

ANALYSIS

COVID-19 HAS INCREASED THE IMPORTANCE OF AZERBAIJAN IN THE REGION

The novel coronavirus and resulting COVID-19 pandemic have radically changed world politics and affected the balance of power in some regions. Despite its global nature, coronavirus demands individual solutions from each country that, in turn, are significantly influenced by states' national interests and foreign policy preferences. The concept of self-reliance raised some questions for political leaders on how to reform each country's health system and find more trustworthy partners. As U.S. diplomat Henry Kissinger highlighted, any new world order is based on the increasing role of individual states. Changes in the system of international relations were taking place long before COVID-19, but the virus has accelerated these processes.

The geopolitical and economic characteristics of Azerbaijan, with its existing level of infrastructure development, justifies the strong interest of the major powers in strengthening its presence in the region. There is a focus on socio-economic development, the ongoing conflict with neighboring Armenia, and the foreign policy orientation of the country. Azerbaijan, which has proven itself a reliable partner, is therefore attracting specific attention from global geopolitical players.

China becomes more oriented towards Central Asia and the Caucasus

The confrontation between two economically and technologically advanced superpowers, the U.S.A. and China, has become a fierce competition with the potential to become a new, full-blown Cold War. Mutual accusations on the origin of coronavirus infection and the actions of the authorities in both countries have already affected the economic and political decisions of Beijing and Washington – in relation to each other, and towards foreign policy preferences.

An extensive network of trading ties has motivated China to make new investments in the development of roads and infrastructure between China and Europe, which now partially passes through the southern regions of Central Asia, Azerbaijan and Turkey, and further on to Europe. Despite the fact that the European economy has not yet recovered after the coronavirus, China is working further to implement its existing investment contracts for the construction of roads. On its side, Europe has sought to nudge China to make reforms in how it trades and does business, but it does not deny its interest in having a closer economic partnership with China. As German Chancellor Angela Merkel stated, "the 27-member bloc's relationship with China will be a top priority when her government takes over the six-month rotating EU presidency on July 1."

The Caspian Sea has an advantageous geographical position at the intersection of transport communications of world significance passing in the north–south and east-west directions. Azerbaijan, as a regional economic leader, represents a specific interest of China. Rail freight transport has become an important area of interest during the pandemic. At the beginning of 2020, the Secretary-General of the Silk

Road Chamber of International Commerce, Lu Jianzhong, said that, because of the Baku–Tbilisi–Kars railway, the time taken for transporting goods from China to Europe had been significantly reduced. The project is important for China because it will lead to an increase in the effectiveness of the Belt and Road Initiative. In the long run, China is interested not only in Chinese goods being transported along this line, but also European products being brought to China.

Even earlier, in December 2019, Tashkent hosted the first multilateral meeting of the heads of railway infrastructure of Azerbaijan, Georgia, Kyrgyzstan, Turkmenistan, and Uzbekistan on the development of an international multimodal route (China–Kyrgyzstan–Uzbekistan–Turkmenistan–Azerbaijan–Georgia–Turkey/Europe), created on the initiative of Azerbaijan.

American diplomat Zbigniew Brzezinski once identified Azerbaijan as one of the geopolitical centers of Eurasia, control over which enables a significant advantage in the struggle for supremacy in Eurasia. However, we do not see active U.S. engagement in the Eurasian region today. Nevertheless, U.S. officials have expressed the readiness of U.S. companies to invest in the Alat Free Economic Zone. Director General of the Baku International Sea Trade Port, Taleh Ziyadov, noted that Azerbaijan could become a regional center for American companies, and stressed that the geographical position and existing infrastructure of the country enable this. These factors create favorable conditions for further increasing the U.S. role in the region, working only through foreign economic relations, trade and investment, without active engagement in security and political terms.

Against this background, in the near future we should expect further increases in Beijing’s economic as well as political influence in the region; this will undoubtedly strengthen the position of China in other areas, primarily in the humanitarian and security spheres. Following the successful development of trade and investment agreements, China is likely to successfully promote other formats of cooperation, both with Azerbaijan and the other countries of the region. In the long run, this will have a significant impact on the geopolitical balance of power in the Caspian region.

