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## DEVELOPMENT TRENDS OF RELATIONS OF AZERBAIJAN-EUROPEAN UNION

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**Abstract.** The development trends of relations between the European Union and the Republic of Azerbaijan are of great importance in terms of monitoring the dynamics of the development of this international organization's relations with Azerbaijan as a whole. It is no coincidence that the joint statement adopted by the EU and its member states on December 31, 1991, recognizing the independence of the Republic of Azerbaijan, revealed a more dualistic position of the EU in the initial stages. Thus, the European states initially treated the Republic of Azerbaijan, which had regained its independence, and the South Caucasus as a whole, as a territory within the sphere of influence of Russia. It is more clearly seen, especially in relation to the Armenia-Azerbaijan conflict, which became more intense since the 1980s. It is not for nothing that, apart from Azerbaijani researchers, even Western researchers characterize the initial period of development of relations between the parties as "years of lost or costly failures".

**Key words:** Azerbaijan, European Union, The Partnership and Cooperation Agreement, the strategic position of Azerbaijan, EU member states.

**Introduction.** In the first years of Azerbaijan's independence, all the documents adopted by the European Union on the Armenian-Azerbaijan conflict were limited to condemning the conflict, and in humanitarian aid, Armenia was clearly given priority. Naturally, this factor also stemmed from Christian solidarity tendencies. During the presidency of the Great Leader Heydar Aliyev over the Republic of Azerbaijan, a new stage of cooperation with the EU and the Council of Europe was entered. In general, Heydar Aliyev's wisdom was that by bringing stability and peace to our country in the 1990s, he eliminated the threats to the statehood of Azerbaijan, and was also able to protect our fledgling freedom and independence from very powerful foreign forces. At that time, the National Leader, who well appreciated the dependence of European states on energy resources such as oil and gas, developed an oil policy strategy against those who had always held the South Caucasus with the "Armenian card" throughout history, opened the East-West corridor, and managed to hold the International Baku Conference dedicated to the revival of the Great Silk Road (Mahmudov, 2002, p. 178). Not content with this, the great leader also began to implement the idea that *"the Azerbaijani state should follow the path of democratic state building by effectively using world democracy and universal values"* (Azərbaycan Respublikasının Prezidenti Heydər Əlirza oğlu Əliyevin Andıçmə mərasimində nitqi, 1993), which he declared at the inauguration ceremony, in a practical sense, against the background of relations established with the European Union. The signing of the Partnership and Cooperation Agreement between the Member States of the European Union and the Republic of Azerbaijan in Luxembourg on April 22, 1996 was an indicator of the work to be done in this direction (Hüseynova, 2001, p. 156). This Agreement played the role of a legal basis in the relations between the parties and reflected the general provisions of cooperation.

**The main text.** The purpose is to examine the development trends of relations between the European Union and the Republic of Azerbaijan, to characterize them from the point of view of monitoring.

**The methodology of the research.** In this article we relied on the comparative-contrastive method, in which we discovered a synthesis of experimental-empirical and scientific-theoretical data.

**The results and discussion.** When paying attention to the preamble of the Agreement, it becomes clear that the aim was to ensure cooperation between the parties in economic, cultural, social, and generally broader areas. The first part of the Agreement covered general principles, and Articles 1–4 reflected the principles of compliance with democratic principles and human rights based on the 1975 Helsinki Act, the 1990 Paris Charter, and cooperation with other independent states of the South Caucasus. The second part of the agreement was called “Political Dialogue”. This part covered Articles 5–8 (Vaqifqızı, 2017, pp. 33–34). The goal was to establish, develop, and activate a regular political dialogue as the initial trends in the development of relations between the parties. In the initial stage, it was indeed the political dialogue between the parties that strengthened the process of rapprochement of the Republic of Azerbaijan and the EU. As a result, the political and economic changes taking place in Azerbaijan were supported and favorable conditions were created for the development of new forms of cooperation. Article 5 states that “this dialogue may also be transferred to the regional level in order to prevent regional conflicts and tensions”. According to Article 7, which concerns political dialogue, the parties considered it necessary to use other diplomatic channels, including bilateral and multilateral relations with organizations such as the UN and the OSCE. The third part of the Agreement, entitled “Trade in Goods”, consists of 11 articles and covers Articles 9–19. This section defines the basic principles of trade in goods between Azerbaijan and the European Union. The articles of the section apply to the exchange of all types of goods, with the exception of textile products, coal, steel products and materials of nuclear weapons (Articles 17–19). According to Article 9 of the section, the parties provide each other with the most favorable regimes in each of the relevant areas:

- customs duties and charges applied to exports and imports, methods of such duties and charges;
- customs inspections, transport, warehouses and unloading of products;
- all types of taxes applied to imported products; methods of payment;
- rules for the sale, purchase, transportation, distribution and use of products on the national market.

