

# THE REPUBLIC OF AZERBAIJAN

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## STATE POLICY OF THE REPUBLIC OF AZERBAIJAN ON ENSURING ENERGY SECURITY IN CONTEMPORARY CONDITIONS: POLITICAL ASPECTS

Specialty: 5904.01- Political Institutions and Systems

Branch of science: Political Science

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### ABSTRACT

of the dissertation submitted for the degree of Doctor  
of Philosophy in Political Science

**BAKU-2022**

Dissertation work was carried out in the "international relations and human rights" department of ANAS Institute of Law and Human Rights.

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## General description of work

**The relevance of the research topic** is determined by the most important role of energy security in the national security system and the entire energy policy of the Azerbaijan state. “*Energy security*,” as President Ilham Aliyev noted in his speech at the Fifth Ministerial Meeting of the Southern Gas Corridor Advisory Council, “*cannot be separated from national security. Energy security is at the top of the global political agenda today.*”<sup>1</sup>

The relevance of the topic of dissertation research is due to a number of objective factors:

- The situation on the global energy market today is extremely unstable and practically unpredictable. In these conditions of permanent turbulence of world development, the role of state policy increases both in the functioning of the entire fuel and energy sector of Azerbaijan, and in general in ensuring the energy security of the republic.
- The problem of energy resources, on which the development of the world economy depends, actualizes the role and place of the state energy policy and the national system of ensuring energy security of the Republic of Azerbaijan.
- The active dynamics of external conjunctural conditions enhances the importance of political factors in the world energy market and requires a state energy policy that is adequate to the threats and challenges of the ongoing processes.
- Modern resource wars between global players in the energy market, causing volatility in energy prices, intensify the growth of political threats to stability in the energy sector, which requires strengthening the protection of energy security as a political priority of the Republic of Azerbaijan.
- The energy security of the Azerbaijani state cannot be considered separately from the geopolitical context and protection of national interests in the international arena. Thoughtful and clearly articulated decisions of the political

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<sup>1</sup>Əliyev, İ.H. İnkişaf - məqsədimizdir: 121 cildə. 93-cü kitab / – Bakı: Azərneşr. - 2019. – 392 s.

leadership of Azerbaijan when choosing the necessary instruments to ensure the balance of national interests of the individual, society and the state in energy security determine the priority of protecting energy sovereignty and the development of state mechanisms to ensure the energy independence of the Republic of Azerbaijan.

- At the present stage, an energy transition from a resource-raw material to a resource-innovative model of development and minimization of energy risks is taking place in the Republic of Azerbaijan, which produces the need to ensure a high level of energy security in Azerbaijan.
- The relevance of the studying problem is connected with state measures for the use of renewable energy sources, ensuring information and technological security of energy systems.

Thus, all the factors presented above determine the relevance of the topic of this dissertation research.

In political science, energy security issues have been the subject of research since the mid-1970s in connection with the first energy crisis in world history. The multifactorial nature of energy security has caused the need to refer to various theories in the research process, in particular, the neorealistic one presented in the works of M. Claire, G. Morgenthau, neoliberal, disclosed in the analytical works of J. Favennec and P. Grossman, as well as the political economy, covered in the monograph V. Fouskas<sup>2</sup>.

In the early 1980s, the American political scientist R. Gilpin formed a state-centric approach to the analysis of the oil policy of specific national states, which is also used in this study<sup>3</sup>. One of the

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<sup>2</sup> Global Dangers: Changing Dimensions of International Security / Ed. by S.Lynn-Jones, S.Miller. — Cambridge. — 1995; World Security: Challenges for a New Century / Ed. By M. Klare, D. Thomas. — New York, 1994. ; Morgenthau H. J. The new diplomacy of movement // Encounter. — 1974, — p. 52-58. <https://digitalcommons.law.yale.edu/yj/vol55/iss5/12> ; Jean-Pierre Favennec The Geopolitics of Energy Paris: Editions Technip; 2011 312 p. ; Grossman Peter Z. U.S. Energy Policy and the Pursuit of Failure. Paperback Cambridge University Press (March 18, 2013), – 416 p. ; Fouskas V. The Politics of International Political Economy. L.,N.- Y.: Routledge, 2015, – 319 p

<sup>3</sup> Gilpin R. War and Change in World Politics. Cambridge, - 1981, – 272 p.

leading modern Western researchers of energy security is the American economist D. Ergin, in whose writings the energy security of the state is built in order to protect national interests on the policy of coordinated cooperation between producers and consumers of energy resources to ensure the security of the entire energy supply chain necessary for the national economy<sup>4</sup>.

