. The Republic of Azerbaijan, which gained its independence in 1991, began establishing diplomatic relations with foreign countries since 1992. For the whole of 1992, diplomatic relations with 69 countries were established, an interesting coincidence is that the first country with which Azerbaijan established diplomatic relations was brotherly Turkey (January 14, 1992), and the last country was Georgia (November 18, 1992)<sup>5</sup>

### **Development of relationship between countries in politics, economy and education**

Caucasian countries are among the countries that determine the direction of world politics for their ability to influence international relations and are the countries with the most weight in addressing the most pressing problems in the international arena. Establishing mutually beneficial cooperation and friendly relations with all the countries of the world including the largest and most influential states of the Caucasus is of great political and international significance for the Republic of Azerbaijan.

Because of mutual cooperation of the influential states and countries in all spheres of the state of the country both sides, in this sense, related

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<sup>4</sup> Mitat Çelikpala, Cavid Veliyev, *Azerbaijan-Georgia-Turkey: An Example of a Successful Regional Cooperation*, Kadir: HAS University Press, 2015, pp. 1-24.

<sup>5</sup>Amina Nazarly, *Azerbaijan and Turkey ties: All-weather Friends*, AzerNewsAz, 2017.

countries get a great chance to develop their government in politics, economy and education as well. Not only Azerbaijan but also countries in the world are naturally attracted to cooperate with the Republic of Azerbaijan which has international politics, fundamental economy and prospective education.

In order to establish relations with newly independent states, conduct democratic reforms, found market economy infrastructure, develop trade, transport and customs, the EU launched the TACIS programme in the 1990s and finances it. The EU's other initiative is the Transport Corridor Europe-Caucasus-Asia Project (TRACECA) project launched in May 1993 at a Brussels conference featuring representatives of Central Asian and Caucasian nations. The project implies restoration of Great Silk Way in new conditions, reinstatement and development of transport-communication infrastructure. The EU provides assistance to the Project via a technical aid programme.

The key point in implementation of TRACECA was the international conference held in Baku on September 8-9, 1998 featuring representatives of 32 nations and 13 international organizations. The Basic Multilateral Agreement on International Transport for Development of the Europe-Caucasus-Asia Corridor that reflects technical and economic aspects of implementation of the Europe-Caucasus-Asia Corridor was signed in the conference. Intensive activity of TRACECA has had a significant role in socio-economic life of Azerbaijan, including in shipping profits, development of transport infrastructure, opening of new jobs, etc. The Permanent Secretariat of the TRACECA Inter-Governmental Commission was officially opened on February 21, 2001 and implements coordination.<sup>6</sup>

The Treaty of Partnership and Cooperation signed on April 22, 1996 opened a new stage in relations between Azerbaijan and the EU. The treaty that came into force in 1999 and is a legal-normative basis of mutual relations was characterized by National Leader Heydar Aliyev as "a historic event for Azerbaijan". The treaty aimed at development of mutual relations in different fields of society such as political, economic, cultural, social, and so on. According to the treaty, the aims of the partnership are following:

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<sup>6</sup> See [http://europa.eu/rapid/press-release\\_MEMO-92-54\\_en.htm](http://europa.eu/rapid/press-release_MEMO-92-54_en.htm)

- \* Developing political dialogue between the parties and establishing relevant frame for it.
- \* Strengthening democracy and assisting in completing transition to market economy.
- \* Expanding trade and investment between the parties for achieving sustainable development.
- \* Establishing a basis for cooperation in legislative, financial, civil, scientific, technological, and cultural fields.<sup>7</sup>

After the Treaty of Partnership and Cooperation came into force, one of the positive changes in relations between the EU and Azerbaijan was structural organization of these relations. Activity of the established bodies – the Cooperation Council and committee on parliamentary cooperation secured sustainability, regularity and systematization of mutual relations.

There are a number of facts that appeal to other countries with friendship and cooperation with Azerbaijan. First and foremost, Azerbaijan's favorable and substantial geopolitical situation and its location in the centre of Europe – Asia transport and communication relations; secondly, the establishment of fully independent policy, building a democratic, legal and secular state and market economy; thirdly, the tendency of form policy to the west, the transformation of Europe into the main sphere of influence and interest in the region and other factors are able to mention about the Republic of Azerbaijan.

Thus, all the political, economic and other factors mentioned above have made and required the establishment of relations between Azerbaijan and other countries on mutually beneficial cooperation and partnership relations. The heads of the states and governments of the Republic of Azerbaijan and Caucasian countries who appreciate this necessity and appreciate the benefits that each country can give and give to each state, have taken valuable steps in the development of mutual relations after the establishment of diplomatic relations and have signed numerous documents regulating bilateral relations. Since Azerbaijan declared its interest in relations with the European Union and Caucasian countries as well and started to set relations with these countries in different fields.

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<sup>7</sup> Cf. <http://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A12012M%2FTXT>

## **The effects of communication, etiquette and culture on the relations of the countries**

Azerbaijan's advantageous geographic location, rich natural resources and people in science make our country fascinating for other countries. The relations of Azerbaijan with neighboring countries are being implemented mostly within the framework of different programs and various spheres. Since 1999, inter-parliamentary cooperation has been intensively developing. One of the main directions of these was the inter-parliamentary cooperation with the first meeting held in April 2000. The discussion of the document titled "Caucasian nations towards European Union membership: new challenge from the European Parliament in committee meeting was a reflection of the progress in the relations. On this issue the presidents of the countries in the Caucasus set a number of cooperation projects and signed them. Appropriate institutions and delegations continued the hard work on particular aspects to develop the mutual cooperation and at the same time to establish firm socio – economic, political, flourished life of the state. As a result of joint cooperation the countries share their culture, languages, etiquette with each other. International business deals not only cross borders.<sup>8</sup>

There are several ways of exchanging these factors: *through media; through tourism; through internet; through the mutual cooperation.*

Culture profoundly influences how people think, communicate and behave. It also effects on the way of life of people in any country. For example, in modern time people in our country have an opportunity to communicate with the people from different countries and Caucasian (neighboring) countries, in a word people in the world from different continents. They put it into practice with help of Media, Internet and surely travelling. Doing one of these they are able to pass their ancient traditions to the world, and at the same time carry some points of culture to our country and expand them.<sup>9</sup>

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<sup>8</sup> *Relations between the European Parliament and National Parliaments*, Mid-term Report. 2016. pp. 2-34.

<sup>9</sup>Nancy J. Adler, Allison Gundersen, *International Dimensions of Organizational Behavior*, Cengage Learning Press, 2007, p. 35.

Another example for this is heading International Games and festivals in different countries. Recently, the Islamic Solidarity Games, multinational, multi – sport event held by Islamic Solidarity Sports Federation was held in Azerbaijan. The first event was held in 2005 in Saudi Arabia, the second event, originally scheduled to take place in October 2009 in Iran, was later re-scheduled for April 2010, but then cancelled. The third games took place in 2013 in Indonesia. Azerbaijan was delighted when the eighth elective General Assembly of the Islamic Solidarity Sports Federation based in Feddah, Saudi Arabia, chose Baku to be the host city of the fourth Islamic Solidarity Games in 2017. Above mentioned event is the real example of exchanging culture and other factors between the countries.

Moreover we should stress the etiquette and its norms that needed spread among the people in different spheres and business institutions which leave negative and positive traces in developing relations between countries and certainly in development of a particular country and population. Etiquette is the customary code of polite behavior in society or among members of a particular profession or group.

Etiquette can be divided into groups given below according to several situations: Basic Social Etiquette; Communication Etiquette; Dining Etiquette; Business Etiquette; Out and around Etiquette; Family Etiquette.<sup>10</sup>

Each of those groups has its own rules and norms that should be followed in order to create a peaceful, friendly and healthy society for current people and for future generation.

Each of the above mentioned points one is closely related to one another like chain. Having any gap in one of them can lead to the negative results and may damage the future of the society, the state of affairs in these or other countries.

Another significant factor of developing the relations between countries is communication. Communication is the imparting or exchanging of information by speaking writing or using some of the

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<sup>10</sup> Ron Scapp, Brian Seitz, *Etiquette: Reflections on Contemporary Comportment*, SUNY Press, 2012, pp. 3-17.

medium. It also means transferring the messages in interpersonal and intrapersonal groups, coding and decoding the information.<sup>11</sup>

The ability to communicate effectively with people in any sphere is essential, no matter what industry you work in or in which area you are. Workers in a particular field must know how to effectively convey and receive messages in person as well as via phone, email, social media, meeting or international assembly. There are some tips or rules of communications skills to achieve an effective result.

- a) Being a good listener is one of the best ways to be a good communicator
- b) Body language tells much about a person
- c) Good communication means saying enough – not too much
- d) Friendly tone in communication, simply a smile will encourage your partner to communicate with you
- e) It's important to be confident in all of your interactions with others
- f) Respect smooth all sharp corners
- g) Be open to listening to and understanding the other person's point of view
- h) It's important to get and listen to feedback
- i) You should know what form of communication to use: formal or informal.

Each of the above specified paragraphs has its own deep meaning that actually deals to productive and successful communication in small or big groups and even at the international level.

## Conclusion

The effective cooperation of the Caucasian countries is based on the factors of the economics, politics and education. The relations with the countries of the Central Asia also occupy an important place in the foreign policy of Azerbaijan. The accession of the Central Asian states to projects participated by Azerbaijan, along with the closeness of historical and cultural roots, also contributes to the development of the economic, political and educational cooperation between these countries. As a result of this policy Azerbaijan turned into the reliable bridge to Europe and European markets for the countries of the Central Asia. Azerbaijan attaches

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<sup>11</sup> Stephen Battersby, *Clay's Handbook of Environmental Health*, NY: Routledge, 2016, p. 90.

a great importance to the bilateral relations with different foreign countries, including the neighboring states.

Thus, the successful and measured foreign policy of Azerbaijan results in the establishment of favorable conditions predetermining the happy and safe future of Azeri nation, the strengthening of the positions of Azerbaijan in the international arena and its becoming the leading country in the Caspian-Caucasus region.

All factors, effective communication, successful etiquette norms and acts, and global or productive culture exchanging, are the parts and even the most important feature of relationship between countries. Each makes a good relationship between countries and one is necessity thing for the country which wants to expand its wealth and develop healthy cooperation with other countries.

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## RELIGIOUS FACTOR IN THE FOREIGN POLICY OF GREAT STATES IN THE CAUCASUS

Aghasiyev Ikram Karim Oghlu\*

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### Abstract

*In modern times, Caucasian region is one of the hotspots in the world. Great states use various factors to maintain their geopolitical interests in the Caucasus today and along with politic, ethnic, military ones, religion factor is still one of the important factors in this struggle. Today, some conflicts existing in this region have political and some of them have also religious characteristics.*

*The article has been dedicated to the geopolitical struggle for domination in the Caucasus among Russia, other regional states, Britain, and France late in the 18th-first half of the 19th century. Russia, which had been actively involved in the Caucasus since the early 18th century, managed by the end of it to squeeze the Ottoman Empire out of the Northern Black Sea littoral and the Northern Caucasus. The British Empire, Russia's uncompromising rival, sought ways and means to check Russia's progress in the Caucasus. London pinned its hopes on Scottish missionaries prepared to move to the region from Edinburgh.*

**Keywords:** Caucasus, geopolitics, religious factor, missionaries, German nation.

### Introduction

Representations of some European countries are carrying out wide religious propaganda in the Caucasus. For example, there are dozens of

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\* Aghasiyev Ikram Karim Oghlu has a PhD in History and is the Head of Department "History of Derbent", Leader Research Fellow, Institute of History, National Academy of Sciences of Azerbaijan.

Contact: ikramagasiyev@mail.ru

religious organizations of Western Europe countries and Russia which are operating actively in Azerbaijan. Their propaganda is basically being carried among Muslim population of Azerbaijan. Simultaneously, there is a competition between catholic, protestant and Russian-orthodox churches. It is difficult to predict the results of this propaganda carrying out for certain geopolitical gains. It will be useful to have a look at the close history of great states' geopolitical struggle in the Caucasus to be insured from negative consequences of Christian missionaries' activities.

For over one hundred years, relations between the Caucasus and Russia were shaped by socioeconomic, religious, political, and ethno-demographic logic; at all times, however, the logic of geopolitics remained important or, most likely, all-important. It is obvious that the science of geopolitics dates back to the latter half of the 19th century, which explains why the geopolitical factors of Russia's imperial policies in the Caucasus in the late 18th-first half of the 19th centuries are poorly studied.

We know much less about the German colonies in the Caucasus than about the other regions of mass German colonization (the Volga area, South Ukraine, the Urals, Volhynia, Siberia, Central Asia, and Altai); students of the history of German colonization in the Russian Empire have pointed to this gap more than once. Its geographic location made the Caucasus a bridge between Europe and Asia and between the North and the South and, as such, a center of the great powers' political intrigues. From ancient times on, the region was and remains objectively involved in military-political expansion. Its territory was crisscrossed by trade routes (the most important of them being the Silk Road) via which the products of India, China, and other Asian countries reached Europe. This means that domination over the Caucasus meant control of the main transportation, trade, and economic routes.

### **Colonization policy and the geopolitical struggle of the Russia for the Caucasus**

In the 17th century, the Russian rulers were driven beyond the limits of their state by an urgent need to colonize the vast areas to the east of the main territory joined to Russia in the 16th and 17th centuries. Until the mid-18th century, however, these efforts brought no results: serfdom kept peasants tied to their landlords, who were reluctant to move to the

new unfamiliar and insecure border areas. Meanwhile, economic development of the newly acquired expanse along the Volga called for capitalist relations between the landlord and those who tilled his land. Meanwhile, all regions of the vast country were to be consolidated around its European part—a task of geopolitical importance: having entrenched itself in the Volga area, Russia could increase its pressure on the Caucasus. In the early 18th century, Peter the Great nurtured the plan of ousting the Porte from the Black Sea coastal areas to gain access to the Black Sea and consolidate Russia's position in the Caucasus. During his lifetime, Russian troops moved into the Caspian littoral; after the emperor's death in 1725, successive palace coups distracted the Russian rulers from pursuing an active Caucasian policy, although they never let the region out of their sight. They merely bided their time to reapply pressure in a more favorable domestic and foreign political context in order to realize their cherished dreams. By the first third of the 18th century, Russia had entrenched itself in the Caucasian piedmont; in the 1730s, Empress Anna Ioanovna (1730-1740) allowed South Caucasian migrants (Armenians, Georgians, and practically everyone wishing to move in) to settle in the area; the newcomers were promised financial aid and free grain. Until the mid-18th century, however, everything was in vain: the subjects of the empire could not move into the vast piedmont steppes. Serfs remained tied to their landlords, while the Cossacks, well-known for their violent and rough tempers, could hardly serve as an attractive model for economic activity. The few Georgian and Armenian migrants could do nothing much to develop the barren lands. The Russian government had no choice but to invite foreigners to the still undeveloped lands in the Caucasian piedmont and along the Volga. By the mid-18th century, the Germans had become the most mobile nation: they migrated to European neighbors and other continents. However, in Russia, the memory of the atrocities of Biron, the German favorite of Anna Ioanovna, and his compatriots made the Germans unwelcome, even though Elizaveta Petrovna, who replaced Anna Ioanovna on the Russian throne, toyed with the idea of massive foreign colonization of the still vacant lands. She believed that the subjugated Slavic Balkan peoples with similar languages and similar mentalities should be preferred to other people. On 24 December, 1751, she signed a decree which offered

Russian citizenship to those Serbs who would move to Russia<sup>1</sup>. The far from rational colonization policy essentially failed; foreign colonists were few and far between: 75% of them were Moldovans, followed by Serbs (12%), who had been expected to comprise the bulk of the migrants. Other colonists comprised a total of 13%: 6% of them being Macedonians, 4% Hungarians, 2% Bulgarians, and 1% Germans<sup>2</sup>.

It was under Catherine the Great (1762-1796) that foreign, including German, colonization began in earnest. The Empress, well aware of the economic and geopolitical value of the empire's recent acquisitions, paid particular attention to their economic and demographic development: "We need more people. Fill the vast wasteland with the hustle and bustle of people if you can."<sup>3</sup> On 4 December, 1762, as the Seven Years' War was drawing to a close, the Empress issued a Manifesto on Permission for Foreigners, Except for Jews, to Move to and Settle in Russia and for Russian People who Escaped Abroad to Freely Return to their Fatherland."<sup>4</sup> It was nothing more than a succinct declaration that failed to lure potential migrants. It was followed by another document based on what the Russian diplomats stationed in Europe thought about the matter and information supplied by all sorts of recruiting agents. The Manifesto of 22 July, 1763 On Permission for All Foreigners who Come to Russia to Settle in the Gubernias of Their Choice and on Their Rights<sup>5</sup> offered a solid legal foundation for foreign colonization in the Russian Empire. The appendix enumerated "the vacant lands suitable for settlement," which offered the Crimea and the recently acquired southern gubernias along with the Lower Volga, the Urals, and Siberia for settlement.<sup>6</sup> Both manifestos attracted a huge number of colonists. In 1763-1767, Russia received and settled about 32 thousand foreigners, mainly in the Volga area, a sure sign of skillful state policy and the efficiency of the Chancellery for Assisting Foreigners. On the whole, the colonization policy bore fruit even if it had nothing in common with the empire's real needs and real potential. Indeed, in 10 years

<sup>1</sup>See: \* *Polnoesobranie zakonov Rossiyskoy imperii* (Laws of the Russian Empire), First edition (further PSZ-1), Vol. 12, No. 10049, St. Petersburg, 1830, pp. 552-558.

<sup>2</sup>See: PSZ-1, Vol. 16, No. 12099, St. Petersburg, 1830, pp. 750-752.

<sup>3</sup> *Ibid.*, No. 11720, p. 45.

<sup>4</sup> *Ibid.*, No. 11880, pp. 126-127.

<sup>5</sup>*Ibid.*, pp. 313-318.

<sup>6</sup>*Ibid.*, pp. 315-316.

(between 1756 and 1766) only about 15% of the 200 thousand German émigrés went to Russia; the rest, very much as before, preferred America<sup>7</sup>.

By the late 18th century, the Russian Empire had gained a lot of strength; foreign policy came to the fore under Empress Catherine the Great, who was well aware that Russia needed access to the Black Sea. To entrench itself in the Northern Black Sea area Russia had to overpower the Sublime Porte and the Crimean Khanate, its principal ally in the region. Between 1768 and 1791, Turkey was defeated in two Russo-Turkish wars; this triggered enormous geopolitical shifts in the Northern Black Sea littoral and the Caucasus when Russia moved into the vast territory between the Bug and the Dnieper, as well as into the Crimea and the Kuban area. In 1774, Russia added North Ossetia to its domains; in 1781, Digoriya; and in the 1790s, Balkaria. Under the Georgievsk Treaty of 1783, Georgia adopted Russian protectorate, which sealed the future of the Southern Caucasus. Russia's interests in the new domains were not limited to strategy; their economic value was no less important. The St. Petersburg Academy was asked to start scientific research of the Caucasus. Studies began in the latter half of the 18th century; from 1770 to 1808 prominent scholars of German origin—Samuel Gottlieb Gmelin, Johan Anton Gldenstdt, Julius Heinrich Klaproth, and others—individually or as members of expeditions collected economic and geographical information about the Caucasus.<sup>8</sup> The results were summarized and became part, directly or indirectly, of the Russian colonization policy in the Caucasus. Catherine the Great understood that the newly conquered lands should be populated with people loyal to the Russian Empire. Under the pressure of European policy, the Russians had to move fast in the Northern Caucasus: in the late 18th century, Britain and France became actively involved in the geopolitical Caucasian games. Fully aware that they had come too late, the Brits and the French still wanted a toehold in the Caucasus. They argued that the Russian Empire had captured only the North Caucasian valleys, while the Ottoman Empire, reluctant to accept the loss of the territories between the mouth of the Danube and the Kuban River, was waiting for an opportune moment. In

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<sup>7</sup>See: *Vsemirnaiaistoria*, Vol. 5, Moscow, 1958, p. 414.

<sup>8</sup>See E.-M. Auch, "Nemetskiekolonisty v Zakavkazie," in *Rossiyskienemtsyna Donu, Kavkazei Volge. Materialy rossiysko-germanskoy nauchnoy konferentsii sentyabria 1994 g.*, Moscow, 1995, pp. 103-109.

the mid-1770s, the Germans began moving to the south; in July 1785, Catherine the Great issued a new manifesto that filled in the gaps of the 1763 Manifesto<sup>9</sup>. The Germans first moved into the Northern Caucasus where ten fortresses (which together formed the Azov-Mozdok Line) protected the newly acquired lands. Colonization proceeded at a slow pace: serfdom created a shortage of free people, which meant that a problem of state importance remained unresolved. In an effort to speed up economic development of the new territories, the government allowed the German settlers in the Volga area to move to the Caucasian Line. Entrusted with the task of drafting a plan to move the German colonists from the Volga to the Caucasus, Prosecutor General of the Russian Empire Prince Vyazemsky produced a report "On Resettling Colonists of the Meadow Side of the Volga to the Line Built between Mozdok and the Azov Sea," which the Empress endorsed by a decree of 27 October, 1778<sup>10</sup>. Progress was slow. By 1789, only 347 colonists had arrived from Saratov to take up residence on the Volga in the area of StaryeMazhary, and even they, just two years later, finding this area to be "inconveniently situated,"<sup>11</sup> scattered across the towns and cities of the Caucasian Gubernia. Owing to the absence of volunteers prepared to move to the Northern Caucasus, the government, determined to colonize this geopolitically important region, had no choice but to resort to compulsion. A decree of 1 July, 1794 instructed the local power bodies to collect signatures from the foreign colonists to find out who wanted to remain in the Saratov Gubernia and who was prepared to move to the Caucasus. The document warned that after specifying their preferred place of residence the colonists should not "move from their permanent residences to other places or gubernias without written permission."<sup>12</sup> The decree did nothing to keep the foreign colonists in the Northern Caucasus. No matter how hard Pavel I tried to attract colonists, in the 1790s the trickle remained meager. Those who came were sent to Novorossia: in 1782, there were 0.2 thousand Germans there; by the late

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<sup>9</sup>See: PSZ-1, Vol. 22, No. 16223, St. Petersburg, 1830, pp. 426-427.

<sup>10</sup>See: PSZ-1, Vol. 20, No. 14814, St. Petersburg, 1830, pp. 757-759.

<sup>11</sup> PSZ-1, Vol. 23, No. 17230, St. Petersburg, 1830, p. 537.

<sup>12</sup> *Ibidem*.

18th century, there were 5.5 thousands of them.<sup>13</sup> Late in the 18th century, the czarist government issued several documents designed to encourage foreign colonization of the Northern Caucasus which, however, were less effective than expected: until the early 19th century, there were no German colonies in the Caucasian Gubernia.

### **The geopolitical attempts of the Great Britain in the Caucasus and European Christian missionaries**

German colonization of the Caucasus coincided with the second stage of massive migration of foreigners to the Russian Empire which began under Alexander I (1801-1825). The Karris colony was the first foreign colony which appeared in the Northern Caucasus. In the summer of 1801, Scottish Presbyterian missionaries Henry Brunton and Alexander Paterson asked the Russian authorities for permission to settle in the Northern Caucasus in the fortress of Konstantinogorskaia. In 1802, they founded a colony which they called Karris. Later, common settlers from Scotland<sup>14</sup> and German ecclesiastical reformers from the Saratov Gubernia<sup>15</sup> joined them. The Scottish missionaries were attracted not only by the possibility of spreading Christianity among the mountain dwellers; they hoped to set up an outpost to promote Great Britain's trade and political interests. The Russian royal court, however, did not regard the Scots as British spies. It was expected that they would help to popularize Christianity among the local Muslims, Buddhists, pagans, and Judaists, which explains the energetic measures taken by St. Petersburg to meet the Scots' requests. The Russian Minister of Internal Affairs promptly delivered his report to Alexander I, which was endorsed on 25 November, 1802.<sup>16</sup> Some people, however, had their doubts: General Tsitsianov thought that the missionaries were British agents determined to persuade the mountain peoples to start trading with Britain. He was convinced that the

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<sup>13</sup>See: V.M. Kabuzan, "Nemetskoenaselenie v Rossii v XVIII-nachale XX veka," *Voprosy istorii*, No. 12, 1989, p. 23.

<sup>14</sup>See: Akty, sobrannye Kavkazskoy arkheograficheskoy komissiyey (further AKAK), Arkhiv glavnogo upravleniya mestnika Kavkazskogo, Published under the editorship of d.S.S. A.D. Berzhe, Vol. VII, Section XV, Kavkazskaya oblast, No. 898, Tiflis, 1878, p. 910.

<sup>15</sup>See: AKAK, Vol. 7, Tiflis, 1878, pp. 930-931.

<sup>16</sup>See: AKAK, Vol. 2, Tiflis, 1868, p. 926.

missionaries were extending material support to the locals “to gain their confidence and are very lavish with their money to this end.” The missionaries defied their own financial problems to buy better relations with the mountain peoples. Henry Brunton earned respect by his perfect knowledge of Arabic. The Gospels in the Tatar language were published in the colony’s print shop.<sup>17</sup> General Tsitsianov explained: “They (the missionaries.—Ed.) have no other aim but to win the trust of the mountain peoples with the help of Arabic and to channel their trade across the Black Sea where the Brits feel free to navigate.”<sup>18</sup> The general was right, at least partially: the Scottish missionaries took commands from the Edinburgh directors, received money from them, and had to obey their instructions. They tried to increase British influence in the Northern Caucasus by preaching Protestantism among the local mountain dwellers. British diplomats closely followed the ups and downs of the relations between the czarist authorities and the local Caucasian peoples. Early in the 19th century, British diplomats even crossed the Caucasus under the guise of travelers or on their way home from missions abroad; they kept their eyes open and gathered information as well as they could. For example, in 1814, William Gore-Ouseley, a British envoy to Persia, asked for permission to cross, together with his retinue, the Caucasus on the way to St. Petersburg and further on to Britain. Once in the Caucasus, he spent some time in Karras with the Scottish missionaries. According to Russian historian S. Chekmenev, “the British diplomat was lured into this far from easy, long, and inconvenient journey not by its romantic attractions. He set out on the journey with a secret assignment from his government.”<sup>19</sup> This may at least be partially true. The Scottish missionaries were not alone; in 1821, Christian missionaries of the Basel Evangelical Missionary Society, Evangelical priests August Dietrich and Felician von Zarembo, applied to the Russian Minister of Internal Affairs with a “request to permit them to found colonies of pious German families beyond the Caucasus between the Black and Caspian seas and to start an academy and print shop there for the purpose of spreading the word of God in that region among the pagans

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<sup>17</sup> See: I. Apukhtin, *KoloniaKarras, eeprshloeinastoiashchee*, Pyatigorsk, 1903, p. 3.

<sup>18</sup> AKAK, Vol. 2, p. 927.

<sup>19</sup> S.A. Chekmenev, “InostrannyeposeleniyanaStavropole v kontse XVIII i v pervoyopolovine XIX v.,” in *MaterialypoizucheniuiuStavropolskogokraia*, Issue 12-13, Stavropol, 1971, p. 246.

and Mohammedans and to enjoy the same rights as the colony of the Scottish missionaries of the Caucasian Gubernia in Karras.”<sup>20</sup> The Basel Missionary Society entrusted its missionaries with the task of spreading Christianity in the Caucasus in full accordance of the rules formulated by the Evangelical Foreign Missions Association of Great Britain. The Russian Empire, in turn, wanted the Basel missionaries to settle between the Black and the Caspian Sea “to start an academy and printing shop there for the purpose of spreading the word of God in that region among the pagans and Mohammedans.” It should be said that the Basel missionaries had perfect command of Arabic, Turkish, Armenian, and Persian, which helped them in their evangelical effort among the local peoples. Operating in the Derbent-Irevan-Karabakh triangle, they gradually widened the geography of their mission: in 1829 some of them went as far as Baghdad to study Arabic and preach Christianity. General Ermolov, entrusted with military and civilian power in the Caucasus, looked askance at what the Protestant missionaries were doing in his territory. An ardent supporter of missionary activities of the Greco-Russian faith,<sup>21</sup> he wrote to Prince Golitsyn in 1822: “I deported Scottish missionary Blair who lived among the Ingush and behaved suspiciously.” The Russian general disapproved of the Edinburgh Missionary Society and pointed out in the same letter: “When educating young men they teach them the language of their fatherland and do not try hard enough to make them good Russian subjects... I have to admit that unwilling to acquire new preachers from among these charges I prevent the Karras colonists from taking new charges.”<sup>22</sup> In January 1827, in response to one of the many inquiries from the capital about the causes of the colony’s disintegration, General Ermolov was extremely outspoken: “I do not regard the missionaries’ departure a great loss for the Caucasus because they demonstrated no success either in preaching Christianity or in economic activities.”<sup>23</sup> He went on to clarify his point: “It is unacceptable, especially politically, to allow foreign missionaries to educate the local peoples.”<sup>24</sup> Under the Law of 22 May, 1828, the Lutheran Church acquired

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<sup>20</sup> AKAK, Vol. 6, Part I, Tiflis, 1874, p. 468.

<sup>21</sup> See: AKAK, Vol. 7, Tiflis, 1878, p. 932

<sup>22</sup> AKAK, Vol. 6, Part II, Tiflis, 1875, p. 507.

<sup>23</sup> AKAK, Vol. 7, p. 932.

<sup>24</sup> *Ibidem*.

an official status equal to that of the Russian Orthodox Church largely thanks to Frederica Louise Charlotte Wilhemina, daughter of the King of Prussia Frederick William III and wife of Russian Emperor Nicholas I. The same law ruled that all Protestant religious organizations should merge with the Lutheran Church; it was a blow to the reform movement, which deprived the continued functioning of the Scottish Christian Mission in Karras of any meaning. The Edinburgh Missionary Society, which had poured a lot of money into the Karras colony, refused to accept the loss of the reform mission's outpost; it asked for a permission to transfer its lands to the Basel Missionary Society. The persistent requests of the missionaries and numerous petitions which arrived in St. Petersburg from Edinburgh were crowned with success. In 1828, the Emperor allowed the Basel missionaries to settle in the area of the Caucasian Mineral Waters if the Karras colonists agreed<sup>25</sup>. In 1828, the missionaries of the Basel Evangelical Society joined their Scottish colleagues. Late in the 1820s, disappointed with the results of their mission, the Scots started moving away from the Northern Caucasus; there were several other reasons of their pull-out. First, according to historical sources, early in the 1830s, there were nine families of baptized mountain dwellers in the Karras colony and six baptized men from Kabarda, with English and German surnames, such as Walter, Buchanan, Abercromby, Davidson, etc., married to German women<sup>26</sup>. The locals not merely remained indifferent to Christianity, they took up arms to rebuff foreign Christian expansion; the Muslims—Nogays and Kabardins—were the most vehement opponents<sup>27</sup>. By the 1830s, it became clear that the missionary activities of the Scots from Edinburgh had failed. Some of them, including Alexander Paterson, refused to obey the orders from the Edinburgh headquarters and served Russia. His services were lavishly rewarded with the inheritance of 1,000 desyatins of land in Karras. Edinburgh, which had been supervising the Karras missionaries for about 30 years, was furious. It should be said that the Russian officials were just as displeased with the Basel missionaries. On 10 January, 1835 Baron Rosen

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<sup>25</sup>See: *Ibid.*, pp. 931-932, 940-941.

<sup>26</sup>See: E. Weindenbaum, "K istorii Shotlandskoy kolonii okolo Piatigorska," *Izvestia Kavkazskogo otdela Imperskogo russkogo geograficheskogo obshchestva (IKOIRGO)*, Vol. VII, No. 1, 1881, pp. 170-174.

<sup>27</sup>See: AKAK, Vol. 5, Tiflis, 1873, p. 909.

reported: "I think that the Basel missionaries are even more harmful than the Scots: they do not set up colonies, they do not convert the Mohammedans and pagans (what they planned to do and for which they asked permission); instead they act on the sly among the Armenians, distribute their translations among them, and lure them to their schools. During the thirteen years they have been in the Caucasus, they have not only failed to set up colonies, they have not converted a single pagan or Mohammedan to Christianity<sup>28</sup>." In 1835, the Cabinet of Ministers of Russia banned the missionary activities of foreign religious societies; they could be involved only in agriculture, industry, and handicrafts<sup>29</sup>. According to T. Plakhotnyuk, the Russian government banned the missionary activities of the Scots suspected of spying in favor of Great Britain; the author proceeds from the suspicions of Prince Tsitsianov<sup>30</sup>. It seems that the ban was caused by much weightier arguments. What the foreign Christian missions were doing in the Caucasus did not tally with Russia's Christianization policy there and failed to bring the desired results. This convinced the imperial powers that since the Edinburgh and Basel missionaries proved to be unable to spread Christianity in the newly captured lands their continued presence in the Caucasus was useless; it was decided to set up a society for promoting Orthodox Christianity<sup>31</sup>.

## Conclusion

In the late 18th century and first half of the 19th century, Russia's settlement policy in the Caucasus served an important geopolitical aim: to tie the Caucasus to Russia in order to make it an inalienable part of the Russian Empire. Britain and France deemed it necessary to join the geopolitical struggle in the Caucasus in the late 18th century. With no colonies in the Caucasus and no common borders, these powers had to rely on their relations with Russia, which had already achieved domination. Britain was especially concerned about the state of affairs: London was convinced that "savage" and "despotic" Russia should drop its claims to the region. What caused this negative yet completely justified response of

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<sup>28</sup>AKAK, Vol. 8, Tiflis, 1881, p. 320.

<sup>29</sup>See: *Ibid.*, p. 321.

<sup>30</sup>See: E. Weindenbaum, *op. cit.*, p. 173.

<sup>31</sup>See: AKAK, Vol. 8, pp. 256, 320.

the Brits to Russia's Caucasian conquests? Britain, France, and other states were concerned about Russia's acquisitions because this tipped the balance of power. After coming to the Caucasus, Russia could have spread its control to Western Asia and Iran. London was convinced that Russia's claims to the Caucasus were unjustified because "barbarian Russia could not civilize the Caucasian peoples and plant liberal-democratic values among them. 'The burden of the white man' in the Caucasus was Britain's duty."<sup>32</sup> Both Britain and Russia relied on the Edinburgh and Basel missionaries. We can say that Britain failed to achieve its geopolitical aims in the Caucasus by means of the European Christian missionaries. The Russian government, likewise, failed to acquire firm support in the Caucasus; it went on with its military political expansion and demonstrated much more cruelty when confronted by the armed riots of the mountain peoples. Britain was waiting for the opportunity to change the geopolitical situation in the Caucasus in its favor and never abandoned the idea of revenge until the Crimean War.

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<sup>32</sup>A.V. Fadeev, "Rossiia i Kavkaz v pervoy tret'i XIX veka", *Algorithm*, Moscow, 1960, p. 103.

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## THE EMPLOYMENT OF PEOPLE AND SOCIO-ECONOMIC DEVELOPMENT OF REGIONS IN AZERBAIJAN

Ibrahimov Islam Hagi\*, Aghakishiyeva Nurana  
Aghamoghlan\*\*

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### Abstract

*The present article investigates the changes at demographic processes, factors of formation employment, socio-economic essence of ensuring employment in Azerbaijan. Ensuring stability in Azerbaijan, systematic measures carrying out in direction of reducing poverty and unemployment, opening new enterprises, Baku-Novorossiysk, Baku-Supsa, Baku-Tbilisi-Ceyhan oil pipelines and Baku-Tbilisi-Erzurum gas pipelines which play an important role in economy of Caucasus, essence of carrying out the project of TRASECA are explained. In article, the scientific-practical offers about carrying out the measures intended in Strategic Road Map, the directions of the state regulation of employment and the socio-economic measures in regions are proposed.*

**Keywords:** Demographic processes, regions, employment, contract, integration, Strategic Road Map, regulation of employment

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\*Ibrahimov Islam Hagi, D.E.S., Professor, Honoured Agriculture Worker, and the active member of the International Informatization Academy. I. Ibrahimov was born on January 17, 1948, in Tovuz, Alibayli, Azerbaijan. The professor worked at Ministry of Agriculture of the Republic of Azerbaijan in different positions for more 40 years, was an active participant of agrarian reforms carried out.

Contact: na\_271183@bk.ru

\*\*Aghakishiyeva Nurana Aghamoghlan, PhD Student In 2016, she graduated from the Azerbaijan State Pedagogical University, the speciality of "Economic and social geography" with master degree. On February 8, 2017 she entered to the dissertation of the speciality "Demography" at the Research and Training Center for Labor and Social Problems. The research work is "The direction of regulating demographic situation in regions". She is engaged in pedagogical activity at Baku Business University and is the author of 10 scientific articles till today.

## Introduction

In each country, the level of employment and the formation of its structure depends on firstly, the number of population and labor resources. Because, some productive members of population who have good experience work habits form the main element of society's productive forces. Production process neither can start nor go on without human labor. Production tools and means form productive prices of society with only live human labor.

Changes in population are reflected in demographic processes and the latter are determined by natural reproduction indicators. These, in turn, generally influence to the changes in the dynamics of the population and movement of labor resources. And this means that, population in each country form the only natural source of formation labor resources and work force in different spheres of activity. That is, quantity of labor resources available in each area depend on firstly quantity of population living here and its age-gender characteristics, and quantity of population and gender characteristics depend on level of natural re-production indicators of population over genders.

The level of employment of population in each country shows firstly whether all or some members of productive population are involved in social production, secondly, how well the population belonging to different social groups are involve in this process.<sup>1</sup>

An employment of population in an economic literature, is understood as a productive activity of citizens which is not against legislation and meets their personal and social needs. And unemployment – is defined as a socio-economic event in which the productive members of active population don't have any permanent and temporary jobs, wages, gain. During 2005-2015, the official number of unemployed persons in the Republic, decreased by 38,9 thousand, and its special weight at general quantity of active population reduced from 7,3percent in 2005 to 5 percent in 2015.

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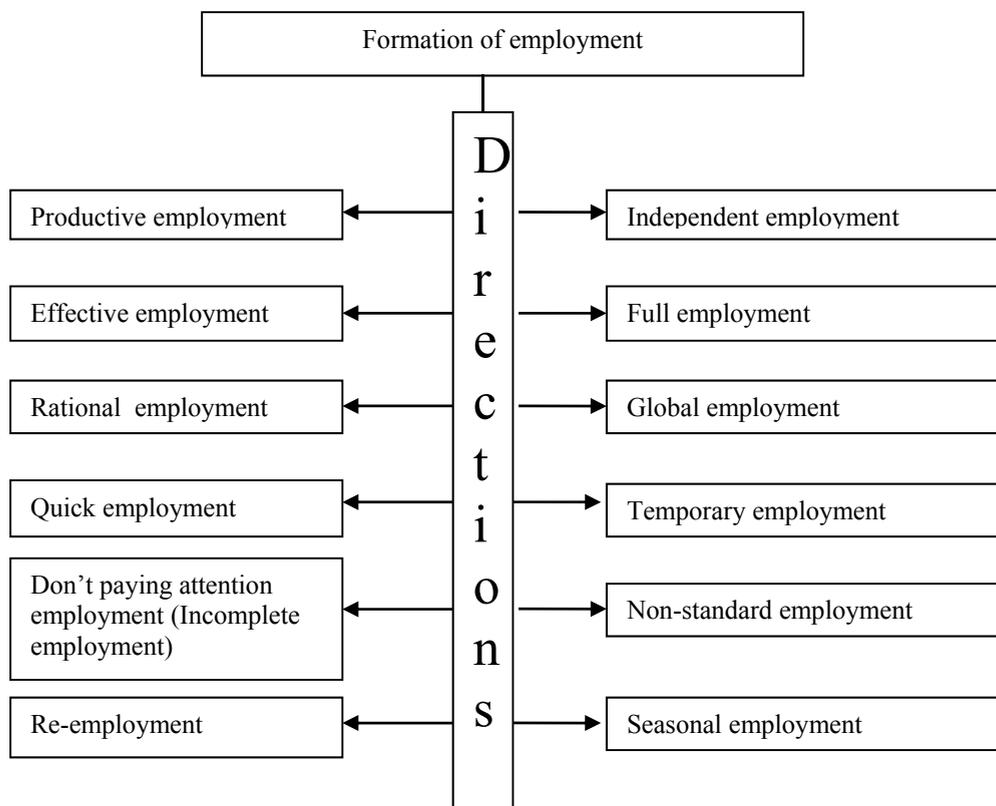
<sup>1</sup> See R. Muradov, *Problems of Formation and Development Population's Employment Structure in Modern Stage*, Baku: Divas, 2016, pp. 57-58.

<sup>2</sup> See D. Sardarov, *Formation of Population and Employment in Azerbaijan Republic in Terms of Market Economy*, Baku: G.M., 2009, p. 22.

Unemployment is divided into different categories such as productive, social-useful, full etc. Productive employment is the employment of population in social production. Social useful employment is defined with the number of people who are involved not only in social production, but also do military, household, services care for children and ill relatives and study (at productive age) etc. Full employment is such situation of the society, in which, people who want to have a paid job, get it, there is no periodical unemployment. But, in this time, his natural level defined friction and structural unemployment is kept.<sup>2</sup>

In modern economic literature the types of employment are defined as follows:

**Scheme 1.** Formation of the employment of population



The government pursues a systematic and planned policy in providing employment opportunities for population and eliminating the negative results of periodical unemployment. While making this policies, in developing market economy countries, all citizens get equal chances in enjoying labor rights and choosing types of employment freely ;is helps to develop labor and ownership initiatives and productive and creative abilities of the citizens by legal means; ensures following the principle of voluntary labor; encourages the citizens free will in choosing a job; provides social protection in employment sphere; coordinates free activities of local authorities with those in taking measures for dealing with the problem of employment of population.<sup>3</sup>

Though, employment differs from labor, they are divided into interrelated economic categories. According to the thoughts of S. Rzayev, from this point of view, like labor, employment necessities the formation of material and spiritual resources, meets material interests of working class, ensures its development and that of the society. Employment is socio-economic process reflecting historical features of combination of production means and work force and relations among the productive members of population on getting suitable jobs. Employment is a socio-economic category characterizing social relations of employees during labor cooperation in a work place. It includes several spheres such as getting education in any sphere of economy, serving in army, doing household activity etc. An employment is participation of employees in specific labor process in work places.

Some notions were derived on the basis of ideas about the human role in society in all stages of historical development: such as 'human factor', 'labor resources', 'work force', 'employment' etc. People apply their productive skills at labor process. Involving the population in labor ability to labor activity is the first stage of employment. On the next stage, all employees are divided in different spheres of economy and are provided with production means.<sup>4</sup>

As an economic category, employment has some quantity and quality sides. The quantity side of employment is ratio between productive

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<sup>3</sup> A. A. Ismayilzada, *Management and social development of human resources*, Baku, 2012, pp. 49-52.

<sup>4</sup> S. Rzayeva, *Gender leadership in sphere of employment*, Baku, 2016, pp. 5-10.

members of population and available work places, and quality side is efficiency degree of using work force. At different stages of historical development, the economists paid special attention to solution of the problem of employment and some theories have been created in this sphere. The most important examples are "classical", "neoclassical", Theory of K. Marx, J.M. Keynes "General theory of employment, money, percent".

The division of population involved in different spheres of economy in the country reflects directions of social-economic development. Industrial interests dominated in Azerbaijan for a long time. Material production spheres were extensive by developing. Till collapse of the Soviet Union, those involved in this sphere made up 70 percent of population, and 30 percent in non-production spheres. The structure of employment remained that way until Azerbaijan gained its independence. After the fall of the S.U. and creation of independent states, there were a number of cardinal changes in the structure of employment. In different fields the number of employees in industry was 6,8 percent, 7,2 percent in construction, 36,4 percent in agricultural and wood industry, 5,5 percent in transport and communication, 14,9 percent in the sphere of trade, repair of transport means 29,2 percent in household service.

We think that, social-economic processes and reforms carried out the 90s of the XX century, led to huge changes in the life of Azerbaijan population. On the one hand, these caused instability, increase of unemployment and poverty, on the other hand, built new opportunities for the development of market relations. And the period covering the end of XX century and the beginning of XXI century is significant not only with creation of market relations, strengthen globalization processes, and making fundamental social-economic changes. This period was characterized with radical changes in the system of vital values, demographic behaviour of population, labor and migration mobility etc. At that period, "Contract of the century" is signed which played an important role in Azerbaijan and Caucasus economy. Under this contract Baku-Novorossiysk, Baku-Supsa, Baku-Tbilisi-Ceyhan oil pipelines and Baku-Tbilisi-Erzurum gas pipelines were built. After, close economic relations were formed among Europe, Caucasus and Asia countries by carrying out the project of TRACECA (Transport Corridor Europe- Caucasus-Asia)

supported by the E.U. and restoring Old Silk Road. To our minds, as a result of these, some problems such as the employment of population and provision with jobs in our country and neighbor countries were solved to some extent. The level of employment increased, the rate of unemployment decreased. This also seriously affected the demographic indicators of local population, the level of integration to foreign countries increased.

In 2016, it was stressed the “Strategic Road Map of Azerbaijan Republic over national economic perspective” affirmed by the President of A.R. that, improving human capital quality and its efficient use influence to the development of science and knowledgeable production spheres, increasing labor productiveness and competitiveness. Now, in Azerbaijan, a number of reform are carried out in direction of developing human capital, non-oil sector, improving business environment and branching out economy.

The implementation of these reforms is important in middle and long-term period for improving the quality of education (especially in the training of highly-qualified specialists), building a management mechanism of infrastructure and “science-education-production” relations, integration of firms to world markets. It is noted in Strategic Road Map that, creation and carrying out targeted programs in direction of ensuring continuity in developing human capital improving “science-education-production” relations will be continued in Azerbaijan. Formation of more qualitative human capital will give a chance to get more material and moral benefit and to grow competitiveness.<sup>5</sup>

One of the main factors which ensures the development in employment sphere is education. There are high demands for the employees in modern production to get education. The results of selection statistic observation which was held in 2015, and the logical analysis enable to define the changes and features in the education level of population.

**Table 1.** ScheduleDivision of population over level of education in 2015 <sup>6</sup>

<b>The level of education</b>	<b>Total, 1000 persons</b>	<b>Women</b>	<b>Total, with percent</b>	<b>Women</b>
High education	763,3	307,2	16,3	40,2

<sup>5</sup> *Strategic Road Map according to national economy perspective of A.R.2016*, p. 82.

<sup>6</sup> \*\*\*, *Labor market Statistic journal*, 2016, p. 119.