According to Article 12 of the Agreement, no limits were imposed on the export of goods from the Republic of Azerbaijan to the Union countries. The only restrictions were imposed on textile products and goods related to the Treaty Establishing the European Coal and Steel Community. That is, Article 12 did not apply to these products. Article 13 provides for the realization of market prices between the trading parties. The most important provision of the Agreement regarding the known section was undoubtedly designed to protect its internal market. This was related to the possibility of the parties to apply security measures and anti-dumping rules in relation to goods imported from each other’s territory. So, according to Article 16, the Agreement contained some prohibitions and restrictions on the import, export and transportation of certain products.

The next, that is, the fourth section of the Agreement is entitled “Regulation on entrepreneurial activity and investments” and consists of 6 chapters. These chapters reflect the conditions for labor activity, the activity of enterprises and companies, cross-border provision of services between the Union and the Republic of Azerbaijan, current payments and capital, protection of intellectual, industrial and commercial property and general issues.

According to separate clauses of this section, the members of the Union and the Republic of Azerbaijan undertook not to discriminate on the basis of citizenship in the hiring, working conditions, remuneration and dismissal of the other party within their territory. The same applies to enterprises, companies and their branches, with the exception of companies related to air and water transport. In cross-border services, the parties, namely the Republic of Azerbaijan and the member states of the European Union, support and recommend the gradual liberalization of this area (Vaqifqızı, 2017, pp. 35–36).

The Partnership and Cooperation Agreement also established articles on capital and payments between the Republic of Azerbaijan and the European Union. According to Article 41, the parties undertake to “make any current payments between the Presidents of the Republic of Azerbaijan and the Union in freely convertible currency”. Chapter VI of Section IV of the PCA is related to the protection of intellectual, industrial and commercial property. This chapter aims to bring the level of provision of relevant rights in the Republic of Azerbaijan to the level of the Union’s obligations. Section 5 of the Agreement is called “Cooperation in the Field of Legislation”. This section envisages the improvement of legislative institutions between the parties. This process includes the following areas of law: Customs legislation, banking activities, company law, accounting and tax payment of companies, intellectual property, labor protection, financial services, competition rules, health law, legislation on environmental protection and exploitation of natural resources; technical norms and standards, legislation and regulatory acts in the field of transport, nuclear energy, protection of consumer rights. In order to achieve the afore-stated goal in the listed areas, the Agreement envisaged the provision of technical assistance to the Republic of Azerbaijan, such as the exchange of experts, the organization of seminars, the translation of legislative acts of the Union, and the transfer of specific information on relevant legislation. One of the most important sections included in the Agreement is “Economic Cooperation”. The Agreement, which envisages large-scale economic cooperation between the Republic of Azerbaijan and the Union in this section, consisting of 27 articles, proposes to take comprehensive measures to implement economic reforms in Azerbaijan, restore the economy, and promote sustainable development. In this section, the main attention is paid to the energy sector, food security, environmental protection, economic and socio-economic development, human resources development, agriculture, tourism, transport, and development of the regions. One of the interesting aspects was the inclusion of science, education, and technology in the framework of economic cooperation. Cooperation in science and technology is reflected in Article 52, which envisages the exchange of scientific and technical information and the implementation of joint activities in the field of scientific technological revolution (STR) (Vaqifqızı, 2017, pp. 37–38). In the field of education and vocational training, the main focus was primarily on improving the higher education system and personnel training in Azerbaijan, establishing higher education institutions and certification of higher education diplomas. Then, in priority areas in the public and private sectors, the focus was on training officials for state administration bodies, cooperation between higher education institutions, ensuring freedom of movement for young people, professional training of teachers, learning the languages of the Union member states, creating conditions for advanced training of simultaneous interpreters with higher education, supporting the improvement of the professionalism of journalists, and creating opportunities for teaching within the framework of relevant educational institutions, and it was intended to further increase the efforts made in this direction. It should be noted that the cooperation provided for in this article was also included in the framework of the TEMPUS program.

Cooperation issues in the field of agriculture and agro-industry are reflected in Article 54 of the Agreement. This cooperation envisages structural changes, modernization and privatization in Azerbaijan in the relevant areas.

