

Introduction

Twenty years after the achievement of independence, Azerbaijan is gradually emerging as a regional pivotal state in the heart of Eurasian space, and as a responsible partner in international relations.

Two structural features of Azerbaijani geopolitics seem to have contributed to this trend. First and foremost, being strategically located at the crossroads between the European, Middle Eastern and Central Asian scenarios, Azerbaijan has turned out to be an obligatory interlocutor for the arrangement and implementation of regional policies by the most relevant state and supranational actors active in Eurasian regional systems. On the other hand, its possession of large hydrocarbon resources and its location at the junction between the Central Asian energy producing areas and the European markets, raises Azerbaijan's strategic value within the fierce international competition for hydrocarbon access, exploitation and transportation. Against this background, a pragmatic foreign policy based on the principle of non-alignment and the attention traditionally paid to attracting foreign investment in the energy sector seem to have allowed Azerbaijan to capitalize on its geopolitical assets and to gain a relevant role in the multifaceted post-Soviet space.

Yet, Azerbaijan's role in the Wider Black Sea area makes the country a crucial partner for the European Union. Having reached the basin's shores in 2007, the EU pursues policies of stabilization and normative attraction of its Eastern neighborhood, based on the assumption that the Community's security and welfare begins beyond its borders.

Notwithstanding Azerbaijan's increasingly important regional profile, the country still seems to be suffering from what Dov Lynch almost a decade ago called the proximity/distance paradox affecting the broader Southern Caucasus region¹. Indeed, although the latter lies close enough to the European space to share its main political and economic dynamics and to force the EU to engage regionally, it is distant enough that threats emerging from the region are not

¹ D. Lynch, *The EU: Towards a Strategy*, in idem (ed.), *The South Caucasus: a Challenge for the EU*, Chaillot Paper No. 65, Paris, EU Institute for Security Studies, December 2003, p. 178.

perceived as immediate. In turn, in Europe this tendency reinforces a perception of “otherness” with regard to Azerbaijan and the Southern Caucasus, which is not justified by the investigation and analysis of XXI century geo-strategic and geo-economic dynamics.

The same paradox seems to be partially occurring in Italy, one of Azerbaijan’s main political and economic interlocutors in Europe. Doubtless, energy cooperation represents the backbone of the Italian-Azerbaijani strategic partnership. Indeed in 2011, on the eve of the twentieth anniversary of the establishment of bilateral relations, Azerbaijan became the main oil supplier to Italy which, due to its energy imports, has been the main designation for Azerbaijani exports ever since 1999 and the opening of the oil supply channel linking the two countries. Moreover, Italy is at the forefront of the EU effort aimed at the opening of a gas supply channel from Azerbaijan which, from 2017 onwards, will help reduce Europe’s dependence on Russian Federation supplies. However, looking beyond the energy sector, Italy’s position in the Wider Black Sea scenario, and its traditional inclusive view of regional relations as well as a production system complementary to that of Azerbaijan, create new and significant room for cooperation between the two countries.

Against this background – and consistently with the attention traditionally paid to the Caucasus by ISPI through the creation of a dedicated Program and the maintaining of a regular channel of dialogue with national policy and economic decision makers – cooperation between ISPI (Institute for International Political Studies) and SAM (Strateji Araşdırmalar Mərkəzi Center for Strategic Study) represents a significant development in view of the deepening of bilateral relations between Italy and Azerbaijan. Formalized in 2011, the ISPI-SAM partnership is indeed a privileged instrument with which to bridge the gap of understanding between the two countries and, not secondarily, to complement Italian-Azerbaijani intergovernmental cooperation with deeper scientific cooperation capable of supporting and strengthening the latter.

This volume – the result of the first ISPI-SAM joint research project – focuses on the European dimension of the bilateral relationship, a privileged area of cooperation between Baku and Rome. Indeed, the European Union 2004-2007 enlargements made security, stability and prosperity in the neighboring Eastern countries a key priority for the Union, whose social, economic and strategic stability begins outside its borders. Against this backdrop, the launching of the EU Eastern Partnership (EaP) represented an ambitious attempt to step-up bilateral and multilateral relations between the EU and its Eastern neighbors, and to provide new stimulus for the implementation of social and economic reforms. Indeed, there is a growing awareness that stabilization of the Eastern neighborhood is not simply a matter of successful foreign policy, but that it can bring economic and social benefits to Europe as a whole.

Yet, the improvement of the EU Eastern Partnership requires re-conceptualization focusing on those issues where cooperation and convergence are not only feasible but also more suitable in view of pan-European economic growth and security. New pragmatism based on best practices and greater and

strengthened involvement of non-state actors (that is entrepreneurs, small and medium enterprises, economic operators etc.) is hence needed.

The aim of this volume is to assess the functioning of the EaP within selected policies, and moving from their accomplishments and shortcomings, to identify means to improve the overall efficacy of the framework, taking into consideration both EU and Eastern partners' expectations and needs. Consistent with this, the volume is divided into two parts addressing EU and Azerbaijani views on the same selected topics – EaP general framework, energy security, economic cooperation and border security. Finally, the conclusion brings together Brussels' and Baku's perspectives, in an attempt to pragmatically identify a common ground on which to base the enhancement of EU-Azerbaijani bilateral and multilateral relations.

*Paolo Magri, Executive Vice-President and Director, ISPI
Farhad Mammadov, Director of the SAM, Center for Strategic Studies*