<b>The level of education</b>	<b>Total, 1000 persons</b>	<b>Women</b>	<b>Total, with percent</b>	<b>Women</b>
Secondary education	497,5	302,3	10,6	60,8
First vocational education	256,0	82,5	5,5	32,2
Complete secondary education	2820,5	1359,4	60,4	48,2
Comprehensive education	292,2	178,9	6,3	61,2
Primary education	42,1	33,1	0,9	78,6
Total	4671,6	2263,4	100,0	48,5

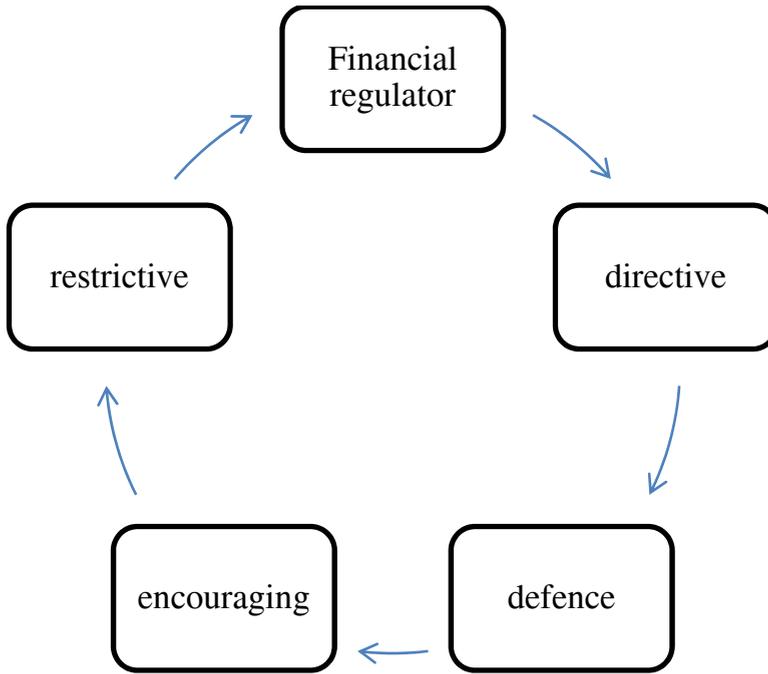
Those people who get complete secondary education make majority among general population, specially, among its unemployed ones. Education is gradually turning into main factor of production. There is an increasing need for highly-qualified talented and experiences specialists connected with application of scientific-technical progress and new technology in all spheres of national economy. And this, in its turn, always requires an increase in the level education of population. Therefore, provision of employment is not possible without progress in education.<sup>7</sup>

An employment policy of the population should be closely related to the state investment, tax, financial-credit, youths, pension provision and education policy, as well as STP and social-developmental programs, proper placement of productive forces in regions, etc. Correct integration of state employment policy to general socio-economic policy creates conditions to increase economic activity, to lower unemployment to minimum level and to increase professional level of employees. Positive results of this policy are connected with the efficiency of the measures taken in different directions the Government.

The following principles of state regulation of employment are:

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<sup>7</sup> S. Rzayeva, *op. cit.*, pp. 87-89.



**Scheme 2. Principles of state regulation of an employment**

Currently, an active policy is being carried out in the sphere of employment in the regions. Main directions of the employment policy are following:

- Measures to built work places
- Training and retraining the unemployed
- Wage subsidies
- Providing social work
- Improving employment services

On 2 July, 2001, The Law of Azerbaijan “On Employment” was signed by nationwide leader Heydar Aliyev in order to define state provisions of citizens in labor sphere, social defence sphere of unemployed ones, as well as legal, economic and organizational base of state policy in contributing to employment. Later, on October 25, 2005, the decree named “An employment strategy in Azerbaijan Republic” (2006-2015) was issued by Ilham Aliyev, the President of Azerbaijan Republic , in order to improve legislation in employment sphere, to develop labor market in the country,

to accelerate opening new work places and to provide the efficiency of population's employment. The employment strategy which passed through examination of the UN International Labour Organization (ILO) was realized in two stages. In the first stage, in 2007-2010 years, the level of unemployment lowered serious, social defense of the unemployed and vulnerable layer of population was strengthened, some measures were taken on improving labor market, suitable conditions were created in order to increase competitiveness and economic activity. In the second stage, in 2011-2015, the measures were taken in order to stimulate the need for work force to form business environment meeting high international standards, to enhance the structure of reforms, to stimulate investment and to develop human capital.

In 2007, Ilham Aliyev, the President of Azerbaijan Republic approved, "State Program on realizing an employment strategy in Azerbaijan Republic" (2007-2010) in order to realize the first stage of employment strategy, and in 2011, "State Program on realizing an employment strategy in Azerbaijan Republic in 2011-2015" in order to provide the second stage of an employment strategy.

Analysis shows that, many important and systematic measures have been carried out in direction of strengthening social welfare of the population, reducing poverty, increasing employment, generally protecting and improving human potential in the country. As a result of efficient use of internal potential, liberalization of economy, creating healthy competitive conditions for economic entities, ensuring the progress of small and medium entrepreneurship, 912,9 thousand and even 654,8 constant work places were opened from 2003-to 2011s in Azerbaijan. 79,1 percent of new work places were built in regions, 87,0% in non-oil sector. Totally, 115,9 thousand new work places were opened in 2015, 91,1 thousand or 80% of them were constant work places. 10,2 thousand work places were opened in newly established enterprises and organizations.<sup>8</sup>

As a result of reforms being successfully held in the country, during 2005-2010, Azerbaijan has achieved the quickest advancement in a list of World Countries in the sphere of human progress. However, there were

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<sup>8</sup> Azerbaijan National Academy of Sciences, *Statistic indicators of Azerbaijan*, The State Statistics Committee of Azerbaijan Republic, 2016, p. 682.

some external interventions that prevented from economic development of Caucasus. As a result of occupation of Nagorno-Karabakh by Armenian aggressors, 1 million people left their places and more than 20 percent of Azerbaijan territory is under the occupation of Armenia. Therefore, there arose big problem in provision of labor resources with jobs and led to increase unemployment.

In order to eliminate the situation in Azerbaijan Regions, 3 "State Programs of social-economic progress of Azerbaijan Republic regions" have been affirmed in different years (2004-2008,2009-2013,2014-2018) in order to achieve promotion of social-economic progress level of regions and removing difference between them by using efficiently available potential. Our analysis shows that, economic growth has increased in the country, social status and welfare of the population has been continued to increase as a result of attention and care to regions. Some laws have been adopted oriented to improve the legislation base, to strengthen investment activity, to regulate anti-monopoly and other economic relations for the last years. Some amendments were made to the Tax Code and the rate of tax on profit decreased to create favourable conditions for the development of entrepreneurship. Turning medium and large enterprises into the shareholder companies, the privatization of lands have been continued. Work on financing the projects oriented to the social-economic growth of regions has been speed up. Some authorized credit institutions have been elected to contribute funds to National Fund for Entrepreneurship Support and entrepreneurs got preferential looks by means of credit firms.

The renovation and construction works have been carried out in economic regions, cities, districts and other settlements, wood stripes, parks have been made, large scale works have been done in provision of gas, water and electric energy. New enterprises have been opened in order to provide population's employment, the activity of the institutions has been restored.

And finally, in 2016, *Strategic Road Map according to national economic perspective of Azerbaijan Republic* was approved by the President of Azerbaijan in order to remove social-economic difference between regions, to raise life standards of the population in the country, to operate under healthy economic conditions. The Strategic Road Maps will provide to increase more social welfare, the competitiveness and inclusion of the

economy on the basis of constant economic growth in Azerbaijan. Azerbaijan will strengthen its position in world economy and will enter the group of the most profitable countries as a result of involving investments, free competition environment, access to markets and the development of human capital. Generally 12 Strategic Road Maps in 11 sectors of the economy have been made corresponding to the order of The President of Azerbaijan dated 2016, March,16 about affirmation of “Main directions of Strategic Road Maps in the main sectors of national economy”. Strategic Road Map involving short, medium and long-terms consists of economic growth strategy and measures plan by 2020, a long-term look for period by 2025 and target look after period of 2025 under the national economy perspective. We consider that, taking such measures envisaged in Road Map will enable to provide employment in Azerbaijan and the social-economic development of the country.

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## THE FUNCTIONS OF THE STATE AND IMPROVEMENT OF PUBLIC ADMINISTRATION SYSTEM IN MODERN AGE IN THE REPUBLIC OF AZERBAIJAN

Asaf Qaribov\*, Afaq Huseyn\*\*

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### Abstract

*As the theories of industrial-type economy in the period of globalization are not able to explain a number of processes and phenomena of the new economic system and the emergence of new guidelines and priorities poses the problems to revise their economic policies and careful choice of mechanisms for the implementation of its directions. In this article we will try to determine the priorities of global economic development and the challenges, state mechanisms and to resolve them.*

**Keywords:** functions of the state, public administration, national economy, economic regulation, civil service

### Introduction

The activity of the State is reflected in its functions, and this reflects the essence of the state activity, the role in country's development, meeting the demands of the community, appears in the main directions of domestic and foreign policy. The state regardless of its political structure, the internal and external politics always carries a certain group of functions which are the implementation of management in the regions, the country's defense and security, as well as keeping in attention and provision of security in

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\*Afaq Huseyn (Baku Business University) is focused on state regulation of the economy, the state's economic policy, pricing and state governance.

Contact: asafqaribov@yahoo.com

\*\*Asaf Qaribov (Azerbaijan State University of Economics) is focused on international integration of Azerbaijan economy, economic regulation and management.

Contact: a.huseyn@mail.ru

national and other areas, social security, macroeconomic stability, international cooperation issues.

At the same time, depending on the economic and political structure of the state, the priorities being implemented by the state, has a number of other necessary functions, which are constantly changing and are considered essential in shaping the country's unique socio-economic development model. Thus, depending on being either democratic or totalitarian, unitary or federal system, economically developed or less developed or numerous other factors, functions related to governance that are not always considered as standard are being formed. Namely, these functions demonstrate the diversity of different country models.

### **The need of improving public administration system**

Overall, there are different approaches to the concept of "state governance". Governance is an activity of state that is being approached both law-making and justice judgement, on the other hand can be characterized with the activity of state authority and public entities (legal persons). In other words, "state governance" in a broad sense, covering the activities of legislative, executive and judicial bodies, reflects overall activity of the state, especially the impact on public relations by means of subjects. "State governance" in a narrow meaning is an administrative action and distinguishes with its scale and commonality. In particular, state governance by implementing in economic, socio-cultural, administrative and political spheres, incorporates not only the section of the state, but also, the private sector and the regulation of the activity areas belonging municipality spheres. State governance being executive-distributing branch implemented permanently, continuously and planned, is represented by the state authorities performing on behalf of the state and carrying out functions of state.

The aim of the state governance is to achieve the results set forth on the subjects of management activity, are divided into socio-economic, political, supplement, organizational and legal management objectives. But we should note that the observance of the principles necessary to achieve the desired goal is mandatory. Theoretically, there are legal, political, and organizational-management approaches to the basic principles of state

governance. These principles defined as general and organizational principles are core of any governance. Principles such as democracy, legality, objectivity, scientific, concreteness, power distribution and efficiency as general principles are taken into account in governance of any state.

In the context of globalization openness of national economies are expanding, and its integration into the world economy is intensifying. Increase in the openness of the national economy, in turn, brings to the fore national security problems. In this regard, taking into account the processes occurring in the country's development strategy on an international scale, trends in the national economy and other areas of advanced security, dynamic and balanced effectiveness, competitiveness should be observed, the socio-economic system, ensuring the elimination of contradictions as much as possible and aimed to ensure sustainable development. Contradictions observed in economic system are directly related to economic relations system of society. They are not only related to property forms, the living standards of population, but also with national traditions, ideological views and so on. As a general rule, it is impossible to resolve these new emerging contradictions through compulsory economic and administrative ways, because they can arise and develop through the evolution inside the old economic system. Therefore, changes in the economic system demands to be analyzed and assessed.

In recent decades, the world economic system gets a new look associated under the acute development of information technologies and influence of the realization of globalization processes related to virtual, intangible factors. More information, investment, technology, labor, intellectual and financial resources, management systems, political and in some cases even religious processes act as an object of a new economic system. Fundamental changes require re-evaluation of scientific theories and approaches known so far which is typical for a new economic system.

Changes in global economic development paradigm came to the fore as a result of the global economic crisis is not just an update of production methods and models of economic growth, but also the entire economic modes renewal, which makes it necessary for changes covering all areas starting from economic organization to the management. The theoretical results and postulates specific to the type of industrial economies is not able to explain a number of processes and circumstances of the new

economic system in the period of globalization and establishment of new landmarks and priorities put the duties for the government to revise its economic policy and precise selection of implementation mechanisms.

The difference in development of post-industrial and industrial economy is mainly characterized with the obligations and position of the government, in the form of acting in economy. If the responsibilities of the state in industrial economic development are to determine the direction of institutional changes while retaining supremacy of decisions on liberalization of market in their own hands, then in post-industrial economic development these responsibilities are replaced with non-interference in the market priorities but trying to make economic environment and interaction environment favorable, and the states not functioning as an equal partner. At this time operating form in economy transfers from vertical-horizontal relationships to a form of horizontal-network connections. Thus, a new economic system formed nowadays in the world should be able to cope with a number of duties. "Main trends and developments in Public Administration and Public Sector:

1) *Leadership and professionalism.* Knowledge, skills, abilities and attitudes of future leaders are essential to the development of public policies. Their implementation and the development of administration must be in line with contemporary problems. Training and professionalism of future leaders are at the heart of our reflection. There is no single model for the future leaders because each country has its own values which guide the public sector, and the management systems are different from one country to another.

As we focus on the development of the leadership, we discuss about interactions between the concepts of leadership and innovation. Especially, we investigate how future leaders can lead (introduce), guide, manage and develop innovation in the public sector.

2) *Innovation in the public sector.* The "innovative practices" in the public sector refers to the definition of problems and challenges, the development of new and creative ideas, but also to the selection and implementation of new solutions. Delivering innovative services in the

public sector should be considered as an opportunity to solve the political deadlock, reduce costs and improve services for citizens".<sup>1</sup>

Historically, systematic changes happening in every society are seen changes of economic thinking of public institutions, ideology and people. The main character of the correct assessment of these problems is their substantiation on objective facts.

### **Improvement directions of forms and methods of state regulation of economic system**

Depending on concrete historical situation in individual countries, the state regulation of national realities and methods differ from each other, their general principles remained the same. To perform effectively its economic regulatory functions the state, first of all, should possess enough regulatory resources, secondly, they should have a clear understanding of the opportunities and finally, should see in advance their socio-economic consequences. Therefore, the relationship between political and economic decisions should be taken into consideration, coordinated the formation of state policy. In this case, country's development level and conjuncture should be taken into account. In this regard, analysis of the factors influencing the decision-making and formation of economic policy is important. National economic interests changes dynamically, and depends on economics, especially the country's economic resources, its income level, military, policy and so on. The country's national economic interests in all cases are directed to the development of society, to ensure economic growth, macroeconomic stability, and achieving efficient use of the existing potential, aimed at improving the welfare of the population. National interests of states change depending on the impact of a variety of time and development factors. In this respect, optimal maximum and minimum limits of the state intervention to the economy must be defined for each phase of development. So, too high and too low level of government intervention in the economy is equally harmful. At the same time two key strategic elements should be focused on. These are compliance of the state functions with its potential and strengthening the state potential through

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<sup>1</sup> Rolet Loretan, "International Institute of Administrative Sciences: A world wide platform for administration", in *Regional Hub of civil service's e-journal - Modernisation of civil service: increasing the efficiency for sustainable development*, no 1<sup>st</sup> Oct., 2013, p. 32.

the activation of public institutions. But it creates a number of problems in practice. So, desire to do a lot of work with very limited resources can affect adversely to the quality and other indicators and as a result can lead to the loss. Therefore, if the state has limited capacity, its intervention to the processes of its economic trends, its forms and tools particularly needs to be carefully identified and substantiated. State institutions of each country can not be fully released while in decision-making and managing the impact of the economy on the regulatory impact assessment as a result of information and technology changes, socio-economic proportion changes in the world and impact of globalization in the world economy. They have to consider and compare the impact of variety of international institutions, public organizations, transnational capital and others to all economic relations. In accordance with this, understanding of state's economic role and functions periodically happen again.

One of the most important requirements is establishment of the state functioning on the basis of the constitution and able to conduct adequate policy to the terms. Due to the development of the economy, as well as the entrepreneurship, also determination of "game rules" by market-oriented subjects requires the creation of the relevant legislation base. One of the important conditions for the transition to a new economic system is related to the establishment of proper modern democratic institutions, with the formation of the ways of economic thinking and the mentality of the population matching with new requirements. The nature of the economic reforms carried out in Azerbaijan, scale, speed, stages, direction and implementation mechanism of these measures in the country enabled the creation of the social-oriented, regulated development model of market economy meeting the national interests of the general public.

At present, the Republic of Azerbaijan has stepped to a new stage of the building of a democratic state and socio-economic development. Changes in the international arena require improvement of the public administration system and developed into a system in line with changing circumstances. Our state has joined to international initiatives on the promotion of proper governance and is trying to take advantages of the best practices of the world in this field. The continuation of the measures implemented on building a democratic and legal state stimulates development of state management system, increases public confidence to

the civil service system. Requirements set forth in the "State Program on Poverty Reduction and Sustainable Development of the Republic of Azerbaijan in 2008-2015", "National Action Plan for Promotion of Open Government in 2012-2015" and "National Action Plan on Combating Corruption in 2012-2015" serve to the improvement of public administration and civil service system. The principles of public administration such as the rule of law, equality and unacceptable discrimination ensure citizens' close participation in governance, efficiency and consensus inclination, productivity and efficiency, transparency and accountability.<sup>2</sup>

At present, the requirements of these principles suggest improvement of legislation, expanding public participation in the activity of state bodies and close cooperation with civil society, increase in governance and anti-corruption culture, application of innovative technologies. During the period of independence of the Republic of Azerbaijan the performance of the civil service as a system directs to the development of state-building, coordination between interests of individuals, society and state at all levels, towards the elimination of contradictions.

Main duties of civil service based on Constitution of the Republic of Azerbaijan and other legislative acts are to provide citizens' rights and freedoms, preparation and adoption of decisions, execution of these decisions and control over this execution within the authorities of state bodies, ensuring effective action of the state bodies and realization job authorities by civil servants. In modern period, in which, the formation of society based on knowledge and information, also during the increase of democratization processes professionalism, being initiative, loyalty of civil servants on development direction determined for state reflects in all levels of public administration, as well as influence to the development in different fields.<sup>3</sup>

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<sup>2</sup> Ilham Aliyev, "State Program on Poverty Reduction and Sustainable Development of the Republic of Azerbaijan in 2008-2015", *Decree #3043 of the President of the Republic of Azerbaijan*, September 15, 2008. Available: <http://www.refworld.org/pdfid/548eb7034.pdf>

<sup>3</sup> \*\*\*, "National Action Plan for Promotion of Open Government in 2012-2015" Available: <http://antikorrupsiya.gov.az/upload/file/OGP%20AP%20Azerbaijan%202012-2015%20Eng.pdf>

### **Reforms in civil service field: theoretical and practical approach**

A number of successful reforms in civil service system of the Republic of Azerbaijan have been carried out and the country's unique civil service system was formed taking the advantages of the international experience. As a result of reforms in public administration and civil service systems following successful results were achieved:

- Legal and regulatory framework in civil service was established;
- The scope of civil servants was defined;
- Categories of state bodies were classified taking into account their status, hierarchy and jurisdiction;
- Civil service positions were divided on their types and classifications;
- Civil service qualification rank system was formed;
- Procedures and mechanisms of civil service recruitment and holding vacant civil service positions were established;
- Civil servants attestation, service performance appraisal, compensation, discipline, responsibility and other issues were regulated by legislation;
- Ethics conduct rules in civil service were defined;
- Rules of formation of reserve staff system for holding senior manager positions of civil service in state bodies were determined;
- Institutions specialized in the field of civil service were established and began to operate;
- Civil Servants Registry Information System (CSRIS) was formed;
- A number of international projects in civil service system were implemented.

Formation of economic thinking way relevant to the scientific-technical progress exists as an important problem of the society of each country. Basically, the main driving force of new systems based on increasing productivity is high-skilled staffs who are potential carriers of innovation. But we must take into account that in the context of the globalization of capital and main production networks majority of the labor forces in the world remain outside the process in accordance with local nature. As the majority of the work force remain outside of the globalization requires development of new theoretical approaches in the field of governance.

The experience of some countries shows that economic development can be achieved not only through strengthening its material base, but also at the expense of significant changes in people's thoughts, behavior, and their methods of communicating with each other. Thus, sometimes refusal from existing customs and traditions, sometimes, on the contrary, their existence can turn into a significant initial factor of economic development.

Incentives such as "Serving to state, community and citizens", "Civil Service reputation", "Interesting work" indicate satisfaction from civil service position, serving in civil service and serving to community, relationship between chosen work and knowledge, professionals, development opportunities within the system.<sup>4</sup>

To reduce the direct relations between officials and citizens, the implementation of the legal norms (in our case maturity) are organized on the principle of "one-stop shop". Decree of the President of the Republic of Azerbaijan "On elimination of interventions preventing the development of entrepreneurship" and Order "On measures to ensure the organization of the activities of business entities based on "one-stop-shop "principle were adopted.

In addition to the achievements, gaps in the system of the civil service legislation, the civil service system management methodology, in the direction of the increase the professionalism of civil servants, promotion and development of service performance existence of deficiencies are observed. There are a number of factors in civil service, which are the absence of satisfactory level of salary, working conditions and promotion in career.

During the transformation period of the civil service system in accordance with the requirements of the modern era, above-mentioned problems make it inevitable of public service improvement, selection of strategic development lines on increasing professionalism, efficiency and rationality, transition of quantitative indicators to the quality parameters. Optimizing the number of state bodies in civil service system, eliminating duplication in their authority and functions, strengthening the material-technical base, switching to the advanced management methods, improving control mechanisms are considered as important factors.

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<sup>4</sup> I.R Kurnysheva, *Macroeconomic development: Trends and Prospects*, Baku: M. Science, 2005, p. 40.

Improvement of civil service requires implementation of measures for increasing the prestige of civil service, enhancement of professionalism and application of more transparent procedures related to career opportunities and development in entire system, involvement of qualified and professional personnel to civil service, improvement of motivation and social security. Experience shows that improving of any element or subsystem of the civil service is directly linked to the reform of that institute.

In general, improvement of legislation and institutional capacity building were selected among proposed priorities as a target goal of "Azerbaijan 2020: Vision to future" Concept. However, determination of the priority development goals, primarily the priority development goals and strategic plans on activity fields of government agencies and enterprises, harmonization of these goals to the relevant state programs are key steps in this direction.<sup>5</sup>

On the other hand, in order to ensure sustainable development in the context of globalization the state's regulatory role in management of strategic and important areas should be strengthened. To ensure the sustainable development of the country today increase the state's institutional functions developed into necessary.

In order to achieve the goal of improving legislation, institutional capacity building, there is a need to improve state regulation. Improvement of the state regulation makes necessary to ensure the principle of effective state regulation.<sup>6</sup>

## **Conclusion**

Following issues are necessary for civil service system to be more effective and reliable:

– Measures to increase control over the implementation of the civil service legislation should be continued, law enforcement oversight mechanisms should be improved with the legislation.

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<sup>5</sup> Ilham Alyev, "Development Concept Azerbaijan - 2020: Outlook For The Future", in *Azerbaijan 2020: Vision to future*, Available: [https://www.president.az/files/future\\_en.pdf](https://www.president.az/files/future_en.pdf)

<sup>6</sup> Jeffrey D. Saks, *End of poverty. Economic Possibilities of our time*, NY: Gaidar Institute, 2011, pp. 397-401.

–Strategic plans of state authorities must comply with the development concept and strategy of the state and adopted relevant state programs;

–To increase the quality of the activities of state bodies, current management methods and mechanisms should be improved, new ones must be applied, support to initiative and innovations should be increased;

–The strategic nature of the civil service system, optimization and approximation of the functions of public authorities, number of state authorities and civil servants to the modern requirements and conditions should continue;

–Use of resources in civil service should be analyzed and saving measures should be expanded;

–In order to implement more effective public services by public authorities some of the services should be outsourced to the private sector;

–Different types of civil service positions, professional ranks, special and military ranks, length of service should be brought in line with the legislation. Legal basis for the terms of rotation between public authorities, guarantees on rotation, guarantee mechanisms and so on should be determined;

–Mechanism for determination of risks in civil service and protection of civil servants from these risks must be enhanced. Minimum and maximum service periods (on a specific position by taking into account that long time serving in position leads to the risk of corruption) should be identified in a number of strategic positions (by identifying the list of those positions at all levels) due to the reason that HR fluctuation causes decline in the quality of the work. Protection mechanism for civil servants from the risk of termination from civil service under the change of the head of state body and structural changes;

–Ensuring the principles of transparency and openness in state bodies should be improved. Complex measures should be continued on easy and free access to the services provided by public authorities. The study of public opinion on the activity of state bodies and civil servants should continue. Interaction of civil society institutions and mass media with state bodies should be improved and cooperation should be expanded. The quality and number of services offered by electronic means should be increased and access to information about the activity of state

bodies should be expanded and facilitated. Use opportunities of innovative information technologies in state bodies should be increased and internet information resources should be developed and structural units responsible for providing information improved;

– HR policy should become an integral part of the general policy of the state body and should be carried out jointly with this policy. HR policy should be based on the principles of rule of law, respect for human and civil rights and freedoms, meritocracy, equality, transparency, accountability, systematic character, planning, sustainability and efficiency. Heads of state must accept HR policy formulation and implementation as one of the priority areas of their activity and must provide senior officials under the supervision to pay more attention to working with human resources. Personnel policy of state bodies should be carried out in a planned manner. Necessary organizational and methodological assistance to state authorities related to the development and implementation of HR policy must be provided.

– To provide implementation of goal, duties and functions of state body in high level and to achieve strategic targets, knowledge, abilities and competences of personnel must be determined, learning and provision of education and training needs must be directly related to results of performance appraisal and personal career plan of civil servants. Potentials and experiences of civil servants must be used effectively not only for one state body, but also for goals of civil service. Civil servant must be approached not as an employer of any entity, but as personnel of civil service. During human resources management issues as revealing potential of civil servants, potential development by purposely investing, using of personnel rationally, stimulation of motivation and creativity, cohering their interests with their personal career plans must be taken into account in formation and implementation of career policy of state bodies. For increasing role of youth and women in the activity of state body systematic actions must be implemented. Heads of state bodies take the necessary measures to overcome the difficulties that could arise during the service of youth and women;

– The motivation in civil service should be improved, and new incentives should be formed. Different incentives (material and non-material) should be formed in accordance with the volume and results of

the work of civil servants and new mechanisms should be applied to increase the efficiency of civil servants' performance.

– The issues such as continuing complex measures on a simple, easy and free use of services by citizens and organizations, to improve cooperation between the state and civil society institutions, to modernize the relationship between them, the achievement of more effective mechanisms of cooperation, in general, to ensure the active participation of NGOs in the work of the state commissions should be in the focus of attention.

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## THE ROLE OF LANGUAGE RELATIONSHIP IN THE ECONOMY DEVELOPMENT OF THE CAUCASUS

Kamala Jafarova Avadır \*

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### Abstract

*The article investigates the role of language relationship in the economy development of the Caucasus. As the Azerbaijan Republic is one of the prosperous states of the Transcaucasus, the article generally pays much attention to its language relationship to the world economy. Besides, the economy development of Azerbaijan via language is not doubtful. The role of languages in the economy development is necessary to create the conception that refers to future for creating the perfect relationship basing on different economy grounds such as oil, gas, steel, cobalt, etc.*

*The relationship on this field can help to improve the language situation in the Azerbaijan Republic, the country which is progressing strongly in the way of economy. This conception should cover the interests of our nation as well as the modern level of linguistics and language learning. The economic branch should be paid much attention, of course. Such kind of conception may be effective and productive in case it meets today's demands.*

**Keywords:** economy, language relationship, development, Caucasus, nation

### Introduction

Language is considered to be the most crucial communicative means in the origin of each nation. Looking back into the history, the complex and mysterious sides of the language can not be hidden. It is a known fact that language is meant to be an important factor for the

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\* Kamala Jafarova Avadır holds a Ph.D in Philology; she is an Associate Professor of Department of Languages, Baku Business University, Baku, Azerbaijan.  
Contact: kamacafarova\_adu@mail.ru

development of a nation. M. Muller writes: "Nothing, no doubt, would be more interesting than to know from historical documents the exact process by which the first man began to lisp his first words, and thus to be rid for ever of all the theories on the origin of speech"<sup>1</sup>.

Each nation has its history related to the origin of its language. Analyzing many of the beliefs dealing with the origin of the language it becomes clear that all languages originated from a single source. It is called the monogenetic theory of language origin. Therefore, it is not only found in the history of a single nation but also in the myths of other peoples as well.

The Azerbaijan linguists F. Y. Veysally writes about the language as a complex unit. He states: "The words that people use in their languages are related to their minds. Veysally thinks that language has a cross cultural effect as it is able to connect all individuals to each other"<sup>2</sup>.

Otto Jespersen writes: "Language was born in the courting days of mankind; the first utterances of speech I fancy to myself like something between the nightly love lyrics of puss upon the tiles and the melodious love songs of the nightingale."<sup>3</sup>

The Greeks speculated about language, including about everything in the universe. According to the opinion of most linguists the earliest living linguistic treatise dealing with the origin and nature of language is considered to be Plato's *Cratylus*. There are some opposite evidence though, language has been proposed to be imitative, or "echoic" in the twentieth century. No doubt, throughout the centuries, years the language of each nation has changed<sup>4</sup>.

## 1. On the geographical position of the Caucasus

Azerbaijan is situated in the South Caucasus. The Caucasus is the region of Eurasia. It lies at the crossroads of Southwest Asia and

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<sup>1</sup> V. Fromkin, R. Rodman, *An Introduction to Language*. USA: Harcourt Brace College Publishers, 1993, p. 25.

<sup>2</sup> F. Y. Veysally, *Introduction to German Linguistics*, Baku: Mutarjim, 2011, p. 100.

<sup>3</sup> Otto Jespersen, *Language, Its Nature, Development and Origin*. *Language Arts & Disciplines*, London: Routledge, 2013, p. 148.

<sup>4</sup> M. Thomas, *Fifty Key Thinkers on Language and Linguistics*, London and New York: Routledge Taylor and Francis Group, 2011, p.192.

Southeastern Europe. It is situated between the Black Sea and the Caspian Sea. The Caucasus is called "the home of the Caucasus mountains". The region of Caucasus is divided into the North Caucasus and Transcaucasus. The Russian Federation covers the Greater Caucasus range in the north, yet the Lesser Caucasus includes some independent republics. Azerbaijan is one of them. In the eastwards the Transcaucasus is surrounded by the Caspian Sea and northwestern Iran and then it extends westwards into northeastern Turkey. The Caucasus is one of the regions of our planet which is rich in its ethnic group and has its specific motley. In some parts of the Caucasus (nearly 440 two thousand kilometers) there exist 100 different nations which have various languages and dialects. These nations have different material and spiritual culture, origin and they also have different psychological features and many other parameters. According to the middle Arabian sources the Caucasus is said: "to be the land of mountains".

Nearly beginning the middle of the XIX century, Baku, the capital of Azerbaijan, has been famous for its oil in the world. Much attention has been attracted to the economy of Baku lately. Till the Socialist revolution Baku was known one of the cities of Russian Empire. The economy relationship in Russian Empire was based on capitalist mode. This type of economy mode does not affect the other countries, as well as the Great Britain to put investigations on various fields in the Republic of Azerbaijan. They do not hesitate to form their business in these lands. It is noteworthy to underline that the oil sources in Azerbaijan have also attracted the attention of the British capitalists. The British capitalists came to Baku in order to invade the oil lands.

Beginning from the end of the XIX century it has reached in its peak point. The foreign capitalists, and qualified professionals, as well as large power of employees have begun to come to Baku. During the migration process, the delegations of different nations and their language users came to Baku. Among the visitors the number of the English were not small. It caused the language relationship to be formed between England and Azerbaijan.

It is necessary to stress that the interest of the English to Azerbaijan has begun since the first half of the XIX century. It is not a mystery that Azerbaijan which is often called "The Land of Fire" has an ancient history.

Azerbaijan has been under the invasion of the Russian Empire for many years, but the country could get its independence at last. Now it is an independent country and is flourishing day by day. Many fields such as the economy, the politics, the art, the sport, the army, etc. are observed to have strengthened in Azerbaijan.

## **2. The role of the economy in the development of languages in the Caucasus**

The leader of the Azerbaijan Republic Haydar Aliyev said: "The state which is powerful with its economy is able to manage everything." (Haydar Aliyev) The economy of the Caucasus is often said to have developed by the help of this leader.

Experiments show that it is a difficult task to keep the independence of the country if it has rich natural and economy sources. The oil sources attracted many world investigators to the Azerbaijan. For example, Great Britain is one of them. The 3/1 part of the oil sectors have been occupied by the companies of Great Britain. Because of this reasons the economy relationship between two countries have been growing regularly. Great Britain is one of the western countries interested in the oil of Azerbaijan. As the Azerbaijanis are interested in Great Britain, the relationships between two countries are getting increased through various projects. The more the foreign investigators visited Azerbaijan, the more need of foreign language speakers were demanded.

It is noteworthy to stress that English is one of the most important languages of the world. The 90 % of world documents, books, newspapers, etc. are used to be published in English. Besides, the 85 % of the world's mail and the works in the fields of air, water and land are realized via the English language. English is needed not only in the field of education but also in the field of economy.

It is undeniable that English is believed to be the dominant language in the branches of sciences. As a result, pupils, students or even volunteers are encouraged to master English fluently. There is a phrase which is often used by the lectures in the faculty of economy: "If you want to lead a better life with better economy never, never give up studying English"<sup>5</sup>.

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<sup>5</sup> S. M. Nabiyeva, S. H. Karimova, F.S. Akberova, *English for Economists*, Baku: Economical University Press, 2011, p.25.

### 3. The necessity of economy in the relationship of languages

Since the end of the XIX century and the beginning of the XX century the paradigm changings have been observed in the linguistics. These changings have been mentioned with the names of I.A. Baudouin de Courtenay (1845-1929) and F.de Saussure (1857-1913). The philosophical linguistics is related to the name of I.A. Baudouin de Courtenay; this linguistics is observed with the signs of phoneme theory. The other direction which is mentioned by the name F.de Saussure studies the linguistic as the system of signs. That period is known as the beginning of the new direction in linguistics<sup>6</sup>.

After the second period the notion of linguistic paradigm is often discussed in linguistics. The most mentioned terms discussed in that period was the development of economy through the language relationship.

The development of the world economy and the estimable development of our economy makes it necessary to pay much attention to the relationship of languages. Because of these reasons, recently, the role of language relationship has been dealt with by many linguists. This problem is observed to be progressing as a branch of linguistics as well.

The formation of language relationship for improving the economy is realized by economic discourse; the economy writings are performed by means of economy texts.

The investigation of language relationship in the development of economy can be observed in some ways. One of them is the propositional style. This style is used to study the already known features of economy texts and economy discourse. The second one is the communication style. In this case the syntactic structures of immanent features which organizes the economy text and economy discourse are investigated.

One of the main direction of modern linguistics is to study the linguistic theory of economy text and economy discourse. The linguistic theory is considered to be necessary for forming the model of communicative process. The cognitive, language and communicative

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<sup>6</sup> F. Y. Veysally, *The basis of Linguistics*, I Part: Introduction; II Part: The inside structure of the language, Baku: Mutarjim, 2013, p. 101.

information types can be observed in economy text and economy discourse<sup>7</sup>.

The knowledge on the world which is related to the results of a human's activities and to the system of signs socially is demonstrated through the types of cognitive information. The information about the environment which is sent through language units introduces the language information type. The information which is sent through economy texts by the authors is considered to the type of communicative information. This type of information is used to express not only the unusual objects in a person's mind but also the personal view of the considered process, his senses, emotions, background knowledge, and so on<sup>8</sup>.

During the economy communication process it is necessary to know which communication subject is chosen. The economy communication subject means the speech unit which has predmantic theme. The content of economy text is defined how the information is accepted by the participants and how it is spoken about.

The pragmatic aspect has a crucial role in the economy communicative aspect, and in this case the language units have advantages. The formation of economy text means its dependence on its economy communicative level. The functional style of economy texts and its composition features, style potentials, pragmatics are defined by means of its structural signs considerably and throughly. The structure of economy texts is accepted as the liner regularity of sentences which have been related to one another by various means of aspects and certain rules. Besides, the economy text is considered to be a complex unit structure which consists of mutual elements and aspects.

Nowadays text linguistics studies the linguistic and extra-linguistic aspects which define the functions of economy texts and economy discourse in the communication process. The mentioned facts in the English and in the Azerbaijani languages can be considered to be actual from the theoretical as well as practical point of view.

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<sup>7</sup> V. Brown , "Decanonizing discourses: textual analysis and the history of economic thought", in Henderson, Dudley, *Evans and Backhouse*, London: Routledge, 1993, pp. 64–84.

<sup>8</sup> G. Brown, G. Yule, *Discourse Analysis*, Cambridge: Cambridge University Press, 1983, p.132.

Today it is necessary to organize a powerful economy sources for highly-qualified linguists to provide more intensive development of the linguistics. In addition, it is necessary to bring the world's economy linguistic heritage to Azerbaijan. The monumental works of the world's well-known economy leaders should be translated into our language, and the works and opinions of famous Azerbaijani economists should be translated and delivered to the world.

#### **4. Cross cultural language relationship in the Caucasus**

The Caucasus is known to have many different nations living in it. According to statistics Azerbaijan is believed to be the homeland of various nations speaking languages of diverse family groups. Lezgis 2.2%, Russians 1.8 %, Talish 1.0%, Avars 0.6%, Tats 0.13%, Georgians 0.2%, Kurds 0.2%, Jews 0.1%, Udins 0.005% and other minority groups of nationalities can be given as examples<sup>9</sup>. The relationship among these nations is performed through the Azerbaijan, or the Russian languages. Many of the Azerbaijanis can speak Russian because of some historical reasons. The minority nation groups living in Azerbaijan can verily use their own languages wherever they need. English is taught at schools, universities to them.

We need to underline that although there are some important structural differences between the languages, they carry some general grounds. It provides mutual understanding and the opportunity of translation. Comparing the separate layer units of different languages, it is possible to observe the ethnic thoughts in the word stock of the language, as well as in its economic language. The economy language is connected to the purpose of communication and the aspect of economy language performs its communicative functions between nations, tourists, visitors. It is necessary to stress that the economy language is important for people's understanding one another's way of living<sup>10</sup>. Sowell writes: "If people are in a high mood it means that the country he/she is living has rich economy. The author relates it to people's mind. He writes: "If the country's economy is rich, it means that the people living there lead a good life. If each worker can bring some bread to his/her house, then he/she should be happy and it

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<sup>9</sup> L. Hickey, *The Pragmatics of Translation*, Philadelphia: Clevedon - Multilingual Matters, 1998, p.142.

<sup>10</sup> G. Brown, G. Yule, *op. cit.*, p. 88.

circles like a chain"<sup>11</sup>. Henderson proposes to use different kinds of metaphors in economy texts and economy discourse. He claims that using these kinds of language in speech can form warm relationship between nations<sup>12</sup>. McCloskey supports this idea of Henderson's. For example, he (McCloskey) writes: "A certain economist wants to deliver the hard economic situation in the country to his listeners and he uses the following metaphoric language in his speech":

"Our economy is like a coffin made up from glass. You may see a dead in the coffin and be sure what will expect you one day"<sup>13</sup>.

No other phrase can describe the situation of a country's economy except these sentences. The meaning may be understood by any people either English, or Azerbaijani, or Russian. The role of economy language may introduce every situation in a country if you may use correct explanation phrases. It means that wherever people live they may face the same economy difficulties, or they may need the similar economy solutions.

Economy development through language relationship may be observed via tourism too. Spreading the culture of the world economy tourism is known to have a crucial role. People visit different countries, learn about their economy, way of living, their culture, traditions of the various nations, their way of thinking etc. For example, as soon as the foreign visitors arrive in Azerbaijan, they become aware the richness of our economy. The modern view of our capital as well as the noticeable progress of the regions of our republic forces them to think like that. They are not mistaken in their opinions, surely. The economy of our republic is getting strengthened and it is shown in the appearance of our cities, regions, etc.

It is significant in forming the relations among individuals too. Economy tourism is considered to be the source of income. As for the language in this field the English language demonstrates its domination here. For example, if foreigners visit our country, they demand the excursion should be lead in English.

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<sup>11</sup> T. Sowell, *Basic Economics: A common Sense Guide to the Economy*, Fourth Edition, New York: Basic Books Publishers, 2011, p. 267.

<sup>12</sup> W. Henderson, A. Hewings, *Reading economics: How Text Helps or Hinders*, British National Bibliography Research Fund Report No. 28, UK: British Library Publishings Sales Unit, Bosson Spa, West Yorkshire, 1987, p. 45.

<sup>13</sup> D N McCloskey, *The Rhetoric of Economics*, London: University of Wisconsin Press, 1998, p. 161.

## 5. Conclusion

The notions of economy text and economy discourse has attracted much attention lately. Their usage makes the roles of language relationship much more important. It is not a secret that nowadays the importance of economy development in the Caucasus is in the center of world's famous companies. British oil companies may be considered to be on the top in these lists. The relationship between these two countries has got its start since the Republic of Azerbaijan managed its independence. Since then the oil relationship between Azerbaijan and Great Britain has been developing. This relationship in the economy development of the Caucasus makes the role of language necessary. The aim of each language event plays an equal role in delivering and clarifying the communicative-pragmatic meaning of economy information either in the written form or in the verbal form.

Economy language is related to the social events happening in the society. Each language performs a general role which is common for a certain society. It covers the role of language relationship in the development of a country. That is why learning language relationship in the development of the economy is necessary for understanding the real unity of humanity.

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## REGIONAL COOPERATION BETWEEN THE SOUTH CAUCASIAN COUNTRIES AND THEIR ECONOMIC DEVELOPMENT

Panahov Azer Maarif\*

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### Abstract

*The article reviews the issues of the geopolitical priorities in the development of the South Caucasus countries. The article provides a general assessment of the situation in the countries of the region, economic aspects of interaction in the context of extraction, processing and transportation of the energy resources along the energy corridors. Several other aspects of the economic and political relations between Azerbaijan and Georgia, as well as with Armenia, are reviewed as well. The article provides an assessment of the subsequent development of relations in terms of international programs implemented by Germany, the countries of the European Union, as well as by an international bank, and defines their common prospects.*

**Keywords:** countries of the South Caucasus, economic cooperation, oil and gas pipelines, geopolitical interests.

### 1. Introduction

Being a historical center of political and religious struggle, the South Caucasus has historically been the area of development of Zoroastrianism and Christianity, and also Islam since the 7th century, which unites the Achaemenid, Parthian and Sassanian empires. Due to its strategic and geopolitical significance, rich energy resources, location on the historical

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\* Panahov Azer Maarif has a Ph.D. in Economics, and he is an academic member of Baku Business University, Baku, Azerbaijan, in the field of Political Economy.

Contact: azer-panahov@mail.ru

Silk Road, Azerbaijan has attracted the attention of the great powers throughout its history, at the same time maintaining its importance as an energy corridor. Since the end of the twentieth century South Caucasus, which Brzezinski considered "the Balkans of Eurasia", became a battleground for countries that aspired to become the regional and world powers. "This region between the Black and Caspian seas is the intersection of the north-south and east-west energy and transport lines; the Caspian basin in this respect is of great importance from the point of view of the availability of energy sources".<sup>1</sup>

## **2. Main directions of geopolitical development of South Caucasian countries**

Almost 17 million people live in South Caucasus, of which 9 million (53%) live in Azerbaijan, 4.4 million (26%) in Georgia and 3.2 million in Armenia (21%). The average population density in the territory of South Caucasian republics is 91 people per km<sup>2</sup>. In Azerbaijan, the density is 100 people per km<sup>2</sup>, in Georgia - 63 people per km<sup>2</sup>, and the average population in Armenia is 107 people per km<sup>2</sup> (distributed unevenly).

The cooperation in South Caucasus takes place in two directions: the Russian-Iranian-Armenian line and the Turkey-Azerbaijan-Georgia line. With regard to energy, the construction of transport lines and cooperation opportunities for regional security, the format of Turkey-Azerbaijan-Georgia is of great importance.

In order to establish economic cooperation and build the "Azerbaijan-Georgia-Armenia" conceptual relations in the countries of South Caucasus, the work is carried out in different directions. Since 1994, these countries have been cooperating with NATO in the framework of the Partnership for Peace and the European Neighborhood Policy – the Eastern Partnership. In the late twentieth and early twenty-first centuries, the South Caucasus and Central Asia became a platform for the geopolitical and geo-economic struggle between countries. The rich energy resources of the

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<sup>1</sup> Kh Jabbarli, "Geopolitical situation and security of the South Caucasus", in *Newtimes*, 20 July 2017, Available: <http://newtimes.az/az/politics/344/> (in the Azerbaijani language)

region, the geographic location in the relations between East and West, the closest, most favorable and geopolitically reliable transport, communication and energy export centers that connect the two continents make it the center of world politics. The geopolitical struggle that arose in South Caucasus and Central Asia actually became part of the fight for control over even larger territories in Eurasia".<sup>2</sup>

The integration of the countries of the South Caucasus into the European Council in the 21st century established stability in the region and became the basis for the creation of new cooperation programs for economic development and security. The purpose of the "Caucasus Initiative program", established by the Ministry of Economic Cooperation and Development of Germany in 2001, was to strengthen and develop economic relations between the countries of South Caucasus.

South Caucasus, which attracts the attention of the Federal Republic of Germany, is the most important region from the point of view of the geopolitical, ecological and economic ties, and this is the reason of establishing "Caucasus Initiative". "South Caucasus, through the use of the experience of bilateral projects, focused on an integrated approach. This program also presupposes the economic and social development of the three countries of the region".<sup>3</sup>

The projects which are implemented within the framework of South Caucasus and have a regional character, cover separate areas. This can be seen from the table below.

**Table 1.** Development of various sectors of South Caucasus countries

Azerbaijan	Development of private sectors	Stable economic development and power engineering	Reforms	Demographics and new development	Reforms in government structures
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<sup>2</sup> A. Hasanov, "The environment of the regional security of the Caspian and Black Sea basin: the realities of the formation of military blocs and forecasts, the classification of geostrategic forces", in *Strategiya*, 20 July 2017 // <http://az.strategiya.az>.

<sup>3</sup> Kh. Ismayilova, "Caucasus Initiative", in *The Renaissance-XX century journal*, Nr. 164-165, 2012, p. 238.

Georgia	Demographics and new development	Assistance to control sector	Development of private sectors	Natural resources	Stable economic development and power engineering
Armenia	Environment and natural resources	Demographics and new development	Stable economic development	Budget issues implementation	Biodiversity management

It is not accidental that this year, 2017, marks the 200th anniversary of the German settlement of South Caucasus. This event is part of UNESCO program "The program of anniversaries of outstanding personalities and significant events in 2016-2017". The visit of Azerbaijani President Heydar Aliyev to Germany on July 1-4, 1996 played an important role in the development of economic relations between Azerbaijan and Germany. In Cologne, Germany, Heydar Aliyev met with the businessmen and senior management of the German banking sector, and invited them to make deposits for investing in Azerbaijan. Currently, there are about 100 German companies, such as Siemens, Ferrosstal, Interselekt and Mercedes Bens. Of course, the organization of such programs and the conclusion of treaties between countries contribute to the strengthening of economic relations.

