

## **Europe’s Energy Interests and the Authoritarian Trade-Off**

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### **Abstract**

In response to Russia’s full-scale invasion of Ukraine, the European Union has accelerated efforts to diversify its energy supply and reduce structural dependence on Russian gas. Within this strategy, Azerbaijan has emerged as a significant alternative supplier through the Southern Gas Corridor and the 2022 EU–Azerbaijan Memorandum of Understanding, which sets a target of increasing gas exports to 20 bcm annually by 2027. Azerbaijani pipeline gas deliveries to the EU rose from 8.2 bcm in 2021 to 12.8 bcm in 2025, elevating Azerbaijan to the position of the EU’s fifth-largest external pipeline supplier.

This expansion of energy cooperation has coincided with a pronounced deterioration in Azerbaijan’s human rights environment. Since mid-2022, the number of political prisoners has increased substantially, while European institutions—including the European Parliament, the Parliamentary Assembly of the Council of Europe, and the European Court of Human Rights—have documented persistent violations of fundamental freedoms.

The article examines the structural tension between the EU’s energy security imperatives and its normative commitments to democracy, rule of law, and human rights. It advances the concept of an “authoritarian trade-off,” whereby strategic diversification objectives may inadvertently reinforce authoritarian governance in supplier states. The analysis argues that the absence of enforceable conditionality in EU–Azerbaijan energy agreements risks undermining the Union’s normative credibility. It concludes that embedding transparency requirements, governance reforms, and human rights conditionality into future energy frameworks is essential for aligning the EU’s strategic interests with its foundational values.

### **Keywords**

European Union; Azerbaijan; energy security; energy diversification; Southern Gas Corridor; pipeline gas; foreign policy; authoritarian governance; political repression; petrostate dynamics; human rights conditionality; transparency; rule of law; geopolitical energy strategy.

## Introduction

The European Union (EU) holds a pivotal position in the global energy landscape, standing as the fourth-largest consumer of natural gas worldwide, trailing only the United States, Russia, and China. Natural gas accounts for approximately 25% of the EU's total energy consumption.<sup>1</sup> By 2022, 62.5% of the EU's energy supply was dependent on imports, with significant financial and political implications. This is particularly pronounced for oil and gas, with 97.7% of petroleum products and 97.6% of natural gas sourced from outside the Union.

The EU's reliance on Russian energy, particularly natural gas, has become a pivotal issue, challenging the bloc's energy security and prompting significant shifts in its energy policies. The EU is not sitting idly by in the face of its energy system's dependencies. It is taking proactive steps to ensure energy security, recognizing that its heavy reliance on imported fossil fuels gives foreign powers too much control over its energy supply. This is especially important in the aftermath of Russia's full-scale invasion of Ukraine of January 22, 2022. Russia's use of natural gas as a tool for pressure has required the EU countries to reduce their dependence on Russian fossil fuels and to diversify their energy supplies. While diversification is a long and expensive process, requiring significant investment in infrastructure such as constructing new pipelines and LNG terminals, it is a crucial strategy to enhance the EU's energy security and resilience.

In 2025, the EU's combined pipeline gas and LNG imports totaled 288.7 bcm (146.9 bcm pipeline gas and 141.8 bcm LNG), marking a 4% increase from 277.5 bcm in 2024.<sup>2</sup> EU pipeline gas imports declined by 9% in the first half of 2025, as Russian gas transit via Ukraine ended on 1 January that same year. The EU increased its reliance on LNG and benefited from ongoing measures to curb gas demand.

The EU's imports of Russian gas (including pipeline gas and LNG) fell by 75% between 2021 and 2025. Despite this shift, Russia remains one of the EU's largest gas suppliers. Therefore, the EU has agreed<sup>3</sup> to a legally binding, stepwise prohibition on both LNG and pipeline gas imports from Russia, with a full ban from the end of 2026 and autumn 2027, respectively.