At the present stage, Western political science presents three main directions in the study of energy security. The dominant direction, including the urgent problem of “resource wars”, is associated with the analysis of the geopolitical aspects of national energy security. Considering the important impact of energy resources on the economic development of the state and international security, the works on global energy security by the French political scientist J. Sapir, has serious scientific and political-applied importance. The environmental direction of energy security examines the problems arising in the global energy market within the framework of sustainability determined by the energy trilemma, as well as alternative and renewable energy sources<sup>5</sup>.

Political scientists of the Post-Soviet space pay considerable attention to the strategy of budgetary efficiency of the energy sector, which is understood as both stable revenues to the budget from energy exports and the effectiveness of state investments in this area, which ensures the protection of national interests of energy security. The peculiarities and mechanisms of influence of TNCs on the state energy policy and ensuring energy security have been deeply researched. It should be noted the works of U. Borovskiy and S. Zhiznin, who reveal the problems of energy security from the standpoint of “energy diplomacy”<sup>6</sup>.

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<sup>4</sup> Дэниел Ергин: «The QUEST. Energy, Security and the Remaking of the Modern World» <https://fir.bsu.by/images/snif/forlab/files/Daniel%20Ergin.pdf>

<sup>5</sup> Сапир Жак. Энергобезопасность как всеобщее благо: [Электронный ресурс] /Россия в глобальной политике. – 28декабря,2006. URL: [https://globalaffairs.ru/number/n\\_7780](https://globalaffairs.ru/number/n_7780)

<sup>6</sup> Боровский Ю. Мировая система энергоснабжения/ Ю. Боровский. – М.: Навона. 2008, - 157 с. ; Жизнин, С.З. Энергетическая дипломатия России: экономика, политика, практика / С. Жизнин. – М.: ООО «Ист. Брук». – 2005, – 640 с.

Representatives of Azerbaijani political science M. Aliyev, M. Akhmedov, R. Ganagov, A. Hasanov, R. Mirzoyev pay close attention to the problem of energy security, relying primarily on the ideas and provisions developed in the oil strategy of the national leader Heydar Aliyev<sup>7</sup>.

A number of researchers, in particular, Akhmedov E., Bakhishov N., Gasim-zade R., Guliyev I., Huseynov D., Huseynova S., Nasibli N., refer to the problems of energy relations between Azerbaijan and the European Union, considering their positive dynamics as a factor in strengthening the energy security of these two actors in world politics. In the works of R. Kurbanov and V. Mammadov, organizational and legal measures for regulating energy security are largely investigated. The state policy for the introduction of advanced technologies for the development and processing of traditional hydrocarbon resources and renewable energy sources is studied in the monographs of T. Aliyev, M. Babayev, E. Gajizade<sup>8</sup>. The performed analysis allows us to conclude that there are no studies that analyze the political aspects of ensuring resource sovereignty, the stages of energy security formation, and the specifics of the national model of state energy policy. This gap in Azerbaijani political science determined the goals, objectives and methodology of this dissertation research.

**Research object** is energy security as a state of protection of citizens, society and the state from the threat of a shortage of energy and fuel and energy resources, provided by the state's energy

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<sup>7</sup> Əliyeva M. Azərbaycan öz enerji təhlükəsizliyini təmin edib və hazırda tərəfdaş ölkələrin enerji təhlükəsizliyinə töhfə verir: [Elektron resurs] / «Trend» İ.A. – data. URL: <https://az.trend.az/azerbaijan/politics/> ; Əhmədov M. Azərbaycan: yeni neft erası və beynəlxalq siyasət. Bakı, 1997, 124 s ; Həsənov Ə. Azərbaycan Respublikasının milli inkişaf və təhlükəsizlik siyasətinin əsasları. / Həsənov Ə. – Bakı: Zərdabi LTD nəşriyyatı. –2016, – 700 s. ; Əhmədov E. Ermənistanın Azərbaycana təcavüzü və beynəlxalq təşkilatlar. Bakı, 1998, 137 s.

<sup>8</sup> Курбанов Р. А. Энергетика и инвестиции: Вопросы правового регулирования на евразийском пространстве. / Р. Курбанов. – Баку: «Елм». – 2011, – 660 с. ; Мамедов И. Б. Политическая активность зарубежных ТНК в Каспийском регионе: сравнительный анализ // Политическая наука, 2015, № 4, – с.222-239. ; Бабаева А. Н. Отраслевая структура промышленности Азербайджана в спектре национальных экономических интересов:// Инвестиції: практика та досвід No 12/2013 //URL:[www.investplan.com.ua/pdf/](http://www.investplan.com.ua/pdf/)

sovereignty. Research subject is the state policy of ensuring the energy security of Azerbaijan, built on the principles of balance and coordinated management, its provision and control over the protection of national interests in the energy sector.