### 3. Oil factor in the politics of the region's countries

In the beginning of the XXI century (2004-2012) due to the extraction of oil and gas, the economic development of Azerbaijan was particularly noticeable. A lot of work has been done in this direction, the most important of which is the creation of South Caucasus gas pipeline. Ilham Aliyev, the President of the Republic of Azerbaijan emphasized in his speech in France that

"among the strategic projects that we implemented, the Southern Gas Corridor was the most important one. At present, it is the largest infrastructure project in Europe. The cost of the project is about 40 billion dollars. It is an integrated tape system connecting Azerbaijan and Baku to the Italian coast, passing through 6 countries. The European Commission strongly supports this project, and Azerbaijan plays a leading role in this

project. This project will change the energy map of Europe and bring new alternative sources of natural gas to European consumers. Of course, many companies participate in the implementation of this project. This project is a diversification of energy, energy security, and this is the project of the twenty-first century".<sup>4</sup>

The South Caucasus Pipeline (SCP) was built to transport gas from the Shah Deniz gas field to Georgia and Turkey. Starting from the Sangachal terminal near Baku and out to the Turkish border, Azerbaijan joined the gas distribution system of Georgia and Turkey. In order to reduce the operational costs, this pipeline was built in the same corridor with the Baku-Tbilisi-Ceyhan oil export pipeline. 443 km of a pipeline of 691 km in length and 42 inches in diameter passes through the territory of Azerbaijan, the length of the pipeline in Georgia is 248 km. The pipeline was put into operation in 2006 in Azerbaijan and Georgia, and since July 2007 it was put into operation in Turkey, thanks to the operation of the stage 1 of the Shah Deniz gas well. In the first half of 2017, operating expenses of \$14 million and basic expenses in the amount of \$413 million were directed to activities related to the South Caucasus Pipeline. As it was noted by the President of the country, the Southern Gas Corridor is very attractive from the point of view of the format of cooperation. Besides Azerbaijan, Georgia, Turkey, there are other participating members, such as Greece, Italy, Bulgaria and Albania. During last three years, these seven countries periodically meet in Baku for an advisory council on the operation of the gas corridor, to strengthen cooperation. It's not just about gas, but also about business, investment, employment, forecasting and cooperation.

The development indicators of South Caucasus countries, and namely, the elements of the sustainable development and the problems of the military-strategic situation from the point of view of geo-economics are similar, while the priorities for economic development are different. Located on the World Trade Corridor, they form the basis for the formation of a market economy and a law state.

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<sup>4</sup> D. Aliyev, "President Ilham Aliyev met with French President Francois Hollande", in *Azvision*, 02 July 2016, Available:<https://en.azvision.az/news/42208/president-ilham-aliyev-met-with-french-president-francois-hollande.html> <https://news.day.az/1>.

"Countries with the almost identical natural and geographical conditions have different rates of socio-economic development. What is the reason? The answer to this question is not simple: to answer it, it is necessary to analyze the development models chosen by the countries. Each country in the world develops according to its chosen model, carried out by its structural changes. If we look at the problem from this point of view, then the role of the state in the development of society must constantly grow. The state must always be strong. This is truly the number one problem for the successful implementation of reforms ".<sup>5</sup>

The "Contract of the Century", which is considered to be the economic basis of an independent Azerbaijani state, and the privatization and reforms covering the main spheres of the economy led to the development of entrepreneurial activities, in particular in the creation and regulation of the financial, monetary and credit systems. "As a result, investment in the economy has grown dramatically. The total volume of the investments in 2002 was 5.7 times more than in 1995. More than 80 percent of total investments in 2002 were related to foreign investment, in connection with the launch of oil contracts. During this period, the domestic investment increased every year due to the gradual revival of the country's economy. Thus, the volume of domestic investment in 2002 increased 3.7 times compared with 1995 and amounted to about 20% of the total amount of attracted investments in the country ".<sup>6</sup> Baku-Tbilisi-Ceyhan (BTC) and Baku-Tbilisi-Erzurum (BTE) are the bridge for access to natural energy resources in Central Asia.

The globalization of the entrepreneurial activity among the countries of the South Caucasus has a positive impact on the economic development of countries. Thanks to this process, economies of scale are achieved, production capacities are located more efficiently in the region, and opportunities for access to science and technology are growing. Azerbaijan, as an oil producing country, ranks second in the Caspian region.

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<sup>5</sup> A. Aliyev, A. Shakaraliyev, I. Dadashev, *World economics: problems of the contemporary period. A Monography*, Baku: Baku University Press, 2003, p. 455.

<sup>6</sup> N. Mamedova, *Geopolitical aspects of the regional development in teh South Caucasus and Central Asia*, Baku: BUP, 2015, p. 134.

**Table 2.** Extraction and export of oil by the Caspian states (a thousand barrels a day)

Countries	Oil extraction		Net export volume	
	1990	1997	1990	1997
Azerbaijan	259,3	192,9	76,8	54,8
Kazakhstan	602,1	573, 3	109,2	310, 9
Turkmenistan	24,8	107,3	69,0	39,2
Russia	144, 0	60, 0	x	x
Total	1130,2	933, 5	255	404,9

Since the first years of independence, Azerbaijan has paid special attention to the growth of oil and gas production in order to eliminate the country's economic and social problems. The transformation of Azerbaijan into one of the most influential states of the region is based on the model of development of the national economy.

#### **4. Relationships between Azerbaijan and Georgia**

One of the first countries that recognized Azerbaijan after gaining independence was the Georgian state, which led to the development of economic and political relations between the two countries. According to Shahin Mustafayev, the Minister of Economy, Georgia allocated to the economy of Azerbaijan 72 million US dollars on the basis of economic cooperation between Azerbaijan and Georgia. Azerbaijan, according to the volume of investments invested in Georgia, has been ranked first in the list of investors for this country for several years.

During the meetings of the presidents of these two countries, there are constantly discussed the bilateral relations and cooperation with international organizations. Tariffs for border transportation are regularly reviewed. The largest state taxpayer in Georgia, as a major investor and lender, is the State Oil Company of Azerbaijan (SOCAR). There have been signed hundreds of agreements between the two countries: the Agreement on Cooperation in the Field of Education, the Agreement on Cooperation in the Information Sphere between the Government of the Republic of Azerbaijan and the Government of Georgia. In the field of international and regional cooperation, our republic plays a leading role in the South Caucasus.

"Since the end of the 20th century, the Caspian-Black Sea basin and the South Caucasus have become one of the centers of transcontinental coordination on energy, transport and communication with the international energy security system. All of this had a significant impact on the overall geopolitical situation in the region, as well as on the international, regional and national policies of local countries".<sup>7</sup>

One of the priorities of Azerbaijan's economic development is closely linked not only with the oil sector, but also with the rapid development of the non-oil sector.

### **5. Correlation of the development of industry and agriculture**

In January-July this year, there were exported of non-oil products worth \$855 million, which is 29.7% more than in January-July of the previous year, and 27% more in real terms.

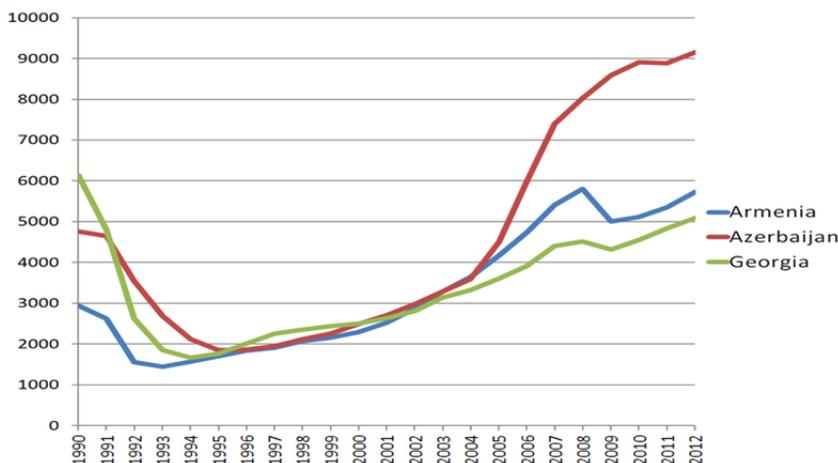
"Today, the Islamic Development Bank and the Islamic Corporation for the Development of the Private Sector are paying more attention to the foreign institutions investing in the non-oil sector of the Azerbaijani economy. Both structures actively participate in a number of new projects in our country and provide financial support to the development of the non-oil sectors. According to the Ministry of Economy, the Islamic Development Bank has allocated about 1 billion dollars to our country in various economic projects. The Islamic Corporation for the Development of the Private Sector has invested \$130 million to support small and medium-sized businesses in Azerbaijan"<sup>8</sup>

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<sup>7</sup> A. Nadirova, "The amazing stage of development of the Azerbaijani economy in the last two centuries", in *Republic*, 12 October 2013, p. 7.

<sup>8</sup> N. Gregory Mankiw, *Macroeconomics*, Boston: Worth Publisher, 5th ed., 2009, p. 65.

**Table 3.** Dynamics of development of the investment deposits in the countries of South Caucasus



Alongside with industrial sector, agriculture is also intensively developing in the regions of the South Caucasus. In Georgia, wine production, processing of tea and vegetable oil is especially developed. In recent years, special attention has been paid to fishing and tea processing in Azerbaijan, along with viticulture and wine-making. The achievements of the scientific and technological progress in the South Caucasus region, as well as all over the world, are reflected in the agrarian sector. Technological progress does not cause the actual number of workers to increase, but because each worker in effect comes with more units of labor over time, technological progress causes the effective number of workers to increase.<sup>9</sup>

Ensuring the provision of the material base for production creates realistic conditions for improving technological processes and applying technical innovations in all areas. In addition to processing and maintaining the production of goods, especially in rural areas, advertising is one of the factors that contributes to the cross-border activities to increase the exports of goods. In this regard, the GIZ program on "Sustainable Biodiversity Management in the South Caucasus" created the conditions for close cooperation with local stakeholders at various political levels, and reported on this in a relevant report.

<sup>9</sup> N. Gregory Mankiw, *op.cit.*, p. 45.

The GIZ works closely with ETSN, local NGOs and other international organizations to improve biodiversity in Azerbaijan in the frames of its Sustainable Biodiversity Management Program in the Southern Caucasus (SBMP, October 2011 – September 2015). One of the objectives of the SBMP is to consider a number of approaches to protect agrobiodiversity by encouraging the development of incentives and raising public awareness (BMZ indicator H: "Creating two incentives for protecting agrobiodiversity"), as defined in IFC Articles 11 and 13. Both approaches, creating incentives and raising public awareness, are the most important measures to protect biodiversity".<sup>10</sup>

In comparison with the security, integration and geostrategic issues in the South Caucasus, the issues of economic transformation are of secondary importance. In the economic context of security in the region, it is extremely important to determine the prospects of the current situation and determine the policy for the future of the region. "This presents great interest for studying the transitional processes in the countries of the South Caucasus and the existence of a global financial crisis. Thus, the problems of economic transformation in the South Caucasus are no less important than the issues of security, integration and geostrategy. In the economic context of security in the region it is extremely important to determine the prospects of the current situation and determine the policy for the future of the region.

## 6. Conclusion

Having used the achievements of science and technology as the main tool of the market economy system, the government of Azerbaijan ensures the economic development of the country, considering the domestic and foreign opportunities. One of the important directions of the economic policy is the attraction of foreign investments, advanced technologies, and experience. Political and macroeconomic stability in Azerbaijan, protection of investors' rights, favorable geographical position, rich natural resources make our republic one of the most attractive countries. Thus, these

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<sup>10</sup> M. Ibrakhimov, "Report on evaluation of pilot projects on protection of agrobiodiversity in Azerbaijan", in *Sustainable Management of Biodiversity, South Caucasus Program*, 2014, Available: <http://biodivers-southcaucasus.org/> 17 July 2017.

achievements will provide a solid basis for the realization of the goal of transforming Azerbaijan into a developed state. The world's leading financial and economic institutions, including influential rating agencies that specialize in the processes of the geo-economic space of the South Caucasus, characterize Azerbaijan as a country with high investment attractiveness and macroeconomic stability in the region.

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## IMPACT OF IRAN ON AZERBAIJAN: MEANS OF RELIGIOUS INFLUENCE

Ioana Constantin-Bercean\*

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### Abstract

*Islam in Azerbaijan is a multifaceted phenomenon, which can be understood only in the context of a society in transition. Nowadays Islam plays only a very limited role in the political sphere and only a small part of the population supports the idea of establishing an 'Islamic order'. This is due to the long tradition of secularism in Azerbaijan and to the fact that the strong nationalistic movement is secular in character and sometimes even fights together with the ruling elite against their rival, political Islam. In many regards, Azerbaijan stands as an original study-case for an in-depth investigation on interaction between Sunnis and Shiites. The purpose of this research is to present some aspects of Islam – the Shia branch – within the former frontiers of the defunct Soviet Union, assuming that this issue is mainly defined by the borders of the Republic of Azerbaijan. In contrast to the opinion that Islam displays a more or less uniform character in all former Muslim Soviet republics, it is true to say that in these countries Islam was basically shaped by the specific circumstances of each republic, rather than by international Islamic movements and trends.*

**Keywords:** Shia, Iran, Religion vs. Secularism, Constructivism, Soft Power.

### Introduction

The "Search for Identity"<sup>1</sup> is a common feature of ex-Soviet societies in transition and the need for reassessment of the country's past and

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\* Ioana Constantin-Bercean is Ph.D. candidate in International Relations and European Studies at Babeş-Bolyai University.

Contact: ioananeliabercean@gmail.com

<sup>1</sup> Raoul Motika, "Islam in Post-Soviet Azerbaijan" in *Archives de sciences sociales des religions*, No. 115, Jul. – Sep., 2001, pp. 111-124.

present emerged in this particular regions. Identity in Azerbaijan is complex, affected by physical geography, its location at a cultural crossroads and strategic interests in the region as a vital trade route and conduit for energy resources. Located historically on the fault line of territorial struggles between Persian, Ottoman and Russian empires, *identities* in Azerbaijan are complicated and dynamic variables, with differing levels of entrenchment and thus potential for change and/or mobilization<sup>2</sup>.

Azerbaijan's location in the Islamic world is at a crossroad of, and surrounded by, a variety of theatres of Islam and range of Islamic identities: Iranian Shiite, Turkish (most of them belonging to Sunni branch), Russian (Dagestani), as well as Arabic<sup>3</sup>. In many regards, Azerbaijan stands as an original study-case for an in-depth research on Sunnis and Shiites within a heterogeneous national society. First, in terms of demographic weight, Sunnite and Shiite communities are quite balanced: the Shiite majority comprises approximately 60 to 65 per cent<sup>4</sup> of the population of Azerbaijan. Second, throughout history, the country has long been a battlefield and terrain of competition between Sunnite Ottomans and Shiite Safavids, while the heirs of yesterday's regional empires – contemporary Turkey and Iran – continue to appeal to Sunnite and Shiite followers all around the Middle East. Third, traditionally Muslim Azerbaijan has only recently recovered from forced Soviet secularism and is only now emerging as a newly independent state with an extraordinary potential for reinventing a national identity. Since the early 1990s and the country's independence, the three-layered framework of Azerbaijani identity – Sunnite, Shiite and secular – means that this country is a unique laboratory to explore the various dynamics of Islamic revivals<sup>5</sup>.

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<sup>2</sup> Helma Kotecha, "Islamic and Ethnic Identities in Azerbaijan: Emerging Trends and Tension", pp. 1-58, July 2006, [[https://esiweb.org/pdf/azerbaijan\\_osce-islamic\\_and\\_ethnic\\_identities\\_in\\_azerbaijan\\_Jul2006\\_23087\\_en.pdf](https://esiweb.org/pdf/azerbaijan_osce-islamic_and_ethnic_identities_in_azerbaijan_Jul2006_23087_en.pdf)], November 28, 2017.

<sup>3</sup> *Ibid.*

<sup>4</sup> Because of non-existing statistics these percentage may ne taken only as a guideline. Besides, the question remains open whether the Karabagh Armenians who are nominally Azerbaijani citizens have to be included or not.

<sup>5</sup> Bayram Balci and Altay Goyushov, "Changing Islam in Post-Soviet Azerbaijan and its Weighting on the Sunnite-Shiite Cleavage", in Brigitte Maréchal and Sami Zenmi (Editors), *The Dynamics of Sunni-Shia Relationships*, London: Hurst&Company, 2012, p. 193.

However, a comprehensive approach of Sunni-Shia cleavage within the Azerbaijan borders would fall beyond the narrow bounds of this essay, therefore, this research will focus on the influence of the Shiite in the southern part of Azerbaijan, within the frame of the extended phenomenon of religious revival that has affected all of the former Soviet republics and societies. Therefore, the purpose of this essay is to provide an insight into the impact of Iran on South Azerbaijan, implicit in the influence of the Shiite in the south of the latter. The close relationship between the Azeri population and the Shia religion is not only based on the common language spoken in Southern Azerbaijan and Iran, but is also built on a culture influenced by centuries of Iranian cultural dominance. This research will attempt to find an answer to the question: How did Iran influence Azerbaijan, from social and religious points of view? In order to formulate an answer for this question, few concepts must be defined.

*Religion* is one of the basic forces of the international relations, even if it is not acknowledge so, and often is treated as a secondary variable. Religion has a distinctive feature that fit uncomfortably within the concepts that are conventionally deployed to study international politics. Monica D. Toft usefully defines religion as a system of practices and beliefs that includes most of the following elements: belief in a supernatural being, prayers, transcendent realities such heaven or enlightenment, a distinction between the sacred and the profane, a view of the world and humanity's relation to it, a code of conduct, and "a temporal community bound by its adherence to these elements"<sup>6</sup>. Religious actors in politics may sometimes support the state, sometimes work for their own ends through the state, but sometimes radically challenge states and the state system. Religion is often transnational, but its ambit is far broader than of single-issue transnational activist networks. Like nationalism, religion is an imagined community that rationalizes self-sacrifice across space and time, but unlike nationalism, religion holds out the prospect of individual salvation and is less tied to territory. For these reasons, a conventional theoretical tool kit that is limited to the secular politics of states and nations may struggle to comprehend the role of religion in international relations<sup>7</sup>.

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<sup>6</sup> Monica Duffy Toft, Daniel Philpott, Timothy Samuel Shah, *God's Century. Resurgent Religion and Global Politics*, New York: W. W. Norton & Company, Inc., 2011, pp. 25-27.

<sup>7</sup> *Ibid.*

*Islam* is one of the three Abrahamic, monotheistic religion, alongside Christianity and Judaism. It is the second religion in the world in terms of the number of followers, after Christianity, representing the religion of most Middle Eastern countries<sup>8</sup>. The general meaning of Islam is peace and obedience to Allah, the Creator of all things<sup>9</sup> and is based on the Qur'an. Muslims have the belief that Islam is the supreme divine message, and that Mohamed is the last great messenger and prophet of Allah. The Great Islamic Schism of 655-661 – caused by internal struggles for the Caliphate leadership – between the loyal Muslims of Yazid and the believers of Husayn Ali (supposedly Mohamed's nephew and the founder of the Alawite sect), called in the Islamic sources "The Great Discord", does not fully explain the political, geostrategic or economic causes of this cleavage, but has become the perspective through which the Sunni-Shi'ite conflict is explained and understood nowadays. The two states currently arguing over the supremacy of Islam, namely Saudi Arabia (with Sunni majority) and Iran (Shi'a majority) use the sectarian division to justify their ambitions of regional hegemony.

There are three possible approaches to integrating religion into international relations theory. *The first* is to construct new theories. There are a significant number of scholars advocating this alternative, but it would fall beyond the limits of this research to introduce some new theories, which eventually would evolve into new paradigms of international relations. *The second* approach is to examine an existing international relations theory to fit religion into it in as many ways as possible. This approach has the advantage of keeping the insights from existing international relations theories. *The final* approach is to develop a comprehensive list of ways in which religion can potentially influence international relations, then to take this list and examine whether and how each item can be integrated into an existing international relations paradigm.

For the purpose of this essay the second approach will be used, mainly because the development of a new theory or a proposal of a premise that could later become theory would fall beyond the purpose of this research. Therefore, after a few common assumptions about religion in International Relations theories, the most suitable one will be discussed and applied.

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<sup>8</sup> John H. Lorentz, *The A to Z of Iran*, Toronto: The Scarecrow Press, Inc., 2010, p. 463.

<sup>9</sup> Octavian Isopescul, *Coranul* (translation), Chisinau: Cartier, 2006, p.2.

Even though the religion and its concerns stand at the center of the international politics the main international relations paradigms – realism, liberalism and constructivism – barely consider religion in their analysis of political subjects. One reason for this neglect is that mainstream international relations scholars find it difficult to integrate religious subject matter into their normal conceptual frameworks. The foundational statements of the three leading paradigms – by Kenneth Waltz for realism, Michael Doyle and Robert Keohane for liberalism, and Alexander Wendt for constructivism – offer no explicit guidance, and in some cases they even imply that a role for religion may not be allowable within the logics of their paradigms. Realists ask “how many divisions has the Pope?” liberals tend to accept the secular modernist presumption that religion is an atavism to be superseded and constructivism, with its central interest for identity, norms and culture, has provided more natural intellectual terrain on which to integrate religion into international relations theory<sup>10</sup>.

From the three main theories of international relations, *constructivism* seems to provide the friendliest terrain for the role of religion in international politics, because of its emphasis on ideas, norms, identity and culture. Although no single work captures constructivism’s full intellectual diversity, Alexander Wendt’s “Social Theory of International Politics” comes closest to being in the book’s index. Wendt refers to four “master variables”<sup>11</sup> that may change the culture of anarchy by undermining egoistic identities and promoting collective ones, namely interdependence, common fate, homogeneity and self-restraint. Religion might be relevant to all four: networks of theological diffusion, persuasion and emulation might enhance cultural interdependence; a sense of common fate might arise from being attacked by a powerful religion-based aggressor; homogeneity may be enhanced by the emergence of a common religious identity; and, finally, self-restraint could be enhanced by religious rules of behavior toward in-group members or toward all humans<sup>12</sup>.

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<sup>10</sup> Jack Snyder (Ed.), *Religion and International Relations Theory*, New York: Columbia University Press, 2011, pp. 1-2.

<sup>11</sup> Alexander Wendt, *Social Theory of International Politics*, Cambridge: Cambridge University Press, 1999, p. 343.

<sup>12</sup> *Ibid.* pp. 344-357.

For the proposed study-case, the religion is viewed as a political *soft-power* tool in bilateral relations, mainly because its actors are using the soft power rather than military (hard) power. Given that soft power is “attractive power and in terms of resources, soft-power resources are the assets that produce such attraction”<sup>13</sup>, the question is how religion serves as a component of attraction in transnational relations, because Azerbaijan is a region with complex transnational relationships and highly asymmetric dependencies from powerful neighbors and foreign forces.

It is also important, when discussing religion to also debate on *secularism*, especially in the proposed study-case of Azerbaijan, where, unlikely other Muslim countries, secularism prevails. While there is an ongoing debate about the nature and definition of secularism, it is clear that it is at least in part the negotiation of religion in the public sphere. While secularization theories are in crisis in that it is becoming increasingly clear that religion is not disappearing, the new reformulations of those theories remain firmly linked to the role of religion and the negotiations with it. Like religion, secularism is not monolithic and includes multiple trends. The difference among these trends is primarily the extent and nature to which each form of secularism seeks to remove religion’s influence on the public sphere in general<sup>14</sup>.

The posed question concerning the possibility for Islam in Azerbaijan to be a threat to democracy requires some clarifications. The Islam is partly social/identity-glue, historically (against Russia or Armenia, for example) and culturally; it is also a fundamental aspect of patriarchal traditionalism and conservatism, but also provides possibilities for allegiances to other countries interests. Profession of Muslim identity in Azerbaijan is almost universal, but religiousness means different things in different places and Islamic practice is not always dividable into *traditional-local* and *post-independence-new* (the usual categorization of Islam in the post-Soviet world). The purpose of this essay is to gain an insight into religious aspect of the post-Soviet Azerbaijan, particularly in southern Azerbaijan.

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<sup>13</sup> Joseph S. Nye, Jr., *Soft Power. The Mean to Success in World Politics*, New York: Perseus Books Group, 2004, p. 6.

<sup>14</sup> Nukhet A. Sandal and Jonathan Fox, *Religion in International Relations Theory. Interaction and possibilities*, London and New York: Routledge, 2013, p. 10.

This essay aims to contribute to the broader discussion about the rising of religion significance, on both national and transnational level, especially because emotional ties created by religious proximity can influence domestic and foreign policy.

## 1. Relations Between Azerbaijan and Iran in the Post-Soviet Era

In June 1989 in Moscow – still capital of the former Soviet Union at that time – an Iranian delegation headed by Ayatollah Amoli met the Soviet President Mikhail Gorbachev and handed him a message from the leader of the Islamic Revolution and founder of the Islamic Republic of Iran, Imam Khomeini. The main idea sent through this message was about the end of communist era and pointed out: “from this time communism will be found only in museums of political history”<sup>15</sup>. The prediction came true just two years later and the Republic of Azerbaijan became a sovereign state free from the shatters of any ideology.

The recent history of the Azerbaijan-Iran relationship started on December 31, 1989, when the people living in the Nakhichevan republic removed the barbed wire obstacle along the Soviet-Iranian border. Not even today no one can tell whether that was a spontaneous act of protest or a provocation needed to use the army against the civilian population of Baku. What followed is known in the recent history of Azerbaijan as “black January”<sup>16</sup>.

Disintegration of the Soviet Union introduced a new stage into Iran’s foreign policy: the country was confronted with new geopolitical realities, therefore, any alliance had to be maintained and reinforced. When Azerbaijan became independent on October 18, 1991, the relations between Tehran and Baku acquired a new status. The Iranian consulate in the Azeri

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<sup>15</sup> \*\*\* “Imam Khomeini’s Historic Letter to Gorbachev Resonates Globally” in *Islam Times*, January 2, 2017, [<http://islamtimes.org/en/doc/article/596395/>], December 20, 2017.

<sup>16</sup> “Black January”, also known as “Black Saturday” or the “January Massacre”, was a violent crackdown in Baku, on 19-20 January 1990, pursuant to a state of emergency during the dissolution of the Soviet Union. See: Robert Kushen, “*Conflict in the Soviet Union. Black January in Azerbaidzhan*”, New York: Humans Rights Watch, 1991, pp. 3-45.

capital was transformed into an embassy, while Azerbaijan opened its embassy in Tehran<sup>17</sup>.

Close in culture and different in ideology, pro-Western Azerbaijan and pro-Islamic Iran went, during the last two decades, through different levels of tensions, mostly caused by the Iran's sizeable Azeri minority, estimated to between 20 and 25 million. Iran has been traditionally upset and suspicious over the pro-Western policies of Azerbaijan, its engagement with NATO and the US military, the involvement of Western oil companies in the Azerbaijani sector of the Caspian Sea, as well as the deep military cooperation with Israel<sup>18</sup>.

Religion was another issue that kept Azerbaijan and Iran apart. There is no concerted opinion about Islam in Azerbaijan, yet all agree that the republic is experiencing a religious revival. Although it is a fact that today Azerbaijan is noticeably more Islamic than it was 20 years ago, the country is still among the most secular of Islamic societies<sup>19</sup>. It has a pluralistic legislation that allows for the coexistence of many different religions and confessions. However, despite the fact that most non-Islamic religious leaders praise Azerbaijan for its religious tolerance, Islam itself and Islamic communities may become subject to restriction by the political authorities because of their affiliations with foreign powers<sup>20</sup>, Iran being the most important one. On the one hand, Baku was declared the annual capital of Islamic culture in 2009, and on the other hand, the government adopted few restrictive measures, such as closing some of the mosques, outlawing *adhān* (the call to prayer) and *hijab* (the female headscarf), in the very same year. There was a censorship of all religious literature in Azerbaijan, which was explained by the authorities as a preventive

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<sup>17</sup> Islam Nazarov, "Relations Between Iran and Azerbaijan Today and in the Nearest Future", in *CA&CC Press (Publishing House Sweden)*, [[http://www.ca-c.org/journal/2002/journal\\_eng/cac-05/10.nazeng.shtml](http://www.ca-c.org/journal/2002/journal_eng/cac-05/10.nazeng.shtml)], December 21<sup>st</sup>, 2017.

<sup>18</sup> Robert M. Cutler, "Facing Growing Iranian Threats, Azerbaijan Deepens Ties To Israel", in *The Central Asia-Caucasus Analyst*, 15 May, 2013, [<http://www.cacianalyst.org/publications/analytical-articles/item/12730-facing-growing-iranian-ties-azerbaijan-deepens-ties-to-israel.html>], December 21<sup>st</sup>, 2017.

<sup>19</sup> Vincent J. Cornell (Ed.), *Voices of Islam (Volume 1- Voices of Tradition)*, Connecticut: Praeger, 2007, p. 8.

<sup>20</sup> Elnur Ismaylov, *Islam in Azerbaijan. Revival and political involvement*, in Alexander Agadjanian, Ansgar Jödicke and Evert van der Zweerde (Eds.), *Religion, Nation and Democracy in the South Caucasus*, New York: Routledge, 2015, pp. 96-97.

measure against the spread of radical extremism. At the same time, the government has built new churches, synagogues and mosques. Between 2003 and 2013, the Azerbaijani government has constructed around 200 mosques and renovated more than 80<sup>21</sup>. Religious policies are an important factor which influences the current sensitive geopolitical position of Azerbaijan, a country that is located between three regional powers – Iran, Turkey and Russia.

For Azerbaijan, the Islamic Republic of Iran is not just an ordinary country. First of all, Iran is the Azerbaijan Republic's southern neighbor. The 2 states share about 618 kilometers of land borders. These two countries border each other in the Caspian Sea as well. Both countries share values from their mutual past and some elements of a common culture. Azerbaijan has the second largest Shi'a population in the world, after Iran. The membership of both countries in Muslim and regional organizations like the Organization of Islamic Conference and ECO, is an indicator of the countries' affinities in terms of geography and religion. The history of direct relations for the last 10 years shows that such positive and binding factors as neighborhood and the same religion are not enough to create close relations between them. Other important factors, which affect current relations between Azerbaijan and Iran, exist as well.

## 2. Nature of Islam in Azerbaijan

According to a 2012 Gallup poll, Azerbaijan is one of the most secular and tolerant Muslim countries in the world and belongs to the top 11 least religious countries<sup>22</sup>. Azerbaijan is one of the few Muslim countries in which Islam is not the state religion, while secularism is enshrined in the constitution. However, secularity should not be understood as an expression of anti-religiousness: a secular tradition does not wholly preclude the existence of religious components in public life; rather involves the absence of ant religious influence on the political life and society. According to an official survey, 93% of over nine million Azerbaijanis are adherents of Islam and the remainder of the population

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<sup>21</sup> *Ibid.*, p. 97.

<sup>22</sup> Gallup Survey Frequency by Country, 2012, [<http://news.gallup.com/poll/151595/Gallup-Survey-Frequency-Country-2012.aspx>], December 22<sup>nd</sup>, 2017.

consists mostly of Russian Orthodox, Armenian Orthodox and followers of other Christian groups, as well as Jews and nonbelievers<sup>23</sup>.

In the early 1990s, when newly independent states emerged from the ashes of the defunct USSR, the ideological and supranational vacuum provoked a deep and real upheaval in the redefining of the national, cultural and religious identity of the state, as well as individuals, and in redefining the relations of the former with the latter<sup>24</sup>. Islam played an important role in the formation of the new independent republic and Azerbaijani Islam was intrinsically shaped by the specific circumstances that pertained in the country. It was different from Islam in other Islamic countries and international Islamic trends. If Islam in the Soviet period was viewed only as a set of holy rituals confined to funerals, after independence it was a form of cultural identity and historical heritage. The Muslim faith was at the center of this recovery of identity. However, the above-mentioned policies restored the role of Islam at the core of Azerbaijani national identity and cultural consciousness. Religious persons were free in their activities by comparison with earlier times<sup>25</sup>.

Religiousness is mostly deep-seated and un-self-conscious, people's daily lives involve relationship with religion and they take it for granted. This has a twofold effect: it both makes them more resilient to efforts of outsiders telling them how to live their religion and it makes them more susceptible to persuasion towards supposedly more 'authentic' versions of their religion. Religiousness also increases the interest of the local population in religious philosophy and background. The local madrassah (which is both a school-level madrassah and has Baku Islamic University affiliated courses) has many students who are studying after school for additional degrees: while there are often fears that this madrassah is a haunt of the more fundamentalist or extreme in their beliefs. Polls and interviews show that it tends to be those more curious about their culture and society, rather than seeking religion as a solution to broader issues, political or social<sup>26</sup>. While most Azerbaijanis regard Islam as being part of

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<sup>23</sup> *Ibid.*

<sup>24</sup> Bayram Balci and Altay Goushev, *op. cit.*, p. 200.

<sup>25</sup> Raoul Motika, "Islam in Post-Soviet Azerbaijan", in *Archives de sciences sociales des religions*, 115/2001, Éditions de l'EHESS, 2001, pp. 1-16.

<sup>26</sup> Svante E. Cornell, "The Politicization of Islam in Azerbaijan", in *Silk Road Paper*, October 2006, pp. 14-22.

their national identity, any intermingling of religion with the political sphere, however, is rejected by the vast majority of the population. On the other hand, one should not ignore the fact that Islamic traditions and beliefs are often an integral part of everyday life, but are primarily seen as national, not religious traditions.

The so-called unofficial Islam was too heterogeneous a phenomenon to play as such any decisive role. Most of the unofficial mullahs were private individuals with some religious knowledge and/or a religious family background. However, some of these religious men could gain political power in a number of traditional suburbs of Baku on the Apsheron Peninsula between 1988 and 1993, when the communist system broke down and the national-democratic People's Front ruled for about one difficult year. These were also the years when Iranian clerics and missionaries appeared in great numbers all over Azerbaijan set about helping to restore religious life in the country and influencing the future shape of Islam in Azerbaijan<sup>27</sup>. They tried to use this period of change and instability, which was also a time of great curiosity about Islam, to build the basis for further agitation and influence. But 180 years of Czarist and Soviet rule as well as local traditions laid a very strong foundation for a distinctive perspective of Islam in Azerbaijan. And as nationalism in Azerbaijan is very much based on the specific idea of Turkism, Iran, despite the common Shi'ite background, could not serve as a model for a national state combining ethno-nationalism with Islam. The Iranian revolution of 1979-1980 perceived as an example for the mobilizing power of Islam against a secular regime, however, exerted considerable influence by giving Azerbaijani religious activists self-confidence against the communist oppression. But, the Islamic Republic could never hope to get very far with its aspirations. First, due to the completely different structure of the Azerbaijani society from the Iranian one, like the nonexistence of a comparable clergy independent from the state and second, because of the different role religion plays in each country<sup>28</sup>.

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[[https://www.silkroadstudies.org/resources/pdf/SilkRoadPapers/2006\\_10\\_SRP\\_Cornell\\_Islam-Azerbaijan.pdf](https://www.silkroadstudies.org/resources/pdf/SilkRoadPapers/2006_10_SRP_Cornell_Islam-Azerbaijan.pdf)], December 22<sup>nd</sup>, 2017.

<sup>27</sup> Raoul Motika, 2001, *op. cit.*, pp. 2-3.

<sup>28</sup> *Ibidem*, p. 3.

As for the normative framework of the Republic of Azerbaijan, the laws regarding religion are quite clear. In Article 6 of the constitution, Azerbaijan is declared a secular state. This point is driven home in Article 19 with the statement of the separation of religion and state and the equality of all religions before the law as well as the secular character of the state educational system. In Article 37 religious freedom is proclaimed for individuals and groups. But, in principle all associations, both religious and non-religious, have to be registered by the state, although this was more or less a formality until 1997. Because of the activities of foreign, Christian-evangelical as well as fundamentalist Islamic, missionaries and because of the dynamic spreading of religious groups, in 1996 the Azerbaijani Parliament adopted an amendment to the law 'On Religious Faith' banning the activities of foreign missionaries<sup>29</sup>. In autumn 1997 the government demanded re-registration of all religious communities requiring the approval by "traditional religious organizations". This was extremely difficult for certain groups<sup>30</sup>. For this restrictive policy the Russian and Armenian religious laws may have served as a model. According to these laws so-called "non-historical religious communities" have no chance for official registration. Theoretically, for all Islamic organizations asking for registration approval by the semi-official "Administration of the Caucasian Muslims" (*Qafqazya Müsülmanlar İdarəsi*; hereafter: *QMI*) is mandatory. For obvious reasons the *QMI* strongly opposes all religious groups which want to stay independent and might emerge as its rivals. As long as these unregistered groups keep a low profile the state apparatus, however, does not show the slightest interest in actively impeding them<sup>31</sup>.

### 3. Religion – The Iranian Soft Power in Azerbaijan

As outlined just in the previous chapter, Azerbaijan is in a volatile geopolitical situation, as a secular, pro Western state whose southern neighbour is the Islamic Republic of Iran. Its position is complicated by the fact that not only does Iran border Azerbaijan but also it hosts a large

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<sup>29</sup> *Ibid.*, p. 4.

<sup>30</sup> Raoul Motika, "Foreign Missionaries, Homemade Dissidents and Popular Islam: The Search for New Religious Structures in Azerbaijan", in Rainer Brunner & Werner Ende (eds.), *The Twelver Shia in Modern Times*, Boston: Brill, 2000, p. 289.

<sup>31</sup> *Ibid.*

community of ethnic Azerbaijanis, estimated figures between 18 and 25 million<sup>32</sup>. Therefore, there is no surprise that Iran attempted (and still does) in numerous ways to bring Azerbaijan into its orbit of influence.

The collapse of the Soviet Union brought a change of paradigm in the relation between Azerbaijan and Iran. During the first years as independent republic, Azerbaijan considered the government from Tehran a natural ally. This was mainly due to the Ayatollah Khomeini's statement, which condemned the Soviet invasion in Baku, in January 1990. Also, the opening of the borders and the Iranian humanitarian assistance made Iran a hero in the eyes of the average Azerbaijanis. However, since 1993, the relations between Azerbaijan and Iran have fluctuated, but neither side risked crossing the point of no return or took harsh actions.

Nowadays, Azerbaijan-Iran relations are among the most complicated in the region, having experienced radical transformations over the last two decades. Cordial friends and brotherly nations at the end of the Cold War, a decade later Baku and Tehran almost engaged in an armed conflict in the Caspian Sea, over the Araz-Alov-Sharg oilfields. Both countries have several tools to exert their soft powers over each other, but it seems that Azerbaijan's tools are stronger. The presence of approximately 30 millions Azerbaijani ethnic minority in Iran seems to be a significant leverage, and Iran has been suspicious that Baku might use the ethnic card as a tool to burden Iran, especially because the secular regime of Azerbaijan attracts Iranian citizens, particularly the ethnic Azerbaijanis. On the other hand, also Tehran actively seeks to expand its soft power methods in Azerbaijan and the Shi'a factor remains one of the most important tools of Iranian soft power in the country<sup>33</sup>.

Since the independence of Azerbaijan, the government from Tehran has been active in promoting its religious ideology in the country. When in 1992 the Popular Front came to power in Azerbaijan, Iran felt threatened by the increasing nationalist rhetoric of the Abulfaz Elçibey government. Proclaiming a Western, particularly Turkish orientation and accusing

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<sup>32</sup> Emil Souleimanov, Ondrej Ditrych, "Iran and Azerbaijan: A Contested Neighborhood", in *Middle East Policy*, Volume 14, Issue 2, June 2007, pp. 101-116, [<http://onlinelibrary.wiley.com/doi/10.1111/j.1475-4967.2007.00300.x/full>], January 2<sup>nd</sup>, 2018.

<sup>33</sup> Anar Valiyev, "Iranian soft power in Azerbaijan: does religion matter?", in Ansgar Jödicke (Ed.), *Religion and Soft Power in the South Caucasus*, New York: Routledge, 2018, pp. 85-89.

Tehran of violating the rights of Azerbaijanis in Iran, Elçibey alienated the Iranian establishment. Tehran was also believed to support Armenia against Azerbaijan in the war over Nagorno-Karabakh region, in spite of the Islamic bond between the two nations. Consequently, relations between Baku and Tehran remained tense even after the late president Heydar Aliyev came to power in 1993.

Iran's religious activities in Azerbaijan were initially conducted openly, and concentrated on the more conservative southern regions of Azerbaijan that border Iran; the Nakhchivan Autonomous Republic bordering Iran and isolated from the rest of Azerbaijan by Armenian territory; and several villages on the Apsheron peninsula where Shi'a Islam is traditionally influential. Tehran has also been active in proselytizing in the refugee and IDP (Internally Displaced Persons) camps that were scattered around Azerbaijan as a result of the Karabakh war. For religious propaganda, it used Iranian mullahs and sponsored pro-Iranian mosques both in the southern regions, and in villages of Baku such as Nardaran<sup>34</sup>. In the late 1990s, President Aliyev banned and expelled Iranian mullahs who were preaching in Azerbaijani mosques. This, however, did not stop Iranian religious activity in Azerbaijan, but resulted in a change of tactics. Today, Tehran uses Azerbaijani mullahs who are sympathetic to the Iranian regime and often trained in Iran, and promotes its agenda through cultural and social organizations. The southern regions of Azerbaijan, the IDP camps, and the Apsheron peninsula remain a stronghold of Iranian activity. According to the State Committee for Work with Religious Structures "in every village of Masalli, Lankaran and Jalilabad regions there is at least one mosque and one religious community. Only in Masalli region the number of functioning mosques exceeds the total number of mosques in Neftchala, Salyan, Saatli and Sabirabad regions"<sup>35</sup>.

Since 2001, the State Committee for Work with Religious Structures handles religious matters on the governmental level between Azerbaijan and Iran on the Azerbaijani side, and Iran's Organization of Culture and Islamic Relations. In Iran, the Supreme Leader Ayatollah Khamenei who uses so-called 'cultural' bureaus to conduct his own foreign policy

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<sup>34</sup> Svante E Cornell, *op. cit.*, p. 43.

<sup>35</sup> \*\*\* *The Law of the Republic of Azerbaijan 'On Freedom of Religious Belief'*, Chapter 1, Article 1: "[\[http://www.addk.net/eng/zakon\\_svooboda\\_e.html\]](http://www.addk.net/eng/zakon_svooboda_e.html), January 2<sup>nd</sup>, 2018.

independently from official Iranian diplomatic channels generally oversees the religious and cultural activities. The Islamic Propaganda Organization (*sazeman-e tablighat-e eslam*), the Hajj and Welfare Organization, and the Society for Reconciliation among Islamic Sects (*majma'-e jahani-ye baraye teqrib-e baine mazaheb-e eslam*) are also a part of Khamenei's network<sup>36</sup>.

The Shi'a heritage of Azerbaijan represents the main source of Iranian power. As in Lebanon or Iraq, the Iranian foreign policy uses this factor, and is unlikely that Tehran will cease its action in this direction. Iranian soft power in Azerbaijan could grow if Shi'a Islam were to become a force that could monopolize the political and civil realms of the country, and this situation could be eased by the absence of an independent and educated Azerbaijani clergy. Nevertheless, despite the attempts of the Azerbaijani authorities to limit Iranian soft power, there are some signs that it has been growing in recent years. Yet, the strong secularization of Azerbaijan is yet an important factor that can limit the expansion of the Iranian influence.

However, Iran is likely to continue its religious activities in Azerbaijan by sponsoring cultural and social events and supporting pro-Iranian Azerbaijani mullahs. As the economic welfare of Azerbaijanis improves and the last IDP camps are dismantled, Iran's ability to attract poor and alienated Azerbaijani citizens could very well diminish. However, Tehran's activity will continue to flourish in more conservative areas such as villages around Baku and the southern regions of Azerbaijan. Iran will also remain as a leading country for students and scholars who want to study Shi'a theology and religious education.

## Conclusion

By narrowing down the more extended phenomenon of religious revival that has affected almost all of the former Soviet republics and societies to the case of Azerbaijan, this essay tried to elaborate on the inherent elements and features of this revival process, and shortly assess how it affected the young auto-proclaimed secular state. Starting from the

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<sup>36</sup> Eva Raket, "Paradigms of Iranian Policy in Central Eurasia and Beyond", in *Perspective on Global Development and Technology*, Volume 2, Issue 3, 2003, pp. 549-571, [<http://booksandjournals.brillonline.com/content/journals/10.1163/156915003322986398>], January 2<sup>nd</sup>, 2018.

hypothesis that Shi'a revival in Azerbaijan benefits from foreign influential support, this research took up for study the Iranian influence in Azerbaijan.

The Iranian input in the Azerbaijani Islamic revival was particularly active between 1990 and 1995 among the Shiites, in the southern part of the country and in the landlocked autonomous province of Nakhichevan. Iranian soft power in Azerbaijan may take various forms and lead to different outcomes. Considering the recent softening of pressure on Iran, the government from Tehran could limit its soft power toward Azerbaijan and begin fully-fledged neighborly cooperation. If Iran feels secure enough not to perceive Azerbaijan as a threat, it may slow down its soft power activities. However, based on the actions of the two regimes, things could go also differently. Azerbaijani authorities and various agencies understood that due to the nature of the Iranian regime, Tehran would capitalize on Azerbaijan's vulnerability. Surprisingly, the source of Iranian soft power depends on Azerbaijan itself. Iranian soft power will grow if Azerbaijan statehood becomes weaker and the country will begin to experience economic problems. Thus, the future of Iranian soft power is contingent on the result of Azerbaijan's internal politics.

Islam in Azerbaijan is a multifaceted phenomenon that can be understood only in the context of a society in transition. One of its most important features is the relationship between Shi'ite and Sunnite Islam, which is still dominated by an ecumenical and sometimes eclectic spirit, while being increasingly beleaguered by foreign missionaries on the one hand and put under pressure by the dynamic development of Azerbaijani society on the other hand. In conclusion it should be emphasized that nowadays Islam plays only a very limited role in the political sphere and that only a small part of the population supports the idea of establishing an 'Islamic order'<sup>37</sup>. This is due to the long tradition of secularism in Azerbaijan and to the fact that the strong nationalistic movement is secular in character and sometimes even fights together with the ruling elite against their rival-political Islam. Yet, on the longer run, if the political elite of Azerbaijan does not succeed in improving the disastrous conditions of life of the vast majority of the people, the population may express its discontent through a politicized form of Islam.

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<sup>37</sup> Raoul Motika, 2001, *op. cit.*, p. 10.

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## THE ROLE OF THE ENERGY POTENTIAL OF AZERBAIJAN IN THE EUROPEAN UNION ENERGY SUPPLY

A. J. Veliyev\*, Z. Z. Ahmadov\*\*

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### Abstract

*The article comments on the important role of the Republic of Azerbaijan in the energy security of Europe as the leading country in the South Caucasus. There are many international organizations have written about it. As well as, there are the key sides in the strategic partnership have highlighted many agreements between the European Union countries and the Republic of Azerbaijan. The article highlights the increasing strategic importance of Azerbaijan in the European energy supply. The energy resources of Azerbaijan, as well as the role of a bridge between Asia and Europe, once again prove the relevance of the article. Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum pipelines have served to boost relations between EU and Azerbaijan. The European Union, along with giving its support to international projects, also boosts its economic significance. The "Contract of the Century", which was signed between the two sides, was a turning point in the Republic of Azerbaijan. Apart from the technical and economic significance of this "main export oil pipeline," its political role is also great. This pipeline will give impetus to the re-establishment of relations between the world states, especially European Union and the Azerbaijani state, as well as Caucasus region.*

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\* A. J. Veliyev, Baku Business University, PhD in Economics, is a full professor and Vice-rector of BBU.

Contact: anar-menecment@mail.ru

\*\* Z. Z. Ahmadov, PhD Candidate in Economics, Baku Business University, Head of International Office.

Contact: zahmadov@bbu.edu.az.

**Keywords:** European Union, Republic of Azerbaijan, Contract of Century, South Caucasus, Energy potential

## **1. Introduction. The position and role of Azerbaijan in the European Union energy supply**

Relative share and role of Azerbaijan in the European energy supply is gradually increasing. Azerbaijan located in the very important geographical position has also the energy resources. Furthermore, our republic plays a role of bridge between Asia and Europe. Azerbaijan is both the energy producing and transit country for the energy materials. The rich oil and natural gas fields make it the major state of the region. Commissioning of the Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum lines acted an important part in the energy security of Azerbaijan, as well as Europe.