Increasing role of international organizations and programs

Active participation in the work of international organizations is considered as an important part of state strategy and serves to strengthen the importance of Azerbaijan’s role in the international arena. During the COVID-19 pandemic, Azerbaijan provided financial support and medical aid to 29 countries, directly or via the World Health Organization. Along with other countries, Azerbaijan supported the World Health Organization with additional financial injections equal to \$10 million in the fight against coronavirus.

In mid-April, at the initiative of the President of Azerbaijan, an Extraordinary Summit of the Turkic Council was held with the participation of heads of state and the director general of the World Health Organization. During the event, issues of ensuring trade and transit–transport relations, cooperation in the field of healthcare, and assistance to citizens of countries participating in the Turkic Council were discussed.

As chairman of the Non-Aligned Movement, President of Azerbaijan Ilham Aliyev held a summit in May at which it was announced that the government of the country would provide donations to the World Health Organization to assist the neediest member countries of the movement. The “Donor Agreement between the Republic of Azerbaijan and the World Health Organization” was signed in May in Geneva. Under this, members of the Non-Aligned Movement from Africa, Asia, and Latin America, which are most in need, received assistance in the fight against coronavirus.

Azerbaijan is also committed to developing its ties with the European Union in all areas. This was restated by President Ilham Aliyev during the Eastern Partnership leaders’ video conference on June 18. Within the

framework of the Eastern Partnership program, the European Union allocated about €1 billion to support the six participating countries during the pandemic crisis.

It is important to note that the European Union has stepped in to take a stricter position towards the unresolved conflicts in the region of the Eastern Partnership. On June 19, the European Parliament adopted Resolution 2019/2209 (INI), entitled “European Parliament recommendation to the Council, the Commission and the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy on the Eastern Partnership, in the run-up to the June 2020 Summit.” The resolution expresses the EU’s concern over the violation of territorial integrity of some Eastern Partnership countries, including Azerbaijan, which has suffered from Armenian occupation for almost 30 years. The European Union voiced its support for the territorial integrity of Azerbaijan within the internationally recognized borders, including the occupied Nagorno-Karabakh region. Such a precise and openly demonstrated position of the European Union manifests its interest in working more intensively with Azerbaijan within the framework of the Eastern Partnership program as well as through bilateral cooperation.

There are other significant projects between the European Union and Azerbaijan, such as the Southern Gas Corridor energy project, which should be ready by the of 2020. On May 20, the last pipeline link was installed to allow gas to flow the into the Albanian section of the Trans-Adriatic Pipeline. Baku and Brussels are also finalizing a new bilateral agreement, which is 90% agreed upon.

Potential for the development of Caspian states cooperation

In the current conditions, it is important for leaders of countries to conduct close consultations among themselves and, with appropriate coordination, cooperation and caution, to do everything possible to ensure the possibility of maintaining ties and responsible trade among themselves and with the rest of the world. Cases of COVID-19, and fatalities, have been reported in all countries of the Caspian region. Nevertheless, the countries have welcomed international assistance while providing mutual support to each other. In the current pandemic, such cooperation in the Caspian region is more necessary than ever before.

Restarting economic activity is now an important issue for all countries, which need to increase economic growth that was lost during the decline in activity. The North–South Project (a railroad link connecting Russia and Iran via Azerbaijan) is being given special attention through, in particular, the strengthening of cooperation between the three countries. Currently, German investors are interested in expanding the North–South Project to Hamburg and Rostock in order to increase delivery leverage and synchronize deliveries within this multimodal international route from India and beyond to Germany. Although difficulties remain around the construction of the Iranian section of the project, owing to both the coronavirus pandemic and western sanctions, the desire of countries to quickly begin operation of the project at full capacity nevertheless provides huge impetus.

Other projects in the Caspian region are not subject to serious economic risks, as they pass through Azerbaijan using already established infrastructure in the east–west direction. Azerbaijan is ready to receive goods from Kazakhstan and Turkmenistan, and transport them along the Baku–Tbilisi–Kars route to Turkey and further to Europe.

In recent years, Azerbaijan has significantly increased its standing as a reliable partner within the framework of international organizations and programs as well as in the bilateral format. Many of the abovementioned processes were in progress even before the coronavirus pandemic, but COVID-19 made them more visible and notable. Currently, the intensive development of these processes is a prerequisite

as, in the post-pandemic world, countries look for more intensive economic cooperation, even though political partnerships and relationships of trust must undergo certain changes.

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