**The purpose of the dissertation research** is to analyze the state policy of energy security as an integral problem of Azerbaijani political science. This goal is achieved in the following ways: investigated the theoretical and methodological basis of the political analysis of the state policy of energy security and analyzed the political mechanism for ensuring energy security in the national security system of the Republic of Azerbaijan.

To achieve this goal, **the following tasks were set:**

- to analyze energy security as a category of modern political science;
- to reveal conceptual approaches to the state energy policy as the basis of energy security;
- to determine the specifics of the interaction of national and international interests in ensuring global energy security;
- to show the role of the oil strategy of the national leader Heydar Aliyev in the formation of the resource sovereignty and energy independence of the Republic of Azerbaijan;
- to study the main directions and features of the state policy of protecting the national interests of Azerbaijan's energy security in the external environment;
- to analyze the policy of ensuring the protection of the national interest in the field of energy efficiency and electricity supply of the Republic of Azerbaijan.

**The following, the most significant results, theoretical conclusions getting scientific novelty are submitted for defense.**

1. Under the conditions of independent state building and effective leadership of the national leader Heydar Aliyev and the current President of the Republic of Azerbaijan Ilham Aliyev, has been formed a national model of state energy policy. Based on historical traditions and rich experience in oil production in Azerbaijan, the national model of state energy policy is in many respects unique, since within the framework of the “Washington

Consensus” model it does not create any political barriers limiting the access of foreign investors to the energy market and creates a favorable investment climate. In parallel, within the framework of the “Beijing Consensus” model, the Azerbaijani state retains control over its energy market, ensuring the country’s energy sovereignty.

2. The national model of state energy policy compose the most important condition for protecting energy security, which presupposes successful innovative development, greater satisfaction of public interests, and strengthening of the socio-political stability of Azerbaijan.
3. Despite the significant increase in the number of non-state actors in the world energy market and the strengthening of the dynamics of their functioning, it is the states that continue to exert the greatest influence on national and international energy security, since only their powers include the independent and autonomous implementation of decisive political and legal measures as in foreign and domestic policy. The need to ensure global energy security connects certain interests of international and national energy security and requires a search for compromise political solutions of exporters, importers and transit countries of energy resources.
4. In a political retrospective, we identify and analyze the military, geopolitical and complex stages in the formation of the interdependence of national and international interests in energy security. The current complex stage differs by a plexus interweaving of national interests, integration international dynamics, globalization threats and a turbulent geopolitical situation caused by the volatility of the price environment in the world energy market.
5. Three stages can be distinguished in the formation of the state energy security policy of Azerbaijan. The specific political features of the first stage are the development by the national leader Heydar Aliyev of a political and legal mechanism for attracting investments in the oil sector. This contributed to ensuring the resource sovereignty of the Republic of Azerbaijan



and created the basis for protecting the energy interests of the individual, Azerbaijani society and the state. The system of contracts - laws developed in the oil strategy within the framework of the Production Sharing Agreement and the organizational and legal form of SOCAR approved by the decrees of the President of Azerbaijan connected the formation of a favorable investment climate and the creation of conditions for the successful socio-economic development of Azerbaijan in a single state policy.

6. 6. The second stage of the formation of energy security covers the period of development of the policy for the transportation of Azerbaijani oil and is characterized by new forms of government, strengthening of macroeconomic stability and dynamic economic development of Azerbaijan. The accelerated development of the system of oil and gas pipelines for the transportation of hydrocarbons obtained during the implementation of the “Contract of the Century” is not only of economic importance, but also a political and strategic factor that determines the nature of relations between Azerbaijan and the countries of the European Union interested in strengthening their energy security. The strengthening of Azerbaijan's positions in the international energy markets as a result of the implementation of projects for the construction of gas transmission facilities and the participation of the republic in electric power interconnections strengthen the country's energy security.
7. 7. At the present stage, after the implementation of a number of State programs for the development of the fuel and energy complex of Azerbaijan, the priorities of the state energy security policy are: economic efficiency of the energy sector; energy efficiency of the economy; environmental safety of the results of activities of enterprises belonging to the fuel and energy complex of the country, the development of alternative and renewable energy sources. The new energy policy of President Ilham Aliyev is aimed at innovative development, ensuring the security of transportation of energy resources, effective functioning of the economy in order to improve the welfare of citizens, continuous

and reliable access to energy resources at generally affordable prices, taking into account environmental protection.

**The scientific novelty of the work** is that for the first time in the political science of Azerbaijan, the post graduate student conducts a comprehensive analysis of the state energy security policy on protection resource sovereignty and national interests in the internal and external environment, as defined in the oil strategy of national leader Heydar Aliyev and developed by the current President Ilham Aliyev in new conditions of innovative development of the Republic of Azerbaijan.