This reduction has been offset by increased imports of LNG from the United States, which accounted for 57% of EU LNG imports in 2025, as well as reliable pipeline gas supplies from Norway (50% in 2024, up from 30% in 2021), North Africa (18%), and Azerbaijan (7.2 % of

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<sup>1</sup> European Commission Calculation based on LSEG (Refinitiv) and ENTSO-G data

<sup>2</sup> <https://anasalhajjioa.substack.com/p/annual-review-of-eus-gas-market-in>

<sup>3</sup> <https://www.consilium.europa.eu/en/press/press-releases/2025/12/03/council-and-parliament-strike-a-deal-on-rules-to-phase-out-russian-gas-imports-for-an-energy-secure-and-independent-europe/>

pipeline gas supply and 3.4% of total supply<sup>4</sup>).<sup>5</sup> The decline and binding were offset by a significant rise in imports from other partners in 2025 compared to 2021. Other suppliers included the United States, Algeria, Qatar, the UK, Azerbaijan and Russia. Azerbaijan became the 5<sup>th</sup> main partner for the EU. Recent EU imports of pipeline gas from Norway have been consistent, averaging around 90 bcm annually in the last four years. As part of the trade deal<sup>6</sup> announced between the EU and US in July 2025, the EU intends to buy USD 750 billion of US energy by 2028. The deal effectively ties the EU's energy supply to one seller, risking energy security and jeopardizing gas reduction plans.

The pivot away from Russian gas has increased the EU's strategic dependency on US LNG, the most expensive LNG for EU buyers. EU imports of US LNG rose from 21bcm in 2021 to an estimated 81bcm in 2025, an almost fourfold increase. This means that EU countries sourced 56.2% of their LNG imports from the US in 2025.<sup>7</sup>

Algeria was the second largest contributor to the EU gas market in terms of natural gas in gaseous states, with 19.3%, Russia 16.6%, the UK 8%, and Azerbaijan 7.2% in 2024.

### **Current State of Azerbaijan's Gas Cooperation with Europe**

Relations between the European Union and Azerbaijan are governed by the EU-Azerbaijan Partnership and Cooperation Agreement, which has been in force since 1999. The European Union is Azerbaijan's largest trading partner and its principal foreign investor, underscoring the depth of their economic interdependence.

Energy and transport constitute the core pillars of EU-Azerbaijan economic relations. Azerbaijan is regarded as a strategic energy partner for the EU, supplying approximately 4.3% of the Union's oil imports and playing a pivotal role in transporting natural gas from the Caspian Sea to European markets via the Southern Gas Corridor. In addition, Azerbaijan's long-term Energy Strategy for 2021–2050 was developed by the Ministry of Energy of Azerbaijan, with technical and policy support from the European Union.

Beyond energy cooperation, Azerbaijan has benefited from a range of EU regional and sectoral programs, including EU4Business, EU4Energy, EaP Asset Recovery, EU4Environment, EU4Climate, and the Council of Europe Partnership for Good Governance, reflecting the EU's broader engagement in economic reform, governance, and sustainability in the country. EU

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<sup>4</sup> <https://crossmedia.az/az/article/62533>

<sup>5</sup> ENTSO-G pipeline data; European Commission calculations based on LSEG (Refinitiv) and ENTSO-G

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[https://ec.europa.eu/commission/presscorner/api/files/document/print/en/qanda\\_25\\_1930/QANDA\\_25\\_1930\\_EN.pdf](https://ec.europa.eu/commission/presscorner/api/files/document/print/en/qanda_25_1930/QANDA_25_1930_EN.pdf)

<sup>7</sup> <https://ieefa.org/resources/eu-risks-new-energy-dependence-us-could-supply-80-its-lng-imports-2030>

assistance at the local level took place under the Covenant of Mayors for Climate and Energy and the Mayors for Economic Growth (M4EG).<sup>8</sup>

Azerbaijan commenced natural gas supplies to the European market in 2021. Since then, export volumes have shown a generally upward trend, reflecting the growing role of Azerbaijani gas in European energy diversification (Ibadoghlu, Gubad 2024).<sup>9</sup> Deliveries reached 8.2 billion cubic meters (bcm) in 2021, increased to 11.4 bcm in 2022, and rose further to 11.8 bcm in 2023. Exports peaked at 12.9 bcm in 2024, before slightly declining to 12.8 bcm of pipeline gas in 2025.<sup>10</sup> Azerbaijan's gas import share remains almost unchanged in 2025, but export geography has expanded in recent years: partner countries in Europe increased from 10 (Italy, Greece, Bulgaria, Romania, Hungary, Serbia, Slovenia, Croatia, Slovakia, and North Macedonia) to 12 with new agreements expanding deliveries to Germany and Austria,<sup>11</sup> which began on 16 January 2026.<sup>12</sup> This development follows the June 2025 signing of a ten-year natural gas purchase agreement between SOCAR and Germany's state-owned energy company Securing Energy for Europe (SEFE).

