

Abstract

This thesis will focus on Azerbaijan's oil and gas industry; how the country uses its energy revenues within its economy; how it avoids economic pathologies such as the "Dutch Disease"; Azerbaijan's role within the Caspian Basin, and finally, the European Union's energy security and how Azerbaijan's energy resources can impact it. The Republic of Azerbaijan is a natural resource-rich country, and uses its energy resources as a means of socio-economic advancement and stability. Recent developments within the country's natural gas sector have allowed Azerbaijan to become a net gas exporter.

The EU's growing demand for energy resources illustrates how important it is for states to have access to secure, stable, and diverse sources of energy. Energy resource exploration and the subsequent export of these products to international markets play a crucial role for the Republic of Azerbaijan's economy. Therefore, this thesis will first provide a brief evaluation of the history of Azerbaijan's energy sector; an overview of the current situation and recent developments; and explore how energy revenues are being distributed in the economy. It will define the interests of other important actors such as Russia, Turkey and the USA; and finally, it will assess the EU energy security, the role of Azerbaijan as the Caspian basin country in this concept, key challenges and effective mechanisms to overcome existing or future possible challenges.