

Azerbaijan as an Emerging Middle Power after the 44-Day War and Reshaping the Foreign Policy

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After the 44-day war of September–November 2020 and the anti-terror measures conducted in September 2023 by Azerbaijan in its formerly occupied territories, Azerbaijan restored its territorial integrity and provided the necessary basis for ensuring its security and stability in the future. The new status quo in the South Caucasus region also formed a new reality that strongly contributed to Azerbaijan’s currently developing status as a middle power. This article defines the notion of middle power and the specifics of states with such status. Further, the current status of Azerbaijan in regional and international fora is analysed on the basis of the proposed category. As middle powers attach great importance to diplomatic actions in the international arena, such states’ agendas and priorities are mainly determined in this field. Moreover, this article also analyses the tools and agenda for expanding Azerbaijan’s foreign policy and its more active participation in the global arena.

Keywords: Azerbaijan, Azerbaijan’s Foreign Policy, Middle Power, Green Energy, Anti-neocolonialism, COP29.



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Introduction

After the collapse of the Soviet Union, Azerbaijan, along with Georgia and Armenia, became one of the newly independent countries that appeared on the world map in the small region of the South Caucasus. Immediately after regaining its independence, Azerbaijan faced many political and economic challenges, mostly inherited from the Soviet Union. Political instability, economic collapse, the First Karabagh War with Armenia, and the occupation of part of its sovereign territory were among the problems that had to be addressed by a young state. At the time of its acquisition of independence, due to its size and potential, Azerbaijan belonged to the category of countries labelled as ‘small powers’. Countries belonging to this group usually do not have significant resources, are unable to influence international processes, even at the regional level, and are also incapable of independently resolving national security issues, and usually depend on the great powers of the international system.

In this context, Azerbaijan could be considered a typical small power. After concluding the Ceasefire Agreement with Armenia in 1994, Azerbaijan started to focus on other concerns to consolidate its statehood and enable it to ensure political stability, stop the economic downturn, and attract foreign investment to the energy sector. The last-named allowed Azerbaijan to launch the implementation of regional megaprojects in the energy and transport sectors, which doubled Azerbaijan’s geoeconomic significance in the region. Azerbaijan was known as a stable and trustworthy partner in implementing energy transport projects. At the same time, no project in this area was implemented without the participation and consent of Azerbaijan, or that project faced failure. The energy transportation projects implemented by Azerbaijan began to play a connecting role between the regions of the Black Sea basin, the South Caucasus, and Central Asia. That meant alternative routes for oil supplies to European markets. The State Oil Company of the Republic of Azerbaijan (SOCAR) became an important agent in implementing regional projects of geoeconomic importance. SOCAR’s activities have extended far beyond the borders of Azerbaijan. In this regard, the Black Sea region has become an ‘inland sea’, of interest to this company as it has been active in all the countries of the region.

However, geopolitical issues did not resonate well with the geoeconomic importance of Azerbaijan. The reason for this was the then-ongoing conflict between Armenia and Azerbaijan, notably the occupation of the latter's territories by the former. Armenia's occupation persisted for almost three decades, despite the world community's recognition of the territorial integrity of Azerbaijan and the four UN Security Council Resolutions (822, 853, 874, 884) of 1993, which demanded the immediate withdrawal of the occupying forces of Armenia from the occupied territories. Azerbaijan patiently held negotiations towards this end from 1994. In contrast, the Armenian side preferred to drag out time with the sole purpose of consolidating the de facto situation as de jure.

It is worth noting that, at that time, Azerbaijan mostly actively participated in the international arena from a geopolitical perspective. Thus, as the (now former) conflict remained unresolved, Azerbaijan was unable to realize its full potential. In 2020, Azerbaijan managed to change this de-facto situation as a result of a 44-day war that led to the liberation of part of its territories, and Armenia agreed to liberate the rest after inking the trilateral statement of November 10, 2020. For the first time, a country from the former socialist bloc, although a small power, managed to shift the status quo in its favour. Nevertheless, it took thirty years for Azerbaijan to resolve this problem.