The significant role of the Republic of Azerbaijan in the energy security of Europe is stated by the developed countries of the world, as well as by the international organizations.<sup>1</sup> “The Memorandum of Understanding on a Strategic Partnership between the Republic of Azerbaijan and European Union in the Field of Energy” was signed between the European Union countries and the Republic of Azerbaijan on November 2006 in Brussels.<sup>2</sup> Execution of the Memorandum is one of the essential steps taken towards the energy security of both the EU countries and the Republic of Azerbaijan. The President of the Republic of Azerbaijan Ilham Aliyev and the Chairman of the European Commission Jose Manuel Barosso signed the Memorandum in Brussels. The aim is to establish cooperation in field of energy between the EU and Republic of Azerbaijan.

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<sup>1</sup> \*\*\*, Azerbaijan's Position in Europe's Energy Diversification Plans, 2011, [<http://www.eurasianet.org/node/62953>].

<sup>2</sup> \*\*\*, Memorandum of Understanding on a Strategic Partnership between the European Union and The Republic of Azerbaijan in the Field of Energy, 2014, [[http://www.europarl.europa.eu/meetdocs/2009\\_2014/documents/dsca/dv/dsca\\_20130321\\_14/dsca\\_20130321\\_14en.pdf](http://www.europarl.europa.eu/meetdocs/2009_2014/documents/dsca/dv/dsca_20130321_14/dsca_20130321_14en.pdf)].

By an opinion of the European experts, implementation of the Memorandum will enable achievement of much integration of Azerbaijan into the European market grow energy security of the EU due to the supplies from the Caspian basin, and assist to development of more efficient energy consumption in Azerbaijan. After execution of the Memorandum the EC stated: "We were pleasure that the relationships between the EU and Azerbaijan would intense through the European Neighborhood Policy. Energy and economic cooperation in our bilateral relations concerns to the proper management, protection of the fundamental freedoms and human rights as well". At the same time met with the Ilham Aliyev, the Commissar for Energy Andris Piebalgs said that the close relations with Azerbaijan, which is an important, as well as primary supplier of the energy resources, would help to increase the energy security of the EU.

The Memorandum consists of 4 main points:

- progressive arrangement of the Azerbaijani legislation with the legislation of the Union in the field of energy. It will lead to convergence in the energy market;
- protection and strengthening of safety of the energy resources and transit-convergence systems to the EU from Azerbaijan and Caspian basin;
- development of a comprehensive policy on the energy demands management;
- technical cooperation and exchange of experience.

"The Memorandum of Understanding on a Strategic Partnership between the Republic of Azerbaijan and European Union in the Field of Energy" signed 2006 in Brussels formalized the strategic nature of energy cooperation between Azerbaijan and the European Union and indicated the substantive areas to develop this cooperation more.<sup>3</sup> From this viewpoint, providing the new gas sources "Southern Gas Corridor" will enhance the

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<sup>3</sup> \*\*\*, President Barroso and the President of Azerbaijan sign a Memorandum of Understanding on energy partnership, 2006, [[http://europa.eu/rapid/press-release\\_IP-06-1516\\_en.htm](http://europa.eu/rapid/press-release_IP-06-1516_en.htm)].

energy security of Europe. The decisive steps taken by Azerbaijan giving priority to the policy of diversification from the day of starting transportation of the energy resources have ensured energy security of the region and world, provided a fertile ground to establish the diversified energy routes system. The main success of this policy pursued by the President Ilham Aliyev is in forming of an area that will ensure the energy security of Europe in which Azerbaijan is included too. This policy has already caused that today Azerbaijan becomes a principal partner of not only the European countries, but also many big countries of the world. In this standpoint, consideration and realization of the new huge energy projects shouldn't disturb anyone.

The Joint Declaration in connection with the "Southern Gas Corridor" was signed in the meeting conducted in 2011 between the President of Azerbaijan Ilham Aliyev and the President of the European Commission Jose Manuel Barroso.<sup>4</sup> The Declaration is a very important document between Azerbaijan and the European Union. The Declaration deals with not only the field of energy, but in general with the cooperation between Azerbaijan and the European Union on the social and cultural and other directions. Besides being a new page in providing the energy security of Europe the "Southern Gas Corridor" project will enable to our republic to transport its natural resources to the European markets.

The official Baku has stated repeatedly that Azerbaijan is always ready to provide energy security of Europe on this direction. In fact Azerbaijan has carried out this task perfectly in the recent 10-15 years. Implementation of this project will make available the energy resources of Azerbaijan for Europe. At the same time this "Southern Gas Corridor" will make contribution to both economic development of Azerbaijan and ensure energy security of Europe.

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<sup>4</sup> \*\*\*, Ilham Aliyev and President of the European Commission José Manuel Barroso held a press conference, 2011, [<http://en.president.az/articles/1392>].

## 2. European Union support for the international projects

The situation in the Caspian region and South Caucasus changed with breakup of the Soviet Union. The European Union became a neighbor to the Caspian region; and thus a new policy of the EU was needed to be formed towards the region. Thus some new security affairs was included into the EU agenda: regional and international competition in regard to allocation of the Caspian resources; customs barriers; drug trafficking and illegal arms trade; environment protection problems, and etc.; but for all that a key objective in the Caspian region was economic for the EU composed of 28 countries with nearly covering the European continent at whole.

Beside the oil resources the Caspian Sea is also rich of the gas resources. Among the Caspian bordering countries Kazakhstan has got the biggest oil resources, whereas Turkmenistan the biggest gas resources. Azerbaijan, Kazakhstan and Turkmenistan have established the close relationship with the Western countries and governments in a result of the growing interest in the energy resources of the region.<sup>5</sup> Azerbaijan is the major country in the relations of the Caspian region with the Western. The Republic of Azerbaijan has become a reliable country after gaining sovereignty. Using the Caspian energy resources the Western countries seek benefit to weaken dependence on the Middle East and Russia. Since the Azerbaijani oil reached the Ceyhan Port in 2006 and thus entered into the world market instead, the energy dependence of the Western countries on the Middle East and Russia has partially decreased.

The European Commission adopted in 2001 "The Green Book: European Strategy for the Security of Energy Supply" and first here an importance of the Caspian energy resources for the growing energy demand of Europe was noticed. It was expressed to deliver the resources of the Caspian region to Europe by the various ways for diversification of the

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<sup>5</sup>Agha Bayramov, *The Role of the Caspian Sea countries in European Energy Diversification*, 2015, [<https://www.geopolitica.info/european-energy-diversification/>].

energy sources. Environmental pollution found in transportation of oil by the offshore lines is one of the problems raised in a result of increase of the energy demand of the European Union. Thus it is expressed clear in the Green Book too that transportation of the energy resources through the pipelines prevails the tankers for energy security of the European Union and environmental protection.

The cornerstone of policy the European Union over the South Caucasus, particularly Azerbaijan is transfer of the region from the Soviet type socialism into the liberal democracy system grounding on the Western type free market economy.<sup>6</sup> As well as to tighten security of Europe by enhancing influence of the European Union on the geography. The European Neighborhood Policy (ENP) adopted by the European Union in 2004 expresses its interests in the region. Spreading the European values to the region is laid on ground of this policy, which covers the South Caucasus countries, including Azerbaijan. The European Union recognizes Russia and Caspian region countries as a potential energy supplier of Europe. Thus the European Union takes an impartial position in the Caspian region policy. But participation of the European companies if the oil and gas production of the region and policy of providing energy security of Europe changes this impartial position of the EU. The European Union, as well as the US considers establishing a corridor south of Russia extending from the Central Asia to the Black Sea, including the Caspian region and South Caucasus. The European Union supports The Transport Corridor Europe-Caucasus-Asia (TRASECA) to establish such corridor.

The Transport Corridor Europe-Caucasus-Asia is a special project within the Technical Assistance for the Commonwealth of Independent States (TACIS) by support of the European Union. TRASECA Project was passed in the conference conducted in Brussels in 1993 with a participation

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<sup>6</sup> Paul Kubicek, *Energy politics and geopolitical competition in the Caspian Basin*, 2013, [<https://www.sciencedirect.com/science/article/pii/S1879366513000171>].

of 5 Central Asian and 3 Caucasian republics.<sup>7</sup> TRASECA Project was raised from Eurasian Silk Way idea. The mission of this project is not only economic, but also historical. TRASECA is also an important tool for mutual integration and efficient cooperation. The European Union suggests the TRASECA program as an alternative to all traditional routes. The key purposes of the project are the followings:

- providing access to the European and world markets through the alternative transport routes to assist the political and economic stability of these republics;

- to support the further regional cooperation between the country-members of TRASECA;

- extensive application of the TRASECA projects to involve the international financial organizations and private investors;

- to support an effective integration of the International Transport Corridor Europe-Caucasus-Asia TRASECA with the Trans European Systems. TRASECA is the shortest route connecting the Central Asia with the world markets through seaway and potentially the fast and cheapest one. Starting from the Central Asia and passing through the South Caucasus towards the Black Sea and connecting the region with the Trans European Systems and other points of the world the East-West corridor is a reality enabling the substantial volume of cargo traffic.

Moreover, the private investors of the European Union take part in the joint enterprises with the transport companies of the Caucasus and Central Asia. To extend regional cooperation and enhance economic stability the European Union also supports other projects like the Southern Ring Air Routes project and Oil and Gas Transportation project (INOGATE). The INOGATE program is an international energy cooperation program between the European Union and the Black Sea and

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<sup>7</sup> Fiona Hill, *Areas for Future Cooperation or Conflict in Central Asia and the Caucasus*, 2002, [<https://www.brookings.edu/on-the-record/areas-for-future-cooperation-or-conflict-in-central-asia-and-the-caucasus/>].

Caspian Sea basins' countries and their neighbors.<sup>8</sup> This program is in effect from 1996. INOGATE is one of the technical support programs in the field of energy financed by the European Union and lasted for a long time. The European Neighborhood and Partnership Instrument (ENPI) had financed by the TACIS Regional Cooperation Program and the Program since 2007. INOGATE was started in 1995 as a support mechanism of the European Union to the Interstate Oil and Gas Transportation to Europe. In the first stage the Program had dealt with the operation of the oil and gas pipelines lying from the Eastern Europe and Caucasus up to the European Union. 21 countries in Kiev signed the Framework Agreement on Cooperation in the Field of Development and Strengthening of the Pipelines in 2001. Then by the conferences hold in 2004 in Baku, Azerbaijan and in 2006 in Astana, Kazakhstan, INOGATE has become a wide energy partnership tool between the EU and the former Soviet Union countries (apart from the Russian Federation and Baltic countries, bur including Turkey) and consolidated their activities on 4 directions:

- Promotion of energy security;
- Integration of the energy markets of the member-countries on the EU internal energy market principles;
- Support of the sustainable energy development;
- Inviting investments to the energy projects meeting the common and regional interests.

The INOGATE Program's Partner Countries are the followings: Azerbaijan, Belarus, Armenia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Uzbekistan, Turkmenistan, Ukraine, Tajikistan, and Russian Federation (as an observer). Turkey acts as a partner country of the INOGATE Program and is periodically invited to attend in the INOGATE meetings, but Turkey is not a beneficiary country in this program.

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<sup>8</sup> \*\*\*, *The European Union and Central Asia: The New Partnership in action*, 2009, [[https://eeas.europa.eu/sites/eeas/files/the\\_european\\_union\\_and\\_central\\_asia\\_the\\_new\\_partnership\\_in\\_action.pdf](https://eeas.europa.eu/sites/eeas/files/the_european_union_and_central_asia_the_new_partnership_in_action.pdf)].

### 3. Significance of the Contract of the Century for Azerbaijan and European Union

*Contract of the Century* is a first international treaty signed on September 20, 1994, due to the wisdom policy of the Azerbaijani National Leader Heydar Aliyev in the Gulustan Palace, Baku, on development of the fields of Azeri, Chirag and Gunashli (deep-water part) located in the Azerbaijan sector of the Caspian Sea and production sharing.<sup>9</sup> The treaty was then known as "The Contract of the Century". The Contract of the Century entered into force on December 12, 1994, confirmed by the Parliament (Milli Majlis) of the Republic of Azerbaijan. The projected investments are equal to 11.5-20 billion US dollars, initial projected resources to 560 million tons, and definitive estimation to 1 billion tons of oil.

The Contract of the Century is considered one of the main bearing bases of the national oil strategy. Its partners composed of 13 most famous oil companies (Amoko, BP, McDermott, Yunocal, SOCAR, LUKoil, Statoil, Exxon, Türkiyə Petrolları, Penzoil, Itochu, Remco, Delta) from 8 countries worldwide (Azerbaijan, USA, Great Britain, Russia, Turkey, Norway, Japan and Saudi Arabia).

From the starting of implementation of the Contract of the Century a breaking point created and the great works were initiated in the Azerbaijani economy. In the first instance, the basement of "Chirag-1" was reconstructed in accordance with the western standards within the initial oil production project in 1995 and for a purpose of drilling the holes with big slopes the topside module of this basement was modernized and equipped with the new drilling equipment. Oil production started in the "Chirag" field in 1997. More than 40.5 million tons of oil has been produced within this treaty in 2010.<sup>10</sup>

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<sup>9</sup> \*\*\*, Oil and Gas Projects, [<http://en.president.az/azerbaijan/contract>].

<sup>10</sup> Nasser Sagheb, Masoud Javadi, "Azerbaijan's "Contract of the Century" Finally Signed with Western Oil Consortium", 1994 [[https://www.azer.com/aiweb/categories/magazine/24\\_folder/24\\_articles/24\\_aioc.html](https://www.azer.com/aiweb/categories/magazine/24_folder/24_articles/24_aioc.html)].

**Table 1.** Shares of the companies participated in the Contract of the Century

	Company name	Participation share of the parties for a date of signature	Participation share of the parties for 2012
	SOCAR	20,00%	10,00%
2.	BP	17,12%	34,14%
3.	Amoko	17,01%	34,14%
4.	LUKoil	10,00%	10,00%
5.	Pennzoil	9,81%	4,82%
6.	Yunocal	9,52%	10,05%
7.	Statoil	8,56%	8,56%
8.	McDermot	2,45%	-
9.	Ramco	2,08%	2,08%
10.	TPAO	1,75%	6,75%
11.	Delta Xess	1,68%	1,68%
12.	Exxon/ Mobil	-	8,00%
13.	Itochu	-	3,92%

*Source:* Great Economic Enclopedy

The projects have influence on the states in the globalizing world economy. One of such projects is TANAP and TAP project. This project important for the european countries will give the positive results in the conomic relations between the countries. TANAP is a treaty of economic and political importance signed between the Azerbaijani Government and Turkey.

The Project will connect the extended South Caucasus pipeline with some lines in the European Union passing through Turkey's territory. This project, which the political leaders of both countries consider a very important economic and political event, means transportation of the Azerbaijani oil to Europe by a few directions. The cost of the project, which will be realized within five years by the financial and technical means of Turkey and Azerbaijan, is 7 billion dollars. It is expected that the gas transportation by this project will reach 50 billion cubic meters by connecting of the countries on the western shoe of the Caspian Sea to this project.

*Trans Anatolia Gas Pipe Line* – it is planned in the project to construct a pipeline of 2 thousand kilometers in a length and transportation of oil of 32 billion cubic meters in a volume.<sup>11</sup> Cost of the project was intended to be realized within 5 years is 7 billion US dollars. First stage of the project carried out in the four stages will be finished in 2018. Carrying capacity of the line will reach up to 16 billion cubic meters in 2020, 23 billion in 2023 and 31 billion in 2026. In first period 10 billion cubic meters from 16 billion cubic meters Azerbaijani gas transported by the TANAP line will deliver Europe, and 6 billion cubic meters will be sold to Turkey. Gas considered for Europe will be handled on the Turkey-Bulgaria or Turkey-Greece border.

Overcoming a distance of 3500 kilometers gas produced within the Sahdeniz Phase-2 will be transported to Europe from the Caspian Sea. For this reason it is required to extend some existed infrastructure and construct a chain of the new pipelines.

The existed *South Caucasus Pipeline* (SCPL) will be extended by the new parallel pipeline through Azerbaijan and Georgia territories.

*Trans Anatolian Pipeline* (TANAP) will transport Shahdeniz gas through Turkey territory;

*Trans Adriatic Pipeline* (TAP) will transport gas to Italia passing through Greece and Albania territories.

All these projects are known together as the *South Gas Corridor*.

#### **4. “New Contract of the Century” and European Union**

The Contract of the Century is intended to cover a 30 years period till 2024. But it was occurred a historical event. The next important event from the viewpoint of the future development of the Azerbaijani economy was happened in the Heydar Aliyev Center on September 14, 2017. Thus the Azerbaijani Government and State Oil Company of the Azerbaijan Republic (SOCAR) signed a revised and renewed treaty with the companies of BP, Chevron, INPEX, Statoil, ExxonMobil, TP, ITOCHU and ONGC Videsh on joint development of the Azeri and Chirag fields and deep-water part of the Guneshli field (ACG). In this treaty factually

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<sup>11</sup> Aygun Badalova, *Azerbaijan to open new stage in European energy security*, 2014, [<https://www.azernews.az/analysis/68159.html>].

meaning extension of the Contract of the Century till 2050 BP has share of 30,37%, AzACG (SOCAR) 25,00%, Chevron 9,57%, INPEX 9,31%, Statoil 7,27%, ExxonMobil 6,79%, TP 5,73%, ITOCHU 3,65%, and ONGC Videsh Limited (OVL) 2,31%.<sup>12</sup> The share of the SOCAR was risen from 11,65% to 25% in the treaty in which operatory of BP will be continued as previous. T is intended within the treaty to put investment more than 40 billion dollars in the indicated oil fields during 32 years, payment of a bonus in an amount of 3.6 billion dollars to the State Oil Fund of Azerbaijan by the international partner companies. At the same time, the share subject to be paid to Azerbaijan from the profit oil in the treaty also determined at a level of 75%. According to the initial estimations, it is intended to produce more than 500 tons of oil from these fields during next 32 years.

As it is obvious from the stated figures the mentioned oil fields will continue to give the positive benefits to the Azerbaijani economy for at least 32 years, that has a significant importance from the viewpoint of future economic development of our country. For this standpoint the new treaty is named The New Contract of the Century. In general, we consider that extension of the Contract of the Century by the stated conditions until 2050 will create the following certain advantages for Azerbaijan:

First, it means guarantee of the public and political and economic stability of Azerbaijan for the forthcoming years. Thus this treaty enabling to agree the geo-economics and geopolitical interests of the authoritative countries of the worlds on the backgrounds of the public and political troubles in the world is very important in viewpoint of the future free and stabile development of our country.

If to consider a multiplicative effect of investment of 40 billion dollars to the Azerbaijani economy in the forthcoming years, it will create the positive influence on the economic growth and economic welfare.

This treaty will also enable the big amounts of the "oil dollars" to enter into Azerbaijan in the forthcoming years and this will eliminate a

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<sup>12</sup> Amina Nazarli, *Contract of 21st Century: Azerbaijan to strengthen its power*, 2017, [<https://www.azernews.az/nation/119002.html>].

possibility of shortage in the current account of the payment balance and provide stability of macro economy.

Extension of the Treaty till 2050 will also bring to increase of the investments towards Azerbaijan of the foreign investors interested in the non-oil sector. It will also influence on the employment-based economic growth in the country.

Azerbaijan will acquire within the treaty a bonus in an amount of 3.6 billion dollars and a share of profit oil of 75% that will enable to extend the financial possibilities of the state in the forthcoming years, in other words, to finance the high-profile projects, which will provide the stabile development of the economy. Extension of the project till 2050 will enable a usage period of the Baku-Tbilisi-Ceyhan and Baku-Supsa pipelines, as well as stability of the railway oil transportation.<sup>13</sup>

The Treaty will increase significantly a financial stability of the SOCAR in the forthcoming years. First it should be considered that the share of the SOCAR risen from 11.65% up to 25% in the treaty. As well as, realization of the treaty will increasy the profits of the enterprises executing the big contract and subcontract works controlled by the SOCAR. At least, participation in such viable project with a great share will strengthen the positions and trust of the SOCAR in the international financial markets. Thus besides the big gas projects like "Shahdeniz-2", TANAP and TAP intended to be realized in the close years, extension of the Contract of the Century till 2050, give reason to state that the carbohydrate resources will be among the factors stimulating stabile development of the Azerbaijani economy still for the long period. And it will enable the Azerbaijani economy to reach fast the development targets determined by the President Ilham Aliyev on the strategic road map.

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<sup>13</sup> \*\*\*, Ilham Aliyev attends solemn ceremony celebrating two billion tons of oil production in Azerbaijan, 2017, [<http://en.president.az/articles/25789>].

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## THE ROLE OF INTERNATIONAL LEGAL NORMS IN THE FIGHT AGAINST EXTREMISM AND TERRORISM IN THE CAUCASUS COUNTRIES

Maleyka Abbasova\*, Ayten Huseynova Bashir kızı\*\*

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### **Abstract**

*The article is dedicated to examination the problem of terrorism and extremism in the Caucasus countries. There also was shown that the core of the international struggle against extremism and terrorism is the universally recognized principles and norms of international law created under the auspices of the United Nations, which must both be adopted and incorporated into the legislation of the UN member states and are respected by them both in foreign policy pursued by them and in domestic policy. The international legal norm against terrorism plays an important role in the struggle with extremism and terrorism in Caucasus countries.*

**Keywords:** terrorism, extremism, mercenarism, conflict, international legal norms, human rights

At the present time, one of the global problems of the mankind, which requires the immediate search for rational ways to solve, are extremism and terrorism. The high social danger of extremism and terrorism is connected, first of all, with the fact that these crimes encroach on the most important and natural human right - the right to life.

Before proceeding to consider this problem from a regional prism, its correlation and content should be revealed. Extremism is illegal activity,

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\* Maleyka Abbasova, Ph.D., Baku Business University, Vice-Rector for Scientific Affairs.  
Contact: mabbasova@bbu.edu.az.

\*\* Ayten Huseynova Bashir kızı, Ph.D. Student, Baku Business University. Teacher at the Chair of Humanities.  
Contact: dimple-81@hotmail.com.

as a result of which the fundamentals of the constitutional order, life and health of citizens of both one country and several countries, including the world community as a whole, are harmed or may be harmed.<sup>1</sup>

At the same time, extremism is a whole practice and the theory of achieving certain goals in various spheres - religious, social, national, political, etc., but using prohibited methods such as violence, encroachment on human rights and freedoms, aggression. One of the characteristics of extremism is its implementation not just in relation to a particular person, but just committing it in relation to a person as a representative of a particular national or religious group.

As for terrorism, as early as in 1937 the League of Nations defined the terrorist act in the Convention on the Prevention and Suppression of Terrorism as criminal acts against the state in order to arouse fear among certain people or group of people, but subsequently the Convention did not take effect (Convention on the Prevention and Suppression of Terrorism).<sup>2</sup>

In 1993, at the World Conference on Human Rights in Vienna, the essence of terrorism was revealed as 'activities aimed at the destruction of human rights, fundamental freedoms and democracy, threatening the territorial integrity and security of states and destabilizing legitimate governments'.<sup>3</sup>

Moreover, each terrorist act has its own goal, its methods of implementation, and the goals are mostly political ones, although there are also known cases of terrorism for religious, national and other claims, but whatever the goal of terror, one fact remains unchanged, in most cases, harm is inflicted on the ordinary people, citizens.

The concept of extremism should be viewed as a broader concept than terrorism, since terrorism is a form of manifestation of extremism, and is an extreme form of its manifestation.

The negative political phenomena considered by us did not bypass the Caucasian region too. Speaking about terrorism in the Caucasus, it is

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<sup>1</sup> M.A. Khadysov, *International legal counteraction to extremism*, [<http://online-science.ru/userfiles/file/cdskaqvpx2z23x2ka0fuirncumxhkW9y.pdf>].

<sup>2</sup> \*\*\*, "Art.1.2 / Wurth P. La Repression internationale du terrorism", Lausanne: Imprimerie la Concorde, 1941, p.50.

<sup>3</sup> \*\*\*, "Vienna Declaration and Program of Actions adopted at World Conference on Human Rights", June 25, 1993. A/CONF.157/23 / UN document, July12, 1993, p. 7.

possible to mention the acts of terrorism that the peoples of the North Caucasus suffered in the 1990s, and namely since 1991, it was possible to observe the frequent use of terrorism as a form of achieving the set goals, which leads to destabilization of the situation in the region.

Among the terrorist acts in this region is the act in the Republic of North Ossetia-Alania, where eight terrorist acts were committed, in which 516 people died, more than 980 people were injured. The next terrorist act was committed on September 9, 2010 near Vladikavkaz Central Market, where 17 people were killed and more than 150 were injured of varying severity.

Despite the fact that according to the studies conducted by Global Terrorism Database – which is an open-source data base including information on terrorist events around the world from 1970 through 2016, the countries of the South Caucasus are among the countries with the lowest influence of terrorism, and among 163 countries which were surveyed, Georgia ranked 87<sup>th</sup>, Azerbaijan in 106<sup>th</sup> place, Armenia is in the 108<sup>th</sup> place, and Turkey is in the 14<sup>th</sup> place (the highest impact of terrorism), the situation in this region is relatively restless.<sup>4</sup>

Actions committed by the State of Armenia against the Republic of Azerbaijan should be considered as violent acts of extremism and terrorism in the region under consideration.

Unfortunately, the conflict between Azerbaijan and Armenia which are known to be the South Caucasian states, which began in 1988 in connection with Armenia's territorial claims against Azerbaijan known to the entire international community remains unresolved to date.

As a result of the Nagorno-Karabakh conflict, which is the largest conflict in the Caucasus, Azerbaijan suffered great losses. More than 20 percent of the territory of the republic was occupied, about one million people were forced to live as refugees and internally displaced persons, more than 18,000 Azerbaijanis were killed, more than 20,000 were injured, over 50,000 became disabled, more than 4,000 industrial and agricultural enterprises, 660 schools and kindergartens, 250 hospitals and medical institutions, 724 towns, villages and settlements were robbed, burnt and destroyed.

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<sup>4</sup> \*\*\*, in *Sputnik Georgia*. [<https://sputnik-georgia.ru/politics/20161120/233874864/Vlijanie-terrorizma-na-Gruziju-minimalno.html>].

Historical facts show that Armenians had not lived in Azerbaijan until the XIX century. The settlement of the Armenians in the Azerbaijani lands always served the political interests of the Russian Empire. The events happened in the XIX century in all Eastern Europe, including Russia (Russia-Turkey, Russia-Iran wars) led to the weakening of the position of the northern neighbour of Azerbaijan in the region. Russia was also deeply concerned about the existence of a Muslim and a Turkish country on its southern border, and so began to think about realization the idea of settling the Armenians in the northern Azerbaijan.

Finally, in 1988, the Armenians already begun to implement openly hostile policies against Azerbaijan. The conflict stirred up by the killing of two Azerbaijanis in Karabakh, the further destruction of Topkhana forest, and then continuing in the aspect of military operations once revealed again how serious the problem was. Conflict began to aggravate from day to day. In 1989, the Supreme Soviet of the Armenian SSR made a decision on the integration of Nagorno-Karabakh to that country without any legal basis. The Armenians had already shifted the tactics of fight into the military aggression, and in this sense, mass protests in Azerbaijan were not able to change the direction of development of processes.

Undoubtedly, just the support of outside forces played a bigger role in the implementation of the aggressive policy of the Armenians. In this sense, the efforts of the USSR leadership at that time were particularly striking. The operations of the Soviet Army in Baku in 1990 confirmed this once again. Soviet soldiers' bullets suppressed the rallies held in protest against the annexation of Nagorno-Karabakh to Armenia. During this military action, hundreds of Azerbaijanis were killed and about a thousand people were missing. A state of emergency was declared in the city for several months. All of this was aimed at breaking the heroic determination of the Azerbaijani people, undermining its ideas of freedom and contributing to the process of Karabakh annexation to Armenia.

After the January 20 tragedy that took place in 1990, the activity of the Armenian military units on the frontline increased a little. The villages and regions that were occupied one after the other proved that Karabakh was lost inch by inch.

Since 1992, the geography of the military operations carried out by the Armenian armed forces in the territory of Azerbaijan expanded and the regions of the republic were occupied one after the other.

On February 26, 1992, the Armenian armed forces committed the Khojaly genocide<sup>5</sup>. It is important to note specially the role of the 366<sup>th</sup> regiment in this genocide. Urgent removing the 366<sup>th</sup> regiment from Khankendi is also evidence of the involvement of this regiment in Khojaly events. Immorality of commanding officers of the military unit reached such a point that they were unable to ensure the release of the regiment as they supposedly met with the resistance of the population. To this end, forces of landing division located in Ganja had to be involved. However, until these forces came, 103 people of the regiment, mostly Armenian soldiers who participated in the massacre deviated from obeying the command and remained in Karabakh. As a result of criminal bargain of the regiment commanders and irresponsibility of other persons responsible for the release of the regiment, a part of the military equipment, including armoured vehicles, was handed over to Armenians. This regiment repeatedly participated in the firing of Shusha and Khojaly, villages of Azerbaijan.

Armenian armed gangs and the members of the staff of the 366<sup>th</sup> motorized regiment participated in the firing of the settlements of Azerbaijan are the main criminals of vandalism committed in the Khojaly.

The actions of the Armenians and their mercenary assistants who participated in the Khojaly genocide are the brutal violation of human rights, impudent neglecting of international legal acts, the Geneva Convention, the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the Declaration on the Protection of Women and Children in Emergency and Military Conflicts.

Six hundred thirteen Azerbaijanis were killed in this terrorist operation with the support of Russia's 366<sup>th</sup> Motorized Regiment. Among those killed during the Khojaly tragedy, 63 were children and 106 were women; 487 people were crippled, 1275 were captured, and most of them were elderly, women and children, 8 families were completely destroyed. Khojaly was engraved in history as one of the most striking example of

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<sup>5</sup> \*\*\*, *President Library of Operational Department of the President of the Republic of Azerbaijan, Nagorno-Karabakh conflict*, Baku: Journal of electronic materials with complete text, 2005.

centuries-old hostility of Armenians against Azerbaijanis. But it must be acknowledged that the authorities of that time also had great moral and political responsibility at occurring of this tragedy.

In May 1992 Armenian invaders occupied Shusha. With the occupation of Shusha, almost entire Upper Karabakh was under Armenian control. Taking into account the geostrategic significance of the town, this event was the biggest defeat of Azerbaijan since the beginning of the Armenian-Azerbaijani Nagorno-Karabakh conflict. Shusha was in such a position that it was possible to defend it even with little force. However, the unrest and anarchy in Azerbaijan, the lack of control of the armed forces from a single centre, and the absence of a regular army were one of the main factors that stimulated this defeat. Shusha was also known as one of the ancient cultural centres of Azerbaijan. Its loss also shattered the spirit of the moral and psychological struggle of the people.

The scale of the military operations by the Armenian invaders expanded after the occupation of this town, and only a few days later, on May 17-18, enemies occupied Lachin located between Armenia and Nagorno-Karabakh region in Azerbaijan.

Occupation of Lachin was a serious stroke to Azerbaijan for a number of important reasons. The first point is that the occupation of the region showed that the war was beyond the borders of Nagorno-Karabakh. This fact confirms that Armenia's occupation policy serves not only the right of self-determination of Nagorno-Karabakh Armenians, but also to the great Armenian mythology. We note that Armenians claimed that their goals in the initial phase of the military operation were the liberation of Nagorno-Karabakh only. Occupation of Lachin showed that these allegations were not based on any logic and that Armenia's aggressive intentions had wider borders.

The second important point was pure military-strategic issues. The point was that after the capture of Lachin, the Armenians had the opportunity to support directly Nagorno-Karabakh. Lachin begun to play the role of communication corridor between Armenia and Nagorno-Karabakh, occupied by Armenians. Through this corridor Armenian armed units were provided with ammunition and food. Thus, this region became a very important tool for the Armenians to come to a higher position in the war. However, the fact that the war went beyond the borders of Nagorno-

Karabakh did not lead to the active intervention of the international community in the processes. On the contrary, Azerbaijan still had to observe the indifference of the world community.

In April 1993 Kalbajar was occupied outside Nagorno-Karabakh. Following the occupation of Kalbajar, the United Nations Security Council adopted its first resolution on the Armenian-Azerbaijani Nagorno-Karabakh conflict. However, the measures envisaged in this resolution remain unfulfilled till present.

In October 1993 Armenians occupied the Zangilan region of Azerbaijan and this was the last occupation operation of the Armenian army in the frontline.

In that year, the rapid leave of military construction in Azerbaijan frustrated the desire of the other side to continue the aggression plans, and in May 1994 the Armenian leader had to agree to sign a cease-fire agreement. Let us note that earlier the proposals on stopping the fire were on the agenda, but Armenians did not want agree by no means.

But stopping the fire did not mean the end of the war. The acquisition of ceasefire allowed Azerbaijan to simply collect and build its forces, and in a very short time it was possible to create social and political stability in the country and eliminate economic trembling.

The Armenian-Azerbaijani Nagorno-Karabakh conflict still remains an urgent issue in the life of the South Caucasus. In fact, this is entirely natural. The ruins of conflict remaining in the background of the significant changes in the region negatively affect the overall situation, as well as play a crucial role in the relationships of the interests of the states here.

The issue has been getting international importance for several years, leaving the regional dimension. However, forces that have a real impact on the process (both from influential international organizations and from separate states) do not want to use concrete pressure mechanisms to achieve a single solution to the problem. Of course, it is important to take into account the impact of various factors here, but in any case the conflict must be solved, and there is only one way out: international law norms.

The interesting fact is that Armenia is a member of the OSCE since January 30, 1992, UN member state since March 2, 1992, and member of the Council of Europe since January 25, 2001. Moreover, Armenia ratified several the most important international documents on human rights, as

well as the conventions directed on fight against terrorism without obeying them at the same time. These include: Council of Europe Convention on Laundering, Reveal, Seizure and Confiscation of Income from Criminal Activity and Terrorism Financing 2008, European Convention on Terrorism Suppression 1978, International Convention for Fight against Bomb Terrorism 2001, International Convention on Fight against Terrorism Financing 2002.

Except for Armenia, which is a participant of the Nagorno-Karabakh conflict, the countries of the region (bordering on Azerbaijan - Turkey, Iran, Georgia), leading states of the world (USA, France, permanent and non-permanent members of the UN Security Council) recognize the territorial integrity of Azerbaijan. Therefore, currently the lands occupied by Armenia are an integral part of Azerbaijan in terms of international law.

After the escalation of the conflict on April 2-5, 2017 the Armenian Defence Ministry announced a list of those killed and their burial places. There is no even a single name of the residents of Nagorno-Karabakh. From here, it can be concluded that every participant in the occupation troops in that area is a mercenary.

Armenia, which has been occupying Nagorno-Karabakh and its surrounding regions for 23 years, uses mercenaries and other means to create illegal military units and terrorist groups in these territories. According to the latest information, Armenia is currently locating the PKK, one of the world's most dangerous terrorist organizations, in the occupied Azerbaijani territories.

The head of the International Association for the Baseless Armenian Claims Göksel Gülbey, who spread information about it, informed that, according to the latest information, the PKK has 12 training camps and 1750 terrorists in Karabakh. According to him, Armenia accepts Afghans and PKK members as mercenaries: "Up to 400 PKK members have arrived in Armenia from Syria for support. They are mercenaries.

It is already long known that Armenians create mercenaries, illegal military units and terrorist groups in Nagorno-Karabakh. The world community is well aware also that the territory of Nagorno-Karabakh has become a virtually uncontrolled space. The Armenian government realizes all its dirty acts in these lands. Mercenaries are being brought in Nagorno-

Karabakh from different countries, Syria, Lebanon and other places, by means of ASALA terrorist organization. Founded in 1975, the headquarters of the organization is in Beirut, and the training bases are located in Syria. The aim of the organization is to build 'Great Armenia' on the territories of Eastern Turkey, Northern Iran and Nakhchivan and Nagorno-Karabakh in Azerbaijan. ASALA is carrying out terrorist acts mainly against Turkish and Azerbaijani citizens. One of the key figures in the collaboration with the terrorist group, such as Abu Nidal, Black September, was the leader of ASALA, Akop Akopyan. A. Akopyan, who took responsibility for the death of the Turkish ambassador in Athens in the 1980, said in an interview with The New York Times on 01.08.1980: 'Our enemy is the Turkish regime, NATO and Armenians who do not cooperate with us.' In April 1980, ASALA reached an agreement with the PKK to hold joint terrorist attacks and formalized these intentions in Lebanon. In a statement issued in Beirut on 28.08.1993, ASALA said it would not allow realization of the project associated with the 'pan Turkish oil pipeline' (Baku-Tbilisi-Ceyhan).

Today, Armenians in uncontrolled Nagorno-Karabakh and seven adjacent territories have concentrated illegal ammunition. Today, occupied territories are actually becoming a base for the preparation of terrorist groups. Terrorists trained there spread to the whole world, including some European countries. At the same time, drug trafficking is also carried out in these areas.

Formation of a terrorist centre in Nagorno-Karabakh by Armenians is a problem not only of Azerbaijan but also of the whole region, as the weight of the current situation has already surpassed the point touching Azerbaijan. From this point of view, the elimination of uncontrolled areas and fair settlement of the conflicts only can lead to the solution of the problem and eliminate the realizing danger. It would be naive to argue that the root of the problem would be cut in these lands if the conflict seats were not removed, resolved.

No terrorist act had ever taken place between *the Georgian and Azeri peoples in Transcaucasia before Armenia started its path of separatism.*

There was no terrorist organization in Azerbaijan and Georgia either before the revolution, or after the revolution, but there are numerous

Armenian terror organizations operating in different parts of the world and carried out bloody actions. These are<sup>6</sup>:

*Armenakan Party*: was founded in 1885. This party, engaged in armed clashes and terrorist acts in the Van, Mush, Bitlis, Trabzon regions and Istanbul, was cooperating with the Armenians living in Iran and Russia.

*The Hnchak Party*: was founded in 1887 in Geneva. The main purpose of the organization is to create the 'Greater Armenia' state by uniting the Anatolian region of Turkey; the territories called 'Russian' and 'Iranian' Armenia. It is indicated in Paragraph 4 of the Party's program: 'In order to achieve the objective, propaganda, agitation, terrorism and the creation of a destructive organization must be chosen.'

*Dashnaksutyun - the Armenian Federative Revolution Party*, was founded in 1890 in Tiflis. The main purpose is to establish the 'Greater Armenia' state in the territories of Nagorno-Karabakh, Nakhchivan and Turkey's Anatolia. Dashnaksutyun, which held its first congress in Tiflis in 1892, issued a resolution to organize the assassination of the Turks. Just after this congress Dashnaksutyun commanded 'Kill Turks, Kurds everywhere, in martial arts, kill the Armenian traitors, revenge!' There are a number of terrorist groups created by the Dashnaksutyun party: *The Revengers of the Armenian Genocide* group, which started functioning in 1973, killed Turkish diplomats in Austria, Denmark and Portugal in 1980-82; the secretive terrorist group **DRO** and its divisions: DRO-8, DRO-88, DRO-888, DRO-8888. Dashnaks continue its activity in this direction.

*Armenian Secret Army of Liberty (ASOA)*: established in 1975 in Beirut. The headquarters is in Damascus. There are more than a thousand fighters in Palestinian bases. In the first six years of activities, the organization carried out terrorist acts that killed 19 Turkish diplomats in different countries of the world.

*Geqaron*: was created by ASALA in February 2001. The goal is to conduct terrorist acts against Turkish origin political leaders, diplomats and businessmen in the South Caucasus and Central Asia.

*The Armenian Freedom Movement (AOD)* was established in 1991 in France. Terrorist activity is carried out in close contact with ASALA.

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<sup>6</sup> \*\*\*, *President Library of Operational Department of the President of the Republic of Azerbaijan, Nagorno-Karabakh conflict*, Baku: Journal of electronic materials with complete text, 2005.

**Armenian Front of Freedom:** This terrorist organization, founded in 1979, is part of ASALA. It is preparing terrorists against Turkey and Azerbaijan.

**Orli Group:** It was created by Armenian youth living in France in 1981. The organization carried out more than 10 terrorist acts in various airports around the world by 1987.

**Justice Commandos of Armenian Genocide:** It was founded in 1972 during the congress of Dashnaksutyun Party in Vienna. The purpose of the Justice Commandos of Armenian Genocide is to concentrate young Lebanese citizens of Armenian origin in military units and to organize bloody terrorist attacks against Turks and Azerbaijanis.

**Armenian Unity:** established in 1988 in Moscow. They have close ties to ASALA and provide them with counterfeit documents for the activity of terrorists in the former Soviet Union. They participate in the transfer of arms and wagons to Nagorno-Karabakh.

**Democratic Front:** operates in the US, Canada and Western Europe. The main purpose is to disintegrate the Turkish state.

**Apostol:** was established on April 29, 2001 by the Armenian Defense Ministry, consisting of Armenian, Syrian and Lebanese citizens. The purpose of the organization is to carry out acts of terrorism in Turkey and Azerbaijan.

In 1988-1994, 32 terrorist acts were committed against Azerbaijanis by the Armenians. As a result, more than 2,000 people were killed and many were injured. Including<sup>7</sup>: in passenger buses - 68 people died and 132 were wounded;

- In passenger and cargo wagons - 74 people were killed and 125 wounded;
- In air transport - 104 people were killed;
- In Baku Subway - 27 people were killed and 91 wounded;
- In the sea ferry carrying passengers - 25 people were killed, 88 were wounded;
- Against civilians and militants - 881 people were killed and 1239 wounded;

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<sup>7</sup> \*\*\*, *President Library of Operational Department of the President of the Republic of Azerbaijan, Nagorno-Karabakh conflict*, Baku: Journal of electronic materials with complete text, 2005.

- Against civil and state facilities - 10 people were killed, 30 were wounded, and so on.

Apparently, the preparation and formation of terrorist groups threatening Europe and the entire world as a whole on the territories of Azerbaijan occupied by Armenia is an indisputable fact. As the visible figure behind these groups is the Armenian lobby. Therefore, serious measures should be taken to liberate those territories from the Armenian occupation and to take under the official control of the Azerbaijani state. Until the territory is liberated from the occupation, the area must be controlled by international organizations. Otherwise, the terrorist groups prepared and exported from Nagorno-Karabakh may become a serious problem for the region as well as Europe.

The Armenian side repeatedly attacked the peaceful population of Azerbaijan, which is unquestionably a violation of the norms of international law.

An illustrative example is one of the recent crimes committed by Armenia against Azerbaijan, the Armenian armed forces fired from 82 and 120 mm mortars and heavy grenade launchers the village of Alhanli of Fizuli region, which led to the death of the residents of the village Allahverdiyeva SahibaIldris (born in 1967), and Guliyeva Zakhra Elnur (born in 2015). Unfortunately, Armenia does not observe the ceasefire regime, which the parties reached in 1994, and peace negotiations that remain inconclusive are still held under the aegis of OSCE Minsk Group and co-chairmanship of Russia, France and the United States. Until now, Armenia has failed to comply with four UN Security Council resolutions on the liberation of Nagorno-Karabakh and surrounding areas.<sup>8</sup> It is interesting that Armenia has been a participating State of the OSCE since January 30, 1992, member of the United Nations since March 2, 1992, a member state of the Council of Europe since January 25, 2001. In addition, Armenia has ratified a number of the most important international human rights instruments, as well as conventions aimed at combating terrorism, while not respecting them. These include: the Council of Europe Convention on Laundering, Search, Seizure, Confiscation of the Proceeds

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<sup>8</sup> \*\*\*, "State Committee: Attacks of the Armenian side on the peaceful population of Azerbaijan - gross violation of the norms of international law", 2017, [<https://news.day.az/society/912432.html>].

from Crime and the Financing of Terrorism of 2008, the European Convention on the Suppression of Terrorism of 1978, the International Convention for the Suppression of Terrorist Bombings of 2001, the International Convention for the Suppression of the Financing of Terrorism 2002.

As for the international legal framework for combating the phenomena under consideration, despite the fact that the international legal framework for combating terrorism and extremism has been formed at present, unfortunately, international legal norms in this field are not always observed.

First of all, it should be noted, considering the fact that extremism, as well as terrorism, pose a threat to the entire world community and humanity as a whole, then the struggle against them must be comprehensive, that is, it must be conducted in all directions - at the state, regional and world levels.

At the same time, the struggle against extremism and terrorism within the framework and by the forces of one state is ineffective, since its qualitative counteraction, along with military-force methods, requires as well financial, information, ideological, legislative means.<sup>9</sup> Thus, international cooperation is an indispensable element in the fight against terrorist activity, both in developing a single strategy to counter terrorism and eliminating its causes, as well as in the exchange of intelligence data and other special information. Terrorism has its own specifics in various regions of the world, which dictates the need for adaptation of standardized norms and strategic provisions to local conditions.<sup>10</sup>

One of the defining areas for countering terrorism and extremism is the timely detection of terrorist and extremist inclinations in order to prevent their implementation in time.<sup>11</sup> Of course, the fight against these negative phenomena must be carried out first of all at the international level, by joint efforts of all countries of the world. The core of the

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<sup>9</sup> Mavrin O. V., "Prevention of extremism and terrorism in the Republic of Tatarstan", *Politbook*, №4, 2012, p.182.

<sup>10</sup> Budaeva S. V., Degtareva N.V., "International cooperation in the field of fight against terrorism", *Vestnik Zab GU*, № 05 (108), 2014, p.66.

<sup>11</sup> Mavrin O. V., "Prevention of extremism and terrorism in the Republic of Tatarstan", *Politbook*, №4, 2012, p.183.

international struggle against extremism and terrorism is the universally recognized principles and norms of international law created under the auspices of the United Nations, which must both be adopted and incorporated into the legislation of the UN member states and are respected by them both in foreign policy pursued by them and in domestic policy. In addition, many organizations have been established under the aegis of the United Nations to date, whose main purpose is the fight against terrorism precisely.

Thus, one of such organizations is the UN Counterterrorism Committee established in accordance with the provisions of UN Security Council Resolutions 1373 (2001) and 1624 (2005), which contributes to strengthening the capacity of UN member states to prevent terrorist acts both at the national and interregional levels. Resolution 1373 (2001) reflects the most important areas of the fight against terrorism, and calls on all member states to put in place priority measures to combat:

- Criminalize the financing of terrorism;
- Immediately block any funds associated with persons who are involved in terrorist acts;
- Not to provide financial support to terrorist groups in any form;
- Prevent the granting of asylum, assistance or support to terrorists;
- Exchange information with other governments with respect to any groups that commit or plan to commit terrorist acts;
- Cooperate with other governments in the investigation, detection, arrest, extradition and prosecution of persons implicated in such acts;
- Establish in the national law criminal responsibility for active and passive assistance to terrorism and bring perpetrators to justice. Taking into account that the countries of the Caucasus (Azerbaijan, Georgia, Armenia, Russia, etc.) are also member states of the UN, therefore they must also comply with the international legal norms on combating terrorism created under the auspices of the UN, moreover, they have to implement these norms in national legislation, and ensure their compliance. Being in the neighbouring geographic location, their joint cooperation would have a fairly positive effect in the fight against terrorism in the region.

Among the regional organizations to combat terrorism, we can name the Anti-Terrorist Centre of the Commonwealth of Independent States, created by the decision of the Council of CIS Heads of State of June

21, 2000, which is a constantly acting specialized body of the Commonwealth of Independent States and is intended for ensuring coordination of interaction between the competent bodies of the CIS member states in the field of combating international terrorism and other manifestations of extremism.

