

National leader of Azerbaijan

PROFILE OF HEYDAR ALIYEV

NATIONAL LEADER OF AZERBAIJAN

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It is difficult to overstate the role played by Heydar Aliyev in the creation of a modern, independent Azerbaijan. He was a key figure during the Soviet era, responsible for promoting the interests of Azerbaijan within the Communist hierarchy; while as President of the independent Republic of Azerbaijan from 1993 until he passed away in 2003 he guided the country through difficult times, laying down the foundations that have led to greater prosperity, stability, and international cooperation.

Born in 1923 – just six years after the Soviet Revolution – in the city of Nakhchivan, the young Aliyev attended a local school before moving on to the Azerbaijan Industrial Institute (now State Oil Academy) where he studied architecture. His education was interrupted by the Soviet Union's entry into the Second World War in 1941, though he later studied in Leningrad (now St Petersburg), and in 1957 graduated in history from Azerbaijan State University.

By then he had already risen to prominence, both within Azerbaijan and the Soviet Union. From 1941 he was head of department at the People's Commissariat of Internal Affairs in the Nakhchivan ASSR (today's Nakhchivan Autonomous Republic, a part of Azerbaijan now blocked by Armenia from the rest of the country). Recruited into the State Security service in 1944, Heydar Aliyev progressed rapidly to the rank of Lieutenant General, Deputy Chairman and, from 1967, Chairman of the Committee of State Security under the Cabinet of Ministers of the Azerbaijan Soviet Socialist Republic.

In July 1969 he was made First Secretary of the Central Committee of the Communist Party of Azerbaijan, the most powerful position within the Republic, and was tasked with the clampdown on old-style Soviet corruption. Over the course of the next thirteen years he led Soviet Azerbaijan to greater prosperity, helping to increase economic growth rates more successfully than in most other Soviet Republics, while at the same time raising the profile of Azerbaijan within the Kremlin. As a result of these efforts, Heydar Aliyev was first elected alternate and then a full member of the Soviet Politburo. As First Deputy Chairman of the Cabinet of Ministers of the Soviet Union, responsible for transportation and social services, he became a key figure in the USSR.

But in 1987, Aliyev resigned over differences with

Secretary General Mikhail Gorbachev and his policy of perestroika, following which he protested against attempts by Soviet troops to re-impose control in Baku and the policies that led to the conflict over Nagorno-Karabakh. He renounced his party membership and was elected as a moderate nationalist to the Supreme Council of Soviet Azerbaijan, governing the Nakhchivan region until, in June 1993, he was chosen as Chairman of the National Assembly with temporary presidential powers. These were confirmed by his success in a nationwide referendum, and in October of that year Heydar Aliyev was elected President of Azerbaijan – the first of two presidential elections in which he received a popular mandate.

During his swearing in ceremony in 1993, President Aliyev explained his vision for the future of the country, committing himself to strengthening Azerbaijan's independence, improving living standards, and resolving the conflict with neighbouring Armenia.

These were testing times for the newly independent republic. The conflict in Nagorno-Karabakh, where the militant groups backed by Armenians were fighting against the Azerbaijani authorities, had escalated. In the aftermath of the Khojali Massacre tens of thousands of refugees and internally displaced persons sought safety in Azerbaijan's capital of Baku and the surrounding areas. At the same time bitter divisions within the Azerbaijani leadership brought the embattled country to the brink of civil war. Heydar Aliyev's return to power put an end to these internal divisions, and over the next decade he set about steering his country towards greater stability and higher living standards.

Within months of taking office, a ceasefire was signed, thereby preventing further bloodshed over Nagorno-Karabakh; though as a result nearly 20 per cent of Azerbaijan's territory remained occupied by Armenian-backed separatists and close to a million Azerbaijanis became internally displaced persons. Speaking on the seventh anniversary of the Khojali Massacre, President Aliyev called for 'every effort to be made to seek the world community's unbiased and resolute position regarding this genocide', which he called 'one of the greatest atrocities of the 20th century'.

However he sought to resolve these problems through diplomacy and international mediation rather than a renewal of military conflict. As he pointed out

on numerous occasions: 'Azerbaijan does not plan to use the difficult situation in Armenia and Nagorno-Karabakh to achieve its own military objectives. We support peace. We don't consider a military solution acceptable'. Instead he looked to 'international organisations that have been commissioned to restore peace and security in the world to resolve this conflict on the basis of mutual compromise and within universally accepted norms of international law.'

The deal of the century

At the same time, President Aliyev set in motion a historic agreement to harness the country's vast oil and gas resources. In 1994, after months of arduous negotiations, he signed the 'The Contract of the Century': a US\$7.4 billion Production Sharing Agreement (PSA) made up of a dozen contracts with leading multinational oil companies to develop the Azerbaijani-Chirag-Gunashli (ACG) fields.