A key component of this cooperation is a long-term natural gas offtake agreement<sup>13</sup> concluded with SEFE Marketing & Trading Ltd, which will remain in force until the end of 2035. Under the terms of the agreement, SEFE is contractually entitled to receive 1.5 bcm of Azerbaijani natural gas annually.<sup>14</sup> In addition, Austria is expected to import up to 1 bcm of natural gas per year from Azerbaijan, further diversifying its supply portfolio.

In 2024, the volume of gas exported from Azerbaijan to Italy, Bulgaria, and Greece amounted to 12.6 bcm, which is 97.6% of the gas transported to Europe.<sup>15</sup> These data suggest that, despite political statements, Azerbaijan does not actually export gas to 12 European countries. Instead, it signs agreements with them for this purpose.<sup>16</sup>

In 2025, the statistical value of Azerbaijan's export-oriented natural gas amounted to USD 8.8 billion, with a volume of 25.187 billion cubic meters, accounting for 35.22% of the country's total exports by the end of the year. During this period, total natural gas exports reached 25.2 billion cubic meters. Of this volume, 12.8 billion cubic meters were exported to Europe, 9.6

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<sup>8</sup> <https://data.consilium.europa.eu/doc/document/ST-11442-2022-INIT/en/pdf>

<sup>9</sup> Ibadoghlu, Gubad (2024) : Current State of Azerbaijan's Gas & Oil Cooperation with Europe: Opportunities and Challenges, ZBW - Leibniz Information Centre for Economics, Kiel, Hamburg

<sup>10</sup> <https://minenergy.gov.az/az/xeberler-arxivi/00710> q

<sup>11</sup> <https://oilprice.com/Latest-Energy-News/World-News/Azerbaijan-Begins-Gas-Deliveries-to-Germany-and-Austria.html>

<sup>12</sup> <https://socar.az/en/post/socar-begins-supplying-azerbaijani-gas-to-austria-and-germany378947>

<sup>13</sup> An offtake agreement is a long-term, legally binding contract in which a buyer (offtaker) commits to purchase a specified amount of a project's future energy output from a producer at agreed pricing and terms, providing predictable revenue that supports project financing.

<sup>14</sup> [https://www.sefe.eu/en/media/newsroom/press-releases/press-release-detail\\_960.html](https://www.sefe.eu/en/media/newsroom/press-releases/press-release-detail_960.html)

<sup>15</sup> <https://customs.gov.az/az/faydali/gomruk-statistikasi/statistics-bulletin>

<sup>16</sup> <https://crudeaccountability.org/wp-content/uploads/analysis-policy-implications-of-azerbaijan-energy-strategy.pdf>

billion cubic meters to Turkey, 2.3 billion cubic meters to Georgia, and 0.5 billion cubic meters to Syria.<sup>17</sup>

“We already supply natural gas to 16 countries, and 10 of them are members of European Union,” explained President Aliyev during his interview to Euronews TV at the 2026 World Economic Forum in Davos.<sup>18</sup> He added, “We have good relations with many European countries, and this allows them to strengthen their energy security. For us, this is an opportunity to sell our resources in the premium market. Although we do not sell gas only to Europe, we have recently started exporting it to Syria as well. However, in terms of price, the best market is, of course, the European market.”<sup>19</sup>

To this end, on 18 July 2022, Azerbaijan and the EU signed a “Memorandum of Understanding on Strategic Partnership in the Energy Sector” represented by the European Commission. One of the main cooperation directions outlined in the memorandum is to double the volume of natural gas transported from Azerbaijan to Europe, reaching 20 bcm by 2027.<sup>20</sup>