8. The novelty of the study is also determined by the structural and functional analysis of the formation in political science of the category of energy security, which covers almost half a century of both the development of international political relations in the energy sector and the development of national strategies to protect state interests in the energy sector. For the first time, a fundamental difference in the interpretation of the category of energy security by political scientists from the US, EU and CIS has been revealed. Representatives of US political science define the goal of energy security as the constant maintenance of the invulnerability and superiority of their country as a great energy power. In contrast, political scientists from the EU and the CIS, including Azerbaijan, regard energy security as a condition of protection of citizens, society and the state from the threat of a shortage of energy and fuel and energy resources.

**The theoretical basis of the study** was the strategic provisions and targets on energy security, contained in the works and speeches of the creator of the new oil strategy of Azerbaijan, national leader Heydar Aliyev and the current President of Azerbaijan Ilham Aliyev.

**The legal framework for the study** is based on the Constitution of the Republic of Azerbaijan, national regulatory and legislation acts in the field of energy, European and international political and legal documents on energy security.

As the **statistical base** of the research used the data of the State Statistics Committee of Azerbaijan, EIA US, Eurogas, Eurostat, IMF, IRENA, Tacis.

**The research methodology** is based on special scientific methods of political analysis. In particular, the method of policy formulation, which made it possible to analyze the political course towards ensuring the energy security of Azerbaijan with a clear formulation of the goals and objectives of each stage of its formation and development. A method for assessing state policy associated with determining the effectiveness and rationality of state energy policy in the external and internal environment. The political forecasting method was used in the study of alternative and renewable energy sources. In this study also used general scientific methods of cognition: induction and deduction, analysis and synthesis, analogy and comparison.

**The practical significance of the study.** The provisions developed by the post graduate student on energy security as a subject of state policy, on the goals and principles of its functioning, political aspects of competition in the world energy market and the interdependence of national and international energy security can be taken into account when developing a national energy security strategy, conducting special courses and the course “Political Foundations of energy security”, a course of lectures and training programs on political institutions of the Republic of Azerbaijan.

**Dissertation structure.** The dissertation research contains an introduction, two chapters, including six paragraphs, a conclusion and a list of references. Introduction - 15828 characters, Chapter I - 86323, Chapter II - 151606, conclusion 5683, together with a list of 262 references in total 179 pages (260806 characters).

**Approbation of the results.** The dissertation research was discussed at the meetings of the Institute on Law and Human Rights of ANAS. The main provisions, conclusions of the dissertation research were reflected in 10 articles published in the journals listed in the list of the Higher Attestation Commission of the AR.

## MAIN CONTENT OF WORK

The Introduction substantiates the relevance and degree of knowledge of the problem under consideration, defines the goals,

objectives and methods of research, reveals the scientific novelty, the provisions for defense, and the practical significance of the research.

**In the first chapter “Theoretical and methodological foundations of the political analysis of the state policy of energy security”** considers the category of energy security as a structural element of the national security of the Republic of Azerbaijan, internal threats in the energy sector determining the process of implementation of power state functions and a set of measures to protect the vital interests of the individual, society and the Azerbaijani state from external and internal threats in the energy sector.

**The first paragraph “Energy security as a category of contemporary political science”** explores the genesis of the concept of energy security, reveals the specificity of the vital interests of the countries of exporters, importers and transit countries of energy resources, and also presents an extremely controversial discourse of present political science studies of energy security. The conceptual position of American political scientists is based on the fact that energy security is the provision of access to energy resources necessary for the development of national strategic power. The position of political scientists of the post-Soviet space, including Azerbaijan, is based on the concept of energy security as a condition of protection of citizens, society and the state from the threat of a shortage of energy and fuel and energy resources provided due to the energy independence of the state<sup>9</sup>. Protection and efficient use of national energy resources in accordance with the Law “On National Security” is the national interest of Azerbaijan<sup>10</sup>. The National Security Concept of the Republic of Azerbaijan, adopted in 2007, supplemented the content of the energy security category with the concept of a security environment, which is understood as a set of factors influencing the protection of sovereignty, territorial integrity,

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<sup>9</sup> Боровский Ю. Энергетическая безопасность как понятие и проблема. – М.2016.с.33; Гафуров А. Сущность категории «энергетическая безопасность и ее место в общей структуре безопасности / Вест. МГТУ, Т. 13. № 1. 2010.с.172;.

<sup>10</sup> Milli təhlükəsizlik haqqında Azərbaycan Respublikasının Qanunu. № 712-İQ. 29 iyun 2004-cü il <http://www.e-qanun.az/framework/5455>

national interests, the consistent development of Azerbaijan and the welfare of the population<sup>11</sup>.

The paragraph proposes to consider the nature of threats requiring adequate political, legal, economic, organizational and technical measures as an indicator of differentiation of internal and external energy security. State control over Azerbaijan's energy space, its hydrocarbon reserves, pipelines and strategic energy export corridors should be considered a tool of protecting energy exports.