The cooperation of the parties in the energy sector covered issues such as the development of energy policy, its establishment in accordance with the conditions of a market economy, increasing the quality of energy supply from an economic and environmental perspective, bringing the efficiency of energy supply and use into line with the Energy Charter Protocol, modernizing the energy structure, and transporting energy materials and products. This included the creation of a number of legal, institutional, and tax conditions to expand trade and investment in the energy sector (Vaqifqızı, 2017, pp. 39–40).

Cooperation in the energy sector also required the improvement of transport, including energy transportation. It is no coincidence that, according to Article 57 of the Agreement, it was planned

to bring the management and operation of railway transport, ports and airports into line with modern requirements for the development of this sector. Besides, in accordance with the “TRACECA” project, the modernization of Trans-European Roads, the development of railway, water transport, highway, port, airport and air navigation infrastructure, the expansion of the scale of joint cargo transportation, and the development of a legislative and institutional framework for a more systematic implementation of transport policy were also emphasized as important points. Social issues were also included in separate sections of the Agreement, including “Cultural cooperation”, “Cooperation in preventing and controlling illegal immigration”, “Cooperation in the field of democracy and human rights”, and “financial cooperation in the field of technical assistance”. For the implementation of the Agreement, Section XI also stipulated the establishment of bodies such as the Cooperation Council, the Cooperation Committee and the Inter-Parliamentary Cooperation Committee. The main obligation of the Cooperation Council was to hold meetings at the ministerial level once a year and monitor the implementation of the Partnership and Cooperation Agreement. The Council examines issues arising in this direction, any bilateral and international issues, and gives certain recommendations to the parties in this direction (Vaqifqızı, 2017, pp. 40–41). The members of this Council consist of members of the government of the Republic of Azerbaijan and members of the Commission of the European Union. The leadership of the Council is carried out by representatives of the parties in turn. The obligation of the Cooperation Committee is to prepare the meetings of the Cooperation Council and ensure the implementation of the Agreement. Its members consist of high-ranking officials of the parties that signed the Agreement. Discussions of issues related to trade and investment are carried out in special subcommittees. Finally, the Parliamentary Cooperation Committee, as its name suggests, coordinates the joint activities of the Azerbaijani Milli Majlis and the European Parliament. The Committee ensures dialogue between these two institutions and is chaired alternately by members of the Parliament of the Republic of Azerbaijan and the European Parliament. This committee can also make recommendations to the Cooperation Council. Along with these institutions, the State Commission for Partnership and Cooperation between the Republic of Azerbaijan and the European Union has been established to coordinate the activities of state institutions of the Azerbaijani government. This commission represents interests of Azerbaijan within the framework of the PCA.

On the whole, the 1996 Partnership and Cooperation Agreement, which shaped the main development trends of relations between the European Union and the Republic of Azerbaijan, is not intended to dictate standards to the Union members. For example, Article 90 of the PCA states that no article of the present Agreement may prevent any of the parties from taking the following measures: *“preventing the dissemination of information that could harm the security interests of the country, imposing prohibitions on the production or trade of arms, ensuring peace and security in cases where there is a threat to the maintenance of law and order, and taking autonomous measures to control industrial products and technologies intended for dual use”* (Vaqifqızı, 2017, pp. 41–42). Since the procedure for ratifying the 1996 Agreement was lengthy, an “interim agreement” was signed between the parties in October 1997. The agreement came into force on July 1, 1999, after it was fully ratified by the participating states (“Azərbaycan Respublikası ilə Avropa İttifaqı arasında Azərbaycan Respublikasının İttifaqın proqramlarında iştirakının ümumi prinsipləri haqqında Çərçivə Sazişi üzrə bir tərəfdən Azərbaycan Respublikası, digər tərəfdən Avropa Birliyi və onun üzvü olan dövlətlər arasında Tərəfdaşlıq və Əməkdaşlıq Sazişinin Protokolu”nun təsdiq edilməsi barədə Azərbaycan Respublikasının Qanunu, 2025; Həmidov, 2007, p. 144).