### **How is Azerbaijan a “Reliable Partner”?**

European Commission President Ursula von der Leyen, who made a statement at the signing ceremony with Azerbaijani President Aliyev, said, “the EU has therefore decided to diversify away from Russia and to turn towards more reliable, trustworthy partners. And I am glad to count Azerbaijan among them. You are indeed a crucial energy partner for us and you have always been reliable. You were a crucial partner not only for our security of supply, but also in our efforts to become climate neutral. The Memorandum of Understanding on Energy field that we have just signed makes our energy partnership even stronger.” President Leyen also said in her speech at the signing, “With this Memorandum, we commit to the expansion of the Southern Gas Corridor. This is already a very important supply route for the European Union, delivering currently more than 8 billion cubic meters of gas per year. And we will expand its capacity to 20 billion cubic meters in a few years. From next year on, we should already reach 12 billion cubic meters. This will help compensate for cuts in supplies of Russian gas and contribute significantly to Europe's security of supply.”<sup>21</sup>

As indicated by official statements, Azerbaijan’s engagement with the European gas market is primarily motivated by the objective of exporting natural gas and generating revenue, whereas for Europe, Azerbaijani gas serves as an important instrument for reducing dependence on Russian energy supplies, diversifying energy policy, and strengthening overall energy security.

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<sup>17</sup> <https://minenergy.gov.az/az/xeberler-arxivi/00710>

<sup>18</sup> <https://www.euronews.com/my-europe/2026/01/20/azerbajjans-president-says-world-order-transitioning-from-rule-of-law-to-rule-of-strength>

<sup>19</sup> <https://en.apa.az/official-news/president-ilham-aliyev-was-interviewed-by-euronews-tv-in-davos-photo-updated-489388>

<sup>20</sup> <https://president.az/en/articles/view/56689>

<sup>21</sup> [https://ec.europa.eu/commission/presscorner/detail/da/statement\\_22\\_4583](https://ec.europa.eu/commission/presscorner/detail/da/statement_22_4583)

In addition, the Energy Memorandum of Understanding between the European Union and Azerbaijan sets an indicative target of increasing annual gas exports to 20 billion cubic meters (bcm) by 2027; however, the realization of this objective remains contingent upon market demand and the expansion of relevant infrastructure.

The European Union is progressing toward reducing structural dependencies within its energy system and strengthening its overall energy security. However, the concept of energy security differs fundamentally depending on whether a state is primarily an energy importer or exporter. Importing countries prioritize the reliability and stability of supply, whereas exporting states—particularly those whose energy sectors are dominated by national oil and gas companies—seek secure access to markets and predictable revenue streams from energy exports. In this broader sense, energy security implies not only diversification of supply routes and sources but also a deliberate effort to reduce vulnerability to petrostates, price manipulation, and geopolitical coercion.

### **The EU's dilemma: secure energy or human rights**

President Von der Leyen in her speech in Baku in July 2022 indicated that “to reach Azerbaijan’s full potential, it is important to create the right conditions for investor confidence” and that “this includes a greater involvement of civil society, and a free and independent media.”<sup>22</sup> Against this backdrop, the European Union’s deepening energy cooperation with Azerbaijan coincides with a particularly challenging period marked by escalating human rights concerns, during which Azerbaijan has undertaken the most comprehensive crackdown on civil society and independent media in its post-independence history.<sup>23</sup>

Azerbaijan has never been a reliable partner in upholding human rights treaties and political promises, but the country is called a reliable partner in business deals. Investors have many reasons to consider before investing in Azerbaijan, especially when the country’s investment environment is full of corruption and unreliable courts and officials can easily disregard the law. The country benefits from being identified by the European Union as a reliable partner for future contracts and tries to prove that it is a “fair” player.”(Ibadoghlu, Gubad & Bayramova, Zhala 2023)

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Members of the European Parliament, the Parliamentary Assembly of the Council of Europe (PACE), and international human rights organizations have repeatedly highlighted persistent human rights violations in the country. According to reports from international human rights

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<sup>22</sup> [https://ec.europa.eu/commission/presscorner/detail/da/statement\\_22\\_4583](https://ec.europa.eu/commission/presscorner/detail/da/statement_22_4583)

<sup>23</sup> <https://humanrightshouse.org/interviews/azerbaijan-was-heading-to-a-new-era-but-ended-up-in-a-full-scale-dictatorship/>