The liberation of the final batch of the formerly occupied territories and the restoration of sovereignty over the country's entire territory also allowed Azerbaijan to ensure its transition from the category of small powers to a middle power. Since Azerbaijan acted as a regional actor from an economic point of view, actively initiating and implementing regional energy and transport projects, the only missing element in the designation of it as a middle power was the fact of its territory being occupied by Armenia.¹ Azerbaijan previously proved its middle power status as an economic actor, but, in the geopolitical context, it needed control over its whole territory. After transforming into a middle power, Azerbaijan has begun to formulate its specific foreign policy agenda, which it is trying to present at the international level.²

1 See the article of Rovshan Ibrahimov regarding the specifics of Azerbaijan's transition from a small power to a middle one, "Азербайджан: Укрепление «Малой Силы» или Переходный Период в Становлении «Средней»?" (Azerbaijan: Strengthening the "Small Power" or a Transition Period in the Formation of the "Middle Power"?), *Journal of International Analysis*, Volume 12, No.2,

2 See the book of Rovshan Ibrahimov, "Small State Foreign Policy in Contemporary World, The South Caucasus States (Azerbaijan, Georgia, and Armenia) and Beyond", 2024, Germany. The book

This article will analyse those actions in the geopolitical and geoeconomic spheres in the international arena to resolve the (now former) Armenia–Azerbaijan conflict and, after its resolution, the steps that Azerbaijan is taking as a small power in international relations.

The main goal of this article is to evaluate the status of Azerbaijan as a middle power within the theoretical framework. This article also explains the process of Azerbaijan’s transition to a middle power and the development of new foreign policy instruments within the demands of the country’s new status. The new middle power status of Azerbaijan is analysed within the framework of various definitions of this category. In addition, given that middle powers are more actively involved in international politics while developing instruments for implementing their foreign policies, the article also conducts an analysis of the directions Azerbaijan has developed to achieve this.

Theoretical Definition of a Middle Power

The definition of power is a cornerstone of the central paradigm of international relations – realism. Other schools in this discipline also pay special attention to this definition. Therefore, in this article, various aspects of the understanding of power, including the classification of countries by their potential as great, middle, and small powers, are thoroughly explored. Tom Cowards, a prominent figure in the field of international relations, conducted a quantitative analysis to classify approximately 190 states according to their potential. His research, which classified all the countries by their area, population, and GDP, is a significant contribution to our understanding of power dynamics. Cowards’ work classified 79 countries as being “small”, 75 as “middle”, and 34 as “great”, with the GDP of each country being a key aspect in determining small and medium powers.³

If we review the concept of middle power from the point of view of theoretical designation, then there is no exact definition for this category of countries. Therefore, it is easier to conduct a comparative analysis with other categories of countries defined in the format of power. In

provides theoretical generalizations for the optimal foreign policy of small forces and also provides examples of the foreign policy of the countries of the South Caucasus.

3 Cowards, T., “Defining the Category of ‘Small’ States”, *Journal of International Development*, 14, No 03, (2002), p. 168.

short, the great powers of international relations are countries that influence global politics. Most often, great powers are countries with a permanent seat in the UN Security Council, with the right of veto. These are the U.S., the Russian Federation, Great Britain, China, and France. Currently, the U.S. is defined as the only remaining superpower in the world (following the collapse of the Soviet Union). Countries in this category have significant political, military, and economic influence on the world arena. Moreover, countries belonging to this group have nuclear weapons in their possession. Although nuclear potential is considered necessary to appear as a great power in the modern international system, the presence of nuclear weapons is nevertheless not a sign that a state is a great power (e.g. Pakistan and India).

Still, nuclear potential brings these countries to the forefront among middle powers. Thus, the category of middle power includes countries with very different potentials and capabilities. Some of these countries have a small territory and population. For example, Israel, which has a small territory (20,770 km²; according to this indicator, it occupies only 148th place among 193 countries) and population (9.8 million people, 96th place in the world), but still plays a very significant role in the Middle East region.