The main direction of the work of the UN Security Council is also the struggle and prevention of the commission of terrorism.

An important international legal document aimed at eradicating terrorism is the special resolution adopted on January 16, 1997 at the 51st session of the UN General Assembly supplemented the Declaration on Measures to Eliminate International Terrorism (adopted in December 1994), and according to which the member states of the United Nations were called upon to work out in certain necessary cases, especially by signing bilateral and multilateral agreements and arrangements, the procedure for mutual legal assistance directed provision and acceleration investigations and gathering of proofs as well as development of cooperation between law enforcement agencies in order to identify and prevent terrorist acts<sup>12</sup>. The counterterrorism normative framework of the United Nations was first built on the VII Chapter of the UN Charter, which at the present time is a base of modern international anti-terrorism legislation. Today, this activity is built on the 5 key elements proposed by Kofi Annan, namely:

- Persuade the terrorist groups to not resort to violence;
- Restriction of terrorists in the means for conducting attacks;
- Limiting the support of terrorist groups by other countries;
- Development of opportunities of countries in the prevention of terrorism;
- Protection of human rights during the antiterrorist struggle.

In general, 13 main universal decrees and protocols aimed at combating terrorist activities have been developed under chairmanship of UN since 1963, which include:

- The Convention on Crimes and Certain Other Actions Committed on the Aircraft Board 1963 (the Tokyo Convention);

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<sup>12</sup> \*\*\*, "Measures to eliminate international terrorism", Resolution adopted by General Assembly (under the report of the Sixth Committee A/51/631), January 16, 1997, [<http://www.un.org/ru/ga/51/docs/51res.shtml>].

- Convention on the Suppression of Unlawful Seizure of Aircrafts 1970 (The Hague Convention);
- The Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation 1971 (Montreal Convention);
- Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, Including the Diplomatic Representatives 1973;
- Convention on the Suppression of Taking Hostages 1979 (Hostages Convention);
- Convention on the Physical Protection of Nuclear Materials 1980 (the Convention on Nuclear Materials);
- Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving the International Civil Aviation of 1988;
- Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation 1988;
- Convention on the Marking of Plastic Explosive Substances for the Purpose of Detection 1991;
- The International Convention for the Suppression of Terrorist Bombings 1997;
- The International Convention for the Suppression of the Financing of Terrorism 1999;
- International Convention for the Suppression of Acts of Nuclear Terrorism 2005.

Of course, the international legal framework described above is effective today, and it has yielded positive results, but unfortunately, we can still observe the fulfilment of extremism and terrorism both in the world and in the Caucasus, in particular. In this regard, it is necessary to continue the joint work of states on the development of a common anti-terrorist strategy and methodology for combating terrorism.

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## LA CONSTRUCTION DE L'ÉTAT AU KOSOVO

Clara Mikola\*

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### Abstract

*This article analyzes the difficult process of State-building in Kosovo. It shows that the increasing number of International actors produces a parallel bureaucracy over Kosovo's administration. The parallel bureaucracy leads to overlaps and inconsistencies during the crisis management. At the same time, Kosovo's international situation of Quasi-State leads to quasi legitimacy which has a major impact over the actions of International actors as the European Union. As an International phenomenon, the Quasi-State concept only makes sense if related to the historical and social framework in which it emerged and thrived. In order to analyze the difficult establishment of the rule of law in Kosovo, we will analyze the genesis of the phenomenon in its historical context and national specificities; secondly we will discuss the interactions between such International actors and the administration of Kosovo on the one hand, and mafia sovereignty claims, on the other. Kosovo's sovereignty is divided between ethnic communities, International actors and Mafia.*

**Keywords :** Kosovo, Quasi- État, crise, Relations internationales.

Près d'une quinzaine d'années de tutelle internationale au Kosovo ont contribué à la cessation de violences sur le territoire kosovar et ont permis de mettre en place les structures principales d'un régime démocratique. Cependant, cette région des Balkans, faisant autrefois parti

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\* Clara Mikola: Doctorante à Université de Bucarest et Université de Bordeaux (Thèse en cotutelle), Diplômée de l'Université Paris 1 Panthéon Sorbonne avec double spécialité en Relations internationales et Coopération internationale, action humanitaire et politiques de développement.

Contact: mikolaclara@gmail.com

de la Serbie et s'étant autoproclamée indépendante en 2008, peine à établir une gouvernance par un État de droit. Tandis que la communauté interétatique a réussi à éviter la création d'un État failli, le statut ambigu du Kosovo a été à l'origine d'un épanouissement de réseaux criminels organisés. Dès lors, pour appréhender la situation du Kosovo, quasi-État qui semble se trouver dans une impasse, il est opportun de s'attarder sur le rôle que jouent ces acteurs non-étatiques sur le territoire. La mondialisation, qui a destitué l'État de son rôle de pivot central de la politique, a contraint les États à composer avec des forces non-étatiques. Bien qu'ils n'aient pas pour vocation primaire de remplacer l'État, deux entités principales lui font néanmoins concurrence dans le contexte du Kosovo. La première, autorisée à l'origine par une résolution de l'Assemblée Générale de l'Organisation des Nations Unies, est composée de plusieurs agences internationales, dont le stationnement sur le territoire kosovar a été pleinement consenti par le Kosovo. Bien que ces agences doivent contribuer au renforcement des capacités étatiques, leur multiplicité, loin d'aboutir à des synergies, endommage leurs actions sur le terrain en raison de la concurrence existant entre elles. Par ailleurs, les connivences d'intérêt des États représentés sur le territoire kosovar au travers de ces agences, résultent des nouvelles configurations de l'autorité politique qui y opèrent et entravent l'accès à un État souverain. La deuxième entité, dont un examen rigoureux est nécessaire pour pouvoir comprendre la situation au Kosovo est les mafias albanophones qui, bien que présentes depuis bien avant le conflit serbo-kosovare, ont profité du flou juridique entourant le Kosovo ainsi que de la faiblesse du système judiciaire kosovar pour diversifier leurs services et assurer des trafics de marchandises, de flux financiers et de personnes. Au prisme des Relations internationales, cet article analyse l'impasse dans laquelle le Kosovo se trouve depuis sa proclamation d'indépendance. Il s'agira dans un premier temps de resituer le contexte historique aboutissant à la proclamation d'indépendance. Pour ce faire, la construction du conflit serbo-albanais sera rappelée dans un premier temps afin de mettre en avant le dégel des clivages ethniques qui eût lieu au lendemain de la chute du communisme.

Les retombées politico-économiques qui s'ensuivirent sur le Kosovo, à savoir l'apparition de nouveaux cadres d'allégeance et une tutelle internationale aux modèles bureaucratiques concurrents, seront

ensuite examinées dans une première partie. Comprenant que le conflit qui opposait la Serbie à sa région indépendantiste présentait un danger pour la paix et stabilité internationales, la communauté étatique décida d'envoyer, à travers la résolution 1244 du Conseil de Sécurité, une autorité administrative de l'ONU, la Mission d'Administration Intérimaire des Nations Unies au Kosovo (MINUK). C'est désormais l'EULEX, sous l'égide de l'UE, qui œuvre pour l'établissement d'un État de droit au Kosovo, souhaitant ainsi éradiquer les réseaux criminels établis sur le territoire. Ce partage de l'autorité politique entre les forces internationales et les réseaux criminels organisés semble toutefois affaiblir d'autant plus le squelette étatique kosovare. La deuxième partie examinera de plus près ce partage de l'autorité étatique aboutissant à un État à souveraineté négative. Une analyse du rôle joué par les acteurs non-étatiques, et plus particulièrement par les entreprises para-étatiques et par les mafias albanophones, mettra en lumière l'impact de la tutelle internationale et des trafics illicites sur la situation politico-économique de l'État. Enfin, l'État du Kosovo souffre d'une non-reconnaissance, tant par les serbes résidant principalement au Nord du pays, que par les États refusant de le reconnaître en tant qu'État à part entière. Par conséquent, le Kosovo est confronté à des violences à caractère physique, mais aussi symbolique, qui l'empêchent d'accéder à la souveraineté tant revendiquée. Le partage de l'autorité politique a permis aux agences externes de légitimer leur présence sur le territoire en faisant appel à l'exceptionnalisme du cas du Kosovo. Cet exceptionnalisme semble désormais s'être pérennisé, freinant davantage l'accès à une souveraineté kosovare.

## **I. La recomposition de l'autorité politique dans les Balkans**

Selon l'économiste Charles-Albert Michalet en 1980, la mondialisation prend la forme d'une configuration globale. Les frontières nationales n'ont plus raison d'être. L'État-Nation se trouve affaibli. Son existence au sens wébérien du terme est remise en cause par les flux transnationaux. Vers la fin des années 1990, émerge une nouvelle conception du monde. La période post-guerre froide commence, mais elle s'ouvre sur une série de crises dont les effets sont accélérés par la mondialisation. La disparition de l'équilibre de la terreur déstabilise le système international. De multiples conflits émergent : la première Guerre

du Golfe, la faillite de l'État somalien, le génocide rwandais, mais aussi la désintégration violente de la Yougoslavie.

La sauvegarde de la souveraineté d'une fédération multiethnique, telle que celle de la Yougoslavie, et la dynamique de la mondialisation sont posées en termes conflictuels. Le phénomène de la mondialisation représente tout d'abord un processus économique, tel que les historiens de l'économie monde l'ont montré dès le 15<sup>ème</sup> siècle. L'orientation d'un pays ex-communiste vers une économie de libre marché se révèle difficile, son économie n'étant pas compétitive. En 1980, la Fédération yougoslave était étranglée par ses dettes. Le taux de chômage était élevé et la population subissait un appauvrissement croissant. Cependant, la récession n'a pas touché de façon égale l'ensemble de la Yougoslavie. Ses effets étaient plus graves au Kosovo, au Monténégro et en Bosnie-Herzégovine. Dans ce contexte de crise économique, émerge le discours nationaliste de Slobodan Milosevic qui se fait le porte-parole de la cause des Serbes, mais aussi les tensions séparatistes. La suppression de l'autonomie de la Vojvodine et du Kosovo et l'instauration dans cette dernière province, d'un régime évoquant un apartheid de facto pour la majorité albanaise n'ont fait qu'aggraver la situation économique de la plus pauvre région de la Yougoslavie. Le jeu politique yougoslave apparaît dépourvu de sens, « au point de faire l'objet d'une profonde subversion se traduisant par une crise de la citoyenneté »<sup>1</sup>. « Le plébiscite de tous les jours » de Renan se trouve brisé en Yougoslavie, afin de faire place à la vision organique de la nation.

Néanmoins, l'apparition de nouveaux États ne peut pas être considérée comme un phénomène purement ethnique. Dans la recomposition de l'autorité politique dans les Balkans, les logiques économiques entrent souvent et à des degrés variables en ligne de compte. Il est important de préciser aussi que la multiplication des États n'implique pas la multiplication d'acteurs souverains. Le passage s'est fait d'un processus de pacification des mœurs dans les années 1940, avec la construction de la Fédération yougoslave sous Josip Broz Tito à un processus de brutalisation des relations internationales, qui repose sur le retrait des États, leur affaiblissement et leur perte d'autorité. Il est important de préciser qu'au début des années 1970, le Kosovo en tant que

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<sup>1</sup> Josepha Laroche, *La Brutalisation du monde. Du retrait des Etats à la décivilisation*, Liber, Montréal, 2012, p. 113.

province autonome de la Fédération yougoslave, regroupait les mêmes pouvoirs que les six républiques fédérées. La province était dotée d'une constitution, d'un parlement, d'une cour supérieure de justice ainsi que d'une police indépendante. Nous pouvons constater dans les années 1970, la mise en place « d'un processus de rationalisation »<sup>2</sup> qui affecte « l'ensemble du dispositif social »<sup>3</sup>. Le début des années 1990 est marqué par le retour des nationalismes dans les Balkans, mais aussi par une véritable politique d'apartheid à l'égard des Albanais. Afin de répondre à la persécution des Serbes, les Albanais de Kosovo organisent une résistance politique, la plus importante étant la Ligue démocratique d'Ibrahim Rugova. A la suite des résultats favorables au référendum de 1991 tenu au Kosovo, les délégués albanais du Parlement déclarent l'indépendance de l'État kosovar. Néanmoins, en réaction à cette déclaration, la répression serbe s'intensifie avec « l'interdiction des médias de la communauté albanaise et le licenciement de nombreux Albanais travaillant dans le service public »<sup>4</sup>. Le retour de la violence dans les Balkans est amplifié par la désintégration de la Fédération yougoslave, mais aussi par la « glocalisation » des mafias albanophones. La montée en puissance des acteurs transnationaux ainsi que la désintégration de la Yougoslavie, participe au « retour du refoulé »<sup>5</sup>. De multiples violences surgissent, car il y a un mouvement de décivilisation. Les principaux itinéraires du trafic européen d'héroïne traversent l'espace balkanique depuis la fin des années 1970. Ce phénomène a connu un regain de visibilité dans les années 1990 grâce à l'accumulation de facteurs favorables au développement de la poly criminalité dans la région. La violence mafieuse albanaise implique une multitude d'acteurs politiques et économiques, phénomène qui rend difficile la construction de l'État dans l'espace balkanique. Ce processus est entravé par la fragmentation et la fluidité de l'espace, ainsi que par la complexité des réseaux de pouvoir.

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<sup>2</sup> *Ibid.*, p. 38.

<sup>3</sup> *Ibid.*

<sup>4</sup> Robert Elsie, *Historical Dictionary of Kosovo*, Maryland, Scarecrow Press (2<sup>ème</sup> éd.), 2011, , p. 10.

<sup>5</sup> Josepha Laroche, *op. cit.*, p. 119.

### **A. La construction du conflit serbo-albanais**

Les Kosovars Albanais ont subi depuis 1989 la politique de « serbisation » de Slobodan Milosevic et se sont trouvés dans une situation d'apartheid de facto. Les droits de l'homme ont été bafoués pendant longtemps. Dès le début, le conflit au Kosovo opposait deux principes du droit international. Tandis que les Albanais mettent en avant le droit des peuples à disposer d'eux-mêmes, les Serbes revendiquent le principe de l'intégrité territoriale. Plus important encore, tant les Serbes que les Albanais voient le Kosovo comme partie intégrante de leur identité nationale. Le statut du territoire est marqué par le débat du premier occupant. Selon Ghebali Hebali, « le conflit du Kosovo oppose bien deux peuples séparés par certains marqueurs identitaires clés de l'ethnicité : la langue et la religion »<sup>6</sup>. Une analyse du conflit qui oppose les Serbes et les Albanais est indispensable, dans la mesure où ce conflit empêche l'émergence d'une identité « kosovare ». Il reste difficile de construire l'État en l'absence d'une identité commune, ainsi qu'en absence d'une volonté politique de réconciliation. Les deux entités présentes sur le territoire se reconnaissent, soit dans l'appartenance identitaire serbe, soit dans celle albanaise. La ségrégation ethnique représente une entrave à la souveraineté que le Kosovo se propose d'acquérir depuis 1991. Parallèlement, nous pouvons remarquer que, si dans les années 1990, le Kosovo est une province de la Serbie, peuplée par conséquent de Serbes, après 2008, il devient l'État des Albanais. L'affirmation d'une identité ethnique à titre absolu est censée diaboliser toute autre identité concurrente. Pourtant, du fait de la vision organique de la nation pour laquelle se battent les Serbes et les Albanais, ce retour à l'ethnicité au Kosovo n'est pas la seule cause de l'escalade du conflit ou la seule entrave à la constitution de l'État kosovar.

Des causes sont aussi à chercher dans la crise sociale et économique, dans laquelle se retrouve cette région de l'Europe depuis la fin des années 1980.

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<sup>6</sup> Victor-Yves Ghebali Hebali, « Totem et tabou dans le conflit du Kosovo. Remarques sur les limites naturelles d'une médiation internationale », *Rationalité et Relations Internationales*, vol. II, n° 37, 2000, pp. 2-12, p. 2.

### 1. *La recomposition des territoires*

Le principe de territorialité fait partie « du jeu étatique »<sup>7</sup>. Pour le cas du Kosovo, il s'agit d'un territoire confronté à des histoires concurrentes. La construction de l'État au Kosovo suppose dans un premier temps, le dépassement « d'une logique sociale communautaire »<sup>8</sup>. Dans l'ordre de l'État, « le territoire devient un cadre fonctionnel de regroupement politique parce que celui-ci implique des individus qui fondent leur identité sur leur rapport d'allégeance à un centre qui prétend monopoliser l'autorité. »<sup>9</sup>. L'appartenance ethnique albanaise fragilise la souveraineté de la Serbie, en lui contestant l'identification territoriale. La contestation de la minorité serbe du Kosovo rend ambiguë la prétention à la souveraineté du Kosovo. La promotion de la ségrégation ethnique par la Serbie, puis par le Kosovo, défie le principe de souveraineté. Cette politique de ghetto « déterritorialise en créant des populations aux allégeances incertaines »<sup>10</sup>. Elle vide la reconnaissance de l'Autre, qui fonde la véritable souveraineté. La souveraineté des États est mise en difficulté, notamment par l'apparition des nouveaux cadres d'allégeance qui contournent l'autorité étatique.

### 2. *L'apparition de nouveaux cadres d'allégeance*

La fin du bloc communiste s'est accompagnée de mouvements de population, de difficultés économiques et de crises politiques. Dans ce contexte, les activités illicites ont été favorisées au Kosovo. Les Kosovars Albanais doivent partir ou avoir recours à l'économie parallèle pour subsister. Lorsque l'Albanie s'ouvre en 1991, des solidarités se reconstituent entre Albanais, de l'Albanie, du Kosovo et de Macédoine. Sous Tito, les Albanais du Kosovo ont pu s'expatrier en Europe Occidentale, aux États-Unis et même en Australie. L'urgence de la situation en Albanie et surtout au Kosovo a favorisé la *glocalisation* des mafias albanophones. Les liens familiaux et régionaux entre pays d'accueil et pays d'origine pouvaient offrir aux trafiquants la cohésion et l'opacité nécessaires. L'appropriation identitaire serbe par Milosevic a condamné les Albanais de Kosovo à l'exil.

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<sup>7</sup> Bertrand Badie, *L'Etat importé. L'occidentalisation de l'ordre politique*, Fayard, Paris, 1992., p.82.

<sup>8</sup> *Ibid*, p. 83.

<sup>9</sup> *Ibid*.

<sup>10</sup> Bertrand Badie, *Un monde sans souveraineté. Les Etats entre ruse et responsabilité*, Fayard, Paris, 1999, p. 146.

Ceux-ci vont choisir d'autres cadres d'allégeance, telles que les mafias, ainsi que des nouvelles solidarités transnationales. L'embargo sur les armes imposé par l'Union européenne et les restrictions sur le commerce ont conduit à la multiplication des trafics. Cet argent de provenance illicite finance aussi la guerre. L'UCK, l'Armée de libération du Kosovo est une organisation paramilitaire qui apparaît officiellement en 1996. L'argent pour l'achat de ses armes provenait de la très importante diaspora albanaise. La répression exercée par le gouvernement serbe était sévère. Elle s'est concentrée non-seulement contre les forces de l'UCK, mais également contre la population civile albanaise. Il y a eu deux guerres au Kosovo. D'abord, celle que les forces serbes entreprennent au début de mars 1998 contre l'Armée de libération du Kosovo, ensuite celle que l'OTAN livre en 1999. Plus largement, le conflit local de cette province, d'une très grande importance géopolitique, devient global à la suite de l'implication des grandes puissances. Dans ces conditions de forte instabilité, la criminalité mafieuse s'encre fortement sur place et diversifie ses pratiques. Aujourd'hui encore, les réseaux albanais d'héroïne, dominés par des Kosovars Albanais, sont bien établis en Europe. D'après Interpol, ils représentent le deuxième groupe d'individus arrêtés pour des affaires d'héroïne, derrière les Turcs.

### ***B. Une tutelle internationale aux modèles bureaucratiques concurrents***

La protection des Kosovars Albanais contre une catastrophe humanitaire imminente représente la justification de l'action menée par l'OTAN au printemps 1999, mais non la motivation fondamentale. Il est important de remarquer qu'au moment où le nettoyage ethnique s'amplifie au Kosovo, le Groupe de contact<sup>11</sup> se réunit afin de trouver une solution. Néanmoins, à cause de l'opposition russe, la conférence de Rambouillet du 6 février 1999 reste un échec : ce qui aurait du être « le Dayton européen »<sup>12</sup> échoue. Les divergences des Grandes puissances sur le statut du Kosovo vont rendre plus difficile encore la gouvernance du territoire.

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<sup>11</sup> Le groupe de contact pour le Kosovo est composé des ministres des affaires étrangères représentant la France, l'Allemagne, l'Italie, la Fédération de Russie, le Royaume-Uni, et les Etats-Unis. <http://www.monde-diplomatique.fr/cahier/kosovo/contact-intro>.

<sup>12</sup> Marie-Françoise Durand, Alvaro de Vasconcelos, *La PESC, Ouvrir l'Europe au monde*, Presses de Sciences Po, Paris, 1998, p. 251.

L'intervention de l'OTAN au Kosovo sans l'aval du Conseil de Sécurité déclenche des critiques, qui mettent en avant l'accaparement unilatéral des principes humanitaires. La guerre du printemps 1999 suscite des débats dans le monde entier par la nouveauté des motifs proclamés.

Cette intervention peut être aussi regardée comme une transgression du droit international. À la fin de la guerre, une tutelle internationale prend en charge le Kosovo, à travers l'adoption de la résolution 1244 par le Conseil de Sécurité des Nations Unies. Une fois de plus, la Province se voit refusée l'indépendance sous les pressions de la Russie, de la Chine et de la Serbie. La devise des « standards avant le statut » vise à répondre aux problèmes les plus pressants, avant de commencer les négociations sur le statut du Kosovo. Le scénario se reproduit en 2005, quand le Conseil de Sécurité nomme Martti Ahtisaari modérateur entre les parties serbes et albanaises du Kosovo, afin de négocier le statut juridique de la Province. La proposition de celui-ci d'une indépendance kosovare, surveillée par l'Union européenne et protégée par l'OTAN, est rejetée par la Russie. Plusieurs organisations internationales aux routines bureaucratiques différentes agissent sur le territoire. Quatre instances internationales jouent un rôle fondamental : l'Union européenne est chargée de l'effort de reconstruction économique, l'HCR des affaires humanitaires, la MINUK de l'administration civile et l'OSCE du développement des institutions. La coopération de toutes ces organisations reste difficile. La tutelle internationale « à plusieurs » endigue le consensus.

Le statut juridique du Kosovo fait débat au sein des instances internationales et souvent leurs membres sont en désaccord. En juillet 1999, quand la MINUK commence à opérer, la plupart des services publics au Kosovo étaient dysfonctionnels. « L'absence de réglementation fiscale, de droit de propriété, la disparition de l'état civil et des pièces d'identité, comme les plaques d'immatriculation de véhicules ont fait du Kosovo un lieu propice aux activités criminelles et au développement des réseaux mafieux. »<sup>13</sup>. La perméabilité des frontières, en particulier avec l'Albanie, facilite la contrebande, ce qui fait que les criminalités mafieuses et interethniques se superposent. Dans un tel contexte, il est difficile d'espérer

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<sup>13</sup> La Commission des Affaires étrangères, *Le Kosovo : un an après*, Rapport d'information N°2452, République française, enregistré à la Présidence de l'Assemblée nationale le 31 mai 2000, p. 37.

des investissements étrangers ; or, le développement économique de la Province est un élément capital pour rétablir la sécurité.

### *1. Les espaces sociaux vides*

L'administration internationale se proposait de promouvoir au Kosovo la démocratie, les Droits de l'homme, mais la population locale n'a pas la culture de telles valeurs. La chute du communisme n'a pas signifié le remplacement des membres de la nomenklatura. Le manque de démocratie et de contre-pouvoirs ne peut que faciliter les dérives mafieuses. « L'État délègue aux mafias des fonctions sociales »<sup>14</sup> qu'il n'est pas capable d'accomplir. Dans ces conditions, la construction de l'État reste difficile.

L'administration provisoire a été confrontée à des pouvoirs de fait, non reconnus, mais bien réels comme celui de l'UCK, qui tente de placer ses membres à la tête de municipalités, celui du Gouvernement provisoire de Hashim Thaçi, celui des structures de LDK et aussi les structures parallèles des Serbes demeurant sur place. En même temps, la tutelle internationale reste divisée. La déclaration unilatérale d'indépendance du Kosovo de 2008 divise les membres de l'Union européenne car la Roumanie, la Grèce, l'Espagne, Chypre et la Slovaquie ne reconnaissent pas le nouvel État. Dans la même année, est créé EULEX, la plus importante mission civile de l'Union européenne. Cette mission ne pouvait pas prendre la place de la MINUK, en raison de l'opposition russe. Bien que EULEX prolonge son mandat jusqu'en 2015, la mission suit toujours les dispositions de la résolution 1244. EULEX vise à instaurer un État de droit au Kosovo. L'occidentalisation des Balkans, voire du Kosovo, rejoint la perspective de l'État importé. La construction des institutions sur le modèle occidental n'implique pas pour autant le modèle de légitimité rationnelle ou encore une souveraineté positive. Les institutions kosovares ne monopolisent pas l'exercice légitime de la puissance publique car, dans un premier temps, la MINUK détient des fonctions exécutives et législatives.

En suivant le fil rouge de la sociologie wébérienne de l'État, nous pouvons constater que la tutelle internationale, ainsi que la résistance des enclaves serbes, empêchent les autorités kosovares de détenir l'autorité sur l'ensemble du territoire. La résistance des Serbes qui se trouvent au Nord

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<sup>14</sup> Susan Strange, *The Retreat of the State. The diffusion of Power in World Economy*, Cambridge University Press, 1996, p. 114.

(Mitrovica) du Kosovo est une entrave au processus de création d'institutions autonomes, mais aussi une fenêtre d'opportunité pour les mafias. Cette résistance serbe, enclavée, représente une contre légitimité à l'égard de l'État kosovar. La lutte contre le crime manque de moyens et les bas salaires rendent tous les secteurs administratifs perméables à la corruption. L'environnement social contribue au dynamisme du phénomène criminel. Au Kosovo il y a des « espaces sociaux vides »<sup>15</sup>, des secteurs de la société « que la scène politique officielle ne parvient ni à mobiliser, ni à contrôler et au sein desquels se déploient des formes d'autorité de substitution qui captent à leur profit des allégeances individuelles ».<sup>16</sup>

## 2. La reconfiguration des cadres d'allégeance

La prolifération des espaces sociaux vides au Kosovo fait reculer les frontières internes de l'État. Elle démultiplie et entrecroise les réseaux d'allégeances. Il convient d'interroger l'absence de contrôle du Nord du Kosovo par les autorités locales, mais aussi par EULEX. La mission perd la confiance des Albanais. Ceux-ci critiquent le fait que EULEX n'a pas gagné le contrôle de Mitrovica. En manque de reconnaissance unanime de la part des États membres, le mandat de l'Union européenne reste neutre. Les Serbes critiquent les actions trop contraignantes, tandis que les Albanais de Kosovo attendent des actions plus déterminées de la part de EULEX. Nous ne pouvons pas parler d'une auto-gouvernance de l'État kosovar. En même temps, de nombreux anciens membres de l'UCK vont s'emparer des plus importants postes dans l'administration, afin de garder leur influence.

Nous pouvons constater la mise en place d'une symbiose avec les mafias au sein de l'administration kosovare, « d'une stable coexistence de l'État avec les autorités non-étatiques »<sup>17</sup>. Cette coexistence représente une opportunité géostratégique pour la criminalité transnationale. Grâce aux Accords d'association offerts aux nouveaux États des Balkans, Serbes et Kosovars albanais peuvent voyager sur le territoire de l'Union européenne sans visas. Les solidarités ethniques sont censées diminuer, au profit de celles économiques. Avec un taux de chômage et un taux de natalité parmi les plus élevés de l'Europe et une culture démocratique sous-développée,

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<sup>15</sup> Bertrand Badie, *op. cit.*, p. 249.

<sup>16</sup> *Ibid.*

<sup>17</sup> Susan Strange, *op. cit.*, p. 116.

les structures de l'administration kosovares se caractérisent par un fort clientélisme et une élite dominant le processus politique. En suivant une grille d'analyse wébérienne de l'État kosovar, nous pouvons remettre en cause l'acquisition de la souveraineté par l'autorité politique du pays. Mais il est vrai aussi que, de nos jours, même les anciens États wébériens sont affectés par des érosions successives du fondement de l'autorité étatique.

## **II. La mise en difficulté du Kosovo par le partage de l'autorité étatique**

Le Kosovo est marqué par le partage d'autorité politique, qui s'est fait aux dépens de la construction d'un État capable de protéger ses citoyens et d'assurer la justice. Pour répondre au conflit et au problème ethnique, la communauté interétatique a décidé d'intervenir afin de stabiliser le territoire et le protéger de l'emprise serbe. Ce faisant, les administrations internationales n'ont jamais permis à l'État kosovar d'acquérir le monopole de la décision, qui est l'essence-même du souverain. En parallèle de la création de l'État kosovar, les organismes paraétatiques ont tenté de renforcer les capacités du Gouvernement, réformer le secteur de sécurité et d'instaurer la démocratie. L'existence de légitimités concurrentes, actives depuis des temps plus anciens sur le territoire, notamment les mafias albanophones, ont toutefois entravé la mise en place d'un système judiciaire non corrompu, la reconstruction de l'économie, ou encore les efforts pour une meilleure transparence de l'appareil politique. Cette configuration complexe, mêlant acteurs externes, gouvernement parallèle et criminalité consentie par une partie des fonctionnaires étatiques, ne permet pas au Kosovo d'acquérir la légitimité recherchée.

### ***A. Un État à souveraineté négative***

En raison d'une part de l'intervention internationale sur son territoire, et d'autre part des organisations criminelles agissant sur son territoire, le Kosovo ne parvient pas à créer un État de droit, et ce même lorsque la raison d'être des acteurs internationaux est de stabiliser le territoire et d'amener la démocratie. Dès lors, le Kosovo peut être qualifié d'État à « souveraineté négative », dans la mesure où son existence-même dépend de la présence de forces externes, et où l'État ne parvient pas à se

saisir du monopole de la violence légitime. Enfin, la non-reconnaissance du Kosovo par une partie de la communauté interétatique renforce son aliénation et dissout toute tentative de légitimation.

### *1. Les entreprises paraétatiques*

Jusqu'au 20<sup>ème</sup> siècle, le concept d'État westphalien prédominait les relations internationales, et décrivait des relations diplomatiques jusqu'alors exclusivement fondées sur des accords bilatéraux ou multilatéraux interétatiques. Une diplomatie bilatérale, voire multilatérale, entre États répondant aux principes d'autonomie et d'intégrité territoriale.

Au contraire, au siècle précédent naquirent des structures étatiques dont les caractéristiques ne permettent pas aussi facilement de les considérer comme des États à part entière. Les problèmes rencontrés par ces structures varient, allant de conflits entre minorités ethniques, jusqu'aux groupes terroristes, ou encore aux défis contemporains tels que la cybercriminalité. Le 20<sup>ème</sup> siècle a vu naître pléthore de termes dont le but principal est de classer des États affaiblis par des forces centripètes. Max Weber stipule que c'est à l'État que revient le monopole de la violence, c'est-à-dire le pouvoir de bénéficier du droit de mettre en œuvre, lui-même ou par délégation, la violence physique sur son territoire. Le terme de « quasi-État », proposé par Robert Jackson en 1993, qualifie comme tel les entités les plus fragiles issues de la décolonisation qui, bien que reconnues sur la scène internationale, n'arrivent pas à instaurer le monopole de la violence sur leur territoire. Le Kosovo, dont l'existence précaire n'a été rendue possible que par le soutien d'une partie de la communauté interétatique, illustre bien le terme mis en avant par Robert Jackson, bien que sa formation récente le dissocie de l'époque des décolonisations. La capacité et les efforts des nouvelles structures gouvernementales n'ont pas été décisifs dans cet acte de proclamation d'indépendance, car l'existence même de l'État en question doit largement aux intérêts sous-jacents des États ayant soutenu sa formation. Il résulte de cela que certains États, n'étant pas en mesure de subvenir à leurs propres besoins, s'appuient sur d'autres, qui eux bénéficient d'une reconnaissance universelle. En contrepartie, les États faibles ou à souveraineté négative, sont sujets à des conditionnalités politiques qui leur sont imposées et qu'ils doivent respecter pour continuer à bénéficier de l'appui des États à souveraineté

positive. Parce qu'un partenariat n'est jamais simplement un échange entre un donneur et un récepteur, le cas du Kosovo illustre bien les désirs de pacification impériale de la communauté étatique. Appuyés par les forces de l'OTAN et de l'UE, respectivement KFOR et EULEX, les forces de la République du Kosovo ont été perçues comme illégitimes dans les régions à majorité serbe, ce qui a conduit à la mise en place d'un gouvernement parallèle dans le nord du pays. Ce gouvernement est largement soutenu par la Serbie, qui, depuis 1999, a dépensé plus de 6 milliards d'euros afin d'y maintenir ses structures gouvernementales.<sup>18</sup> Bien que les mandats du KFOR et de l'EULEX leur aient confié la formation des forces de police de la République Kosovare pour permettre l'établissement d'un État de droit, la zone de non-gouvernance au Nord du Kosovo limite fortement l'exercice de leur mission. En raison du refus de reconnaissance de cinq États membres de l'Union européenne, l'EULEX doit conserver une position de neutralité vis-à-vis du statut du Kosovo, ce qui contraint la mission à agir sous l'égide exclusive de la résolution 1244 du Conseil de Sécurité de l'Organisation des Nations Unies. La tentative d'obtention de nouveau mandat de l'ONU et le plan Ahtisaari s'étant conclu par un échec, le mandat de l'UE prévoit un retrait pour juin 2014, ce qui semble présager une plus grande fragilisation de frontières déjà taries par les trafics illicites.

La souveraineté de la Serbie s'efface pour laisser place, selon le terme avancé par Carl Schmitt avant d'être employé par Giorgio Agamben, à « l'état d'exception » justifiant la suspension du droit serbe pour donner lieu aux interventions externes dans le but de fortifier la démocratie.

L'ambiguïté entourant le statut du Kosovo, au lendemain de la proclamation d'indépendance, a fait place à l'approbation, par le Conseil de Sécurité, du gouvernement temporaire qui s'est établi dans le but d'aboutir à des élections libres et justes. Pour Agamben, l'essence de la souveraineté étatique réside dans le monopole de décision d'un État, et c'est l'exception qui révèle ce monopole de décision, et donc la souveraineté. Le Kosovo demeure, depuis la proclamation d'indépendance, dans cet état d'exception dicté par les autorités externes. L'État kosovar ne

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<sup>18</sup> Friedrich-Ebert-Stiftung, *NATO presence in Kosovo. Implications of KFOR troop reduction and essential political processes*, Friedrich-Ebert-Stiftung Kosovo, mis en ligne en 2011. <http://www.fesprishtina.org/wb/media/Publications/2011/Nato%20Presence%20in%20Kosovo%20%28English%29.pdf>

peut rompre avec cette logique d'exceptionnalisme tant qu'il n'aura pas le monopole de décision, c'est-à-dire tant que les autorités internationales seront autorisées par la loi kosovare, de stationner sur le territoire du Kosovo. Qui plus est, les administrations externes ont également pu revendiquer leur supériorité sur l'État kosovar, dans le but de réformer le système de sécurité et garantir le respect des droits humains ainsi qu'un système judiciaire efficace. De cette manière, ces administrations se sont dotées de pouvoirs surpassant ceux de l'État dans le domaine particulier des fonctions régaliennes d'un État qu'est la sécurité intérieure.

L'état d'exception est réaffirmé tant au niveau du discours politique qu'en droit international. Ainsi, la formation de l'État du Kosovo dévie du processus habituel et s'est faite sans la tenue de pourparlers de paix. Le cadre légal dans lequel la légitimité du Kosovo a été consentie n'en fait pas moins un cas de figure douteux de gestion de conflits par la communauté interétatique, ce que confirme l'avis consultatif de la Cour Internationale de Justice, qui considère que la demande d'avis consultatif posée par l'Assemblée Générale de l'ONU concernant la légitimité de la déclaration d'indépendance lui ordonnait de simplement qualifier juridiquement l'acte au regard du droit international.<sup>19</sup>

## 2. *L'irruption de légitimités concurrentes*

Les trafics illicites au Kosovo concernent principalement, mais pas exclusivement, les personnes, les ressources naturelles, les armes ou encore les stupéfiants. Le manque d'exigences de visa facilite la traite humaine et le trafic d'organes dans cette région des Balkans.<sup>20</sup> De plus, les frontières poreuses au nord du Kosovo sont propices au commerce illicite de stupéfiants ou de bois allant vers l'Union européenne, et ce malgré les nombreuses forces policières présentes dans le nord du Kosovo. Cette incapacité à faire régner l'Etat de droit met en lumière une recomposition des partenariats politico-économiques dans la région, qui s'est faite au détriment de la construction étatique. En raison de leur nature lucrative, les activités criminelles ont pour objectif clair l'infiltration de l'économie et de

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<sup>19</sup> C.I.J., *Conformité au droit international de la déclaration unilatérale d'indépendance relative au Kosovo, avis consultatif*, C.I.J. Recueil 2010, p. 403

<sup>20</sup> United Nations Department of State, *2013 Trafficking in Persons Report – Kosovo*, mis en ligne le 19 juin 2013, <http://www.refworld.org/docid/51c2f3af4d.html>

la finance mondiales. Générant des revenus bien supérieurs aux revenus obtenus par le travail légal, le trafic ou la participation au trafic signale que le risque encouru par les acteurs y participant est bien inférieur aux bénéfices que ceux-ci peuvent en tirer. Dans le contexte du Kosovo, le flou juridique entourant son statut offre des conditions favorables aux trafics illicites de toutes sortes, que le manque de coopération entre la police serbe et la police kosovare ne fait qu'encourager. Par ailleurs, les accusations selon lesquelles l'actuel Premier Ministre aurait été à la tête d'un groupe criminel albanophone illustrent bien l'inextricable lien existant entre les institutions politiques et réseaux criminels de la région.<sup>21</sup> C'est pour cela que les organisations internationales, telles que l'OCDE ou encore le PNUD, présentes au Kosovo prennent pour cible principale la lutte contre la corruption, problème sous-jacent et intimement lié au foisonnement de réseaux transnationaux de crime organisé.

### ***B. Un État soumis aux violences physiques et symboliques***

Si le processus de réconciliation nationale est loin d'être achevé, cela est non seulement dû à la dislocation de la société kosovare, mais aussi aux profits économiques et politiques que peuvent en tirer les acteurs non-étatiques au Kosovo. Outre le phénomène tangible de violence physique, ce partage de l'autorité politique prend la forme de violence symbolique, empêchant le Kosovo d'accéder à une légitimité pourtant tant convoitée.

#### *1. Un État à légitimité contestée*

Au niveau local, le Kosovo n'est pas maître de sa frontière au nord du pays, et ce malgré le soutien de la Division de Renforcement de l'EULEX, censée soutenir les autorités kosovares et faire appliquer la loi. Le rapport 2012 de l'EULEX constate que les interventions de l'UE dans le nord du Kosovo ont été très limitées et presque aucun progrès n'a été fait dans la mise en place d'un État de droit. Manquant de forces de police solides et d'un système judiciaire efficace, la région du nord est donc un refuge pour les activités criminelles. La minorité serbe étant sous-représentée parmi les forces de police, le système policier est encore loin

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<sup>21</sup> Jean-François Fiorina, *Les dangers des quasi-États*, ESC Grenoble, février 2011, <http://notes-geopolitiques.com/wp-content/uploads/2012/02/CLES19.pdf>

d'être satisfaisant.<sup>22</sup> Bien que le gouvernement ait durci les lois punissant la traite de personnes cette année,<sup>23</sup> la Division Exécutive de l'EULEX, ayant pour objectif de juger les individus inculpés pour crimes de guerre ou activités illicites, souffre d'un retard administratif. À leur arrivée fin 2008, les forces de l'EULEX étaient confrontées à des dossiers incomplets, des documents manquants ainsi qu'à un manque accru de témoignages de victimes. Les actions des acteurs internationaux donnant à désirer, Dick Marty, Député au Parlement Européen, dénonça dans son rapport sur le trafic d'organes en 2010, des abandons d'enquête de la part de l'EULEX et une approche pragmatique des forces internationales, focalisées surtout sur la stabilité à court terme. Dans l'actuel état des choses, les crimes perpétrés durant le conflit opposant la Serbie au Kosovo n'ont que très peu de chances de faire l'objet d'une enquête.<sup>24</sup> La justice transitionnelle se trouvant au cœur de la reconstruction d'une société post-conflit, il est difficile d'envisager un aboutissement à un État de droit qui soit crédible sans des procès envers les personnes ayant commis des crimes de guerre.

La composante judiciaire de l'EULEX a donné l'impulsion initiale de mise en place d'un système judiciaire, capable de répondre aux demandes de réparations provenant des victimes de violations de droits de l'homme. Depuis 2009, un partenariat technique lie cette composante avec la Chambre d'Avocats Kosovare.<sup>25</sup> Cette coopération limitée, relevant d'un partenariat symbolique, met en lumière l'incapacité du Kosovo à exercer la fonction de légiférer et punir. Pays source et destination de traite de personnes provenant d'Europe de l'Est, son Code Criminel est soumis à des révisions fréquentes, mais les structures judiciaires sont encore trop faibles et le système de prévention de la traite de personnes et de protection des

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<sup>22</sup> European Court of Auditors, *European Union assistance to Kosovo related to the rule of law*, Special Report No 18/2012, , <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52012SA0018:EN:HTML>

<sup>23</sup> United Nations Department of State, *2013 Trafficking in Persons Report – Kosovo*, mis en ligne le 19 juin 2013, <http://www.refworld.org/docid/51c2f3af4d.html>

<sup>24</sup> Dick Marty, *Traitement inhumain de personnes et trafic illicite d'organes humain ay Kosovo*, Assemblée Parlementaire de l'Union Européenne, AS/Jur (2010 46, mis en ligne le 12 décembre 2010, <http://www.assembly.coe.int/CommitteeDocs/2010/ajdoc462010prov.pdf>

<sup>25</sup> EULEX Kosovo, *Technical arrangement between KCHA and EULEX*, mis en ligne le 06 décembre 2009, <http://www.eulex-kosovo.eu/en/justice/>

victimes est insuffisant. Cela a comme conséquence une dérive du système étatique, incapable d'assurer la sécurité des personnes sur son territoire.

## 2. *La non-reconnaissance du Kosovo*

Enfin, bien que le manque de reconnaissance ne constitue pas une condition de l'existence d'un État d'après la convention de Montevideo de 1933, il empêche au Kosovo d'occuper une place à part entière dans le concert des nations. En dépit de l'avis consultatif de la Cour de Justice Internationale, qui concluait en 2010 que la proclamation d'indépendance du Kosovo n'était pas en violation du droit international, trente-six États refusent encore de reconnaître le Kosovo. Parmi eux, cinq États membres de l'UE, qui, traversés par des revendications d'indépendance de la part de leurs minorités, ne souhaitent pas encourager davantage de sécessions. Le débat suscité par la proclamation d'indépendance fût porté à l'Assemblée Générale de l'ONU par la Serbie dès 2008, dans le souci de remédier au flou juridique entourant cette proclamation. L'Assemblée Générale de l'ONU saisit quant à elle la Cour Internationale de Justice afin de déterminer si la déclaration violait le droit international. La Cour Internationale de Justice, disposant d'une autorité normative lui permettant de se prononcer sur la légalité de la proclamation d'indépendance, donna raison au Kosovo, et approuva par la même occasion les évènements qui ont mené jusqu'à cette proclamation. Ce faisant, la Serbie n'a pu obtenir aucun compromis, et les négociations dans lesquelles l'UE était le médiateur ont joué exclusivement en faveur du Kosovo.<sup>26</sup> En somme, la déclaration d'indépendance ne fût jamais autorisée par l'ensemble des États-membres de l'ONU, illustrant le rôle majeur joué par la juridiction internationale. Nonobstant cela, l'avis consultatif de la CIJ défendait l'idée que le droit international n'interdit pas explicitement les déclarations d'indépendance. L'ambiguïté de la résolution du Conseil de Sécurité de l'ONU 1244, qui autorisait l'intervention de forces armées sous le contrôle de l'OTAN et mandaté par l'ONU, avait donc joué en faveur du Kosovo, bien que les deux parties en conflit y avaient trouvé un compromis. Cette « ambiguïté constructive »<sup>27</sup> n'a

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<sup>26</sup> Marta Vrbetic, "Afraid of a 'Kosovo Scenario' : A Disquieting Precedent for International Conflict Management", *Journal of Intervention and Statebuilding*, vol. VII, n°3, 2013, pp. 308-334.

<sup>27</sup> *Ibid*, p. 13.

pourtant pas joué en faveur de la Serbie, et huit ans après l'échec de la conférence de Rambouillet, c'est le plan Ahtisaari qui tente d'instaurer la paix sur le territoire kosovar. La décision politique de légitimer le Kosovo se fit finalement sans aucune compensation pour la Serbie, dont même la position jusqu'alors intransigeante vis-à-vis de la non-reconnaissance du Kosovo commencer à s'éroder. Faute de pouvoir asseoir son monopole de la violence légitime sur le territoire du Kosovo, la Serbie empêche l'entrée libre dans la Serbie pour tout passager provenant du Kosovo. Sa stratégie de mise en ban est toutefois remise en cause par les conditionnalités politiques provenant de la part de l'UE et visant à contenir la politique agressive de la Serbie envers le Kosovo en échange de promesses d'accession au processus d'adhésion à l'UE. Aussi longtemps que la république populaire de Chine et la fédération de Russie refuseront de reconnaître le Kosovo, celui-ci ne pourra pas accéder à l'Organisation des Nations Unies, qui pourtant serait un pas de plus vers la légitimité, à l'instar de la Palestine. Toutefois, cette contestation territoriale semble lentement s'affaiblir, laissant place aux négociations pour l'Accord de Stabilisation et d'Association entre la Serbie et le Kosovo, qui témoignent du succès de la diplomatie de l'Union Européenne à stabiliser la région.<sup>28</sup>

Ainsi, le Kosovo porte le concept de la souveraineté mais est incapable d'instaurer une démocratie, car, juridiquement parlant, il n'est pas accepté au sein de la communauté des États. Cela a pour conséquence directe une remise en cause totale de sa légitimité, sans laquelle l'unification du territoire est loin d'être acquise.