**The second paragraph “Conceptual approaches to state energy policy as the basis of energy security”** analyzes the factors that determine the values and priorities of the national energy security strategy. Considering a number of models of energy resources management, in particular, the “Washington Consensus”, “Beijing Consensus”, as well as the national-competitive, integration-competitive and national-monopoly models, we come to the conclusion about the specificity of the Azerbaijani model of state energy policy. The national model of state energy policy, developed by national leader Heydar Aliyev based on historical traditions and great experience in oil production in Azerbaijan, is in many ways unique, since within the framework of the “Washington consensus” it does not create any political barriers that restrict foreign investors' access to the energy market and creates a favorable investment climate. Along with this, within the framework of the “Beijing Consensus”, the Azerbaijani state retains control over its energy market, ensuring national energy security. In Azerbaijan, in the conditions of independent state building and effective political leadership, a national model of state energy policy has been formed, which is aimed at “socio-economic development in a global context, going beyond the local regional frameworks, achieving benefits from participation in economic ties in the markets of various economic spaces”.<sup>12</sup> The state energy policy of Azerbaijan presupposes the

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<sup>11</sup> Azərbaycan Respublikasının milli təhlükəsizlik konsepsiyasının təsdiq edilməsi haqqında Azərbaycan Respublikası Prezidentinin 23 may 2007-ci il tarixli, 2198 №-li. [www.mdi.gov.az/Milli\\_tahlukasizlik\\_konsepsiyasi.do](http://www.mdi.gov.az/Milli_tahlukasizlik_konsepsiyasi.do).

<sup>12</sup> Azərbaycan 2020: gələcəyə baxış” İnkişaf Konsepsiyasının təsdiq edilməsi haqqında Azərbaycan Respublikası Prezidentinin Fərmanı. 29 dekabr 2012-ci il. <https://president.az/articles/7022>

functioning of the sectoral structure in accordance with the principles of sustainable development and its improvement through an increase in the share of renewable energy sources in the functioning of the national economy. The state energy policy of Azerbaijan is aimed at greater satisfaction of public interests, which, accordingly, leads to the strengthening of socio-political stability and successful innovative development.

**The third paragraph “Interaction of national and international interests in ensuring global energy security”** analyzes the growing gap between the growth rates of energy-intensive industries and the paradigm shift of the world energy market. Energy security issues are becoming an extremely important point on the global political agenda and require the search for compromise political solutions for exporters, importers and transit countries of energy resources. Global energy security, which is essentially an interstate task, is connected to common human interests and cannot be solved only in a national order. The state, international organizations and energy TNCs do not act in isolation, therefore, the actors of international energy security, defending their national or corporate interests, determine the nature and methods of interaction on which the state of the international energy market depends.

The National Security Concept of the Republic of Azerbaijan postulates that *“the security of the Azerbaijani state cannot be ensured outside the context of the global and regional levels.”*<sup>13</sup> In this regard, the current challenges and threats caused by the global energy trilemma require taking into account in ensuring energy security the need to maintain a balance of national and international interests not only in the long term, but also in the short term perspective.

Azerbaijan is aimed at developing such a system of interstate relations in the field of international energy security, which itself would become a guarantee of the stability of the world order and sustainable development of our country. The present system of

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<sup>13</sup> Azərbaycan Respublikasının milli təhlükəsizlik konsepsiyasının təsdiq edilməsi haqqında Azərbaycan Respublikası Prezidentinin 23 may 2007-ci il tarixli, 2198 №-li. [www.mdi.gov.az/Milli\\_tahlukasizlik\\_konsepsiyasi.do](http://www.mdi.gov.az/Milli_tahlukasizlik_konsepsiyasi.do).

international energy security should be based on the principles of inclusive economic cooperation, equal and indivisible global security, creating equal broad opportunities for promoting economic and investment cooperation in the energy sector.

**In the second chapter “Political mechanism for ensuring and regulating energy security in the national security system of the Republic of Azerbaijan”** analyzes the implementation of the system of state measures to ensure energy security, which enhances political and economic stability in the country, contributes to strengthening the international status of the Azerbaijan state as an influential actor, responsible and reliable business partner. in the energy sector.

**The first paragraph of the second chapter “Oil strategy of national leader Heydar Aliyev as the basis of resource sovereignty and energy independence of the Republic of Azerbaijan”** notes that the large-scale geopolitical nature of the Armenian-Azerbaijani Nagorno-Karabakh conflict hindered Azerbaijan's development of the richest hydrocarbon reserves of the Caspian Sea. At the same time, the growth of world demand for hydrocarbon resources, which has been increasing since the early 90s of the 20th century, required the formation of a national oil strategy for Azerbaijan to enter key positions in the Caspian region. The concept of national security of the Republic of Azerbaijan defines that “at the first stage of independence, the young republic was subjected to military aggression from Armenia, faced internal instability, economic crisis, difficulties of the transition period and other serious problems. Despite this, the Republic of Azerbaijan, under the leadership of the national leader of the Azerbaijani people, Heydar Aliyev, overcoming all difficulties and defines the correct path of strategic development”<sup>14</sup>. Thus, such an important institution of the modern Azerbaijan state as energy security began to form in difficult political and economic conditions.