The PSA was the first by a former Soviet Union state with overseas oil companies. What's more, it was to develop a proven hydrocarbon resource. The contract was also a way of cementing Azerbaijan's independence, and has made the country a global supplier of energy.

Oil production under the first of these PSAs with the Azerbaijan International Operating Company (AIOC) began in November 1997. Since then, 28 PSAs have been signed with

33 companies worth US\$30 billion, along with a further 27 joint ventures and seven alliances between international players and SOCAR, the Azerbaijani state oil company.

By 2007, oil production had risen to 860,000 bbl/d, driven mainly by growth from the ACG field. Azerbaijan was the largest contributor to non-OPEC supply growth between 2006 and 2007, and the country's net exports amounted to roughly 700,000 bbl/d in 2007, most of which was routed to Russia, Italy, Turkey, and Germany.

The ACG group of fields produces over 65 per cent of the country's oil, and this share is expected to continue to increase as ACG's oil production grows. By 2010, Azerbaijan will be producing up to 4.7 million barrels per day, putting it ahead of Venezuela as well as many other leading oil producing countries. As Europe and the United States look to diversify their oil and gas supplies, Azerbaijan will ►

Aliyev successfully sought to maximize the benefits of Azerbaijan's huge oil and gas reserves

Heydar Aliyev
the National Leader
of Azerbaijan



Building up Azerbaijan's economic success on the back of its enormous energy potential required political stability and massive inward investment

expand production, boosting its fast-growing economy into a regional powerhouse.

President Heydar Aliyev's approach was always to maximise the benefits of Azerbaijan's huge oil and gas reserves, looking to the major international oil companies (IOCs) for the massive financial investments and modern technology needed both to update Soviet infrastructure and build new export routes to key markets.

Building up Azerbaijan's economic success on the back of its enormous energy potential required both political stability and the attraction of massive inward investment. President Aliyev managed to achieve both.

Understanding the need to channel oil revenues to fuel the country's development, President Aliyev set up SOFAR, The State Oil Fund, in 2000. As a separate agency, management is transparent and subject to international scrutiny with prudent guidelines for saving, spending and investing fund revenues, primarily in domestic and foreign government bonds.

Through these far reaching oil deals, Heydar Aliyev set the course for Azerbaijan's long term political and economic development and helped establish cooperation on an international level. As a direct result of the implementation of this oil strategy Azerbaijan has now become a global centre for oil and is benefiting from a new economic model established by Heydar Aliyev for the development of the region and in particular, the harnessing of the Caspian's energy potential and the expansion of political and trade relations between Europe and Asia.

Conflict over Nagorno-Karabakh

The conflict, started in 1987, resulted from Armenia's territorial claims over the Nagorno-Karabakh region of Azerbaijan and the deportation of many Azerbaijanis from their homes in Nagorno-Karabakh and Armenia.

Between 1988-1994 Armenian armed forces occupied Nagorno-Karabakh and seven adjacent administrative regions. This area amounts to some 20 per cent of Azerbaijan and despite the ceasefire the conflict remains unresolved.

Since then, the Government of Azerbaijan has been seeking ways to settle the conflict within the framework of the OSCE Minsk Group and to end the occupation as well as establish stability in the region.

The territorial integrity of the Republic of Azerbaijan, including Nagorno-Karabakh is supported and recognised in international law and reflected in the United Nations Security Council resolutions 822, 853, 874 and 884 adopted in 1993, as well as by the OSCE and the Council of Europe.

The peaceful resolution of the conflict is being facilitated by the OSCE Minsk Group which was established in 1992. This Group is currently lead by the Co-Chairmanship of France, Russia and the United States. The Minsk Group also includes Belarus, Germany, Italy, Portugal, the Netherlands, Sweden, Finland and Turkey as well as Armenia and Azerbaijan.

The conflict has resulted in one million refugees and internally displaced people.

International relations

When he assumed the presidency in 1993, Heydar Aliyev focused his efforts on achieving peace and stability in the region and reducing tensions with Armenia over Nagorno-Karabakh. He reached a ceasefire agreement with Armenia in May 1994 and was hoping for an enduring peace. In his meetings with major international politicians, he always highlighted Azerbaijan's commitment to a peaceful and diplomatic resolution to the conflict within the framework of international organisations such as the UN and OSCE. Heydar Aliyev played a crucial role in focussing the attention of the western world on Azerbaijan, highlighting the investments by major international oil companies and the country's role as an ally in the development of the South Caucasus and Caspian region.

Long conscious of Azerbaijan's geo-political strategic importance, the Azerbaijani president understood the need for a flexible approach to transporting oil out of the region. In the event, Heydar Aliyev opted for a route that bypassed Russia. Instead, it would head from Baku and on to the Turkish port of Ceyhan, providing access to international markets. The choice of Turkey was also significant in that it provided an opportunity to further strengthen relations with a country with which Azerbaijan enjoys long-standing ties.