In short, countries in the category of middle power are those states that are a step behind the great powers but still have a vast influence (at regional or interregional level) in world politics. These states have the potential to implement large-scale diplomatic and economic activities, and some (such as Türkiye) also have military influence abroad.

The countries of the Global North, such as Australia, Canada, and South Korea, as well as the countries of the Global South – Argentina, Brazil, and Indonesia – are among those in leading positions within the category of middle power.⁴ Leading countries in the middle power category usually have a large swath of territory (except for South Korea), a large number of population, as well as a large economy. Thus, for convenience in defining a middle power, countries with a small territory, small population, and small economy are mostly classified as small powers. However, a small size of territory and a small population are yet insufficient to define whether the country is a small power or

4 World Economic Forum, *Middle Powers: What are They and Why do They Matter?*, January 24, 2024, Available at: <https://www.weforum.org/agenda/2024/01/middle-powers-multilateralism-international-relations/>, (Accessed: May 15, 2024).

not. If a country with a small territory and a small population has great economic potential, it can be included in the category of middle powers. Tom Crowards, when categorizing countries by their GDP, defines Burundi, Eritrea, and Haiti, which have large populations, as small powers. At the same time, in his definition structure, Slovenia and Kuwait, which have tiny populations, are presented as medium powers.⁵

In defining the differences between the categories of small and middle powers, David Vital, in short, considers the presence or absence of material resources in a country to be an essential factor in determining which power category this state belongs to. He also emphasizes the importance of population. Thus, according to Vital, small powers cannot fully act as full-fledged independent members of international society due to limited human and material resources.⁶ However, he does not imply this factor from a legal point of view, as all actors in international relations in this regard are legally equal; that is to say, it is the lack of resources that prevents these countries fully implementing activities to meet their national interests. Maurice A. East makes a significant contribution to the definition of small powers and, therefore, the designation of middle powers. East relies on four factors as the basis for defining small powers: a small power is a state with a small territory, a small population, a low GDP, and insignificant military potential.⁷ Unlike Vital, East gives a more detailed definition of the term ‘material resources’ and divides them into two groups: economic and military potential.

Bernard Wood, a representative of the Realist School of International Relations, believes in using the size of a country’s GDP and its military expenditure to classify its “power”. If a country’s economy is small and its military expenditure is insignificant and unable fulfilling its security needs independently, then this country is classified as a small power.⁸

5 Cowards, *ibid.*, p. 168.

6 Vital, D., “The Inequality of the States: A study of Small Power in International Relations”, in *Small States in International Relations*, ed. Jessica Beyer et al, Seattle, University of Washington Press, 2006, p. 77.

7 East, M. A., “Size and Foreign Policy Behavior: A Test of Two Models”, *World Politics*, 25, No 4, 1973, p. 557.

8 Kohei, I., “Comparative Middle Power Analysis: Turkey and Japan”, MEI, November 7, 2013, Available at: https://www.mei.edu/publications/comparative-middle-power-diplomacies-turkey-and-japan#_edn2 (Accessed: December 12, 2020).

A country's economic capabilities, and the military potential backed by these, are essential criteria for categorizing the differences between small and middle powers. Based on this definition, we have to distinguish between small and middle powers. The lack of the necessary economic and political potential leads to a situation in which small countries cannot ensure their own security independently based solely on their own resources. These countries usually need the support of powerful allies to realize this goal. That can either be through a group of small powers that coordinate their efforts in a common direction or with the support of a great power.