Within the framework of the problem we are investigating, the period from the development and conclusion of the “Contract of the Century” to the production of early oil under the “Contract of the

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<sup>14</sup> Azərbaycan Respublikasının milli təhlükəsizlik konsepsiyasının təsdiq edilməsi haqqında Azərbaycan Respublikası Prezidentinin 23 may 2007-ci il tarixli, 2198 №-li. [www.mdi.gov.az/Milli\\_tahlukasizlik\\_konsepsiyasi.do](http://www.mdi.gov.az/Milli_tahlukasizlik_konsepsiyasi.do).

Century” - November 12, 1997 is defined as the initial period of **the formation of the national energy security system.**

The oil strategy of national leader Heydar Aliyev provided the measures aimed at ensuring the resource sovereignty of the state, which was later enshrined in Article 14 of the Constitution of the Republic of Azerbaijan: *“Without prejudice to rights and interests of any physical persons and legal entities natural resources belong to the Azerbaijan Republic”*.<sup>15</sup> The foundation of resource sovereignty laid by the national leader Heydar Aliyev is enshrined in the Law of the Republic of Azerbaijan “On National Security”, which does not allow *“the conclusion of international treaties limiting the sovereign rights of the Republic of Azerbaijan or capable of harming the national security of the Republic of Azerbaijan”*.<sup>16</sup> From the standpoint of assessing the internal environment of energy security, large-scale external investments in the budget-forming sector of the republic's economy created conditions for political and economic stabilization in Azerbaijan during the transit period and the subsequent innovative breakthrough.

In order to protect national interests, the government chose the method of law-contracts. This approach testifies to both the consensus between the various branches of government regarding the adoption of politically important large-scale investment decisions of a strategic nature, and the maintenance of a balance of interests of the triad of national security — the person, society and the state. The oil strategy of Heydar Aliyev determined the balance necessary for the entire system of national security between ensuring the real state resource sovereignty of Azerbaijan and the implementation of the principles of openness of the national energy market and a favorable regime for investors. The Azerbaijani state remains the only entity that owns the tool for assessing the volume of national energy resources and planning their use, which protects the national interests of the republic.

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<sup>15</sup>Azərbaycan Respublikasının Konstitusiyası. <http://www.e-qanun.az/framework/897>

<sup>16</sup> Milli təhlükəsizlik haqqında Azərbaycan Respublikasının Qanunu. № 712-IIQ. 29 iyun 2004-cü il <http://www.e-qanun.az/framework/5455>



The structure of the State Oil Company, approved by President Heydar Aliyev, created an opportunity for the state policy of energy security in differentiated directions, both in the field of activity and in the external and internal security environment.

An important direction of ensuring resource sovereignty as the protection of the national interest in the energy security of Azerbaijan is its social orientation, which strengthens socio-political stability. Azerbaijan, through political and legal measures, secured control over human resources in the Production Sharing Agreement, leaving the government “*the right to request information concerning the national labor force*”.<sup>17</sup> This is a very important state-political measure, which combined the national interests of not only the energy, but also the political security of the country.

**The second paragraph “State policy of protecting the national interests of Azerbaijan's energy security in the external environment: main directions and features”** reveals the second period of the formation of Azerbaijan's energy security, which is characterized by new forms of government management, macroeconomic stability and dynamic social development. In the domestic political environment, this stage was distinguished by the development of a state policy to protect the national interests of Azerbaijan in the field of energy exports, the preparation of fundamental documents defining the national security system: The Law of the Republic of Azerbaijan “On National Security” (2004) and “The National Security Concept of the Republic of Azerbaijan” (2007). In the foreign policy environment, this period is characterized by a set of international legal agreements that determine the stability and efficiency of energy exports to international and regional markets.

The strategic importance of energy exports was determined by the national interests of Azerbaijan not only in the economic sphere, but also by geopolitical and international political factors.