## Conclusion

La contestation de l'autorité étatique, tant de l'intérieur que de l'extérieur, rend difficile la construction de l'État kosovare. Le Kosovo n'est pas en mesure d'assurer le contrôle sur l'irruption des violences, sa construction étant intrinsèquement liée à la violence mafieuse. Le refoulé est de retour, car l'autorité étatique ne détient pas le monopole de la violence physique légitime sur l'ensemble du territoire. EULEX représente aussi une entrave à l'administration kosovare, par le partage de l'autorité qu'elle implique. Le Kosovo est marqué par des espaces identitaires

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<sup>28</sup> Commission européenne, *Key Findings of the Progress Report on Kosovo*, 2013, mis en ligne le 16 octobre 2013, [http://europa.eu/rapid/press-release\\_MEMO-13-892\\_en.htm](http://europa.eu/rapid/press-release_MEMO-13-892_en.htm)

enclavés. L'indépendance du Kosovo n'implique pas pour autant sa souveraineté. Nous avons proposé le concept de « souveraineté négative » pour désigner l'État kosovare qui, indépendant en pratique, bénéficie d'une importante reconnaissance internationale. Reconnu par 105 États, il est difficile de remettre en cause l'existence de la République de Kosovo. La construction de cet État implique une souveraineté négative, dans la mesure où les institutions gouvernementales du Kosovo n'ont pas le monopole de l'autorité. Les dynamiques identitaires, ainsi que celles économiques, sont susceptibles de créer une transnationalisation des activités criminelles de plus en plus accentuée. Celle-ci érode l'autorité étatique kosovare, ainsi que toute forme de régulation souverainiste. La survie socio-économique du Kosovo reste difficile tant qu'il ne sera pas viable économiquement et que la corruption et le crime organisé pourront engendrer une criminalisation étatique. La souveraineté du Kosovo est marquée par un jeu de fragmentation. Cette fragmentation est due tant aux identifications communautaires comme à la tutelle internationale, ainsi qu'aux affirmations souverainistes mafieuses. Il est important de préciser que le processus de mondialisation nous oblige à repenser la souveraineté négative, non pas comme une situation exceptionnelle, mais comme un dilemme des relations internationales.

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## DEVELOPMENT OF CULTURE AND CULTURAL CONNECTIONS IN THE REPUBLIC OF AZERBAIJAN

Nigar Akhundova\*

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### Abstract

*The President of the Republic of Azerbaijan Ilham Aliyev has successfully continued the development strategy founded by the national leader Heydar Aliyev. Relations with the Caucasian republics are very important and are one of the main parts of international cultural connections in the Republic of Azerbaijan. All spheres of culture are very important for the development of international relations. His decree on the development of theatre in Azerbaijan from 19 February 2007 is of great significance. State Program "Azerbaijan Theatre in 2009-2019 years" was approved by the order of the President of Azerbaijan Republic on 18 May 2009.*

**Keywords:** development strategy, capital repair, systematic development, popularization, cultural and moral values, creative potential.

The State Program on the development of Azerbaijan cinema for 2008-2018 by the President of Azerbaijan Republic in 2008 has played significant role in the development of this field.

Systematic policy in the development, popularization and agitation of all types of Azerbaijan music, which has ancient and rich historical traditions, has played important role in the close recognition of national music in the world. Measures taken in the development of mysterious mugham art of Azerbaijan in recent years have created opportunities for this old musical art in becoming more popular.

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\* Nigar Akhundova, Dr. in History, Assistant Professor of History Baku Business University. Contact: nigar-akhundova@yandex.ru.

At present, Azerbaijan state implements important works in the protection and popularization of non-material cultural heritage of our nation. Due to the purposeful work Azerbaijan mugham was included to the "List of Folklore and Mon-material Masterpieces of Humanity" by UNESCO in 2003, ashug art and Novruz Holiday in 2009 year, carpet-weaving craft in 2010 year, tar mastery art and Chovhan Garabaghgame on horse in 2013 was included to the "Representative List on Non-material Culture of the Humanity". Azerbaijan state and its corresponding state structures decisively struggle against the attempts of our disgraced neighbors to introduce our unique cultural and historical wealth to the world as material heritage of Armenian nation.

All the steps taken by the President Ilham Aliyev for the development of the culture, protection and popularization of the cultural and moral values create strong assurance on continuation of the cultural and moral development of the country in near future.

Radical changes occurred in the cultural activity with Heydar Aliyev's coming to power (1993) after restoration of the state independence of Azerbaijan. At the end of the XX century, the collapse of the Soviet Empire, created a favorable condition for the restoration of state independence of the Azerbaijani people like other nations which was a part of the union. Despite some resistance of the conservative forces, the Supreme Soviet of the republic adopted "The Constitution act on the State Independence of the Republic of Azerbaijan" on October 18, 1991. Thus our people stepped to independent state-building period after the colonial oppression, which lasted for roughly 200 years. The restoration of independence gave a favorable opportunity for the development of national culture. And relations with the Caucasian republics are very significant.

At the same time, the first years of independence, became a real trial period for Azerbaijan people. Involving our people to war by Armenians' who strived to occupy Garabagh, breaking off economic ties with the former Soviet republics brought the country's economy to crash and worsened the welfare of the people. The tension in the struggle for power at the time of incompetence of the Republican heads in the country increased the risk of creation conditions for civil war.

In the first years of independence chaos, anarchy showed clearly its negative impact in the field of culture. Created serious financial situation paralyzed most state cultural institutions' activity. Serious financial difficulties obliged many workers of culture to leave the country. Most high schools, as well as the Baku Academy of Music lost its professional cadres.

Our country has achieved important successes in the cultural and moral development as in all other fields in its life. Considered cultural policy of the head of the Azerbaijan state and always keeping the development of this field in the focus played great role in the achievement of these successes.

During 2003-2017 years has signed 6 state programs, and more than 500 orders and decrees about the development of different fields of the culture, and as a result of their implementation Azerbaijan culture has taken decent place in the world culture.

Several steps have been made in the development of the theatre; measures have been taken in the strengthening of the material and technical base of the theatres, improvement of the creative potential, and development of theatrical education in the Azerbaijan Republic since 2003. In this regard, President Ilham Aliyev's decree on the development of theatre in Azerbaijan from 19 February 2007 is of great significance.<sup>1</sup>

In accordance to the execution of the decree, State Program "Azerbaijan Theatre in 2009-2019 years" was approved by the order of the President of Azerbaijan Republic on 18 May 2009.<sup>2</sup> The program serves to the protection of rich literal heritage and creativity traditions of our national wealth- Azerbaijan theatre, to the popularization of world and national values in the field of theatre, to the integration of national culture to the world culture, and effective use of the information and financial resources. As a result of the implementation of the program, material and technical base of the state theatres operating in the country has been strengthened, and the theatre buildings were provided with the equipment complying with the modern standards. Altogether, buildings of State

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<sup>1</sup> \*\*\*, "Decree of the President of Azerbaijan Republic on the Development of Azerbaijan Theatre", 19 February 2007.

<sup>2</sup> \*\*\*, "State Program on Azerbaijan Theatre for 2009-2019 years. Approved by the Decree of President of Azerbaijan Republic", 18 May 2009.

Theatre of Young Spectators, State Musical Drama Theatre, Russian Drama Theatre, Academic National Drama Theatre, Puppet Theatre, Yugh Theatre, Mahni (Song) Theatre, Pantomime Theatre, Mingachevir Drama Theatre and others have been completely repaired and opened for the use of spectators. The ceremonial opening of the Azerbaijan State Philharmonic Society after its capital repair in 2004 was one of the memorable cultural events. The world famous musician Mstislav Rostropovich participated in the opening ceremony both as a singer and conductor, the composer F. Alizadeh's "Ithaf (Dedication)" devoted specially to this ceremony was played in the event.<sup>3</sup> Making speech in the opening ceremony, the President of Azerbaijan Republic Ilham Aliyev stated that the reconstruction of the Philharmonic is the logical result of Heydar Aliyev's policy.<sup>4</sup>

The positive trends in the cinematography shall be mentioned as an important appearance of cultural development in the country in recent years. The State Program<sup>5</sup> on the development of Azerbaijan cinema for 2008-2018 years signed by the President of Azerbaijan Republic in 2008 has played significant role in the development of this field. As a result of implementation of the works considered in the program, this field was able gradually to get out of the decline. Only in 2003-2008 years, the amount of the financial allocations for the cinema industry from the state budget increased from 600 thousand AZN to 6 million AZN, that is, it increased 10 times.<sup>6</sup> The increase of the state all occasions for the cinema production, capital reconstruction of "Azerbaijanfilm" film studio, application of modern equipment covering all technological processes in this studio, capital repairs of "Nizami" cinema, and the becoming Cinema Center are the display of attention drawn to the cinematography. Due to this attention 35 full-lengthfilms, 27 shortfilms, 11 animation and 79 documentary films were shot in Azerbaijan during 2003-2013 years.<sup>7</sup>

At present, on the basis of the state order through competition films are shot by studios like "Azerbaijanfilm" (feature), "Salnameh" and

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<sup>3</sup> \*\*\*, *Annual Report of Ministry of Culture and Tourism of Azerbaijan Republic*, Baku, 2005, pp. 2-3.

<sup>4</sup> \*\*\*, *President Ilham Aliyev and Culture*, Baku: Ideal Print, 2008, p. 10.

<sup>5</sup> \*\*\*, "State Program on Development of Azerbaijan cinema for 2008-2018 years. Approved by the Decree 2961 of the President of Azerbaijan", 4 August.

<sup>6</sup> \*\*\*, *Annual Report of Ministry of Culture and Tourism of Azerbaijan Republic*, Baku: House of Tale, 2009, p. 36.

<sup>7</sup> A. Garayev, "Cultural Development: Successful view of 10 years", *Culture*, 20 September.

“Yaddash” (documentary), “Azanfilm” and “Debut” (animation) and other private cinema companies. As a result of the allocation of the funds for cinema and TV companies for shooting TV series by the decree of the President of Azerbaijan Republic, Azerbaijan audience have gained opportunity to watch series produced by the country in the national TV Channels. Competition “this is challenge, and here is screen” has great significance in exposing young talents in the field of cinema.

Systematic policy in the development, popularization and agitation of all types of Azerbaijan music, which has ancient and rich historical traditions, has played important role in the close recognition of national music in the world. Measures taken in the development of mysterious mugham art of Azerbaijan in recent years have created opportunities for this old musical art in becoming more popular. Republic competitions of young mugham singers held with support of Heydar Aliyev Fund, “Mugham World” International Mugham Festival and other events are obvious examples for this. Systematic works have been implemented also in the promotion and popularization of miraculous Azerbaijan ashug art in the world and increasing its role in the development of the national culture. In this regard, the importance of the International Ashug Festival held in 2010 shall be specially noted. Ashugs and ozans from Turkey, Iran, Georgia, Kazakhstan, Uzbekistan, Kirgizstan and Dagestan also participated in the festival along with Azerbaijani ashugs.<sup>8</sup>

Program “Folk art capitals for 2010-2014 years” was prepared and implemented by the Ministry of Culture and Tourism of Azerbaijan Republic for the purpose of development of folk art. Through analyzing general preparation of country cities, historical traditions and other factors on nominations of ethnography, folklore, study of art and culinary Ganja (2010), Shabran (2011), Gedabey (2012) and Khachmaz (2013) cities have been chosen as “Legendary capitals of Azerbaijan”, Shaki (2010), Ismayilly (2011), Guba (2012), Goygol (2013) and Absheron (2014) as “Capital of handicraft”, Gazakh (2010), Lankaran (2011), Masally (2012), Zagatala (2013) and Balakan (2014) as the “Capital of Folklore” within the program. In 2015, Shamakhy was declared as “Capital of Literature”, and Gakh as the

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<sup>8</sup> A. Garayev, "Cultural Development: Successful view of 10 years", *Culture*, 2013, 20 September.

“Capital of National Cuisine”. During a year, national and international scientific and practical conferences, competitions, festivals, exhibitions, concerts were held in the cities chosen as “Capital”. At present, the project “From the Region to the Capital” is being conducted in Baku city. Cultural and folklore collectives of various regions perform colorful programs in front of Baku people, and demonstrate the folklore, art samples and cuisine of their regions.

According to the instruction of the President, jubilee celebrations of some well-known artists, literal, scientific and cultural workers have been carried out in the districts of their birth in order to increase the attention to the regions.

Important works have been done in the development of art of painting, improvement of work condition of artists, architects, sculptors, and the introduction of their work to the world. The President of Azerbaijan Republic has signed several decrees on immortalization of the memories of the people who had significant contribute onto the development of the art of painting in Azerbaijan, and carrying out their exhibitions. The building of Azerbaijan Painters Union has been capitally repaired on the account of state allocations, and buildings were constructed and given for a use for the Academy of Painters. In recent years, the art works of new generation of Azerbaijani artists are bought by the MND, which gives a big boost to the development of the national fine arts. Purchase of the art works of young painters along with the works of famous painters of Azerbaijan such as T. Salahov, K. Najafzadeh, M. Rahmanzadeh, R. Mehdiyev, M. Jafarov, S. Mammadov and others, their demonstration in the exhibitions held in the country and beyond the boundaries of country, allocation of special grants for some young painters has strengthened the self-confidence of the young painters.<sup>9</sup> In these years were many exhibitions in Georgia, Tbilisi (Farhad Khalilov 2016) and other. Georgian artistes exhibitions were in Baku: Mamuka Tsetskhladze (2011, 2015), Lia Shvelidze (2014, with Azerbaijan artist Inna Kostina – 2016; 2017) and other.

“Law of Azerbaijan Republic on Culture” reinforced by the decree of the President of Azerbaijan Republic in 2012 defines the aims and

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<sup>9</sup> \*\*\*, *President Ilham Aliyev and Culture*, Baku: Ideal Print, 2008.

principles of the state politics on culture, right and duties of the subjects of cultural activity, legal, organizational, economic and social security in the field of culture, and regulates the attitude created in the formation, collection, application, popularization and protection of the cultural wealth. Success in the social and economic field, becoming one of the rapidly growing economic countries in the world and constant political condition in the last 12 years in Azerbaijan is one of the main factors in the stipulation of the cultural development of the country. All these are based on the purposeful considered political strategy of the President of Azerbaijan Republic. During his presidency, his steps taken for the development of the culture, protection and popularization of the cultural and moral values create strong assurance on continuation of the cultural and moral development of the country in near future.

Republic of Azerbaijan considered very important the cultural policy and cultural events held in abroad. In this connection establishment of ties with UNESCO and its development is of great importance. The first successful step in this way was made in 1993. In the same year a group of representatives for the first time took part at the 27<sup>th</sup> session of UNESCO's Chief Conference.

In 1999, in Paris, in UNESCO's headquarters 1300-year jubilee celebrations of our national cultural monument "Kitabi Dede Gorgud" were held. Among these events the international symposium, exhibition of Azerbaijan carpets and books published in relation with "Kitabi Dede Gorgud" in Azerbaijan and abroad were of particular importance. All these events were held in conformity to Heydar Aliyev's order on 1300 jubilee of "Kitabi Dede Gorgud".

The epos "Kitabi Dede Gorgud" is the most ancient written monument of Azerbaijan people. Within the 1300-year jubilee of "Kitabi Dede Gorgud" celebrated all over the world under the order of UNESCO on April 9, 2000 the ending concert was organized in Baku. Such events played an important role in popularizing our country in all over the world.

Jubilee of "Kitabi Dede Gorgud" also was celebrated in Turkey and in other Turkish-speaking countries, and in Caucasus Republics too.

In connection with holding Azerbaijan National Day at World exhibition "EKSP0-2000", performances of State Chamber Orchestra, State Dance Ensemble, State Music Theatre and other masters of art in Hanover

were of great success. Head Commission of the exhibition where 174 countries and 34 international organizations of the world took part highly appreciated the concert program of Azerbaijan participants and included it into the best art programs of the world. The Organizational Committee of the exhibition estimated our masters of art's talent with a special certificate.

In conformity to Azerbaijan Republic President's order 596 from December 26, 2000, "On plans for welcoming the XXI Century and the 3<sup>rd</sup> millennium" in May 19-21, 2003, in Baku was held Symposium dedicated to "Azerbaijan Carpet and folk applied art" by Ministry of Culture and National Academy of Sciences. At the symposium took part professionals from different countries – the USA, Great Britain, Turkey, Germany, Russia, Iran and Estonia.

Republic of Azerbaijan always took care of art people. In 1991-2017s orders issued by him about culture, laws, orders about cultural people; certificates, medals, presentation of art studios to artists was a proof of his care to national culture.

In 2003 with order of Azerbaijan Republic's President were celebrated jubilees of great composers Niyazi and FikratAmirov, and the book of their compositions was prepared for publishing.

With support of UNESKO, Azerbaijan ministry of Culture and Azerbaijan national commission of UNESKO in 2002-2003 years was organized a meeting between "GUAM countries and Europe-Caucasus-Asia cultural spaces".

The meeting was held in Baku on July 9-10, 2003 with the participation of representatives from Azerbaijan, Georgia, Moldova, the Ukraine and Uzbekistan.

Nizami, Fizuli, Nasimi they all mean Azerbaijan. "The history usually appreciated its famous representatives who enriched. In different times there were a lot of famous people in history. Every nation is proud with its genius sons calling them to bright life, progress and to happy life.

Azerbaijani people always are proud with its Nizami, Khagani, Fizuli, and others."

Azerbaijan National Music is very rich and Heydar Aliyev loved it very much. He said, "U. Hajibeyov's works are the national wealth of Azerbaijan nation". At the 100-year jubilee concert of the great composer, founder of national music and opera art U. Hajibeyov (1995, September 18)

Heydar Aliyev made a speech. After this event, on September 18 is celebrated as National Music day every year. On September 18, 1996, with the order of Heydar Aliyev was celebrated 110 years jubilee of great composer Muslim Magomayev. On December 3, 1997, in 100-year jubilee of the founder of professional vocal art in our country Bulbul Azerbaijan Republics President visited the grave of the famous singer. Then he visited his House- Museum. This museum was opened on June 10, 1982.

In 1997, we celebrated 100-year jubilee of first professional woman opera singer in Azerbaijan Shovkat Mammadova.

Republic of Azerbaijan always highly appreciated creativity of great Gara Garayev, Fikrat Amirov, composers Arif Melikov, Shafiga Akhundova, People's artist Zeynab Khan-larova, conductor, People's artist Rauf Abdullayev, People's artists Rashid Behbudov, Polad Bulbulogli, Jahangir Jahangirov, Sara Gadimova, Soltan Hajibeyov, Jovdat Hajiyev, Rauf Hajiyev, Lutfiyar Imanov, Ramiz Guliyev, Tofiq Guliyev, Muslim Magomayev, Azer Zeynalov, Firangis Ahmadova, Fidan and Huraman Gasimovas, Farhad Badalbeyli.

“Azerbaijan painting school is very rich”.

“Azerbaijan monuments and buildings made and built by sculptors and architectures is the wealth of our people.”

Republic of Azerbaijan paid great attention to sculpture, painting, art and architecture, praised the people working in this field. He said about the great role of Omar Eldarov, Akif Asgarov, Sattar Bahlulzadeh, Tahir Salahov, Toghrul Narimanbeyov, Maral Rahmanzadeh, Elmira Shahtakhtinskaya, Ogtay Sadighzadeh and others working in this field. Heydar Aliyev said, “Among Azerbaijan sculptors Omar Eldarov's creativity takes a particular place with its expressions, beauty, impressions.” He is the author of monuments of great persons as Muslim Magomayev, Fikrat Amirov, Niyazi, Sattar Bahlulzadeh, academician Zarifa Aliyeva, Hussein Javid, etc.

We know that scientists, poets, composers, painters, writers, actors are uncommon people. They are very fragile and sensible strata of the society. They have a particular role in formulation and development of society. In difficult times of each nation people of culture, literature, science and art have their own part; with their plays they help them in such situations. So Heydar Aliyev usually cared workers of art and culture.

Celebration of jubilees of our great masters who contributed a lot to the treasure of culture of Azerbaijan, who made our land famous throughout the world, organization of music, cinema, theatre and literature events, numerous festivals and participation of the Head of the State in these events is the manifestation of great attention and respect. A group of creative people who devoted their lives to art were awarded with money and medals. Culture is an important part of the development of the government.

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## CLIMATE CHANGE, PUBLIC OPINION, AND MEDIA PRESENTATION: A CASE STUDY OF PUBLIC OPINION IN ROMANIA AND CHINA ON CLIMATE CHANGE\*

Florina Lepădatu\*\*

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### Abstract

*Environmental communication is highlighted more in our everyday lives. From the Clean Power Plan, unveiled by Obama at the Climate Change Summit of Paris 2015, to Trump appointed as Climate Sceptic to the Marrakech Summit 2016, environmental communication is prevalent today. The presence of this issue in the political agenda, calls upon the attention of the media (traditional and social media). This paper shows how influential the Forth Power of a State is in the public opinion, how the State contributes to shaping it, and in which way it is possible to determine a certain social behavior. The paper focuses on European and Asian point of view and is based on the results obtained through the following two methods: a content analysis of the European Media news regarding the Climate Change during the one-year period of 2016 and a quantitative analysis of the questionnaires distributed in two different countries (Romania and China). The main research question that is presented in this paper is: How does the media deal with the environmental communication? Therefore, three main themes are explored. First, the way the media communicates with the public. Second, the length of time media has given to this issue. Third, the effect of the communication process on the European and Asian public opinion. The results demonstrated that there is a major need for the media to give space and importance to the environmental communication, and to regard carefully the way in which they do it.*

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\*\* Florina Lepădatu is a PhD Candidate in Public Diplomacy at the Center for Marxist Journalism and Education Studies at Tsinghua University, China.

Contact: lepadatuflorina@hotmail.com

*Due to the method of communication, this results in a major consequence of why the public opinion has shown to have almost a negative-neutral attitude regarding this issue. The media, as the mediator between the State and the public, regarding such an issue, failed. Therefore, it is relevant for the two Governments, institutions, such as European Union and NGOs, to know why the public opinion does not react and act, regarding this issue, in the way they expect.*

**Keywords:** environmental communication, Chinese media, Romanian media

## **Introduction**

Nowadays we are witnessing the shift of the public's interest towards the environment. It is a huge change, given the fact that we are living under the agenda of "economic attention". The media is playing the key role in this environmental "game" by outlining the information and determining the success or failure of the direct implication of the public in the community media. In the study conducted by Robert J. Brulle, Jason Carmichael and J. Craig Jenkins<sup>1</sup> the first major factor that affects the public concern about the climate change is the media coverage. The importance the media assigns to coverage of climate change interprets into the importance the public accords to this issue. Besides, the climate change issue competes with problems such as economic crisis, wars, unemployment, issues that occupy most of the society's reserved space for public concern.

Therefore, the media has to stand on three essential points: message design, message content and message position. For instance, Anabela Carvalho and Jacquelin Burgess<sup>2</sup> demonstrated that media representation is an important agenda-setting factor for audiences in relation to "unobtrusive" issues such as climate change. More importantly, the media representation has a significant influence in shaping people's knowledge and perceptions of the issue<sup>3</sup>.

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<sup>1</sup> Jenkins, Robert J. Brulle & Jason Carmichael & J. Craig, "Shifting public opinion on climate change: an empirical assessment of factors influencing concern over climate change in the U.S., 2002–2010" in *Climate Change*, 2012.

<sup>2</sup> Anabela Carvalho and Jacquelin Burgess, "Cultural Circuits of Climate Change in U.K. Broadsheet Newspapers" in *Risk Analysis*, 2005, 1457-1469.

<sup>3</sup>K. Wilson, "Mass Media as Sources of Global Warming Knowledge" in *Mass Communication Review* 22(1–2), 1995, 75–89.

According to the media communication theory, the process of communication between media and audience should come under the form of two-way interaction. The process of information has to empower the audience with knowledge about events and key concepts regarding the environmental issues. The expected feedback is a response to problems in a knowledgeable way. Such as the research of Irene Lorenzoni and Nick F. Pidgeon<sup>4</sup> on the review of the major studies on public views of climate change. They demonstrated that the people are not likely to support initiatives addressing climate change. Unless they consider the issue across-the-board societal or ecological problem, or one affecting them personally.

To introduce the weak points presented between the media and the public, the article is focused on three principal issues. Therefore, they are highlighted as follows: the communication gap, the length and the time gap and consequence - effect crack. Subsequently, this article aims to demonstrate how the media deals with the environmental communication in China and Romania. In particular, the researcher focused on the results of the questionnaires, which provided a clear answer and an ultimate solution for the research question. Other studies that have been conducted are quite close to the present one and cover essential points such as media influence, agenda settings and so on. However, at the moment, not much work has been done which focus on Asian countries (especially in China) and European countries (especially east Europe). For example, the research made by Maxwell T. Boykoff and J. Timmons Robert<sup>5</sup> relates closely to the present research conducted by the author of this paper. The researchers tried to examine the role of the media in influencing personal, national, and international action to address climate change. The results showed some distinct and significant deficiencies such as the fact that media plays a large role in the future of climate adaption aid, but this role was not explored completely.

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<sup>4</sup> Irene Lorenzoni and Nick F. Pidgeon, "Public views on climate change European and USA perspective" in *Climate Change*, 2006, pp. 73-95.

<sup>5</sup> Maxwell T. Boykoff and J. Timmons Roberts, "Media coverage of climate change: current trends, strengths, weaknesses" in *United Nations Development Programme ~Human Development Report 2007*, 2007.

## **Case Study Presentation**

The few types of research that have been done showed that the media usually give space to two major players: China and USA. More specifically the studies in this field are focused more on the USA and how Broadcast Networks Covered Climate Change: therefore, little space has been given to the Europe and Asian side.

### *China*

The latest situation regarding the climate change is presented in the outcome of the conference of Marrakech held in November 2016, where China played a very influential role.

Not much attention has been given to China under the umbrella of present work. The latest report that describes the situation in China and its citizens on the concern of climate change is the research carried by Pew Research Center in 2015. According to Pew Research Center<sup>6</sup> China is classified as the country with least concerned citizens about the issue among 40 nations (see Figure 1).

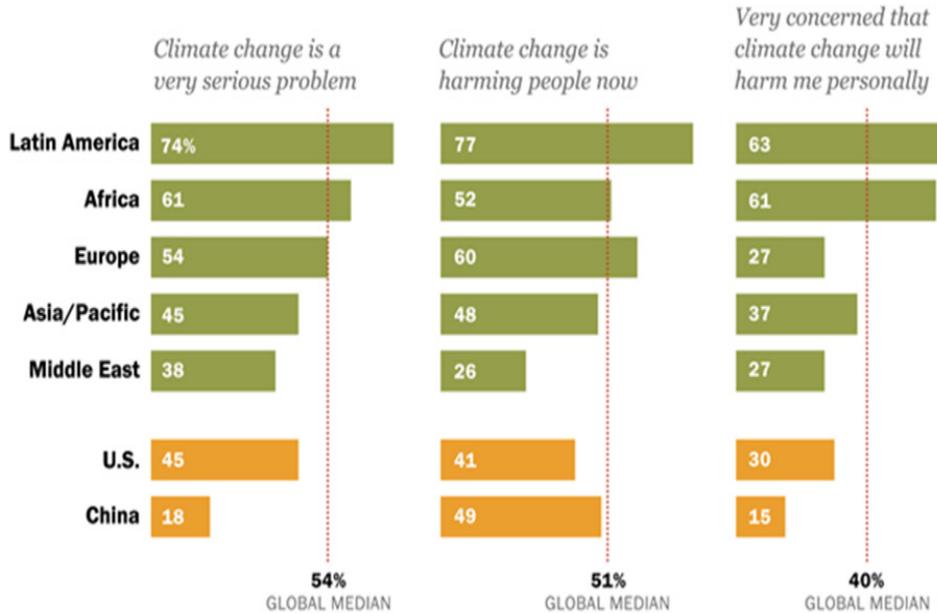
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<sup>6</sup> Bruce Stokes, Richard Wike and Jill Carle, Per Research Center Global Attitudes & Trends 2005 [<http://www.pewglobal.org/2015/11/05/global-concern-about-climate-change-broad-support-for-limiting-emissions/>], March 2016.

Figure 1

## Latin America, Africa More Concerned about Climate Change Compared with Other Regions

Regional medians



Note: Russia and Ukraine not included in Europe median. Asia-Pacific median includes China.

Source: Spring 2015 Global Attitudes survey. Q32, Q41 & Q42.

PEW RESEARCH CENTER

Only 18% of Chinese citizens are gravely concerned about the issue, a drop of 23 points since 2010, describes the US Pew Research Center report<sup>7</sup> (see Figure 2). The co-author of the report said there was “frankly, no explanation” for the drop, but suggested as a possible reason that “there must not be an as much public discussion about climate change in China as there are in other parts of the world”.

<sup>7</sup> Emma Howard, Climate change concerns Chinese citizens’ plummets, The Guardian, 2015, [<https://www.theguardian.com/environment/2015/nov/05/climate-change-concerns-chinese-citizens-plummets>], March 2016.

Figure 2

**Some Publics Are Less Intensely Concerned than Five Years Ago**  
*Global climate change is a very serious problem*

	2010 %	2015 %	Change
Turkey	74	37	-37
China	41	18	-23
South Korea	68	48	-20
Japan	58	45	-13
Poland	31	19	-12
Russia	43	33	-10
Argentina	66	59	-7
Indonesia	47	41	-6
Pakistan	22	29	+7
U.S.	37	45	+8
France	46	56	+10
Nigeria	43	61	+18

Note: Only statistically significant differences are shown.  
 Source: Spring 2015 Global Attitudes survey. Q32.  
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The present paper will cover the most important points that were missing in most of the research works. The media coverage regarding climate change, public opinion and the end relation between these two actors. Furthermore, the present research will display the factor that countries such as China and Romania with time dissolved their concern in the topic.

### *Romania*

The analysis of the literature showed that the media usually give space to the major economies of the world, ignoring countries such as Romania, where the European Union shadows the individual role of European countries.

At a global level, the European Union has been at the same time praised and criticized concerning climate change. On the one hand, the Europe has been called “the leader” in the fight against the climate change

issues, thanks to the investment in renewables or new efficient technologies. On the other hand, the European Union has been criticized because of the unused potential that owns. The bureaucracy and lack of commitment of some country members regarding the EU policies oppress this potential.

In 2008, the European Union approved a legislative package on energy and climate to implement its list of objectives for 2020. The goals described in this package regards the building of a sustainable future through reducing power consumption, greater energy efficiency, and renewable sources<sup>8</sup>. To be informed and test the Europeans opinion and reaction on this issue, the EU is using the “Eurobarometer survey”.

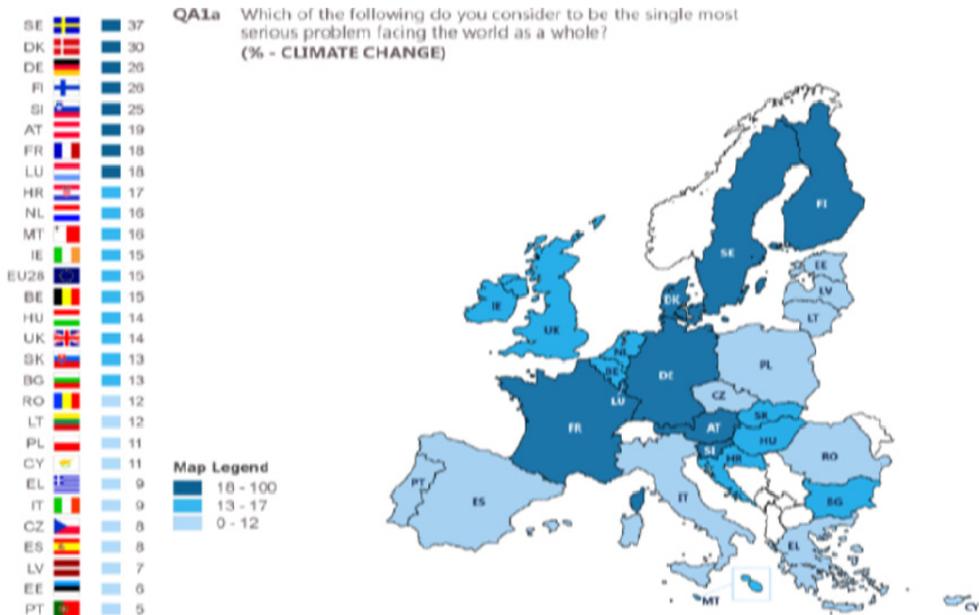
In 2009, this Eurobarometer was utilized in the 27 European countries to test the most serious problems facing the world. The top three results obtained in this survey are, poverty with 66%, economic crisis with 52% and climate change with 50%. In addition, there is a decline in the priority of European opinion on climate change as the top most-grave problems (75% in spring 2008 to 67% in February 2009). In the report was shown that only 52% of all 27 countries are considered well informed regarding this issue, where Romania is on the category of the lowest informed citizen stage on climate change issue.

In 2015 after five years, the Climate change issue was perceived to be the fourth most severe problem facing the world after poverty (30%), international terrorism (19%) and the economic situation (16%, a decrease of 8 percentage points from 2013 and 20 percentage points less from 2009). While on the global stage is a considerable decline on this aspect, at a national level there is slight ascending change on the interest about the climate issue (Romania 74%, +11pp)<sup>9</sup>.

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<sup>8</sup> Infrastructures for a suitable world, 2010, [[http://www.abeinsa.com/web/en/noticias\\_y\\_publicaciones/noticias/historico\\_noticias/2010/250320100\\_noticia.html](http://www.abeinsa.com/web/en/noticias_y_publicaciones/noticias/historico_noticias/2010/250320100_noticia.html)], March 2016.

<sup>9</sup> Special EUROBAROMETER 300 Europeans’ attitudes towards climate change, 2008, European Commission.

**Figure 3.** Special Eurobarometer 300 - Europeans' attitudes towards climate change

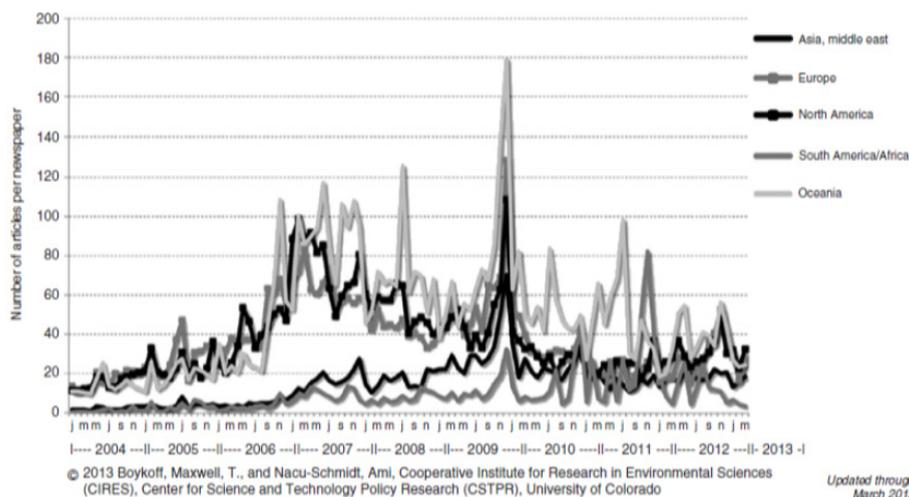
## Methodology

In this content, the author will analyze the newspaper articles about climate change and global warming which appeared during the year 2016 and January to March 2017. The papers taken into consideration are the Renmin Ribao newspaper (People's Daily) and Romanian newspaper Adevărul. The choice of these two newspapers was made according to the following main reasons: the power of each newspaper of agenda setting for the public, and because are preferred by politicians and other decision-makers. Authors such as Maxwell T. Boykoff and Tom Yulsma<sup>10</sup> found difficult to give weight to the power that the lack of "media vigor" has on reporting about climate change, but consider important to have a constant attention on the ongoing climate change coverage in the most influential newspapers around the globe. As the Figure 4 shows that issues such as health, medicine, business, crime, and government are present in the agenda setting of the media rather than climate change, which can be translated into deliberate media negligence.

<sup>10</sup> Maxwell T. Boykoff and Tom Yulsman, "Political economy, media, and climate change: sinews of modern life" in WIREs Climate Change, 2013.

Therefore, the present research is trying not only to see the status of the climate change covered by the media but also attempts to see the impact coefficient that this communication tool has on the population.

**Figure 4.** Newspaper coverage of climate change or global warming in 50 newspapers across 20 countries and 6 continents<sup>11</sup>



## Administration

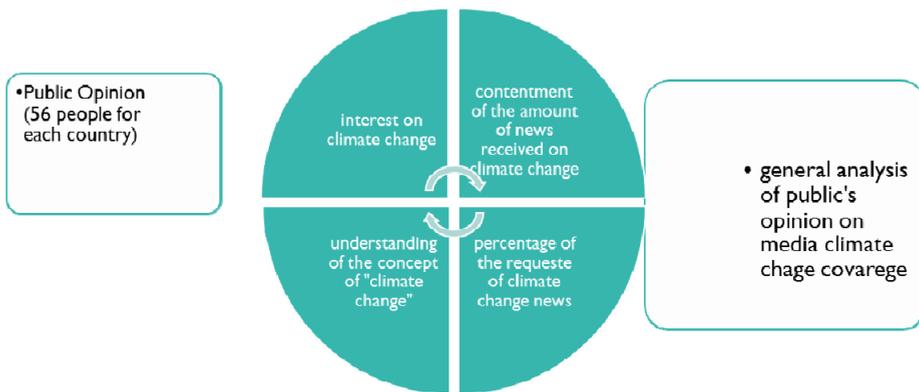
The questionnaire is the primary resources to obtain data from the public about their opinion regarding climate change and media display of this issue.

Following the parameters created by the researcher, it is easier to have a deep understanding and reasonable result. The respondents will have to answer by choosing one of maximum five options. In the questionnaire, there are none of the following options “I don’t know”, “Neutral”, or “Maybe” to obtain an exact answer. The questionnaire is completely anonymous, and the researcher will limit itself only at the distribution of the survey through social media such as WeChat (for Chinese public) and WhatsApp (for Romanian public) without any other implication in order not to influence the answers of the interviewee. In the questionnaire participated 56 people. The demography of the survey

<sup>11</sup> *Ibidem*, p.8

results showed that the Chinese participants are divided between Beijing and Hubei. Meanwhile, the 9% of the Romanian participants were present on the Chinese territory at the moment of the compilation of the questionnaire.

**Figure 5.** Research Framework



The primary data collected from the sample population through interview schedule was analyzed with the help of statistical tools such as percentage, average, ratios, and weighted averages to make projections and to draw meaningful conclusions and further substantiated through statistical tests. The questionnaire was created thanks to the “sojump.com” Chinese program.

## Results

### 1. Media

Media plays a major role in the present research. To answer the main research question: how does the media deal with the environmental communication?, the author of this paper focused on analyzing the articles present in the both Chinese and Romanian leading newspapers. In the analysis, the author took into account the following items: how many articles related to, climate change, pollution, global warming, etc. are present during the one-year period (from 1st January 2016 to 1st January 2017). Also, has been taken into consideration the length of the articles and on which page the items were present in the two newspapers.

### 1.1. Chinese Media: Renmin Ribao (People's Daily)

The view of Chinese Media regarding the environmental news oscillate day by day regarding the space given to this kind of news, and it can be considered vague about the content.

The research of the articles in the newspaper was divided according to the following keywords: climate change (气候化), environmental pollution (环境污染), CO<sub>2</sub> emission (二氧化碳), energy consumption (能源费), and climate warming (气候暖).

For the keyword, "climate change" (气候化), were found 612 articles during the one-year period. Most of the articles are present in the last four pages out of 12 or 16 total pages of the newspaper. Periodically the press gives space to the section "Eco weekly", which consist of one page of news regarding climate change, pollution, etc. Nevertheless, the subdivision is called "weekly"; it is not present every week. In fact, the research shows that during the year 2016 this rubric was present only eight days in the entire year.

The reason behind is that the rubric entitled "important news" (要闻) are given the priority on the environmental news. The People's Daily agenda is divided as follow: important news, which covers the first 4 to 5 pages; holiday life, sports, advertising, eco news, international news, supplement news. Non-matter the international news usually are placed after the eco news, does not mean that Chinese media considers more important the Eco news than news for outside China. Therefore, international news are having almost the same value as the environmental news.

For the keyword "environmental pollution" (环境污染), have been found 431 articles during the year 2016. For the term "CO<sub>2</sub> emission" (二氧化碳), have been found 61 articles, while for energy consumption (能源费) were found 425 articles and the climate warming (气候暖) item was present in 50 articles.

During the research, it has been encountered some relevant facts that is necessary to be mentioned. All the keywords are strictly related; therefore, most of the article that contains the keyword CO<sub>2</sub> emission are present in the results of the articles, which include the item "environmental pollution". Consequently the number of the articles it reduced from 1579 to 837 articles. Another important fact is the placement of the news in the

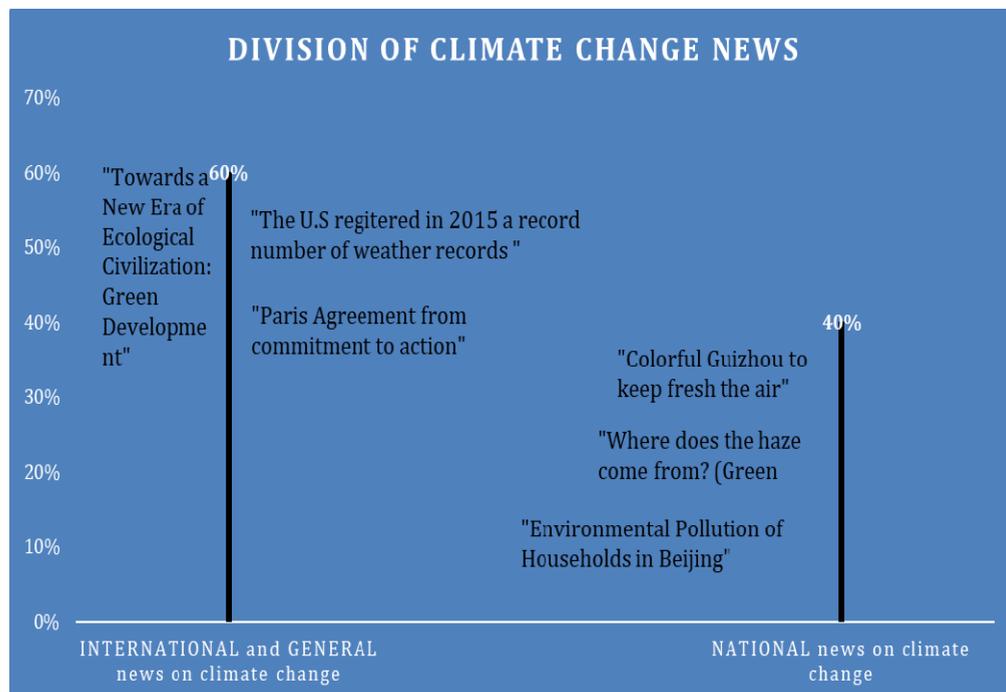
newspaper. Even though the majority are placed in the last pages of the news, it has been found that are articles which place is, in the beginning, five pages under the rubric "important news". These articles are under the category of the key word "climate change". The presence of these articles in the first five pages is because the topic covered regards outside China news and describes problems of other countries, for example:

- "Bolivia suffered a severe water crisis" (2016/12/06 in the 22<sup>nd</sup> edition),
- "The United States reported in 2015 a record number of weather records" (2016/08/04, in the 22<sup>nd</sup> edition),
- "Will the sea level rise? (Focus green)" (2016/05/07, in the 10<sup>th</sup> edition),
- "The Paris Agreement, from commitment to action (an international perspective)" (2016/11/08 in the 8<sup>th</sup> edition).

On the other hand, the news are describing general futuristic ideas that contribute to stop the climate change.

- "Green building is also called urban blue sky" (2016/12/26 in the 23<sup>rd</sup> edition),
- "Build a green low-carbon global energy management pattern (G20 re-starting to build innovation, vitality, linkage, inclusive world economy)" (2016/09/30, in the 3<sup>rd</sup> edition),
- "Towards a New Era of Ecological Civilization: Green Development" (2016/07/12, in the 14<sup>th</sup> edition),
- "'Green together" is also a disaster prevention (ecological theory)" (2016/07/09, in the 9<sup>th</sup> edition).

Therefore, the Chinese climate change articles can be divided into three parts: international climate change, general news on climate change and national climate change situation (see Figure 6). Where out of 837 articles speaking of climate change more than 50% is given space to the first two categories: foreign situation and general news.

**Figure 6.** Division of climate change news in China

The author considered that it is necessary to analyze the context of some articles presented during the year of 2016; to have a better understanding of what kind of picture does the Chinese media display about the climate change to the Chinese public opinion. In an article published on 9<sup>th</sup> January 2016, entitled "Where does the haze come from? (Green focus)", it could be possible to see that the article has not given a clear and accurate answer: "Experts say the haze causes are multifarious, but the source is clear. Zhang Rongshun, deputy director of the National People's Congress Law Committee, held a symposium on the implementation of the Air Pollution Control Law at the end of 2015. He presented five chapters under the law of "Coal and Other Energy Pollution Prevention and Control": "Industrial pollution prevention and control", "motor vehicle pollution prevention and control", "dust pollution prevention and control" and "agriculture and other pollution control", from these targeted measures, in fact, it can be understood the source of the haze.

Thus, as it has been translated from the article, it is possible to determine that the Chinese media information is not clear. It can be difficult for the most of the public opinion (especially those who have a limited education) to understand the content of the articles.

### *1.2 Romanian Media: Adevărul*

For the Romanian media has been done the same type of research as has been used for the Chinese media. The same words such as climate change (schimbare climatică), pollution (poluare), CO<sub>2</sub> emission (emisii de CO<sub>2</sub>), energy consumption (consum de energie), and climate warming (încălzire climatică), and global warming (încălzire globală) were used. In the year, 2016 has been presented five articles regarding the “climate change”:

- Trump's team asks the name of the Department of Energy employees who have worked on climate projects (2016/12/11)
- Almost 200 nations reaffirmed their support for the Paris climate agreement after Donald Trump's victory (2016/11/18)
- Global warming beats new records. April, the seventh consecutive month declared the warmest in history (2016/05/16)
- Scientists: Melting polar ice is changing the way the Earth rotates around its axis
- January 2016, the warmest January month in history (2016/04/11)

The news are present at the section “tech-science”, section that includes news regarding also technology (apps, internet etc.)

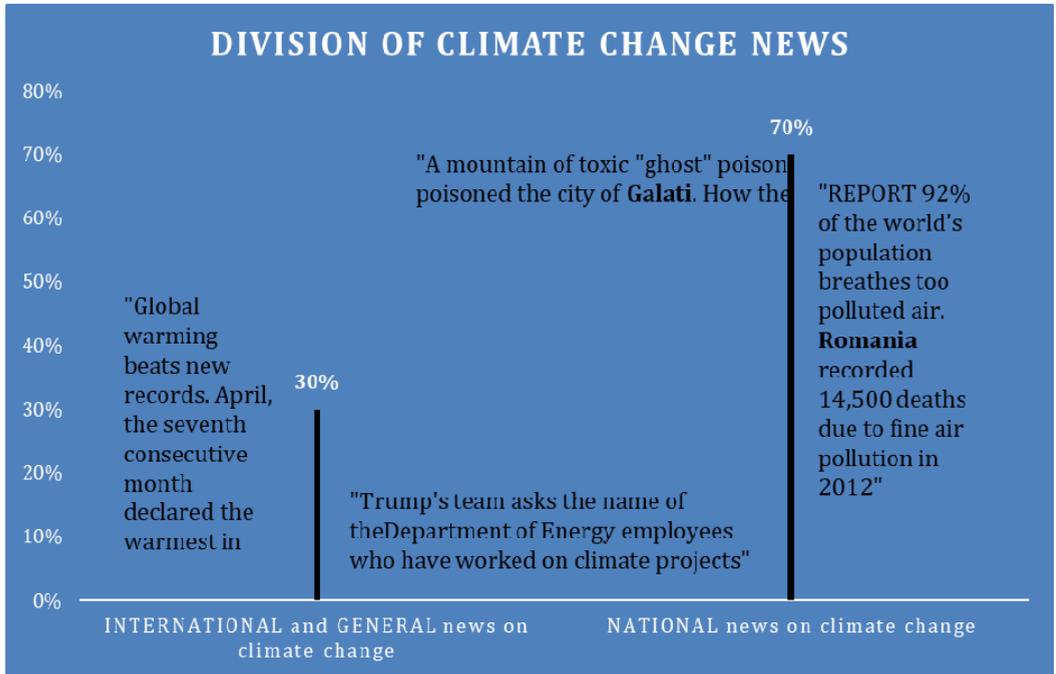
For the keyword, “pollution” were found 131 articles, for the “CO<sub>2</sub> emissions” were found three articles, climate warming 4 articles, and global warming 24 articles.