However, the support of a great power is not a constant and unchangeable process. The great powers often build their policy of support not on the desires or needs of a small power, but rather on their own national interests. Since these interests are often dynamic, over time, a small power may lose this support at any point. As for consolidating the efforts of several small powers, their potential may be insufficient to ensure individual and collective security in grave situations. Due to their limited economic and military capabilities, small powers are more accommodating when compromises are needed to resolve disagreements or conflicts. In addition, small states have fewer alternatives and less manoeuvrability when making political decisions. As a result, the degree of vulnerability of small powers in the international arena is comparatively higher than that of the medium powers – and much greater than that of great powers.

Middle powers are, compared to small powers, more proactive in their approach. They have the ability (albeit not all of them) to neutralize most external actions that do not align with their national interests. These countries, at a minimum, will seek ways to resolve an undesirable scenario, reassuring themselves of their ability to handle external actions.

Eduard Jordaan makes a very ambitious statement regarding middle powers. He believes that all middle powers demonstrate foreign policy behaviour that stabilizes and legitimizes the world order, usually through multilateral and joint initiatives.⁹

9 Jordaan, E., "The Concept of a Middle Power in International Relations: Distinguishing between Emerging and Traditional Middle Powers", *Politikon: South African Journal of Political Studies*, Volume 30, Issue 1, 2003, p. 165.

After the Second World War, due to the decolonization process, the number of states in the world increased and, today, the number of countries has reached 193 (UN members). These new states, which also actively shape the agenda of international politics, are all, without exception, small and medium powers. In modern international relations, as the system is transformed, the role of these states also increases. Azerbaijan is one of those countries that is increasingly active in the global arena.

Energy Projects as a Tool for Creating New Opportunities for Azerbaijan

Despite all the difficulties, several months after the conclusion of the ceasefire agreement with Armenia in May 1994, and the beginning of a relatively stable situation in Azerbaijan, on September 20, 1994, Baku signed an agreement that later became known as the ‘Contract of the Century’ with international energy companies. Along with Western companies, Azerbaijan also managed to attract Russia’s Lukoil to the project, which was of high significance in terms of pacifying Russia and its reaction.¹⁰ At this stage, the main task was to attract as many energy companies from different countries as possible.¹¹ Signing this agreement was not easy, as Russia was initially against the penetration of Western companies into the South Caucasus and the Caspian Sea region. Russia, therefore, provided military support to Armenia in the conflict and also supported coup attempts against the second and third presidents of Azerbaijan for the purpose of pressuring official Baku. Only the third president, Heydar Aliyev, managed to achieve what Azerbaijan’s first and second presidents, Ayaz Mutalibov and Abulfaz Elchibey, were unable to do.¹² The policy of balance in Azerbaijan’s foreign policy course thus originated from within the energy projects. These same projects eventually turned Azerbaijan into an interregional actor. For Azerbaijan, signing this agreement was, alongside its promising economic benefits, more a matter of geopolitical importance.

10 Ibrahimov, R., “Azerbaijan’s Energy History and Policy: From Past till Our Days”, in R.Ibrahimov, *Energy and Azerbaijan: History, Strategy and Cooperation*, Baku: SAM 2013 (a), p. 23.

11 Ipek, P., “Azerbaijan’s Foreign Policy and Challenges for Energy Security”, *Middle East Journal*, 63, No 2, Spring, 2009, p. 233.

12 Ibrahimov, R., *ibid*, 2013 (a), pp. 21-23.

Within the framework of the Contract of the Century, Azerbaijan, together with Western energy companies from seven countries, including the United States, United Kingdom, Russia, Norway, Scotland, Türkiye, and Saudi Arabia, agreed to develop its largest oil field, Azeri-Chirag-Guneshli, in the Caspian Sea, with a total volume of one million tons of oil.¹³ It is worth noting that, although Azerbaijan initially considered the development of the field mainly as a source of economic income, signing the agreement fulfilled the requirements of geoeconomic reality and the formation of a policy of balance of power. Thus, Azerbaijan managed to attract companies from different countries, including Russia (the primary opponent in implementing this project) into the international consortium developing this project. Despite protests from official Moscow regarding the signing of the agreement, Lukoil took a place in the consortium, which subsequently became one of the factors that allowed Russia to soften its position.¹⁴