The construction of the Baku-Tbilisi-Ceyhan oil pipeline named after Heydar Aliyev has provided the opportunity to supply Azerbaijani oil

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<sup>17</sup> Host Agreement made and entered into in the city of Baku in the Azerbaijan Republic as of this 17th day of October, 2000/ [www.bp.com/content/country-sites/en](http://www.bp.com/content/country-sites/en)

and gas directly to world and European markets. Azerbaijan's national energy interests were closely intertwined with the geopolitical and geo-economic interests of the United States and the European Union, and allowed the political leadership of Azerbaijan to form mechanisms to control its energy space, relying on the foundation of energy cooperation both with PSA partners and with leading actors in world politics. The construction and operating of the Baku-Tbilisi-Ceyhan pipeline, which has become a key route for Azerbaijani oil supplies, has contributed to strengthening energy security and strengthening the control of the Republic of Azerbaijan over the geopolitical and geo-economic spaces of the Caspian-Black Sea basin and the South Caucasus. The mechanism of control over the energy security of the geopolitical and economic space of the republic includes ensuring the protection of the following areas: diversification of energy supplies to world markets; laying of alternative, independent export pipelines and multivariate energy corridors which will link the Caspian Sea and Central Asia with the world energy markets.

President İlham Aliyev reasonably thinks that as a result of the successful implementation of ambitious energy projects, Azerbaijan has not only strengthened its energy security, but also expanded cooperation with the European Union<sup>18</sup>. For the European Union, the possibility of access to Azerbaijani energy resources creates conditions for diversifying imports of hydrocarbons and increasing the reliability of energy supply to the member states. The European Union has recognized Azerbaijan as its strategic partner in the field of energy security. In the long term, the EU, while strengthening its energy security, plans to receive 80-100 billion cubic meters of gas along the Southern Gas Corridor<sup>19</sup>. In general, the implementation of large-scale oil and gas projects at the transnational and regional levels, the export of oil and gas to European markets laid the foundation for the improvement and development of the state's fuel and energy complex, became the guarantor of the stability of the energy security system of the Republic of Azerbaijan.

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<sup>18</sup> İlham Əliyev Cənub Qaz Dəhlizi Məşvərət Şurası çərçivəsində keçirilən nazirlərin beşinci toplantısında iştirak edib.2020.28.02. <https://president.az/articles/31920>

<sup>19</sup> Gas and Oil Supply Routes// European Commission.

<https://www.ec.europa.eu/energy/en/topics/imports-and-secure->

**The third paragraph “Political support of the protection of the national interest in the field of energy efficiency and electricity supply of the Republic of Azerbaijan”** analyzes the security of ensuring the internal needs of Azerbaijan in primary energy resources. In generating electricity, Azerbaijan relies on its hydrocarbon resources and generating capacities of the republic's energy system, which are currently estimated at 7.139 megawatts<sup>20</sup>. The strategic documents defining the state policy in the field of energy security of Azerbaijan in the internal environment are: The “Development Concept. Azerbaijan - 2020: a look into the Future”; The State Programs for the Rational use of energy resources and improving the energy efficiency of end users (2015-2020)”; Strategic roadmap on the Development of the Oil and Gas Industry; Strategic roadmap on the Development of Utilities (Electricity, Heating, Water and gas).<sup>21</sup> These state acts determined the priorities of Azerbaijan's energy security in the internal environment in three directions: reconstruction of the energy system to improve the quality of electricity supplies and reduce losses; increasing energy efficiency and energy saving in the demand side; development of renewable energy.

The new energy policy of President Ilham Aliyev is aimed at innovative development, ensuring the security of energy supplies, the welfare and security of all citizens, the efficient functioning of the economy, continuous and reliable access to energy resources at generally affordable prices, taking into account the protection of the environment. Azerbaijan is gradually entering into the functioning of the fuel and energy complex international standards of CENELEC (European Committee for Electrotechnical Standardization) in order to eliminate technical barriers in international trade of energy

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<sup>20</sup> Шахбазов Р. Генерирующие мощности энергосистемы Азербайджана <http://interfax.az/view/746776>

<sup>21</sup> Azərbaycan Respublikasında istehsal olunan malların vahid məlumat bazasının yaradılması haqqında Azərbaycan Respublikası Prezidentinin Sərəncam. 21 sentyabr 2016. <https://president.az/articles/21139>; Azərbaycan Respublikasında kommunal xidmətlərin (elektrik və istilik enerjisi, su və qaz) inkişafına dair Strateji Yol Xəritəsinin icra vəziyyəti Azərbaycan Respublikası

resources.<sup>22</sup> The implementation of CENELEC standards develops technical measures to ensure the state's energy security, contributes to improving the stable operation of equipment, meeting the needs of consumers, as well as strengthening the country's position as a reliable partner in the foreign market and increasing the export potential of the Azerbaijani energy sector. The state energy policy of the Republic of Azerbaijan is aimed at preserving cheap fuel in the country for internal use by the population. Guided by the principles of energy security, the Azerbaijani government also developed a tariff policy which included a shift to full cost recovery of energy service providers at a 10% rate of return. The tariff policy of the Republic of Azerbaijan helps to ensure the protection of the national interest in the field of energy efficiency and electricity supply of the Republic of Azerbaijan. The stability of fuel prices is a favorable factor preventing the volatility of the national market. An important direction contributing to the strengthening of the country's energy potential is “attracting private investment in this area, encouraging the use of renewable energy sources (RES), creating a favorable investment environment and supporting private entrepreneurship.”<sup>23</sup>