The most relevant articles from which can be understood the way Romanian media communicate the environmental news are those from the section “pollution” which all of the other key words searched were included in this section. Therefore, the author analyzed the 131 articles from the section “pollution”, to have a better understanding of the Romanian media ways of communication. The newspaper's agenda is divided as follow: news/event, economy, international, education, tech-science, lifestyle, health, culture, entertainment.

- 
- China blames grills for pollution: authorities have taken extreme measures to reduce pungent and dense smog (2016/12/05)
  - Red Code of pollution in Beijing (2016/12/15)
  - A mountain of toxic "ghost" poison poisoned the city of Galati. How the authorities try to hide the disaster (2016/12/01)
  - Cosmopolis and Rudeni-Chiajna: How Ilfov has turned into an outbreak of infection (2016/11/02)
  - The solution of Vaslui authorities for the pestilential smell that pollutes the city: "The cold will dilute the smell" (2016/09/16)
  - REPORT 92% of the world's population breathes too polluted air. Romania recorded 14,500 deaths due to fine air pollution in 2012 (2016/09/27)
  - How polluted is the air in the Capital and what problems have arisen from this cause (20/09/2016)
  - Chinese authorities have closed 700 factories do not pollute the air to G20 leaders (2016/08/25)
  - Poisoning from the land of Romania: where do we get money to clean up the toxic soils (2016/02/15)
  - Industrial pollution brings people back to protest in Sebeş and Alba Iulia (2016/02/14)

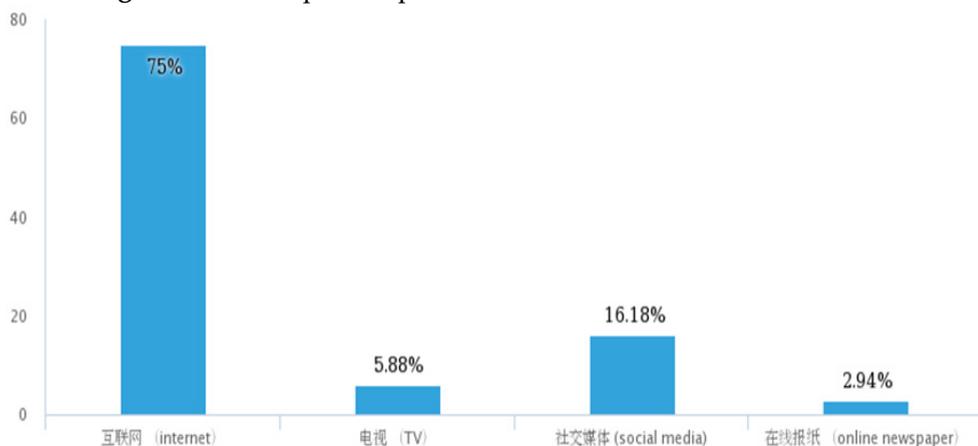
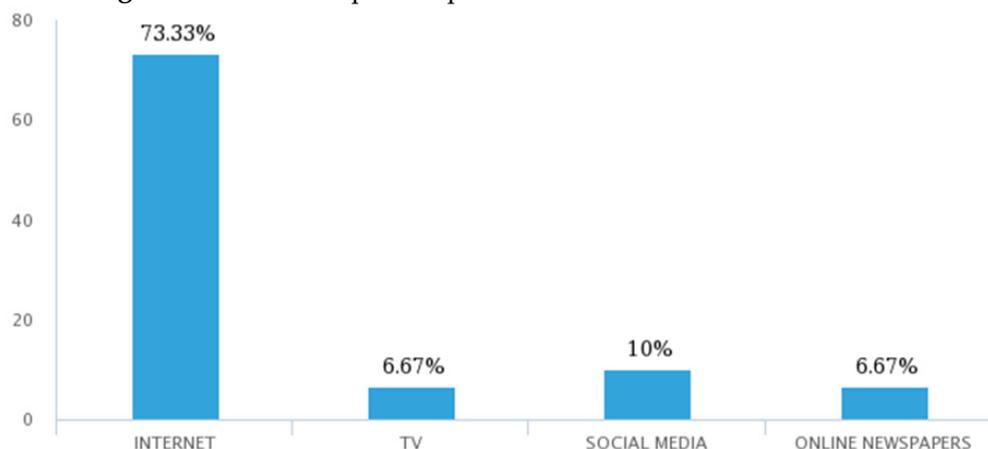
Romanian media difference is represented by the "space". The articles on national climate change are given more space. Despite the fact that the Romanian media presented to the public only 131 articles (706 articles less than Chinese media), it can be considered that these articles present a clear context and explanation. Coming back to the research question "How does the media deal with the environmental communication?" it can be said that media attention remains constant during the year 2016. However, the little alternation is due to the space of other news retained more relevant in the media agenda.

**Figure 7.** Division of climate change news in Romania

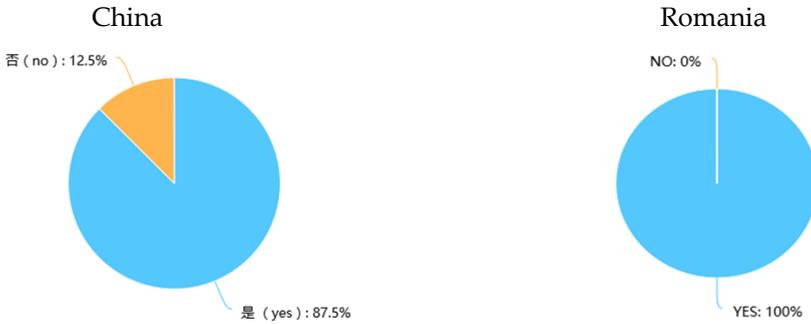


**Public Opinion**

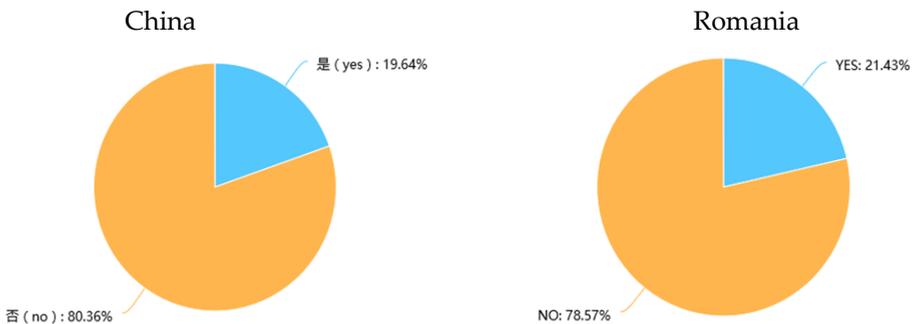
The results showed that climate change is an important topic in both countries, China and Romania. In line with the hypothesis, the public opinion not only pays careful attention to the climate change news but also in both situations more than 80% demands more news regarding this topic. The key question is How Chinese and Romanians sees media’s coverage on climate change? Nevertheless, to answer to this question was fundamental to find out what the primary source of information is? However, was surprising to see from the results that newspapers (online and not), are not the top sources of information for the public regarding the studied topic. The results showed that Chinese and Romanian public opinion relay on the “internet” source to get the environmental news followed by social media and TV (see Figures 8 and 9).

**Figure 8.** China's public opinion source of information**Figure 9.** Romanian's public opinion source of information

Although the idea that the press coverage is influencing the public opinion and the last one is nothing else than the mirror of the media coverage, the questionnaire distributed among Chinese and Romanian public showed an unexpected result. Nevertheless, in both study cases, the public showed understanding regarding this idiom “climate change” (see Figure 10) and expressed an undivided interest in this topic (see Figure 11).

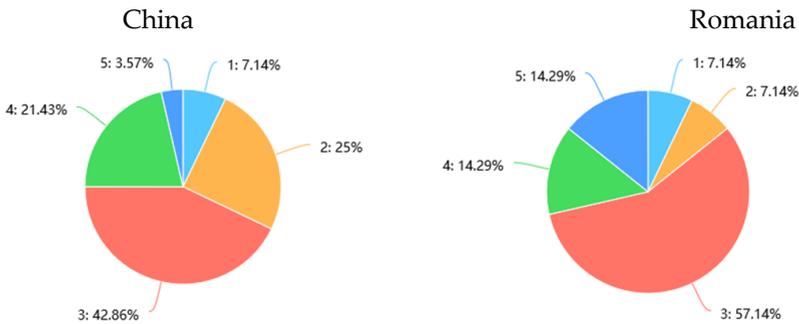
**Figure 10.** Do you know what is climate change?**Figure 11.** Are you interested in climate change?

The coverage of this topic that media is given is not considered satisfactory either the Chinese public either from the Romanian public. More than 75% admitted that the information on climate change is too less (see Figure 12).

**Figure 12.** Do you think media speaks enough about climate change?

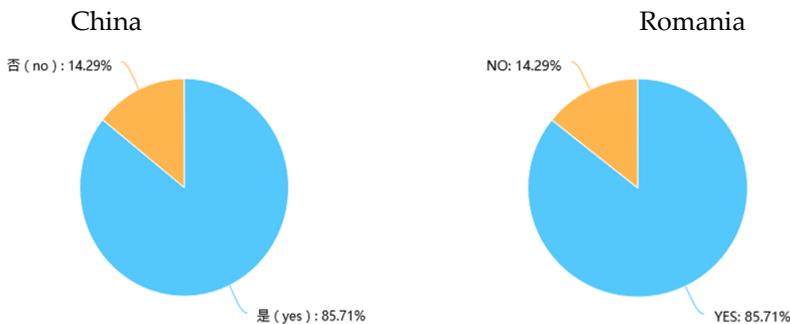
The rate that the public opinion gives to the quality of information received on climate change is worthy from both sides of the public (see Figure 13).

**Figure 13.** From 1 to 5 how you rate the information about climate change that you receive from the media (1 = Very poor, 5 = Excellent)



As was hypothesized, the public opinion would like to receive more information regarding this topic. At the question “Would you like to receive more information on climate change?”, there were present same results for both countries (see Figure 14).

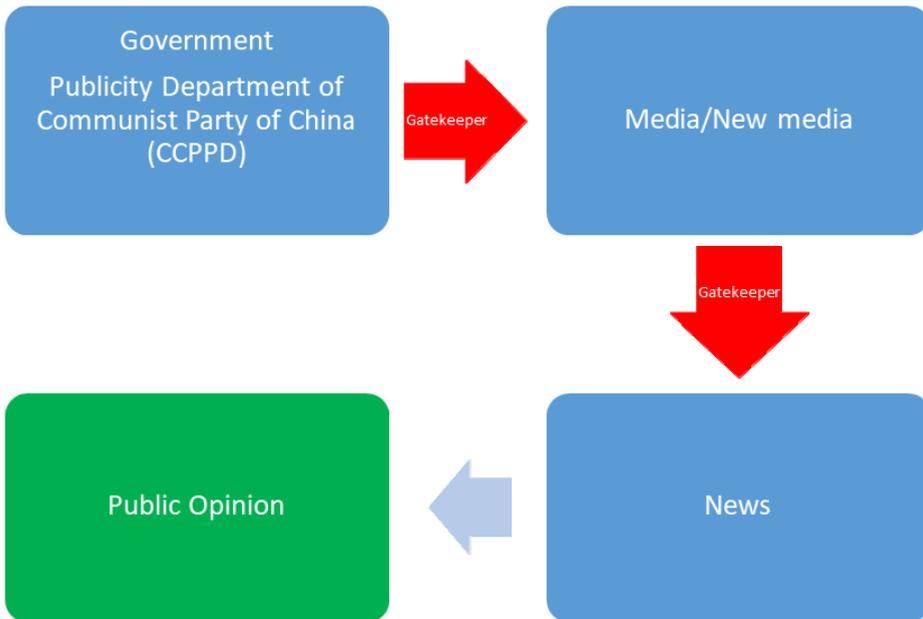
**Figure 14.** Would you like to receive more information regarding climate change?



The results of the newspaper’s analysis and questionnaire analysis let to the following summary of the relationship between media reporting climate change and public opinion in China and Romania (see figure 15). It is possible to see that the coverage of the news regarding the “climate change” in both cases is “filtrated”.

In the Chinese case the filters or gatekeepers are between Government and Media and Media and news. The Chinese government plays the significant role in the release of the news; therefore, there is major influence from the government on the news than from the Chief Editor of the news.

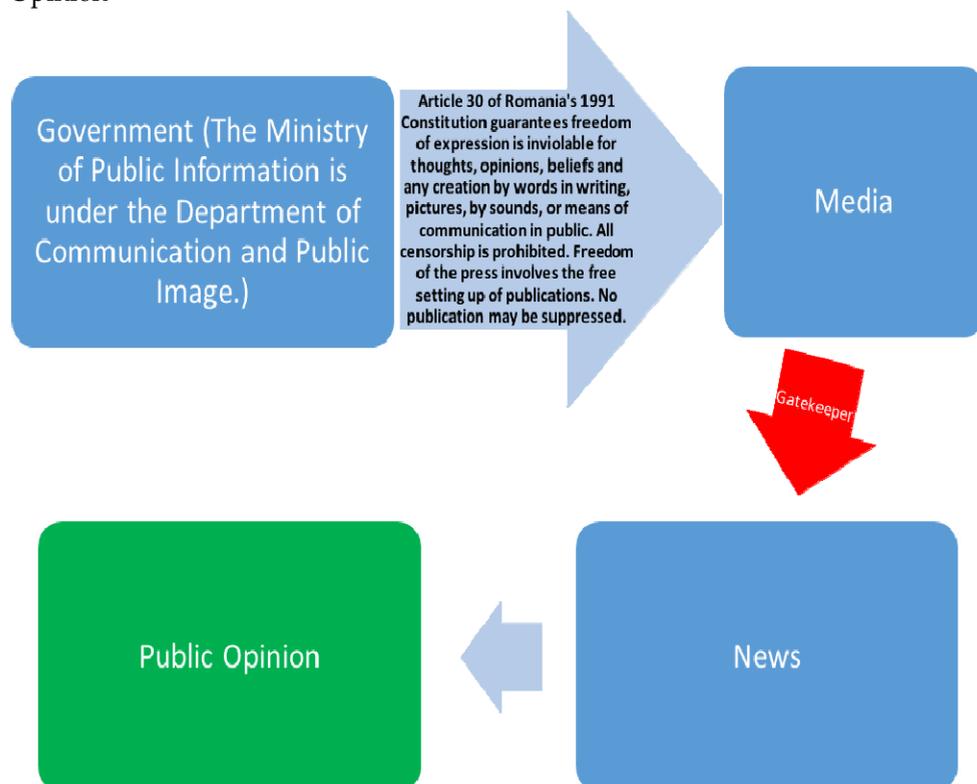
**Figure 15.** China's relation between Government, Media and Public Opinion



In the Romanian case, the filtration of the news comes to the level of Chief Editor. In a democratic society like Romania, the media should have the power to bargain and to threaten with the exposure of the real news to the citizens<sup>12</sup>. To have this power, the press should be economically stable. In fact, the major factor that generates gatekeepers is the economical aspect. Nowadays, Romanians newspapers selling is not covering even the print expenses. Therefore, the press in Romania survives thanks to the sponsorship. This condition makes possible that the environmental news can suffer censorship because of the involvement of the chief editor in corruption cases (industries are corrupting the media to keep the public away from the real situation).

<sup>12</sup> Matthew Gentzkow, Edward L. Glaeser, Claudia Goldin, *Corruption and Reform: Lessons from America's Economic History*, Chicago: University of Chicago Press, 2006, pp. 187-230.

**Figure 16.** Romanian's relation between Government, Media and Public Opinion



## Conclusion

The study provides comparable data on the media attention for climate change during the one-year period (2016), in China and Romania.

The author has argued that there is a significant need for the media to give space and importance to the environmental communication, and to regard carefully the way in which the process of communication takes place. The two countries that have been taken in consideration for this research presents major important common points. Non-matter the different culture, position, political regime, and environmental situation, both public opinions (Chinese and Romanian) had same demands. The Chinese side offers a large consideration to the climate change type of articles more than Romanian side. However, the space given to this kind of news oscillate day by day because of the agenda setting. In addition, it is important to underline that the articles way of writing is quite complicated

and unclear. The one common reason to the limited space, unclear explanation and the preference of internet and social media more than newspapers from the Chinese public opinion is the Publicity Department of Communist Party of China (CCPPD). Even though the CCPPD is considered to not make part of the Government of the Peoples Republic of China, definitely enforce the media censorship in China. It seems that the audience prefers more internet and social media because of the "trust" feeling towards these two tools of the new media rather than the old media. According to the Chinese public opinion, the Government has a bigger control on the old media.

The Romanian situation is different from the point of view of "importance" and "length" that media gives to the climate change news. The numbers of articles found are considerably less than the Chinese reports. An advantage that goes to the Romanian side is the focus on the specific news and the clarity with which are written.

It can be concluded that to have an informed and active public, it is necessary for the press to make use of the new media to give more space and to enforce the credibility in the news.

Based on the conclusions mentioned above, the media is responsible to put forward the following suggestions:

(1) The media should change the priorities on the agenda setting. From the data collected from the newspaper articles was possible to see that "environmental news" are not a priority on the media's agenda. It should not be forgotten the "agenda setting theory" which underline the fact that the press will not decide what to think, but what to think about certain events.

(2) It is necessary for the old media to pass to the new media and become as active as possible on the two largest channels such as the internet and social media. To gain the audience and therefore more attention, it is necessary to follow the "trend". As has been seen from the survey, the public opinion prefers new media as a tool of information. It is to take in consideration the Marshall McLuhan thought: "when new forms emerge, we see them through the lens of existing forms. In this case, the new form has been around long enough that we are seeing the old form through the eyes of the new"<sup>13</sup>.

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<sup>13</sup> Marshall McLuhan, *Understanding Media: The Extensions of Man*, London and New York, 1964.

(3) As Debashis "Deb" Aikat argued in his paper<sup>14</sup>, the mass media is one of the most active life support systems with the largest distribution and impact in the future at a global level. Therefore, the media is an advantage in the long way course. The powerful tool of the media, especially old media is the "storytelling". Media should use this strategic tool to send a strong and right message to a broad public.

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## THE EU AND CONFLICT RESOLUTION MECHANISM: DIRECT AND INDIRECT ENGAGEMENT

Narek Sukiasyan\*

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### Abstract

*From being a traditional hot spot of conflicts, then entering into its longest peaceful age, Europe (the European Union) is now increasingly becoming a promoter of peace and an important actor in conflict resolution. This paper aims to identify the conflict resolution mechanisms available to the EU and proposes new analytical tools by distinguishing direct and indirect mechanism of conflict resolution.*

**Keywords:** EU, conflict resolution, mechanism, peace building, CSDP.

As a responsible stakeholder in international global system, the EU, by the virtue of its stakes in it, has to play a role in conflicts occurring throughout the world, and claims to be interested in conflict resolution, “as a global actor committed to the promotion of peace, democracy, human rights and sustainable development.”<sup>1</sup> The EU’s goal is to “promote peace, its values and the well-being of its peoples”<sup>2</sup> and to “preserve peace, prevent

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\* Narek Sukiasyan, a ‘Romanian National Scholarship’ holder in the framework of the Intergovernmental scholarship offered in cooperation by the Governments of Armenia and Romania, is a graduating student at Babeş-Bolyai University’s European Studies Faculty, specializing in International Relations and European Studies. As a student, he has previously benefited from Erasmus+ mobilities at Duisburg-Essen University’s Department of Political Studies in Germany and at the Charles University’s Department of International Relations of the Social Sciences Faculty in Czech Republic.

Contact: nareksukiasyan@gmail.com.

<sup>1</sup> Consolidated Version of the Treaty on European Union art. 3.1, 2010 O.J. C 83/01. [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C\\_.2010.083.01.0001.01.ENG](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2010.083.01.0001.01.ENG) (accessed on 31.12.2017).

<sup>2</sup> *Ibidem*.

conflicts and strengthen international security.”<sup>3</sup> Moreover, peace-making in its neighbourhood has been marked a priority as an “essential aspect of the EU’s external action.”<sup>4</sup> Since the founding treaty of the European Union, conflict resolution, strengthening of the international security, promoting regional cooperation, promoting democracy, the rule of law and human rights, combating international crime have been underlined as foreign policy objectives.<sup>5</sup> Even though the EU Security Strategy emphasizes the immediate neighbourhood to the east and south as a key geographical priority, the EU has also been involved elsewhere in the world.

Conflict resolution is a very wide concept with many varieties in form, objective or philosophy. While broadly it means the process of facilitating a peaceful ending of the conflict<sup>6</sup>, the concepts of conflict prevention, mediation, transformation, management and post-conflict rehabilitation etc. approach the conflict differently, though share the same broad objective of peace. Even though conflicts do share common features, all are distinct in their contexts, therefore need to be approached individually and with the application of the appropriate conflict resolution forms. The EU appreciates and applies most of the above mentioned forms, as outlined in the Joint Communication to the European Parliament and The Council on “The EU’s comprehensive approach to external conflict and crises”<sup>7</sup>, doing so according to each particular case and to the extent of its abilities.

In order to avoid running into the above-mentioned terminological limbo, as each case includes the intertwining of several conflict resolution forms, this paper will refer to conflict resolution without singling-out any form of it. Rather the conflict resolution mechanisms refer to those EU

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<sup>3</sup> *Ibidem*.

<sup>4</sup> European Commission (2004a:3), *European Neighbourhood Policy Strategy Paper*, Communication from the Commission COM (2004) 373 final, 12 May. <http://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex%3A52004DC0373> (accessed on 31.12.2017).

<sup>5</sup> Treaty on European Union (Maastricht text), July 1992, 1992 O.J. C 191/1, Article J.1. [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C\\_.1992.191.01.0001.01.ENG&toc=OJ:C:1992:191:TOC](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.1992.191.01.0001.01.ENG&toc=OJ:C:1992:191:TOC) (accessed on 01.01.2018).

<sup>6</sup> Donelson Forsyth, *Group Dynamics* (5th ed.). Boston: Wadsworth Cengage Learning, 2009, pp. 430-438.

<sup>7</sup> Document 52013JC0030, points 1,3,5. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52013JC0030> (accessed on 01.01.18).

diplomatic, executive or financial efforts that aim to improve conflictual situations one way or another, contributing to peace. This paper will revise the Union's conflict resolution mechanisms and briefly spell out their underlying logic of contributing to peace. It will do so by revising EU primary sources, analytical secondary sources and by our own data analyses of the CSDP military and civilian missions' mandates and objectives.

For analytical purposes, we can divide these mechanisms into two big subgroups – *direct engagement* and *indirect engagement* in conflict resolution processes. Direct engagement describes the situation in which the EU explicitly deals *with the conflict* - the direct involvement in the mediation process, military missions, coercive sanctions etc. Indirect engagement entails the scenario in which the EU works *around a conflictual situation*, meaning it prevents, transforms the conflict or creates conditions so that the stakeholders deem the escalation of a conflict unnecessary. Under these subgroup fall the promotion of democratic institution-building, constraining and signalling sanctions, civilian missions, contractual relation, and other policy instruments (that come with conditionality, social learning, passive enforcement etc.).

## Direct Mechanisms of Conflict Resolution

### 'Contributor to Peace'

One of the EU's claimed international roles is being a contributor to peace.<sup>8</sup> This role entails the Union's participation in conflict mediation processes worldwide. It is a direct (albeit very broad) mechanism, as it invests the EU's efforts into a process on which the conflict resolution is directly dependent. This role and its particularities are articulated in the "Joint Concept on Strengthening EU Mediation and Dialogue Capacities", adopted by the Council. Besides lead- or co-mediation, the mechanism also spells out promoting, leveraging, supporting and funding mediation as its roles in peace processes. The EU brings added value to the coordinated peace processes and offers a variety of advantages thanks to its collective

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<sup>8</sup> EEAS, The EU's International Roles, 2016, [https://eeas.europa.eu/headquarters/headquarters-homepage\\_en/3637/The%20EU's%20international%20roles#Contributor+to+peace](https://eeas.europa.eu/headquarters/headquarters-homepage_en/3637/The%20EU's%20international%20roles#Contributor+to+peace), (accessed on 02.01.2018).

political leverage, worldwide presence, strong normative framework etc.<sup>9</sup> After the Lisbon Treaty, the EU's capacity to act accordingly has grown, in addition to the advantage of having two of its Member States as UN Security Council permanent members. The EU Member States' financial contribution to the UN also invests in its leverage over peace processes. Its political leverage has also been instrumentalised for balancing the agenda of powerful bilateral actors in some mediation processes.<sup>10</sup> The Union's widespread diplomatic presence in more than 130 places gives an upper hand over almost any international actor, providing the advantage of the informational and human resources asymmetry, which adds to the capacity of the adequate mediator and to the well-informed process policy making. When involved in overseas mediation, the EU can enjoy the contributions from its Members' bilateral influences on particular countries in case of good coordination and if the latter do not prefer to engage unilaterally (read the French "monopolization" of the mediation talks between Georgia and Russia in 2008).

Notwithstanding its failure to prevent bloodshed in the Western Balkans in early 90's, since then the EU has succeeded to vindicate through the later peace support, such as the 2002 Belgrade Agreement for Serbia and Montenegro and through probably one of the best success stories of the EU diplomacy as a Contributor to Peace - the 'First Agreement on Principles Governing the Normalisation of Relations' between Serbia and Kosovo in 2013. Overall, the EU truly lives up to the status of the Contributor to Peace in its closest periphery (e.g. the Western Balkans), for further regions when expressly invited from the outside (e.g. Aceh) and when backed by world powers (e.g. Iran P5+1)<sup>11</sup>. This limitation can generate scepticism towards the EU's status as an important actor in conflict resolution, however they are natural for any international actor and even for states, save extremely limited number of superpowers, whose freedom in mediation capabilities can also be questioned.

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<sup>9</sup> Canan Gündüz and Kristian Herbolzheimer, "Standing United for Peace: The EU in Coordinated Third-party Support to Peace Processes", in *Initiative for Peacebuilding*, 2010, pp. 14-17.

<sup>10</sup> *Ibidem*, p. 15.

<sup>11</sup> Steven Blockmans, "Peacemaking: Can the EU Meet Expectations?", in *NUPI Working Paper* No. 840, Oslo: Norwegian Institute of International Affairs, 2014, p. 22.

### *CSDP Military Operations*

The Lisbon Treaty states that the Common Security and Defence Policy shall empower the EU with an “operational capacity drawing on civilian and military assets’ that can be used on ‘missions outside the Union for peace-keeping, conflict prevention and strengthening international security in accordance with the principles of the United Nations Charter.”<sup>12</sup>

This role is connected to the Petersberg Tasks and is expanded by the Berlin Plus Agreement allowing the access to NATO capabilities and assets, under certain conditions.<sup>13</sup> An assessment of the operations’ mandates demonstrates that this operations’ tasks commonly include military advice and assistance, peacekeeping, combat forces in crisis management, post-conflict stabilisation, humanitarian and rescue tasks etc.

They share similarities with UN operations as third-party interventions that do not take sides. Even though some aspects of the deployed military missions lean towards indirect mechanisms of conflict resolution, theoretically there is ‘nothing that prevents the EU from engaging in peace enforcement, and indeed the expanded ‘Petersberg tasks’ include “tasks of combat forces in crisis management, including peace-making”<sup>14</sup> – to be understood as peace enforcement, which induces us to distinguish it as a direct mechanism for conflict resolution. The EU’s security ambitions lack a doctrine, a ‘grand strategy’ based on a consensus of the Member States to lead the Union’s stand on crisis management through CSDP, which is inherently difficult to achieve due to the sensitivity of the communitarian military dimension. Consequently, the EU military operations are funded by Member States as opposed to the civilian missions that are mainly financed from the Community budget. Because the military policy making is conducted in an intergovernmental mode, the final mandate of the missions, and therefore the achievements of the

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<sup>12</sup> Consolidated Version of the Treaty on European Union art. 42.1, 2010 O.J. C 83/01. [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C\\_.2010.083.01.0001.01.ENG](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2010.083.01.0001.01.ENG) (accessed on 31.12.2017).

<sup>13</sup> EES, *Shaping of a Common Security and Defence Policy*, 2016

[[https://eeas.europa.eu/topics/common-security-and-defence-policy-csdp/5388/shaping-of-a-common-security-and-defence-policy\\_en](https://eeas.europa.eu/topics/common-security-and-defence-policy-csdp/5388/shaping-of-a-common-security-and-defence-policy_en)], 5 January 2018.

<sup>14</sup> Thierry Tardy, “CSDP in Action. What contribution to international security?”, in *Chaillot Paper* no. 134, Condé-sur-Noireau: EU Institute for Security Studies, 2015, p. 23.

missions, which usually do live up to their mandates' objectives<sup>15</sup>, turn out to be very limited, which creates the gap between EU capabilities and what it actually ends up doing.<sup>16</sup>

## Indirect Mechanisms of Conflict Resolution

### *Sanctions*

Sanctions as a mechanism for conflict resolution were institutionalised in the 'Basic Principles on the Use of Restrictive Measures (Sanctions)', 'Guidelines on Implementation and Evaluation of Restrictive Measures (Sanctions)', 'EU Best Practices' documents, that allowed the Union to impose visa bans, freeze assets, employ arms embargoes, impose diplomatic sanctions and other forms of sanctions: "Article 215 of the Treaty on the Functioning of the European Union (TFEU) provides a legal basis for the interruption or reduction, in part or completely, of the Union's economic and financial relations with one or more third countries, where such restrictive measures [sanctions] are necessary to achieve the objectives of the Common Foreign and Security Policy."<sup>17</sup> This line of justification the necessity of sanctions plays along the 'naïve theory' of sanctions<sup>18</sup>, according to which the measure will hit the target and the latter will prefer compliance with the requests of the 'punisher' based on cost/benefit calculations. The realist accounts argue that in conflicting situation when the stakes are high, the sanctions will have a 'little effect'<sup>19</sup>. In order to render away this desperate 'uselessness' of sanctions, particularly those of the EU, Giumelli offers new analytical categories – coercive, constraining

<sup>15</sup> Annemarie Peen Rodt, "Taking Stock of EU Military Conflict Management", in *Democracy and Security*, 7:2, 99-122, 2011, p. 116.

<sup>16</sup> Thierry Tardy, *op. cit.*, p. 33.

<sup>17</sup> EUROPEAN COMMISSION Service for Foreign Policy Instruments European Union Restrictive measures (sanctions) in force (Regulations based on Article 215 TFEU and Decisions adopted in the framework of the Common Foreign and Security Policy). [http://eeas.europa.eu/archives/docs/cfsp/sanctions/docs/measures\\_en.pdf](http://eeas.europa.eu/archives/docs/cfsp/sanctions/docs/measures_en.pdf) (accessed on 02.01.2018).

<sup>18</sup> Johan Galtung, "On the Effects of International Economic Sanctions: With Examples from the Case of Rhodesia", in *World Politics*, Volume 19, Issue 3, 378-416, Baltimore: John Hopkins University Press, 1967, p. 388.

<sup>19</sup> John Mearsheimer, "Why the Ukraine Crisis Is the West's Fault: The Liberal Delusions That Provoked Putin", in *Foreign Affairs* (Council on Foreign Relations), Volume 93, Issue 5, 2014.

and signalling sanctions<sup>20</sup>. The naïve theory overlaps with the Giumelli's coercive typology, which implies imposing a cost on misconduct that is meant to coerce targets into doing something that they would otherwise not do<sup>21</sup> - this is an explicit engagement in the conflict itself. However, the EU sanctions often go fruitless<sup>22</sup> due to the lack of coordination, of conflicting interests of the 28, the vulnerability when brought in front of the courts and the caution in order to avoid unintended humanitarian consequences. Oftentimes, these can have an immediate material or psychological impact, though over time the targets learn 'to live with it' and find other sources of the restricted measures<sup>23</sup>. Moreover, sanctions are tools designed in accordance with the sovereign state system, and are inapplicable to non-state armed actors<sup>24</sup>. While the coercive sanctions are intended to change behaviours, the constraining sanctions 'attempt to undermine the capacity of targets to achieve their objectives and, sometimes, to manoeuvre at all'. The EU has imposed more than 20 such sanctions to limit the capabilities of the addressees politically, economically and socially. By signalling sanctions the EU communicate its position to the case in question, influence the decisions that are to be made or please domestic audiences without causing material damage. The constraining and signalling sanctions work around the conflict and can be regarded as indirect mechanisms of conflict resolution, as defined in the framework of this paper.

For a better evaluation of sanctions as conflict resolution tools, others suggest to give greater importance to the piecemeal achievements, rather than to the ultimate goals<sup>25</sup>, (e.g. constraining Russian activities in Eastern Ukraine as opposed to forcing total withdrawal. Arguably, strong

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<sup>20</sup> Francesco Giumelli, "New Analytical Categories for Assessing EU Sanctions", in *The International Spectator*, 45:3, 2010, pp. 131-144.

<sup>21</sup> Margaret Doxey, *International Sanctions in Contemporary Perspective*, London: Macmillan, 1987, pp. 7-17.

<sup>22</sup> Francesco Giumelli, *op. cit.*, pp. 134-135.

<sup>23</sup> Iana Dreyer and Jose Luengo-Cabrera, "On target? EU sanctions as security policy tools", in *REPORT N° 25*, Condé-sur-Noireau: EU Institute for Security Studies, 2015, p. 62.

<sup>24</sup> John Agbonifo, "Sanctions, Conflict Prevention and Peacebuilding: Coercing Non-State Armed Actors in Africa", in *Journal of Peacebuilding & Development*, 12:1, 65-78, 2017, p. 66.

<sup>25</sup> Iana Dreyer and Jose Luengo-Cabrera, "On target? EU sanctions as security policy tools", in *REPORT N° 25*, Condé-sur-Noireau: EU Institute for Security Studies, 2015, p. 75.

measures, like restricting state-owned and private enterprises' access to capital market, imposing hydrocarbon embargoes have had crippling effects on the addresses and made them reconsider some policies, (e.g. bringing Iran back to negotiating table to reach Joint Comprehensive Plan of Action (JCPOA)). To do so, the sanctions have to 'bite' and bite painfully when the demands are high. The real potential of sanctions is a matter of a debate, as Mearsheimer won't grant them much importance, as opposed to a top Ukrainian diplomat's view, that cutting off Russia from the SWIFT system will do the job.<sup>26</sup>

### ***Contractual Relations***

In her book *The EU and Conflict Resolution. Promoting peace in the backyard* Nathalie Tocci uses this framework to analyse the EU leverage upon its neighbours' conflict resolution dynamics, that derive from the nature of the bilateral accords between them. The EU has a particular strategic interest in the resolution processes of the conflicts in the neighbourhood, as they threaten the stability and security of the EU due to their proximity and potential spillover effects<sup>27</sup>, migration flows, disrupted commercial routes etc. Hill distinguishes two conflict resolution mechanism for the EU's neighbourhood<sup>28</sup> (which would equally apply to other countries engaging in such contractual relations with the Union) – the EU framework of governance, policy and law that create conducive context for dispute settlement, and the Union's inbuilt incentives encouraging resolution. Tocci suggests that in the framework of the contractual relations, such as the accession process, the Stabilization and Association Process, the Euro-Mediterranean Partnership and the Eastern Partnership (currently we can add the Action Plans, Association Agreements, Partnership and Cooperation Agreement etc.) the EU gains mechanism to contribute to the conflict resolution efforts through conditionality, social

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<sup>26</sup> Interview with former Ukrainian Foreign Minister Borys Tarasyuk, 11 December, 2017, Prague.

<sup>27</sup> European Council 2003b:4–5. <http://www.consilium.europa.eu/media/20836/77679.pdf> (accessed on 02.01.2018).

<sup>28</sup> Christopher Hill, "The EU's Capacity for Conflict Prevention", in *European Foreign Affairs Review*, 6:3, 2001, pp. 315–318.

learning and passive enforcement.<sup>29</sup> This is an indirect mechanism, as it contributes to the environment of the conflict and changes the ethos of doing things, and a direct one only when the benefit of the contract is explicitly made conditional upon the resolution of the conflict in question.

*Conditionality:* “entails the linking, by a state or international organization, of perceived benefits to another state, to the fulfilment of conditions relating to the protection of human rights and the advancement of democratic principles.”<sup>30</sup> The EU can make conflict resolution conditional to the benefits that a conflicting side in question aspires to receive. When applied directly, it prescribes certain solutions, eliminating others (e.g. The 1995 Stability Pact, making the opening of the accession negotiations for Central, Eastern European States directly conditional to the solution of the minority and border issues), or indirectly by influencing domestic opportunity structure, which in its turn will contribute to the conflict resolution<sup>31</sup> (e.g. the trade policy requirements imposed by the Commission on Serbia and Montenegro, altering their tactics in the conflict settlement).

*Social Learning:* as an indirect conflict resolution mechanism, social learning is based on the constructivist approach that gives great importance to identity construction by the means of socialization. According to the logic of this mechanism, instead of altering rational cost/benefit structure of the parties involved in a conflict, the EU can influence their identities, values and perceptions of the phenomena surrounding the conflict (sovereignty, human rights, conduct of foreign affairs etc.) that will drive the agents closer to the resolution. Instead of coercing certain solutions, the EU provides new institutional and discursive frameworks inductive to transformation of identities and indirectly conducive to conflict resolution.<sup>32</sup> A change in discourse can be assimilated in change of beliefs

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<sup>29</sup> Nathalie Tocci, *The EU and Conflict Resolution: Promoting Peace in the Backyard*, London: Routledge, 2007, pp. 10-17.

<sup>30</sup> Karen Smith, “The Use of Political Conditionality in the EU’s Relations with Third Countries: How Effective?”, in *European Foreign Affairs Review*, 3:1, 1998, p. 256.

<sup>31</sup> Christoph Knill and Dirk Lehmkuhl, “How Europe Matters: Mechanisms of Europeanization”, in *European Integration Online Papers*, 3:7, 1999, pp. 33-36.

<sup>32</sup> Thomas Diez, “Why the EU Can Nonetheless Be Good for Cyprus”, in *Journal of Ethnopolitics and Minority Issues in Europe*, 2002, pp 6-7.

and interests, and by penetrating into different layers of the society this deep process of change may lead to societal reconciliation.<sup>33</sup>

*Passive enforcement*: also known as 'rule application'<sup>34</sup>, set by the EU.

It is based on mutually beneficial legal framework, that does not necessitate additional 'carrots', as in the case of conditionality and expects both sides to abide to the agreed rules of their contractual relations. The logic is based on a strict respect of the rules, and the contract should be valued as highly important for the EU's interlocutor so that the costs be viewed, though high, but as obligatory<sup>35</sup> (e.g. abolishing death penalty in Turkey, as a rule for opening accession negotiations).

The limitation of the contractual relations as a conflict resolution mechanism, is the contract itself, specifically the limited number of countries it can be signed with. Used heavily prior to the enlargements, it does not work in countries outside of the neighbourhood (and as the prospects of enlargement are not promising, the EU contractual incentives for conflict transformation are going to play out in lesser cases), unless the Union comes up with such beneficial offer to far away states that would allow it to gain enough leverage to alter the latter's cost/benefit calculations.

### *CSDP Civilian Missions*

The civilian missions make up the other most important part of the CSDP toolkit, next to the military operations. Outnumbering the military operations of the EU, civilian missions can be split into three broad categories according to their mandates - strengthening missions, monitoring missions, and executive missions.<sup>36</sup> The strengthening missions contribute to the capacity-building in the field of rule of law, by reforming judicial and law enforcement agencies, through monitoring, mentoring and advising (MMA), providing equipment and training (e.g. EUPOL Afghanistan, EUCAP Sahel etc.). The monitoring missions 'provide third-party observation

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<sup>33</sup> Nathalie Tocci, *op. cit.*, p. 16.

<sup>34</sup> Johan Olsen, "The Many Faces of Europeanization", in *Journal of Common Market Studies*, 40:5, pp. 921-52, 2002, p. 925.

<sup>35</sup> Nathalie Tocci, *op. cit.* pp. 17-18.

<sup>36</sup> Thierry Tardy, "CSDP in Action. What contribution to international security?", in *Chaillot Paper* no. 134, Condé-sur-Noireau: EU Institute for Security Studies, 2015, pp. 23-25.

of an activity or a process, be it the performance of a given sector (police, justice, border, etc.) or the implementation of an agreement'<sup>37</sup> (e.g. EUMM Georgia, Aceh Monitoring Mission etc.). Lastly, the executive missions, that have been implemented so far only in Kosovo, take the responsibility of certain functions of the state. This concentration of the civilian missions on the police, rule of law, civilian administration and civil protection is specified in Council's conclusions as the civilian crisis management priorities.<sup>38</sup> By working towards such objectives, the EU addresses some of the structural issues that enable escalation or distract peace-making, therefore this mechanism falls in the category of the EU's indirect mechanisms of conflict resolution. As already mentioned, the civilian missions are mostly financed by the EU budget and here the Commission enjoys wider freedom in the decision-making process to deploy such missions. This could be one of the reasons why, since its inception, the CSDP has deployed considerably more civilian missions, as opposed to very limited number of the military operations.

### ***Democracy and Human Rights Promotion***

This mechanism of conflict resolution is based on the Democratic Peace theory's assumption that democracies do not engage in wars with each other, therefore promotion of democracy and related liberal democratic values, besides being ends in themselves, serve as conflict prevention and post-conflict rehabilitation and settlement mechanisms. It is an indirect mechanism, that accompanies explicitly or implicitly most of the EU foreign policies and actions, seeking pacification in the long term and focusing on the transformation of the conditions around conflicts. The EU has recognised that a world of democratic states, also serves its own security interests.<sup>39</sup> For this and conflict prevention purposes the Conflict Prevention Partnership has been established, whose guiding philosophy is

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<sup>37</sup> *Ibidem*, p.24

<sup>38</sup> 109 European Council, Conclusions of the Presidency (19-20 June 2000), Annex 1, Appendix 3(b). [http://www.europarl.europa.eu/summits/fei2\\_en.htm](http://www.europarl.europa.eu/summits/fei2_en.htm) (accessed on 03.01.2018).

<sup>39</sup> European Council (2003), *A Secure Europe in a Better World*, European Security Strategy, Brussels, 12 December, available online at: <http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf>.

that human rights, democracy and conflict prevention are inextricably linked.<sup>40</sup> In deeply divided societies, caught up in internal conflicts the EU has preferred the promotion of power-sharing consociational democracies as a resolution mechanism (e.g. Bosnia and Herzegovina). This mechanism is likely to be implemented and be an appropriate one when/if the cause of the societal governance is diagnosed as the cause of the conflict. In Kosovo, such power-sharing model had been advocated until the stability of the region appeared to be distressed, in the EU's view, more by a political leader - Milosevic – than by the political system.<sup>41</sup> As democracy comes in different forms, and due to the peculiarities of each entity in relation to a system of governance, this mechanism takes different forms and dictates different EU approaches from case to case (e.g. supporting 'no-party democracy' in Uganda; 'stability-oriented' one, as opposed to pure democracy in Sierra Leone; concentrating more on basic human rights, during deadly escalation in Nigeria; relying on local structures and warlords in Afghanistan etc.). Even though, there is a lack of "cross cutting expertise on conflict and governance"<sup>42</sup> and a conceptual roadmap from crisis management to democratic institution-building<sup>43</sup>, there is an EU commitment to this mechanism as a conflict prevention/resolution instrument.<sup>44</sup>

### *The Instrument contributing for Stability and Peace*

The Instrument contributing for Stability and Peace (IcSP), established in 2014 (taking over the Instrument for Stability (IfS), provides direct support for Union's external policies<sup>45</sup>, specifically by providing

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<sup>40</sup> James Hughes, "Introduction: The Making of EU Conflict Management Strategy—Development through Security?", in *Ethnopolitics*, 8:3-4, 275-285, 2009, p. 284.

<sup>41</sup> Richard Youngs, "Democratic institution-building and conflict resolution: emerging EU approaches", *International Peacekeeping*, 2004, 11:3, 526-543, p. 528.

<sup>42</sup> Marta Martinelli, "Conflict Prevention and the Great Lakes: The Belgian Presidency's Emerging Agenda", *European Security Review*, No.8, Oct. 2001, p.6.

<sup>43</sup> Sophi da Camara and Andrew Sherrif, "The EU's Development Response towards Crisis and Conflict Affected Countries", *ECDPM-International Alert*, 2001, p. 14.

<sup>44</sup> Richard Youngs, *op. cit.*, pp. 530-531.

<sup>45</sup> Regulation (EU) No 230/2014 of the European Parliament and of the Council of 11 March 2014 Art. 1. [http://ec.europa.eu/dgs/fpi/documents/140311\\_icsp\\_reg\\_230\\_2014\\_en.pdf](http://ec.europa.eu/dgs/fpi/documents/140311_icsp_reg_230_2014_en.pdf) (accessed on 03.01.2018).

short and mid-term assistance in response to situations of crisis or emerging crisis to prevent conflicts<sup>46</sup>, for conflict prevention, peace-building and crisis preparedness<sup>47</sup> and assistance in addressing global and trans-regional threats and emerging threats.<sup>48</sup> The duties of this mechanism may sound as a reproduction of other mechanisms, however IcSP is distinct in the fact that is neither diplomatic nor executive mechanism, but a financial one, meaning, the EU does not engage in the implementation of the projects proposed within its framework, instead, it finances such local or transnational initiatives (by NGOs, the UN and EU Member State agencies organisations). This aspect of IcSP clearly demonstrates the indirect character of this mechanism, as the Union delegates its conflict resolution objectives through financial means, instead of taking those measures on its own. The EU delegations locally play an important role in this process and having an IcSP personnel posted to EU Delegations, assists at real-time crises and helps to monitor the implementation of response measures. The IcSP is one of the mechanisms of the EU's toolkit with the widest areas of involvement varying from humanitarian mine action and reintegration of ex-combatants to transitional justice and electoral assistance. As a financial instrument IcSP also has an advantage over other multilateral institutions' mechanisms of this kind, providing faster disbursable support without the need to solicit such funds.<sup>49</sup> Recently, financial support of capacity building for security and development (CBSD) also become possible through this mechanism<sup>50</sup>, which did not go without controversy.<sup>51</sup> The mechanism is also one of the widest in its outreach

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<sup>46</sup> *Ibidem*, Art. 3.

<sup>47</sup> *Ibidem*, Art. 4.

<sup>48</sup> *Ibidem*, Art. 5.

<sup>49</sup> Canan Gündüz and Kristian Herbolzheimer, "Standing United for Peace: The EU in Coordinated Third-party Support to Peace Processes", in *Initiative for Peacebuilding*, 2010, p. 15.

<sup>50</sup> EU2017.EE, *Contributing to global stability and peace - Council confirms deal with the EP on improvements to the EU's assistance instrument*, 2017

[<https://www.eu2017.ee/news/press-releases/contributing-global-stability-and-peace-council-confirms-deal-ep-improvements>], 5 January, 2018.

<sup>51</sup> Harry Cooper, *EU's plans to militarize aid face legal scrutiny in Parliament*, 2017

EU's plans to militarize aid face legal scrutiny in Parliament <https://www.politico.eu/article/eu-stability-and-peace-plans-to-militarize-aid-face-legal-scrutiny-in-parliament/>, (accessed 03.01.2018).