<sup>24</sup> Ibadoghlu, Gubad and Bayramova, Zhala (2023), New Gas Deal with Azerbaijan for Europe's Energy Security: Aspiration and Reality. Available at SSRN: <https://ssrn.com/abstract=4441513> or <http://dx.doi.org/10.2139/ssrn.4441513>

organizations, Azerbaijan's record has long been marred by authoritarianism,<sup>25</sup> high corruption rates,<sup>26</sup> and numerous human rights violations.<sup>27</sup> These actors have raised critical questions as to whether expanding energy cooperation with the European Union may inadvertently legitimize or reinforce authoritarian governance. Such concerns are further intensified by the contraction of civil liberties, the increasing frequency of human rights abuses, and the sharp rise in the number of political prisoners. As of January 15, 2026, the Union for Freedom of Political Prisoners of Azerbaijan reported<sup>28</sup> a list of 340 individuals imprisoned for political reasons.<sup>29</sup>

According to the calculations of the number of political prisoners compiled by the Azerbaijan Union for the Freedom of Political Prisoners<sup>30</sup> and the official export statistics published by the Ministry of Energy of the Republic of Azerbaijan,<sup>31</sup> the period before the Memorandum of Understanding was characterized by lower gas exports to the European market and an overall stable number of political prisoners. Following the signing of the EU-Azerbaijan Memorandum of Understanding on energy cooperation on 18 July 2022, Azerbaijan's gas exports to the EU have moved to a higher and more stable level, and the number of political prisoners has increased significantly in successive reporting periods. This comparison shows a direct correlation between the trajectory of bilateral energy cooperation and domestic human rights indicators, i.e., both are increasing and the growth rate of political prisoners is even higher than gas exports.

From an analytical perspective, the expansion of gas exports to Europe occurs immediately after the Memorandum of Understanding, while the sharp increase in the number of political prisoners is evident from autumn 2022, i.e., a few months after the Memorandum was signed. The asymmetry in the trend dynamics – a gradual increase followed by a stabilization in gas exports and a sustained and accelerating increase in the number of prisoners – indicates a growing disconnect between the EU's energy diversification strategy and its normative human rights agenda.

Over the past three years, the European Parliament has adopted four resolutions addressing the human rights situation in Azerbaijan. Notably, on 14 September 2023, it called for the “immediate and unconditional release” of Dr. Gubad Ibadoghlu, who was detained on 23 July 2023, emphasizing that the charges against him were politically motivated.<sup>32</sup> On 24 October 2023, the European Parliament further condemned Azerbaijan's human rights record and urged

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<sup>25</sup> <https://crudeaccountability.org/azerbaijan-was-rewarded-without-playing-the-game-why-name-azerbaijan-a-reliable-partner/>

<sup>26</sup> <https://www.transparency.org/en/countries/azerbaijan>

<sup>27</sup> <https://www.state.gov/reports/2024-country-reports-on-human-rights-practices/azerbaijan>

<sup>28</sup> <https://www.ipd-az.org/political-prisoners-on-15-january2026/>

<sup>29</sup> <https://www.eng.kavkaz-uzel.eu/articles/68931>

<sup>30</sup> <https://www.ipd-az.org/political-prisoners-on-7-oktober-2025/>

<sup>31</sup> <https://minenergy.gov.az/en/xeberler-arxivi/00710>

<sup>32</sup> [https://www.europarl.europa.eu/doceo/document/TA-9-2023-0323\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2023-0323_EN.html)

the EU to end its gas dependency on Baku.<sup>33</sup> This position was reinforced on 25 April 2024, when the Parliament adopted another resolution strongly condemning ongoing human rights violations, the repression of civil society, and the targeting of journalists and activists.<sup>34</sup> Most recently, on 18 December 2025, the European Parliament called on the Azerbaijani authorities to release political prisoners, including scientists Bahruz Samadov and Igbal Abilov, and emphasized the need to consider sanctions against Azerbaijani officials responsible for human rights abuses.<sup>35</sup>