In the 21st century, it have arisen issues such as the renewal of the Partnership and Cooperation Agreement and the fact that some of its provisions have already been implemented, while others have become obsolete and have lost their relevance. However, it was this Partnership and Cooperation Agreement that shaped the development of relations between the European Union



and the Republic of Azerbaijan for many years and determined the main development trends in bilateral relations. On the basis of this agreement, Azerbaijan has continued cooperation with the EU in various fields within the framework of various programs and has created the basis for the development of bilateral relations to the highest level in modern times. However, the Partnership and Cooperation Agreement (PCA), signed in 1996, no longer fully covers today's political, economic and geopolitical realities and has almost lost its relevance. Currently, the process of preparing a new strategic partnership agreement between Azerbaijan and the European Union is ongoing. Almost 95 percent of the agreement has already been agreed.

On July 11, 2018, during the visit of President I. Aliyev to Brussels, a document entitled "Partnership Priorities" was initialed between Azerbaijan and the EU. One of the most important points contained in that document was the expression of the parties' commitment to supporting the territorial integrity, independence and sovereignty of the countries, as well as the inviolability of state borders.

On July 18, 2022, a Memorandum of Understanding on a Strategic Partnership in the field of energy between the European Union and the Republic of Azerbaijan, represented by the European Commission, was signed between Azerbaijan and the European Union. The document was signed by the President of the Republic of Azerbaijan Ilham Aliyev and the President of the European Commission, Mrs. Ursula von der Leyen ("Azərbaycan ilə Avropa İttifaqı arasında enerji sahəsində Strateji Tərəfdaşlığa dair Anlaşma Memorandumu imzalanıb" Azərbaycan Prezidentinin Rəsmi internet sahifəsi, 2025).

The main essence of the memorandum was to ensure stable and secure supplies of Azerbaijani gas to the EU. Thus, it was envisaged to transport natural gas from the Azerbaijani sector of the Caspian Sea to the EU and the Western Balkan countries in order to support the diversification of gas supplies in accordance with commercial feasibility and market demand.

The visit of the High Representative of the European Union for Foreign Affairs and Security Policy, Kaya Kallas, to Azerbaijan in April 2025 is considered a turning point in mutual relations. Because the biased resolutions adopted by the European Parliament against our country in recent years, the statements made by the previous High Representative of the EU regarding Azerbaijan, the allocation of military assistance to Armenia within the framework of the European Peace Mechanism, the deployment of the EU observer mission along the Armenian-Azerbaijani border, and other such issues were the main factors that created stagnation in bilateral relations. It was during this visit that Kaya Kallas met with the President of Azerbaijan, I. Aliyev, which showed that trust between the parties had strengthened and that broad opportunities for future cooperation had opened up. The meeting also included extensive discussions on the development of Azerbaijan's cooperation with the European Union, especially on progress in the energy sector and security issues. The importance that the EU attaches to Azerbaijan as a reliable energy supplier was particularly emphasized. Thus, the Russia-Ukraine war has forced the EU to diversify its energy routes, and at the same time, trade tensions between the US and the EU may lead to an increase in the cost of exporting liquefied natural gas (LNG) to Europe, so the EU has increasingly begun to give preference to partners that can provide pipeline gas at affordable prices. In this context, the Republic of Azerbaijan is currently in the EU's interest in terms of energy resources and transit opportunities (Avropa İttifaqı-Azərbaycan münasibətləri yeni strateji mərhələnin astanasında, 2025).

The Republic of Azerbaijan has signed a document on strategic partnership with 9 EU members. Out of 12 countries that purchase gas from Azerbaijan, 10 are European countries, and 8 of them are EU member states. 5 out of the 10 countries with the largest share in our country's foreign trade turnover are EU members, with Italy taking the first place in the ranking. According to the results of the first quarter of 2025, the share of trade with EU countries in the EU's total trade turnover was about 44 percent, which is 7 percent more than last year.

**Conclusions.** Thus, in modern times, the Republic of Azerbaijan gives more priority to bilateral relations in its relations with the EU in accordance with its foreign priorities. Along with participat-

ing in the regional projects of the EU, Azerbaijan, which is a leading state in terms of its share in the overall economic development of the South Caucasus, occupies a certain position in the foreign relations of the EU. Therefore, the Republic of Azerbaijan creates new formats of bilateral relations with the EU, develops all the institutions necessary for the expansion and diversification of strategic partnership relations with it, demonstrating the desire of the union to take a favorable position in the pan-European economic, political and security space. The strategic position of Azerbaijan, located at the crossroads of Europe and Asia, also increases the interest of the EU member states in developing political and economic relations with our country. The formation of new and more progressive mutual relations, as well as the continuation of the work of building a democratic, legal state in our country, the confirmation, strengthening and development of the gained independence, and the development of civil society and the protection of human rights through deep reforms in this direction, open up wide opportunities.

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