(present in 70 countries worldwide<sup>52</sup>, as it is less problematic to send funds then deploy mission.

## Conclusions

The list of the mechanisms addressed in this paper is of course not fully developed, nevertheless it has tackled the main instruments of EU's engagement in conflict resolution processes, defined as any effort that furthers the situation's path towards peace, be it prevention, management, transformation, post-conflict rehabilitation etc. The paper has divided those mechanisms into two broad categories of direct and indirect engagement, and has demonstrated how 'working on the conflict' and 'around the conflict' distinguishes each mechanism along the above-mentioned categories. Further research can prolong this list and concentrate on the identification of policy areas, the decision-making apparatus, the financing and the role of the member states along the lines of the direct and indirect mechanisms.

After the revision of the mechanisms done in this paper, it is possible to identify the underlying modes of policy-making and actions of the two categories. The objectives of the indirect mechanisms are 'low politics' in their nature and therefore politically less sensitive and easier to employ on the supranational level. In contrast, for employing direct the mechanism, which involves issues of 'high politics', matters get more complicated, due to the need of wide consensus of member states. This implies the use of liberal intergovernmental mode of policy making according to the lowest common denominator. For this reason, the direct mechanisms suffer quantitatively (the substantially less use availability and use) and qualitatively (limited mandates). We could also observe how the EU externalizes and promotes its values and ethos through these mechanisms, especially in the indirect forms, where some aspects of (the EU's own) neo-functional philosophy of conflict resolution can be noticed.

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<sup>52</sup> European Commission, *Instrument contributing to Stability and Peace, preventing conflict around the world*, 2014

[[http://ec.europa.eu/dgs/fpi/what-we-do/instrument\\_contributing\\_to\\_stability\\_and\\_peace\\_en.htm](http://ec.europa.eu/dgs/fpi/what-we-do/instrument_contributing_to_stability_and_peace_en.htm)], 5 January, 2018.

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## COMPARING BARBARY AND ISLAMIC STATE TERROR TO AN ACADEMIC CONSENSUS DEFINITION OF TERRORISM

Isaiah Winters\*

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### Abstract

*Though the terrorism practiced by the Barbary States of yore and the Islamic State of today are separated by two centuries, there is a considerable amount of overlap between the two that this research seeks to explore. By comparing each of these forms of terrorism to the revised twelve-point academic consensus definition of terrorism compiled in Alex P. Schmid's Handbook of Terrorism Research, this analysis is able to determine how closely both Barbary and Islamic State terrorism match Schmid's nuanced definition, as well as what makes each form of terrorism unique. The findings show that Barbary State terrorism is distinct for having been asymmetrically state-regulated, while Islamic State terrorism is distinct for its quasi-state characteristics.*

**Keywords:** terrorism, Barbary States, Islamic State, definition of terrorism

### Introduction

Given the complexity of terrorism as we know it today, coming up with an all-encompassing definition that broadly satisfies all interested parties is a Sisyphean task. In their earlier work, Schmid and Jongman nevertheless did yeoman's work cobbling together a detailed definition of terrorism by synthesizing over two hundred definitions of terrorism written by academics and other professionals. Together, these myriad authors, Schmid and Jongman note, "have spilled almost as much ink as

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\* Isaiah Winters, Master's degree in Transatlantic Studies, Faculty of European Studies, Babeş-Bolyai University (Cluj-Napoca, Romania). Contact: isaiahsamuelwinters@gmail.com

the actors of terrorism have spilled blood.”<sup>1</sup> Schmid’s revised academic consensus definition of terrorism from 2011 goes further, distilling two-hundred and sixty definitions of terrorism into twelve main components.<sup>2</sup> Though still imperfect, this revised definition provides a fairly cohesive framework that is conducive to the comparative analysis herein. In this analysis, both Barbary and Islamic State terrorism are considered in relation to each of Schmid’s twelve components of terrorism. The aim is to determine how closely each form of terrorism fits Schmid’s definition, as well as what differentiates each form of terrorism from said definition.

## 1. Broadly Defining Terrorism

*Terrorism refers, on the one hand, to a doctrine about the presumed effectiveness of a special form or tactic of fear-generating, coercive political violence and, on the other hand, to a conspiratorial practice of calculated, demonstrative, direct violent action without legal or moral restraints, targeting mainly civilians and non-combatants, performed for its propagandistic and psychological effects on various audiences and conflict parties;*

Islamic State terrorism fits very well with the first component of terrorism. The Islamic State has been especially effective at using direct violent action or the threat thereof to achieve political aims and generate psychological effects such as fear among various audiences and conflict parties. In addition, its selection of targets has been shown to be very calculated and demonstrative, while its violent actions have been done without legal or moral restraints. In fact, the extreme barbarity of Islamic State attacks advances the aim of maximum attention-seeking while legitimizing an alternative to international norms of morality.<sup>3</sup> If there is any restraint to Islamic State violence, it is yet to be found, as evidenced by the fact that most of its victims are Muslims themselves.<sup>4</sup> One nuance worth

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<sup>1</sup> Alex P. Schmid, Albert J. Jongman, *Political Terrorism*, Piscataway: Transaction Publishers, 1988, p. xiii.

<sup>2</sup> Alex P. Schmid, *Handbook of Terrorism Research*, London: Routledge, 2011, pp. 86-87.

<sup>3</sup> Rafia Zakaria, “Clicking for Isis”, in *The Nation*, vol. 300, iss. 2/3, 2015, p. 24.

<sup>4</sup> Center for Research on Globalization, *Muslims are the victims of “Between 82% and 97% of Terrorism-Related Fatalities”*: US Government, 25 March 2016,

noting in regard to the first component is that while the Islamic State does in fact operate conspiratorially in regions where it is weak (e.g. Europe), it operates openly where it is strong (e.g. Raqqa).

Contrarily, Barbary State terrorism only partly fits Schmid's first component of terrorism. Slave raids conducted along the coasts of Christian Europe and the enslavement of captured merchantmen crews overwhelmingly impacted civilians and non-combatants, resulting in psychological effects for a wide range of parties; however, such acts were done openly rather than conspiratorially, and were essentially commercial kidnappings regulated by foreign nations through treaties.<sup>5</sup> One example of this historical reality can be seen in Benjamin Franklin's observation that the harassment of U.S. trade vessels by Barbary State corsairs was in England's trade interests so much so "that if there were no Algiers it would be worth England's while to build one."<sup>6</sup> These treaties placed certain legal restraints on Barbary State terrorism, while certain moral restraints naturally resulted from the Barbary States' ransom-driven profit motive.

These legal and moral restraints will be explored in more depth later.

## 2. Terrorism's Three Main Contexts

*Terrorism as a tactic is employed in three main contexts: (i) illegal state repression, (ii) propagandistic agitation by non-state actors in times of peace or outside zones of conflict and (iii) as an illicit tactic of irregular warfare employed by state- and non-state actors;*

Regarding the second component of terrorism, the Islamic State employs its tactics in all three contexts to varying extents, though there is a significant issue over whether the Islamic State actually constitutes a state.

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[<http://www.globalresearch.ca/muslims-are-the-victims-of-between-82-and-97-of-terrorism-related-fatalities-us-government/5516565>], 26 May 2017.

<sup>5</sup> Frederick C. Leiner, *The End of Barbary Terror: America's 1815 War Against the Pirates of North Africa*, Oxford: Oxford University Press, 2006, pp. 13-14.

<sup>6</sup> Benjamin Franklin, *Benjamin Franklin Papers - To Robert R. Livingston (unpublished)*, July 22, 1783, [<http://franklinpapers.org/franklin/framedVolumes.jsp?vol=40&page=083>], 27 May 2017.

The Islamic State does not have U.N. membership or recognition from any other states, though it does have some features of a state. Bruce Hoffman notes that the Islamic State's "hybrid force holds territory, controls populations, conducts business and enforces laws,"<sup>7</sup> and it often does so more effectively than the Syrian and Iraqi governments in the conflict zones under their respective jurisdictions. Assuming that the Islamic State is not a state, the second component still holds strong in the second and third contexts. Islamic State operations in Europe are the embodiment of the second context—i.e. propagandistic agitation by non-state actors in peacetime or outside conflict zones—while its illicit tactics of irregular warfare by state- and non-state actors is typified by its actions in Iraq and Syria.

The third context of the second component of terrorism is the most relevant to Barbary State terrorism, though it only fits in part because said terrorism was regulated to some extent and therefore not entirely illicit.

Both state and state-sponsored actors working under the *deys*, *beys* and *bashaws* of the Barbary States were active in slave raiding and seizing trade vessels. This irregular warfare had been a way of revenue-making for hundreds of years in the region, with both local corsairs and foreign privateers—many ironically coming from Europe<sup>8</sup>—working in the employ of the Barbary States with the hopes of getting rich through sanctioned plunder.<sup>9</sup>

### 3. Single-, Dual- and Multi-Phased Violence

*The physical violence or threat thereof employed by terrorist actors involves single-phase acts of lethal violence (such as bombings and armed assaults), dual-phased life-threatening incidents (like kidnapping, hijacking and other forms of hostage-taking for coercive bargaining) as well as multi-phased sequences of actions (such as in 'disappearances' involving kidnapping, secret detention, torture and murder);*

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<sup>7</sup> Bruce Hoffman, "Return of the Jihadi" in *National Interest*, iss. 141, 2016, pp. 10-14.

<sup>8</sup> G. Thomas Woodward, "The Costs of State-Sponsored Terrorism: The Example of the Barbary Pirates" in *National Tax Journal*, vol. LVII, no. 3, 2004, p. 600.

<sup>9</sup> Joseph Wheelan, *Jefferson's War: America's First War on Terror*, New York: Carroll & Graf Publishers, 2003, pp. 48-49.

As for the third component of terrorism, Islamic State terrorism is a perfect fit. The Islamic State's use of physical violence or the threat thereof can occur in single-phased acts (e.g. bombings), dual-phased acts (e.g. hostage-taking for coercive bargaining), or multi-phased acts (e.g. kidnapping, secret detention, torture and murder). The recent nail bomb which exploded at a concert in Manchester, U.K., is a horrific example of a highly successful single-phase act. As for hostage-taking for coercive bargaining, the Islamic State has made a lucrative business of it, with France reportedly paying \$14 million and Italy \$12 million to the Islamic State for the release of journalists and aid workers.<sup>10</sup> Its multi-phased actions are well known, as they often culminate in real-life executions used for propagandistic purposes, examples of which are the gruesome beheadings of American and British citizens.

The third component of terrorism also fits well with Barbary State terrorism, especially the dual- and multi-phased sequences of violence for purposes of coercive bargaining. Barbary State corsairs and privateers would raid coastal villages and then try to get the captives' relatives or government to ransom them back. In some cases, immediately after these slave raids took place, the Barbary State ships would simply stay offshore in the harbor until the captives could be bought back.<sup>11</sup> Many more were taken back to the Barbary States and were either imprisoned until ransomed back or enslaved indefinitely if no ransom was forthcoming.

#### **4. Communication That Threatens and Recruits**

*The public(-ized) terrorist victimization initiates threat-based communication processes whereby, on the one hand, conditional demands are made to individuals, groups, governments, societies or sections thereof, and, on the other hand, the support of specific constituencies (based on ties of ethnicity, religion, political affiliation and the like) is sought by the terrorist perpetrators;*

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<sup>10</sup> Jonathan Gatehouse, Adnan R. Khan, Michael Friscolanti, "The New Age of Terror" in *Maclean's*, vol. 128, iss. 47, 2015, p. 21.

<sup>11</sup> Joseph Wheelan, *Jefferson's War: America's First War on Terror*, New York: Carroll & Graf Publishers, 2003, p. 50.

Component four of terrorism is also a perfect match with Islamic State terrorism. The Islamic State uses threat-based communication processes which, on the one hand, make intimidating demands for submission from certain constituencies and, on the other hand, appeal for support from specific constituencies (in this case, based on religious in-group affinities). This is done very effectively by the Islamic State through the use of the internet: for purposes of intimidation and issuing demands, it releases choreographed videos of hostage executions and other mass executions, while utilizing Twitter bots for the “hashtag hijacking” of unrelated hashtags to amplify its message. For purposes of recruitment, it issues online magazines, holds online Q&A sessions and targets vulnerable individuals for recruitment via secure messaging servers.<sup>12</sup>

The first half of the fourth component of terrorism fits well with Barbary State terrorism. It almost goes without saying that the Barbary States relied on threat-based communication processes with other governments, as the seizure of ships or capture of civilians would often be followed by demands for ransom and tribute at the threat of future losses.

For the Barbary States, a state of low-intensity war existed between them and any government with which they did not have a treaty.<sup>13</sup> This threat of perpetual, organized, state-regulated maritime violence and kidnapping was simply a way of doing business.<sup>14</sup>

As for the second half of this component of terrorism, although the Barbary States ostensibly presented a largely unified front against Christian Europeans, they were not very keen on calling for support from each other or from their coreligionists. Instead, each Barbary State secured its own treaties independently while nursing rivalries with the others, often over perceived shifts in the balance of power among them, which they often deduced from the amount of gifts and tribute secured from European states.<sup>15</sup> Furthermore, non-Muslim raiders were often hired by the Barbary

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<sup>12</sup> Emerson Brooking, P. W. Singer, “The War of Social Media”, in *Popular Science*, vol. 288, iss. 2, 2016, pp. 62-65.

<sup>13</sup> G. Thomas Woodward, “The Costs of State-Sponsored Terrorism: The Example of the Barbary Pirates” in *National Tax Journal*, vol. LVII, no. 3, 2004, p. 600.

<sup>14</sup> Frederick C. Leiner, *The End of Barbary Terror: America’s 1815 War Against the Pirates of North Africa*, Oxford: Oxford University Press, 2006, p. 18.

<sup>15</sup> Joseph Wheelan, *Jefferson’s War: America’s First War on Terror*, New York: Carroll & Graf Publishers, 2003, p. 156.

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States because of their expertise and access to technology, so this half of the fourth component of terrorism does not fit well with Barbary State terrorism.

## 5. Generating Fear

*At the origin of terrorism stands terror – instilled fear, dread, panic or mere anxiety spread among those identifying, or sharing similarities with the direct victims – generated by some of the modalities of the terrorist act, [including] its shocking brutality, lack of discrimination, dramatic or symbolic quality and disregard of the rules of warfare and the rules of punishment;*

As for the fifth component, at the origin of Islamic State terrorism certainly stands *terror*, which is spread indiscriminately among a larger target audience through shocking brutality with no legal or moral restraints. Symbolism is greatly important in these attacks, as was shown by the recent Manchester bombing, where a young Western audience at an American pop-concert was targeted on the day when President Trump was visiting Israel. By targeting such a young audience, the Islamic State showed a gross disregard for any of the rules of warfare concerning non-combatants. Moreover, the fact that the attacker himself died in the explosion represents the ultimate display of disregard imaginable: the shocking and terrifying disregard for life itself in support of establishing a global caliphate. This same disregard for life in support of the Islamic State's cause is seen on the battlefield with elite *inghamasi* shock troops who blow themselves up on the battlefield, usually after expending their ammunition.<sup>16</sup>

The fifth component of terrorism matches Barbary State terrorism well, except where indiscriminate attacks are concerned. To be sure, coastal slave raids were indiscriminate, provided the captives were non-Muslims whose government(s) did not have a formal treaty with the Barbary States.

Among communities at risk, there was surely immense fear, dread, panic and anxiety over whether they would be next. The key similarity shared by the enslaved and those most at risk of enslavement was that they

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<sup>16</sup> Bruce Bower, "Deadly Devotion" in *Science News*, vol. 190, iss. 1, 2016, p. 18.

were Christian Europeans living or working in coastal areas. Some scholars<sup>17</sup> argue that this specific targeting of Christian Europeans can be explained mostly by religious grievances (i.e. “jihad” as payback for Christian Spain expelling the Moors in 1492), while others<sup>18</sup> argue that the targeting of Christians was largely economical (i.e. Christian Europe was the closest source of non-Muslims to capture for ransom and for labor).

The truth probably lies somewhere in between, with religious doctrine and grievances providing a wealth of convenient rationales for the economically practical targeting of Christians by the Barbary States.

Concerning the seizure of American and European merchant vessels at sea, Barbary State corsairs were not indiscriminate in any sense—in fact, they were so discriminating that their raids were almost predictable.

As noted earlier, the Barbary States primarily harassed the shipping of states with which they did not have treaties. As proof of this, captives from states too poor to pay ransom and tribute made up the majority of prisoners in the Barbary States.<sup>19</sup> But even states which had legitimate treaties with the Barbary States were not entirely safe. It was well known that when a new treaty was signed with one power, it usually meant a war would be started with another.<sup>20</sup> As a result, anyone following the treaty processes taking place in the Barbary States would have had favorable odds for predicting which state’s shipping would be targeted next.

## 6. Targeting Innocent Civilians

*The main direct victims of terrorist attacks are in general not any armed forces but are usually civilians, non-combatants or other innocent and defenseless persons who bear no direct responsibility for the conflict that gave rise to acts of terrorism;*

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<sup>17</sup> Robert C. Davis, *Christian Slaves, Muslim Masters: White Slavery in the Mediterranean, the Barbary Coast, and Italy, 1500-1800*, New York: Palgrave Macmillan, 2003, p. xxv.

<sup>18</sup> Frederick C. Leiner, *The End of Barbary Terror: America’s 1815 War Against the Pirates of North Africa*, Oxford: Oxford University Press, 2006, p. 2.

<sup>19</sup> *Ibidem*, p. 14.

<sup>20</sup> G. Thomas Woodward, “The Costs of State-Sponsored Terrorism: The Example of the Barbary Pirates” in *National Tax Journal*, vol. LVII, no. 3, 2004, p. 603.

The main direct victims of Islamic State terrorist attacks in Iraq, Syria and abroad are certainly innocent civilians and non-combatants. To be sure, the Islamic State also targets various security forces, but its main targets include public officials, professionals, journalists, tribal and religious leaders, and other civilians. Although it is difficult to measure the exact numbers, from January 2014 to October 2015, an estimated 55,047 civilian casualties and 3.2 million displaced persons resulted from conflicts involving the Islamic State in Iraq alone.<sup>21</sup> When the Islamic State takes over a village, it is known to systematically execute most of the men and force many of the women and girls into sex slavery, especially when the village is populated by ethnic and religious minorities, such as the Yazidi minority in Iraq and Syria.<sup>22</sup> In addition to these conflict zones, an analysis by *The New York Times* has shown, as of mid-2016 more than 1,200 civilians outside of Iraq and Syria have been killed by the Islamic State or its affiliates' attacks.<sup>23</sup> In short, Islamic State terrorism fits perfectly with Schmid's sixth component of terrorism.

The sixth component of terrorism also fits perfectly with Barbary State terrorism in that most of the victims of Barbary State raids, both on land and at sea, were civilians, non-combatants or other innocent and defenseless persons. To give an example, in 1631 Algerian corsairs reached the village of Baltimore, Ireland, and seized the entire population, carrying it back to the slave markets of Algiers.<sup>24</sup> These innocent civilians likely did not even know of the existence of the Barbary States, and certainly would not have been responsible for their own capture. Mostly, however, coastal areas of Tuscany, Sardinia, Sicily and the Greek isles were the main targets

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<sup>21</sup> United Nations, *Report on the Protection of Civilians in the Armed Conflict in Iraq: 1 May-31 October 2015*, 2015, p. i, [<http://www.ohchr.org/Documents/Countries/IQ/UNAMIRreport1May31October2015.pdf>], 28 May 2017.

<sup>22</sup> Maisam Alahmed, "Hope for Female Victims of ISIS" in *Solutions Journal*, vol. 6, iss. 1, 2015 [<https://www.thesolutionsjournal.com/article/hope-for-female-victims-of-isis/>], 28 May 2017.

<sup>23</sup> Karen Yourish, Derek Watkins, Tom Giratikanon, Jasmine C. Lee, *How Many People Have Been Killed in ISIS Attacks Around the World*, *The New York Times*, 16 July 2016, [[https://www.nytimes.com/interactive/2016/03/25/world/map-isis-attacks-around-the-world.html?\\_r=0](https://www.nytimes.com/interactive/2016/03/25/world/map-isis-attacks-around-the-world.html?_r=0)], 28 May 2017.

<sup>24</sup> Frederick C. Leiner, *The End of Barbary Terror: America's 1815 War Against the Pirates of North Africa*, Oxford: Oxford University Press, 2006, p. 13.

for corsairs as they were not wealthy or well defended enough to stop corsair raids from occurring.<sup>25</sup>

## 7. Generating Messages

*The direct victims are not the ultimate target (as in a classical assassination where victim and target coincide) but serve as message generators, more or less unwittingly helped by the news values of the mass media, to reach various audiences and conflict parties that identify either with the victims' plight or the terrorists' professed cause;*

Islamic State terrorism fits well with the seventh component of terrorism, as it relies heavily on the media coverage generated by its attacks on civilians. Beginning with the highly choreographed execution video of journalist James Foley, the Islamic State has continued to expand its outreach through acts of "message-generating" violence shared across social and other forms of media. Now, social media is being successfully used by the Islamic State to inspire its members and sympathizers around the world to commit acts of terrorism on behalf of the Islamic State's cause.<sup>26</sup> There is, however, one caveat to Islamic State terrorism in relation to the seventh component. While the Islamic State certainly uses its acts of violence against civilians to generate messages over mass media, many of its atrocities are done with no consideration for the publicity they might generate. This is because of the fact that the Islamic State seeks to seize and hold terrain in order to exercise governance there, something Hoffman considers to be "unique in the annals of terrorism".<sup>27</sup> Therefore, many acts of Islamic State violence are done as a matter of necessity for establishing a Weberian monopoly over power and violence in the areas it controls.

The seventh component of terrorism fits perfectly with Barbary State terrorism in that the victims of Barbary State corsairs were only a means to political and financial ends. The capture of Christian coastal

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<sup>25</sup> Gregory Fremont-Barnes, *The Wars of the Barbary Pirates*, Oxford: Osprey Publishing, 2006, p. 19.

<sup>26</sup> Emerson Brooking, P. W. Singer, "The War of Social Media", in *Popular Science*, vol. 288, iss. 2, 2016, p. 61.

<sup>27</sup> Bruce Hoffman, "Return of the Jihadi", in *National Interest*, iss. 141, 2016, p. 14.

dwellers and merchantmen crews was a way of sending a message to either their communities or governments back home. Stated in economic terms, the message (i.e. piracy) was a way of securing protection money (i.e. treaties)—the two main outputs of Barbary State terrorism.<sup>28</sup> The Barbary States always sought to balance acts of piracy with the signing of protection treaties: Too much piracy would lead to open war and thus fewer treaties, while too little piracy would weaken the Barbary States' threat-based messaging, also resulting in fewer treaties. Therefore, the message had to be clear and frequent without being too frequent.

## 8. Structures of Terrorist Groups

*Sources of terrorist violence can be individual perpetrators, small groups, diffuse transnational networks as well as state actors or state-sponsored clandestine agents (such as death squads and hit teams);*

The eighth component of terrorism matches perfectly with Islamic State perpetrators, who can conduct independent, self-directed acts of violence in a clandestine manner, or work in small groups under the guidance of Islamic State operatives in person or over secure internet channels.<sup>29</sup> As for the Islamic State's structure in Iraq and Syria, the fortunate seizure of a hard drive containing 1,200 documents belonging to the Islamic State revealed that its operation was structured based on the "multidivisional-hierarchy form" seen in corporate management.<sup>30</sup> Using this model, the Islamic State had created a hierarchy of self-financed semiautonomous cells within Anbar province whose day-to-day decisions were carried out locally, thereby freeing top leaders to focus on strategy and overall performance.<sup>31</sup> This shows that the structure of the Islamic State can take on many forms, from the lone-wolf in North America to the highly sophisticated M-form seen in Anbar province.

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<sup>28</sup> G. Thomas Woodward, "The Costs of State-Sponsored Terrorism: The Example of the Barbary Pirates" in *National Tax Journal*, vol. LVII, no. 3, 2004, p. 603.

<sup>29</sup> Bruce Hoffman, "Return of the Jihadi" in *National Interest*, iss. 141, 2016, p. 13.

<sup>30</sup> Cam Simpson, Nadeem Hamid, *The Banality of Islamic State*, *Bloomberg Businessweek*, 20 November 2014, [<https://www.bloomberg.com/graphics/2014-the-business-of-isis-spreadsheets-annual-reports-and-terror/#/>], 28 May 2017.

<sup>31</sup> *Ibidem*, p. 59.

The eighth component of terrorism matches well with Barbary State terrorism, especially where state actors and state-sponsored actors are concerned. The state actors involved are obvious: corsairs born and raised in the Barbary States who worked directly for the *deys*, *beys* and *bashaws* of each Barbary State. Less known are the privateers or state-sponsored actors working in the Barbary States' employ, though there were a great many throughout history. One famous example from the first Barbary War was Scotsman Peter Lisle, who was captured on the American schooner *Betsey*.<sup>32</sup>

Lisle soon "turned Turk," a pejorative term for converting to Islam and, because of his great skill as a mariner, became a very prosperous corsair captain. He would eventually marry the *bashaw's* daughter and later make the rank of grand admiral of Tripoli. While Lisle's case was exceptional, it goes to show the appeal of Barbary State terrorism to state as well as state-sponsored actors.

## 9. Political Violence

*While showing similarities with methods employed by organized crime as well as those found in war crimes, terrorist violence is predominantly political – usually in its motivation but nearly always in its societal repercussions;*

Islamic State activities do often bear similarities with methods employed by organized crime, such as the running of extortion and protection rackets, the levying of "taxes" on minorities, truckers and farmers, and through the black-market sale of looted antiquities and seized oil.<sup>33</sup> Its motivation for these and other activities, it could be argued, is overall political. The ultimate aim of Islamic State is to redraw the map of the Middle East by establishing an Islamic caliphate under Sharia law that stretches from Spain to Southeast Asia.<sup>34</sup> In terms of societal repercussions, Islamic State-inspired attacks abroad have resulted in deepened political and social divisions between Muslims and non-Muslims in many societies.

<sup>32</sup> Joseph Wheelan, *Jefferson's War: America's First War on Terror*, New York: Carroll & Graf Publishers, 2003, p. 144.

<sup>33</sup> Jonathan Gatehouse, Adnan R. Khan, Michael Friscolanti, "The New Age of Terror" in *Maclean's*, vol. 128, iss. 47, 2015, p. 21.

<sup>34</sup> Bruce Hoffman, "Return of the Jihadi" in *National Interest*, iss. 141, 2016, p. 12.

These attacks may be part of a strategy to radicalize the Muslim diaspora into exercising “propaganda of the deed” in various countries whose electorates are gravitating to rightwing politics partly out of fear of terrorism.<sup>35</sup>

The ninth component of terrorism fits well with Barbary State terrorism, though the political aspect is somewhat of a technicality. The Barbary States made much of their revenues through what was effectively a protection racket, which is very much in line with the practices of organized crime. By today’s standards, war crimes were definitely committed by Barbary State corsairs, most notably hostage-taking and torture,<sup>36</sup> though it should be mentioned that such acts were by no means unique to the Barbary States. The political motivations for Barbary State terrorism are more moot, however. On the one hand, the motivation for such violence was clearly financial (i.e. collecting ransom and tribute payments), and oftentimes the ransom money raised was through non-political channels, such as through the efforts of “Redemptionist” priests who raised funds privately and attempted to negotiate the release of Christian prisoners.<sup>37,38</sup> On the other hand, the most lucrative payments were acquired through political channels from governments, which technically places those financial deals under the broad umbrella of politics.

So while the primary motivation for such violence was very much financial, political negotiations were required in order to formalize the treaties sought.

## 10. Intentions of Terrorism

*The immediate intent of acts of terrorism is to terrorize, intimidate, antagonize, disorientate, destabilize, coerce, compel, demoralize or*

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<sup>35</sup> Thomas Zeitzoff, Anna Getmansky, “Divide and Conquer – The Long-Term Political Effects of Terrorism” in *Political Violence @ A Glance*, 2015, [<https://politicalviolenceataglance.org/2015/11/23/divide-and-conquer-the-long-term-political-effects-of-terrorism/>], 28 May 2017.

<sup>36</sup> *United Nations, Rome Statute of the International Crime Court, Article 8 War Crimes*, 1998, [[http://legal.un.org/icc/STATUTE/99\\_corr/cstatute.htm](http://legal.un.org/icc/STATUTE/99_corr/cstatute.htm)], 27 May 2017.

<sup>37</sup> Joseph Wheelan, *Jefferson’s War: America’s First War on Terror*, New York: Carroll & Graf Publishers, 2003, p. 52.

<sup>38</sup> Gregory Fremont-Barnes, *The Wars of the Barbary Pirates*, Oxford: Osprey Publishing, 2006, p. 17.

*provoke a target population or conflict party in the hope of achieving from the resulting insecurity a favourable power outcome, e.g. obtaining publicity, extorting ransom money, submission to terrorist demands and/or mobilizing or immobilizing sectors of the public;*

The tenth component of terrorism fits perfectly with both Islamic State and Barbary State terrorism, and encompasses many aspects of earlier components which have already been discussed. In the case of the Islamic State, all of the intentions stated above have been behind the procurement of favorable power outcomes, chief among which are the facilitation of publicity, money, submission, mobilization, immobilization and other political aims. As for Barbary State terrorism, the acts of violence committed were clear messages intended to coerce and compel either communities or governments to enter into negotiations that would favor the Barbary States. Preferred power outcomes for the Barbary States included extorting ransom money and securing tribute payments and/or gifts that would continue into the future.

## **11. Motivations for Terrorism**

*The motivations to engage in terrorism cover a broad range, including redress for alleged grievances, personal or vicarious revenge, collective punishment, revolution, national liberation and the promotion of diverse ideological, political, social, national or religious causes and objectives;*

Dovetailing with the eleventh component, the motivations behind Islamic State terrorism are indeed broad. While some experts bundle the messianic and apocalyptic religious beliefs of Islamic State volunteers into a grand ideological narrative, others find their motivations to be better explained by more complex group interests.<sup>39</sup> In contradiction to the purely religious explanation, Islamic State volunteers are often found to be rather impious religious novices who crave adventure.<sup>40</sup> For many other Islamic

<sup>39</sup> Mehdi Hasan, "How Islamic is Islamic State?" in *New Statesman*, vol. 144, iss. 5252, 2015.

<sup>40</sup> *Ibidem*, p. 28.

State volunteers, motivation often comes from donning and defending a powerful new group identity. To be part of an in-group that does not judge one's past actions or status is a powerful motivating force for people of all backgrounds who feel "adrift in a globalized world."<sup>41</sup> Furthermore, the Islamic State has had quite cozy relations with rather irreligious remnants of Saddam Hussein's Ba'athist regime, without which it likely would not have had the networking, resources and military know-how to hold on to the city of Mosul.<sup>42</sup> In short, religion is likely a convenient vehicle for Islamic State volunteers' outrage, group identity and myriad other motivations.<sup>43</sup>

As for the Barbary States, there is a strong case to be made for other non-financial and non-political motivations which, if valid, would fit well with the eleventh component of terrorism. The religious motivation behind Barbary State terrorism is often cited. For example, when questioned in London by Thomas Jefferson as to why his country was making war with the United States when it had done Tripoli no harm, the Tripolitan ambassador invoked the Koran, saying that it was the right and duty of Muslims to make war on any who did not acknowledge their authority.<sup>44</sup>

As noted earlier, some scholars see the increased religious motivation as a response to the expulsion of the Moors from Spain in 1492.<sup>45</sup><sup>46</sup> If this is accurate, then alleged grievances and collective punishment would have surely motivated many Barbary State Muslims, especially the expelled Moors, to commit acts of violence against Christians. Although the historical references to religious motivations are many, religious doctrine and grievances were more likely apposite justifications for what were truly financial and political motivations. Had "jihad by the sword" been the core motivation, Christian captives would likely have been either killed or forced to convert *en masse*, neither of which actually happened. Christian

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<sup>41</sup> Bruce Bower, "Deadly Devotion" in *Science News*, vol. 190, iss. 1, 2016, p. 18.

<sup>42</sup> Mehdi Hasan, "How Islamic is Islamic State?" in *New Statesman*, vol. 144, iss. 5252, 2015, p. 30.

<sup>43</sup> *Ibidem*, p. 28.

<sup>44</sup> National Archives (2017), *American Commissioners to John Jay, 28 March 1786*, Founders Online, [<http://founders.archives.gov/documents/Jefferson/01-09-02-0315>], 27 May 2017.

<sup>45</sup> Robert C. Davis, *Christian Slaves, Muslim Masters: White Slavery in the Mediterranean, the Barbary Coast, and Italy, 1500-1800*, New York: Palgrave Macmillan, 2003, p. xxv.

<sup>46</sup> Gregory Fremont-Barnes, *The Wars of the Barbary Pirates*, Oxford: Osprey Publishing, 2006, p. 17.

captives were more useful for their ransom and labor. The choice to “turn Turk” was always available, but it was hardly obligatory. Thus, religion played an important motivating role, but so did money and politics.

## 12. Perpetual Climate of Fear

*Acts of terrorism rarely stand alone but form part of a campaign of violence which alone can, due to the serial character of acts of violence and threats of more to come, create a pervasive climate of fear that enables the terrorists to manipulate the political process.*

Naturally, the twelfth component of terrorism fits very well with Islamic State terrorism, as the steady number of attacks over the last few years has created not only a perpetual climate of fear, but even an unfortunate resignation to the fact that regular terrorist attacks are the new normal. For example, the U.K.’s MI5 recently increased the threat level for international terrorism in the U.K. to “severe,” the second threat level increase this year alone.<sup>47</sup> But even before the recent Islamic State-affiliated bombing in Manchester, London’s mayor, Sadiq Khan, said that he believed the threat of terror attacks is “part and parcel of living in a big city.”<sup>48</sup> Across the Channel, one year after the terrorist bombings at Brussels Airport, Belgium maintains an elevated terrorist threat,<sup>49</sup> as do France, Germany and the United States.<sup>50</sup> The fact that the Islamic State is losing ground in the Middle East only increases the threat of terrorism, as potentially thousands of volunteer fighters may return home to countries all over the world and commit terrorist acts there in the name of the Islamic State.

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<sup>47</sup> MI5 Security Service, *Threat Levels*, 2017, [<https://www.mi5.gov.uk/threat-levels>], 30 May 2017.

<sup>48</sup> Gabriel Samuels, *Sadiq Khan: London mayor says being prepared for terror attacks ‘part and parcel’ of living in a major city*, *The Independent*, 22 September 2016, [<http://www.independent.co.uk/news/uk/home-news/sadiq-khan-london-mayor-terrorism-attacks-part-and-parcel-major-cities-new-york-bombing-a7322846.html>], 30 May 2017.

<sup>49</sup> Riccardo Dugulin, “Belgium’s evolving terror threat” in *Global Risk Insights*, 2017, [<http://globalriskinsights.com/2017/03/belgiums-evolving-terror-threat/>], 30 May 2017.

<sup>50</sup> Oliver Smith, *Mapped: The 48 countries where a terrorist attack is most likely*, *The Telegraph*, 26 May 2017, [<http://www.telegraph.co.uk/travel/maps-and-graphics/Mapped-Terror-threat-around-the-world/>], 30 May 2017.

The twelfth component of terrorism also fits well with Barbary State terrorism, as such violence had been taking place in one form or another since the fall of the Roman Empire. At the beginning of the 16<sup>th</sup> century, however, the presence of Barbary State corsairs became much more significant, taking on the wholesale state-sponsored characteristics outlined in this research.<sup>51</sup> The threat of Barbary State terrorism was not permanent, fortunately. Following the American successes at throwing off the odious yoke of Barbary State terrorism during the Barbary Wars, European states followed suit and won their own exemptions from Barbary State demands through force. When the French invaded Algiers in 1830, the serial acts of terrorism and threats posed by the Barbary States were permanently ended.<sup>52</sup> As a result, the climate of fear that had emanated from the coasts of Barbary for hundreds of years finally came to an end.

## Conclusion

Both Barbary and Islamic State terrorism fit overwhelmingly with Schmid's revised academic consensus definition of terrorism, although they deviate from certain components due to the unique nature of each "state."

Islamic State terrorism deviates from components one, two and seven, though only partially in each case. As per the first component, the Islamic State only operates clandestinely where it is weak, leaving it otherwise free to operate openly in the territory it holds. This distinction spills over into the second component regarding the Islamic State's quasi-state existence. The Islamic State has been fairly unique for its effectiveness at seizing, holding and governing territory—something it has done better than the formally recognized states of Iraq and Syria at times. Given its unique aim to seize and govern territory, the Islamic State does not always seek maximum media coverage of its many atrocities, as Schmid's seventh component stipulates; many of the acts of violence it commits are done out of a Weberian necessity to establish a monopoly over the use of force in areas it controls. Beyond these *sui generis* distinctions stemming from its state-like behavior, the Islamic State's variety of terrorism matches Schmid's definition of terrorism point for point.

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<sup>51</sup> Gregory Fremont-Barnes, *The Wars of the Barbary Pirates*, Oxford: Osprey Publishing, 2006, pp. 20-21.

<sup>52</sup> *Ibidem*, p. 87.

As for Barbary State terrorism, its unique aspects only differentiate it in part from components one, two, four and five of Schmid's definition of terrorism. Regarding the first component, Barbary State terrorism was conducted openly rather than clandestinely, as much of the violence committed was essentially commercial kidnapping regulated by foreign nations through treaties. These treaties placed legal restraints on Barbary State terrorism—an aspect which is partially at odds with Schmid's second component. As for the fifth component, terrorism's lack of moral restraints, including indiscriminant raiding, enslavement and executions, was not a feature of Barbary State terrorism. The religious constraints of Islam meant that only non-Muslims could be targeted, while the chance to ransom captives meant that they were worth more alive than dead. Add to this the chance for Christians to gain freedom through conversion, and the *de facto* result is that Barbary State terrorism came with certain moral restraints.

Regarding Schmid's fourth component of terrorism, Barbary State terrorism differed in that its threat-based communication did not include a call to arms among the co-ethnics and co-religionists of Barbary. The Barbary States ostensibly posed a unified threat to the Christian world, though in practice they acted autonomously and sought to maximize relative gains at each other's expense. Religious doctrine and grievances were surely important motivating factors behind Barbary State terrorism, especially for the Moors bitterly expelled from Spain, but, on the whole, religion likely served more as a convenient enabler for the Barbary States to target non-Muslims, while the allure of riches through ransoming, looting and lucrative contract-making—rather than the desire to spread religion—were the Barbary States' key recruitment tools.

In conclusion, this comparative analysis was done with the aim of comparing and contrasting both Barbary and Islamic State terrorism to a highly nuanced definition of terrorism in order to identify the unique features of each. Islamic State terrorism's distinctiveness relative to Schmid's definition comes mainly through attempts to control territory in much the same way a traditional state does. Contrarily, what mainly distinguishes Barbary State terrorism from Schmid's definition is more multifaceted. It was a distinctive form of asymmetrically state-regulated maritime violence kept within certain legal and moral bounds by a variety of political, economic and religious motivations. Leaving aside the obvious apples-to-oranges issues

with assessing Barbary State terrorism using a contemporary definition of terrorism, this paper's basic academic exercise has been useful for highlighting the considerable overlap between these two forms of terrorism and Schmid's academic consensus definition of terrorism.

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## Book Review

### Joel Wuthnow, *Chinese Diplomacy and the UN Security Council: Beyond the Veto*,

London and New York, Routledge, 2013, 240 pp.

Ionuț-Eugen-Radu Sava\*

While the world is adjusting to yet another fragmented cycle of humanity, the coeval circumstances represent the quintessential momentum to reset the standards of aspirations, values and principles of nations across the world. Recent developments within the greater geopolitical diagram brought a major consequence which is synonym, I would say, to the notion of *power vacuum*.<sup>1</sup> Hence, such features become harder to be digested by those classical actors. In parallel, witnessing a fluctuant 21<sup>st</sup> Century where tradition meets modernism, where the West meets the East, the ever-changing framework offers, beyond doubt, the chance for states to assert, to step up and expand its potential inward different patterns; it is the terminus point when these actors acquire specific configurations and take the opportunity to reshape those already existing frameworks. Their credibility, however, might ultimately be put at stake, because their range of operation limits the actions inside this fragile system which stubbornly holds onto the conventional establishment. In the light of these disclosures, I intend to review in the upcoming passages a book published by Joel Wuthnow, a young American sinologist, whose work serves as a pivot in understanding China's actions in the United Nations (UN) Security Council (SC) in recent years.

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\* MA Student in Compared European Political Studies, Faculty of European Studies, Babeș-Bolyai University. He is also studying Chinese Politics and Foreign Policy at Tsinghua University in Beijing. He has a BA degree in International Relations and European Studies from the Faculty of European Studies, Babeș-Bolyai University.  
Contact: radussava@gmail.com.

<sup>1</sup> Denny Roy, "Assessing the Asia-Pacific 'Power Vacuum' " in *Survival*, vol. 37, no. 3, 1995, pp. 45 – 60.

From a broader point of view, the book encompasses an analysis of China's activity for the past years within the United Nations Security Council, trying to back these actions with pertinent arguments, figures – including here official United Nations data –, and recent study cases. The arguments are built around a compilation of historical evidence outlining different effects of negotiation rounds within the Security Council, for instance, or evaluating scenarios through political interrelations.

Alternatively, it gives insights regarding Beijing's relations in the Security Council with Washington or Moscow, for example, yet it does not lose sight of China's relations with "other regional powers"<sup>2</sup> (such as perhaps Brazil, Germany, India, Iran, Japan, South Korea, Turkey etc.) which "might hold influence...in negotiations that are likely to weigh in China's political calculus."<sup>3</sup> I would say that the book besets a theoretical approach at the very beginning. It reveals the outcomes of China's actions in the Security Council while focusing "on the book's methodology, and notes the reasons for, and constraints on, a case study-centric research design". The content is not speculative, diminishing gradually the theoretical substance to practical parameters. These parameters define the core – a practical dimension – without which interrogating China's orientation in the last decade could not take place.

The first chapter offers an overview of the context in which China joined the United Nations, and seeks to take a dive into the "first 40 years in the UN Security Council"<sup>4</sup>. This "historical narrative"<sup>5</sup> debates the characteristics of Chinese diplomatic "strategy of restraint"<sup>6</sup>, arguing that China faced some difficulty due to the existence of the two antithetical ideologies of the time represented by the United States of America and by the Union of Soviet Socialist Republics. This being said differently, the author sketches more vigorously the increasing role of China's 2000 years in the Security Council. It is noted that the post-Cold War orientation is set to me "more distinctive"<sup>7</sup> and leaning towards more flexibility due to the

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<sup>2</sup> Joel Wuthnow, *Chinese Diplomacy and the UN Security Council: Beyond the Veto*, London and New York: Routledge, 2013, p. 53.

<sup>3</sup> *Ibidem*.

<sup>4</sup> *Ibidem*, p. 14.

<sup>5</sup> *Ibidem*, p. 9.

<sup>6</sup> *Ibidem*.

<sup>7</sup> *Ibidem*.

nature of prioritizing interests which became more nuanced<sup>8</sup>. This polishes, as a consequence, not only how China related itself to the United States or to various circumstances within the Security Council, but also how China reacted to the latter great challenges discussed in the Council.<sup>9 10 11</sup> It is utterly important to understand China's new engagement with the international community and observe these evolutions. Therefore, the first chapter, *inter alia*, presents a holistic view of the Chinese advancement after Deng's era and its reflection aside the New World Order.

The second chapter, entitled "Collective security decision making: An analytical framework", "identifies the empirical puzzle"<sup>12</sup> within our discussed equation. Wuthnow defines a path to understanding a particular "analytical framework"<sup>13</sup> by means of several study cases debated extensively in the following chapters<sup>14</sup>: North Korea (2006), Iran (2010), Sudan or Burma (2007). Questions like "Why was it [China] willing to punish North Korea, but not Burma; Libya, but not Syria? Why does it change its position during the course of debates?"<sup>15</sup> arise throughout the book. At first, these seem opaque, but inserting the gradual transfer of knowledge and translating theory into practice represents nothing but the most elegant manner of exposing an objective generic argument-based diagram. This, from my point of view, determines the "typology of interests"<sup>16</sup>, and the set of methodological instruments used by Wuthnow throughout his book. Basically, it filters propositions and explores not just situations in the Security Council, but the relations and the dialogue between Council members, which leads to explaining the decision making and decision taking processes in this particular UN body. Applying the same techniques for every model identifies some interests targeted and

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<sup>8</sup> Notable scholars, including Chinese ones, refer to the effects of Deng Xiaoping's reform as the "policy of opening up" (See Qingming Zhang, for instance, in *China's Diplomacy*, Singapore: Cengage Learning Asia, 2011, p. 42.)

<sup>9</sup> *Ibidem*, p. 28.

<sup>10</sup> *Ibidem*, p. 33.

<sup>11</sup> *Ibidem*, pp. 36 - 37

<sup>12</sup> *Ibidem*, p. 10.

<sup>13</sup> *Ibidem*, p. 42.

<sup>14</sup> *Ibidem*, p. 38.

<sup>15</sup> *Ibidem*, p. 2.

<sup>16</sup> *Ibidem*, p. 43.

expectations<sup>17</sup> of the actors involved, meanwhile describing methods, limits and limitations.<sup>18</sup> Therefore, observing the use of these throughout the book systematically in every study case presented does not come as a surprise: it strengthens the objectivity of the arguments and hypothesis, and links more efficiently the chapters with one another.

The following four chapters of the book offer a wide range of explanations, explanatory positions, and weights and counterweights respectively various arguments. Wuthnow himself notes, in a nutshell: "Chapter 3 examines the reasons for China's votes on resolutions against North Korea in 2006 and 2009, pointing to the shock of the latter's two nuclear tests as the best explanation. Chapter 4 asks why China agreed to sanctions on Iran in 2010, and argues that a concerted political effort by the USA and its allies, combined with concessions, was necessary to secure China's vote. Chapter 5 considers the first of two negative cases—China's refusal to threaten to punish Sudan in 2007 for its failure to admit UN peacekeepers into Darfur—while its veto on a draft resolution targeting Burma in the same year is covered in Chapter 6."<sup>19</sup> This being said by the author himself, further input upon the study case-related parts of the book is unnecessary. However, these asymmetrical chapters (agreeing on North Korea and Iran *vs.* disagreeing on Sudan and Burma) are meant, from my perspective, to outline the fact that "China adeptly triangulates a variety of interests before declaring its positions, on a case-by-case basis"<sup>20</sup>.

To sum up, "Chinese Diplomacy and the UN Security Council: Beyond the veto" by Joel Wuthnow has an essence which, during the reading, becomes subtle. The emphasis falls upon the retrospective of China's actions in the Security Council of the United Nations. The content of the book is not trivial, because it is necessary, in multilateral circumstances, to observe China's complex attitude. In the light of this, I may assume that the book itself might represent a piece of a broader puzzle which aims at perceiving, in practical terms, China's rise in the 21<sup>st</sup> Century. Wuthnow expresses a double facet of a type of "volcanic" diplomacy -

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<sup>17</sup> *Ibidem*, p. 55.

<sup>18</sup> *Ibidem*, p. 58.

<sup>19</sup> *Ibidem*, p. 10.

<sup>20</sup> *Ibidem*, p. 134.

what might happen, what happens or what happened. The dominant mode of exposure avoids repressiveness, and the topic is addressed in a comprehensive, realistic and dynamic style.

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