In parallel, on 24 January 2024, PACE adopted Resolution 2527, deciding not to ratify the credentials of the Azerbaijani delegation due to persistent concerns regarding the country's adherence to human rights and democratic standards.<sup>36</sup> This decision remains in effect. During the same period, the European Court of Human Rights (ECtHR) issued multiple judgments finding Azerbaijan in violation of the European Convention on Human Rights, frequently citing breaches of freedom of expression (Article 10), the right to liberty and security (Article 5), and the right to a fair trial. The ECtHR has issued a substantial number of judgments against Azerbaijan for violations of the European Convention on Human Rights. In 2023, the Court delivered 40 judgments in cases involving applicants from Azerbaijan, finding at least one violation in 38 of them.<sup>37</sup> This pattern persisted in 2024, when 38 out of 39 rulings likewise identified at least one breach of the Convention.<sup>38</sup>

The Azerbaijani Ministry of Foreign Affairs<sup>39</sup> and the Milli Majlis (Parliament)<sup>40</sup> rejected these resolutions and decisions, characterizing them as biased, unfounded, and constituting interference in domestic affairs.

On 9 April 2025, President Ilham Aliyev announced that Azerbaijan would no longer implement ECtHR judgments, declaring them invalid in light of the suspension of the Azerbaijani delegation's voting rights in PACE. He argued that, because Azerbaijan could no longer participate in the election of ECtHR judges, the Court lacked authority over the country.<sup>41</sup> This position was reiterated on 20 January 2026, when President Aliyev stated in an interview with Euronews at the Davos Economic Forum that Azerbaijan had ceased cooperation with both the

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<sup>33</sup> <https://www.europarl.europa.eu/news/en/press-room/20241017IPR24740/meps-denounce-violations-of-human-rights-and-international-law-by-azerbaijan>

<sup>34</sup> [https://www.europarl.europa.eu/doceo/document/TA-9-2024-0369\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2024-0369_EN.html)

<sup>35</sup> <https://www.europarl.europa.eu/news/en/press-room/20251211IPR32170/human-rights-violations-in-azerbaijan-nigeria-and-guinea-bissau>

<sup>36</sup> <https://pace.coe.int/en/files/33333/html>

<sup>37</sup> <https://jam-news.net/european-court-of-justice/>

<sup>38</sup> <https://jam-news.net/number-of-complaints-to-echr-from-azerbaijan-nearly-doubles-in-two-years/>

<sup>39</sup> <https://www.mfa.gov.az/en/news/no18324>

<sup>40</sup> <https://report.az/en/foreign-politics/azerbaijani-milli-majlis-to-adopt-statement-against-european-parliament-resolution>

<sup>41</sup> <https://oc-media.org/aliyev-announces-that-azerbaijan-will-no-longer-consider-echr-decisions-valid/>

European Parliament and PACE, while continuing engagement with the European Commission, which he described as sufficient.<sup>42</sup>

Taken together, while the European Parliament has issued a series of strong statements, adopted multiple resolutions, and urged the European Commission to end its gas dependency on Baku, Members of the European Parliament and international watchdog organizations have continued to highlight persistent human rights abuses in Azerbaijan, questioning whether deepening energy cooperation may inadvertently reinforce authoritarian governance. The Azerbaijani authorities, however, have consistently rejected such criticism.

Notably, Azerbaijan remains the Eastern Partnership (EaP) state with the highest number of political prisoners—a reality that reflects not only the intensity of state repression against dissent but also the persistence of domestic resistance and civic activism. Taken together, these developments indicate that the resolutions, judgments, and public statements adopted by European legislative and judicial bodies, as well as by international organizations, have not resulted in measurable improvements in Azerbaijan’s human rights situation. On the contrary, over the past three years, energy cooperation between Azerbaijan and the European Union has continued to deepen, alongside the expansion of trade and financial relations.

In particular, the Azerbaijani government has intensified cooperation with the European Commission<sup>43</sup> and international financial institutions, including the European Bank for Reconstruction and Development (EBRD)<sup>44</sup> and the European Investment Bank (EIB),<sup>45</sup> underscoring the growing disjunction between the EU’s normative commitments and its energy and economic engagement with Azerbaijan.

### **A human rights approach and principle of conditionality to energy**

Azerbaijan is a hydrocarbon-rich state with substantial oil and gas reserves, yet it is characterized by persistently weak human rights protections and high levels of corruption. According to Freedom House (2024),<sup>46</sup> Azerbaijan’s political and civil liberties have steadily deteriorated since the early 2000s; whereas the country was classified as Partly Free in the late 1990s, it is now rated Not Free. In parallel, Transparency International reports<sup>47</sup> that Azerbaijan scored 22 points in 2024 on the Corruption Perceptions Index—one point lower than the previous year—placing it 154th out of 180 countries, indicative of entrenched and systemic corruption.