In the new reality, cybersecurity issues are becoming a priority for energy security, critical for the energy infrastructure as life support. To protect the national interest in the field of energy supply, it is necessary to introduce new innovative technologies. One of these technological solutions can be the design of highly efficient "smart" distribution networks - Smart Personalized Grids, representing an extensive control and measuring system based on modern information technologies. Energy security is a structural element of the entire national security system, in this regard, state policy should plan its integration with the information and transport network, which is predicted by the inevitable trend of modern global development. Thus, ensuring the protection of the national interest in the field of efficient power supply is implemented through strategic government concepts

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<sup>22</sup> Overview of standardization and mandatory technical regulation systems of Azerbaijan(gas and electricity [www.inogate.org/overview\\_AZ\\_](http://www.inogate.org/overview_AZ_)

<sup>23</sup> Шахбазов П. 2020 год станет началом нового этапа в развитии возобновляемой энергетики в стране.[//www.trend.az/business/energy/](http://www.trend.az/business/energy/)

and programs, key regulatory institutions and the formation of a legislative basis that regulates the process of restructuring the internal energy market, adequate to the needs of the country's economy in primary energy resources.

**In the conclusion of the dissertation** the results of the research are summed up, the main theoretical conclusions and practical proposals are formulated.

The main provisions, conclusions of the dissertation research are reflected in the articles:

1. Теоретические подходы к рассмотрению понятия энергетическая безопасность // Украина Гілея науковий вісник Випуск 139 (12) Ч.3. *Політичні науки* Київ - 2018 s.54-59
2. Углеводородные ресурсы Каспийского бассейна и обеспечение энергетической безопасности Азербайджанской Республики // Tarix və onun problemləri 2 1997-088 Bakı - 2019 - s.136-142
3. Роль нефтяного фактора в обеспечении энергетической безопасности // Odlar yurdu universitetinin elmi və pedaqoji xəbərləri - 2019 №52 - s.101-110
4. Значимость нефтяного фактора в обеспечении энергетической безопасности Азербайджанской Республики // Россия Проблемы и перспективы реализации междисциплинарных исследований Сборник статей по итогам Международной научно-практической конференции - 14 октября 2019г - s.26-29
5. Газовый вектор в контексте обеспечения энергетической безопасности Азербайджана и ЕС // Украина Наукове об'єднання «Відкрите суспільство» збірник тез наукової роботи учасників міжнародної науково-практичної конференції «Суспільні науки сьогодні: постулати минулого і сучасні теорії» 1-2 листопада - 2019 р. Дніпро - s.71-75

6. The energy factor and its place in the system of relations between the united states of America and the republic of Azerbaijan // Индия EPRA international journal of economic growth and environmental issues Volume-7 october-september - 2019-2020 - s.56-59
7. Место и роль газового вектора в обеспечении энергетической безопасности Азербайджанской республики и европейского союза // Каспи geosiyasi araşdırmalar mərkəzi Geostrategiya - 2019№5(53) BAKI-2019 - s.40-44
8. Энергетическая безопасность как ключевой аспект национальной безопасности // Azerbaijan diller universiteti«Beynəlxalq münasibətlərin aktual problemləri adlı respublika elmi konfransı»Bakı 25 oktyabr 2019 il Bakı-2019 s.7-10
9. Роль и потенциал возобновляемые источники энергии в обеспечении энергетической безопасности азербайджанской республики // Odlar yurdu universitetinin elmi və pedaqoji xəbərləri - 2020 №57 - s.6-13
10. The energy factor and its place in the system of relations between the united states of America and the republic of Azerbaijan // Индия EPRA international journal of multidisciplinary research (IJMR) Volume-5 issue-10 October-2019 - s.56-59

The defense will be held on 21 December, 2022 at 14:00 at the BED 2.30/1 One-time Dissertation Council of the Higher Attestation Commission under the President of the Republic of Azerbaijan created under the Academy of Public Administration under the President of the Republic of Azerbaijan

Address: 74, Lermontov street, Baku

Dissertation is accessible at the library of Academy of Public Administration under the President of the Republic of Azerbaijan

Electronic versions of dissertation and its abstract are available on the official website of Academy of Public Administration under the President of the Republic of Azerbaijan

Abstract was sent to the required addresses on October 17 2022

Signed for print: October 14  
Paper format: A5  
Volume: 37522  
Number of hard copies: 20