
A Fork In The Silk Road

By Borut Grgic And Alexandros Petersen
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Generally considered to be a small, booming post-Soviet petro-state, Azerbaijan is a country on the maps of oil men but on the margins of Europe and the greater Middle East. Russia's August invasion of Georgia, however, has caused Western decision makers to take another look at the region, and Azerbaijan in particular.

There is an increasing realization among Western strategists and energy producers that Azerbaijan -- nexus of the Black Sea and Caspian regions, neighbor of Russia, Iran and Turkey, and bottleneck for Western links to the rich resources and growing markets of Central Asia -- is a pivotal point in Eurasia. And, as this month's elections there showed, it is a country on the brink. Partly as a function of its geographical position, but also due to shifting dynamics of influence in the region, the leaders and population of Azerbaijan are being enticed to move in one of two general directions: toward Western integration or Russian-dominated "Eurasianism."

Until now, Azerbaijan's leadership has pursued a canny "all options open" foreign policy, but one that was firmly oriented toward Europe and the broader West. Its former president, Heydar Aliyev, daringly challenged Russia's self-proclaimed sphere of influence long before Georgia did, by building the Baku-Tbilisi-Ceyhan oil pipeline and a parallel line for natural gas that directly reach Western markets. Baku actively lobbied for U.S., NATO and EU involvement in the region to provide for Caspian maritime security and to help solve its "frozen" conflict with Armenia over the territory of Nagorno-Karabakh.

But Azerbaijanis were disappointed by the West's reaction to this summer's events in next-door Georgia, and the growing inclination in many European capitals to capitulate to Russia in the broader Black Sea region. While Russian tanks menaced Tbilisi, Baku began exporting oil through Russia and Iran. Now Moscow, a longtime friend of Armenia's in the Karabakh conflict, has begun quietly supporting Azerbaijan's position in the hopes of securing a deal for all of Azerbaijan's available natural gas exports. In the absence of incentives or even attention from the West, Baku is seriously considering a major foreign-policy reversal.

This shift comes at exactly the wrong time for European and broader Western interests. This month, a British auditing company confirmed that the country across the Caspian from Azerbaijan, Turkmenistan, has the world's fourth-largest natural gas field and probably enough total reserves to meet export commitments to Russia, China and Europe. Kazakhstan is also stepping up its westward oil exports. The only route for these supplies to reach Europe passes through Azerbaijan.

Western attention has lately been focused on governance in Azerbaijan, with election monitors from the Organization for Security and Cooperation in Europe giving Baku a balanced progress report on democratic development. The Oct. 15 election -- which the incumbent president, Ilham Aliyev, won handily with over 90% of the vote -- for the first time met most international standards and marked a genuine improvement in election conduct. There were missing elements too, namely the lack of a competitive campaigning climate. But Western preoccupation with the election process misses the full picture of governance in Azerbaijan and, more importantly, ignores the geopolitical imperatives of the region.

In the past year, Azerbaijan was the world's fastest reforming country, according to the World Bank. It is a global leader in energy-sector transparency and sustainable development. Both the World Bank and the OSCE report that it has made significant strides in building viable institutions and bolstering the independence of its judiciary -- claims that its democratic neighbor, Georgia, cannot make.

But it is Azerbaijan's role as a regional weather vane that draws the most Western focus. The leaders of Kazakhstan, Turkmenistan, Uzbekistan and even Armenia look to Baku for signals of where they should take their multivector foreign policies. Should Azerbaijan let itself be wooed by Russia at the expense of its links to the West, a strategic chunk of Eurasia would likely follow suit.

Western leaders must not only realize the geopolitical importance of Azerbaijan, but take action to strengthen ties that reflect that understanding. Above all, the EU must seek to foster conflict resolution in the Caucasus and build links across the Caspian -- with Azerbaijan as a central partner in those efforts. After the conflict in Georgia, the key to doing so is Turkey, Azerbaijan's traditional cultural and linguistic friend, and the only NATO country to produce a serious and comprehensive plan for stability, cooperation and development in the region. Western capitals would do well to support Ankara's Caucasus Stability and Cooperation Pact in providing a workable forum for peace between Azerbaijan and Armenia, and a resolution of tensions in Georgia which menace energy, transport and trade links with broader Eurasia.

Despite preoccupations with U.S. presidential politics and the global financial crisis, the West must engage Azerbaijan now. The geopolitical fate of the Eurasian continent is at stake.

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