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<sup>42</sup> <https://en.apa.az/official-news/president-ilham-aliyev-was-interviewed-by-euronews-tv-in-davos-photo-updated-489388>

<sup>43</sup> <https://president.az/en/articles/view/68647>

<sup>44</sup> <https://president.az/en/articles/view/71346>

<sup>45</sup> <https://www.eib.org/en/projects/country/azerbaijan>

<sup>46</sup> <https://freedomhouse.org/country/azerbaijan/freedom-world/2024>

<sup>47</sup> <https://www.transparency.org/en/countries/azerbaijan>

Good relations between the energy sectors depends on good relations with the government. Energy cooperation between Azerbaijan and the EU embodies relations at the level of heads of state. Energy deals are concluded with Azerbaijani state companies. Such cooperation is based on political interests rather than economic interests.

Before the signing of the 2022 Energy Memorandum, Azerbaijan agreed to several commitments in front of the EU in the spheres of human dignity, freedom, democracy, the rule of law, and human rights after the membership of Azerbaijan in the EaP.<sup>48</sup> Moreover, Azerbaijan has ratified<sup>49</sup> the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment,<sup>50</sup> the International Covenant on Civil and Political Rights<sup>51</sup>, the International Convention on the Elimination of all Forms of Racial Discrimination,<sup>52</sup> the Covenant on Economic, Social and Cultural Rights<sup>53</sup> and others. On the international level Azerbaijan tries to maintain human rights principles by ratifying different conventions. Through these actions, Azerbaijan wants to present itself as a country where human rights principles are respected at the highest level. However, in many cases, it does not comply with the signed agreements and conventions and does not fulfill its obligations. If it had, the Azerbaijani government would not have been expelled from the Extractive Industries Transparency Initiative (EITI)<sup>54</sup> and the Open Government Partnership (OGP),<sup>55</sup> and the mandate of the Azerbaijani delegation to PACE would not have been suspended.

This suggests that EU foreign policy should be based on a human rights approach and on the principle of conditionality in its bilateral relation with Azerbaijan. Such an approach also calls for the EU to pay attention to the differentiated social and environmental impacts of existing energy systems and policies. Undoubtedly, energy extraction, refining, transportation, storage, combustion, and waste disposal produce a range of impacts on human health, often perpetuating existing inequalities and injustices inside Azerbaijan. (FP Perera, 2017)<sup>56</sup>

In contrast, a European Commission that focuses primarily on energy can signal to Baku and other authoritarian actors that EU values are secondary to strategic interests. In essence, the EU uses energy cooperation as leverage, but its effectiveness in driving democratic change is contested, with many advocating for stricter conditionality to align energy policy with core European values.

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<sup>48</sup> [https://www.eeas.europa.eu/eeas/eastern-partnership\\_en](https://www.eeas.europa.eu/eeas/eastern-partnership_en)

<sup>49</sup> <https://hrlibrary.umn.edu/research/ratification-azerbaijan.html>

<sup>50</sup> [http://europa.eu/rapid/press-release\\_PESC-09-21\\_en.htm?locale=FR](http://europa.eu/rapid/press-release_PESC-09-21_en.htm?locale=FR)

<sup>51</sup> <https://hrlibrary.umn.edu/instree/b3ccpr.htm>

<sup>52</sup> <https://hrlibrary.umn.edu/instree/d1cerd.htm>

<sup>53</sup> <https://epthinktank.eu/2014/10/13/azerbaijan-human-rights-situation/>

<sup>54</sup> <https://eiti.org/countries/azerbaijan>

<sup>55</sup> <https://www.opengovpartnership.org/azerbaijan-withdrawn/>

<sup>56</sup> FP Perera (2017), 'Multiple Threats to Child Health from Fossil Fuel Combustion: Impacts of Air Pollution and Climate Change' *Environmental Health Perspectives*, 141