An agreement to build the pipeline, dubbed BTC, was signed in Istanbul, in November 1999, and witnessed by a number of major international leaders. The agreement was an immense diplomatic achievement for Azerbaijan, and established it as a world-class oil supplier. In less than a decade, Heydar Aliyev had turned Azerbaijan into an international player, courted by Europe and the United States as a recognised partner.

Heydar Aliyev always safeguarded Azerbaijan's independence and tried to avoid alliances that might diminish the country's independence.

A partner in the war on terror

President Heydar Aliyev was swift to move towards an ever closer relationship with Euro Atlantic organisations, including signing in 1994, the *Partnership for Peace Programme* with NATO, which provided a framework for co-operation with newly independents States, and by 2003 units of Azerbaijan's armed forces had joined peace building operations in Afghanistan.

NATO recognised the vital role that President Heydar Aliyev played after 9/11: in 2003, former NATO Secretary General Lord Robertson praised the country, noting: "Azerbaijan has taken a positive and helpful stance in the fight against terrorism, and I congratulate you for it."

The presidency of Heydar Aliyev therefore saw

Azerbaijan emerge as a vital partner in the sphere of energy supply and security, as well as becoming a key ally in the fight against terrorism. Washington's interest in the region further increased after the autumn of 2002, when the United States deployed military units in Central Asia. Unable or unwilling to rely on supply routes through Iran, Russia, or China, the United States saw the Caucasus as a crucial corridor, and all US aircraft that took part in military operations in Afghanistan from bases in the United States or Europe used the airspace of Georgia and Azerbaijan.

The post-9/11 security landscape posed many difficult questions for Heydar Aliyev in the final months of his presidency. Would the focus on combating terrorism divert Western attention to Central Asia away from the specific problems of the Caucasus? Would the events of 9/11 lead to a dramatic turnaround in Western perceptions and policies, bringing about a change at the expense of the region?

The world may have changed after 9/11, but the Caucasus remains a region of crucial importance. And Azerbaijan remains a key partner of the West, and of NATO. If anything, 9/11 has reinforced the Alliance's determination to further develop security relationships across the region.

Building a democratic state

President Aliyev's commitment to creating a secular, democratic Azerbaijan has been recognised by Europe and the United States through increasing security cooperation in the post-9/11 era.

Speaking during his first official visit to the United States, President Heydar Aliyev answered critics of the speed of democratic reform: 'Some people think we should be able to establish democracy in a short time, but that's impossible. Azerbaijan is a young nation and democracy is a new concept. The US has been advancing on the path of democracy for a long time – more than 200 years. You've achieved a lot, but you're still working on it.'

Azerbaijan can rightly claim to be among the most progressive and secular Islamic societies. Aside from becoming the first democratic republic in the Muslim East in 1918, the first republic to give women voting rights and the first Muslim country to have Opera and theatre, Azerbaijan is today among the Islamic countries where support for secularism is the highest, and where radical ideologies have met only very limited interest.

Yet even before Soviet atheism, Azerbaijan saw the rise of a secular intelligentsia that had little interest in religion aside from a marker of cultural identity. This trend has continued after Azerbaijan's independence, and considerably affected its foreign relations. Azerbaijan has looked to the West for support and for inspiration. Most westerners who visit Baku marvel at

the secular and western nature of this cosmopolitan capital. "In Azerbaijan we are building a democratic state based on law and secularism" said Aliyev in a speech in 1995.

Achievements and legacy

Despite his deteriorating health, President Aliyev remained in office until October 2003, when his son, Ilham Aliyev, was elected President of the Republic of Azerbaijan. He passed away in the United States where he was receiving treatment at the Cleveland Clinic on 12 December 2003, being survived by his son and daughter. During his lifetime he received the highest public honours and awards; but it as 'the father of independent Azerbaijan', the man who steered the fledgling republic through its early and difficult years and brought it first security, and then prosperity, that Heydar Aliyev is best remembered.

After his passing, world leaders praised Aliyev's role as a national and regional leader, as well as his contribution in the international arena. Tony Blair highlighted his steady-handedness, saying: "He brought stability to his country in a period of chaos. The Azerbaijani nation should be proud of this heritage." US President George Bush focused on Heydar Aliyev's achievements in bringing prosperity to his country: "He attracted large-volume foreign investments that strengthened the economic development of Azerbaijan. These achievements improved the lives of millions of Azerbaijanis and created the opportunity for Azerbaijan to come into the 20th century as a modern state." **F**

Heydar Aliyev saw Azerbaijan emerge as a vital partner in the sphere of energy supply and security

Heydar Aliyev,
Father of the Nation