In this context, the EU's approach towards Azerbaijan specifically with regards to human rights is rather soft, and quite different from the approaches of the European Parliament and the European Commission. The European Commission does not implement the proposals and calls arising from the decisions and resolutions of the European Parliament on the situation of human rights in Azerbaijan. Such hypocrisy in Europe strengthens authoritarianism and repression in Azerbaijan, which is not seeking potential EU membership, and also gains privileges by supplying pipeline gas, on which some EU members are dependent (Katrin Botther, Mariella Falkenhain, 2011).<sup>57</sup>

For Patrick Bond,<sup>58</sup> an expert in development economics, "Azerbaijan is being used as an EU alternative to Russian gas, but this comes at the expense of the country's ecology and its citizens." In fact, the citizens of Azerbaijan living near gas and oil fields have to deal with environmental problems such as air and water pollution while having their fundamental rights violated regarding access to education, health and housing. In addition, the Organized Crime and Corruption Reporting Project (OCCRP) has also reported<sup>59</sup> multiple corruption cases surrounding the Shah Deniz 2 project, which the gas field is feeding the EU through the TANAP pipeline.

## **Conclusion**

There are growing demands from academics, policy-makers, and human rights defenders for new agreements (like the 2022 Memorandum on Energy field<sup>60</sup>) to be explicitly conditional on releasing political prisoners, respect for human rights and freedoms, and development of legal reforms. Without such reforms, deals between Europe and Azerbaijan will bring Azerbaijan closer to the West economically, but further distance Azerbaijan from the West politically. Such energy deals between Azerbaijan and the European Union will bring trade issues to the fore, but relegate resolution of severe human rights and democracy violations to the background.

On the other hand, due to the non-transparency management of oil and gas revenues in Azerbaijan, people are not interested in who buys the energy resources and how much they pay. For countries like Azerbaijan, which are not accountable and have high levels of corruption, this also creates energy injustice and inequality in the use of natural resources. Because the people of Azerbaijan do not benefit from the export of gas or oil, they want to reduce corruption in managing oil-gas revenues. This is only possible by applying western standards of good governance, transparency, and accountability in Azerbaijan by including conditionality in energy deals.

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<sup>57</sup> Katrin Botther, Mariella Falkenhain (2011), "The EU's policy towards Azerbaijan: what role for civil society", Published by: SPES, p.13-14

<sup>58</sup> <https://www.occrp.org/en/investigation/bp-turned-a-blind-eye-to-corruption-in-prize-azerbaijan-gas-project>

<sup>59</sup> <https://www.occrp.org/en/investigation/bp-turned-a-blind-eye-to-corruption-in-prize-azerbaijan-gas-project>

<sup>60</sup> <https://president.az/en/articles/view/56689>

The European Union claims that energy cooperation and promoting democracy are foreign policy priorities. However, reducing dependence on Russian gas has been an essential task for the European Union since the beginning of Russia's full-scale invasion of Ukraine. However, the memorandum of understanding signed between the European Commission and the Republic of Azerbaijan, which has no conditionalities attached, encourages authoritarian regimes—like Azerbaijan—to increase repression without consequences for its engagement with the European. Berlin was recently criticized for abandoning one authoritarian country and cooperating with another by signing such a contract.<sup>61</sup>

The EU should focus on using energy deals to usher in positive change by including normative provisions and its standards of transparency and accountabilities for resource-rich countries in any agreement it signs with Azerbaijan. In this way, the EU would demonstrate its commitment to its values and there is still space to take such an approach. Conditionality assumes that the EU sets the rules that a third country must comply with in order to receive benefits.<sup>62</sup> At the same time, it should be understood that the costs of a third country from adapting to the EU's rules should not exceed the benefits it will receive. This statement is especially relevant for those countries that do not plan to join the EU (in particular, Azerbaijan).

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<sup>61</sup> <https://www.bild.de/politik/ausland-und-internationales/erste-lieferung-aus-aserbaidtschan-da-statt-putin-schickt-jetzt-dieser-schurke-gas-zu-uns-696a37856b40895ba7f6ffa5>

<sup>62</sup> [https://commission.europa.eu/strategy-and-policy/eu-budget/protection-eu-budget/rule-law-conditionality-regulation\\_en](https://commission.europa.eu/strategy-and-policy/eu-budget/protection-eu-budget/rule-law-conditionality-regulation_en)