Meanwhile, Azerbaijan limited SOCAR's share to 20% when the contract was signed. Subsequently, 5% of the shares were transferred to Turkish company TPAO. Azerbaijan proposed to transfer another 5% to the Iranian national oil company, NIOC, to ensure balance across the entire region. Thus, all prominent actors in the region would have access to the project. However, the United States strongly opposed this. As a result, that 5% was transferred to another American company, Exxon Mobil.¹⁵ Thus, SOCAR's share was reduced to 10%. During these years, the members of the consortium and their shares changed regularly, and so did the shares of SOCAR. After some time, when SOCAR's financial capabilities improved and the project began to acquire a more geoeconomic colouring, the national company began to increase its share in the project. As of 2024, after acquiring another 7.27% of the shares of Norwegian company Equinor at the end of 2023, SOCAR's share increased to 32.27%,¹⁶ making it the largest shareholder in this deposit.

13 Ibrahimov, R., "Azerbaijan Oil Production as a Main Locomotive of State Economy", Çankiri Karatekin Üniversitesi Uluslar arası Avrasya Strateji Dergisi, Vol. 1, No1, 2012, p. 64.

14 Ibrahimov, R., *ibid*, 2013 (a), p. 23.

15 Le Vine, Steve, *The Oil and the Glory: The Pursuit of Empire and Fortune on the Caspian Sea*, New York, Random House, 2007, p. 352.

16 Interfax.ru, *Norvejskaya Equinor Prodaet SOCAR Ostavshiesya Aktivi v Azerbaydjane*, December 22, 2023, Available at: <https://www.interfax.ru/business/937573> (Accessed: April 13, 2024).

Shaping the Geopolitics of Pipelines

The signing of the agreements was only the first stage of the formation of a balanced policy that would allow Azerbaijan to conduct its foreign policy more independently, relying solely on national interests. Taking into consideration that Azerbaijan is a landlocked country (with no access to the open sea), the export of oil and natural gas resources could only be possible through pipelines passing through the territories of neighbouring countries. Under such circumstances, it was essential to determine the correct route to prevent unwanted political and economic dependence on those neighbouring countries, which could use the transit factor in their interests. Then the Russian Government, after failing to prevent the signing of the Contract of the Century, wanted oil transportation to be carried out specifically through its territory. However, the U.S. government began to show an active interest when Azerbaijan was in the process of determining the direction of export transport corridors for access to world markets and Russia. Given the broad representation of American companies in this project, the United States wanted its companies to feel comfortable at all stages of the activity, from exploration to oil export. The first conflict of interest between Russia and the United States on this issue began to manifest itself when the pipeline route for the export of 'early oil' was being determined. At that time, two route options were proposed, both beginning in Baku and with endpoints at two exits at Russia's Black Sea port of Novorossiysk and Georgia's Supsa. The first route was lobbied for by Russia, which believed that, if this option were chosen, the main volumes of oil from Azerbaijan would subsequently be transported through its territory. The United States supported the second option. The task for the government of Azerbaijan was not easy: it was necessary not to complicate relations with either side. Moreover, the Yeltsin government was unfriendly towards Azerbaijan.

Azerbaijan believed that choosing a route in favour of one of the parties could worsen relations with these actors. At the same time, relations with Russia at that period were initially complex, and official Baku had no desire to complicate them even more. However, choosing the Russian route meant falling under dependence on its northern neighbour. When Russia launched a large-scale military operation in Chechnya, a separatist region located in the North Caucasus, in September 1994,

its borders with Azerbaijan and Georgia were closed. At that time, 70% of all Azerbaijan's exports were transported to third countries through Russia. The border closure meant that Azerbaijani industry was functioning at only 5% of its potential, and 30% of the products produced were unsold and had to be stored in warehouses. The border was closed not only because of the conflict, but also for the purpose of putting pressure on Azerbaijan.¹⁷

As for the United States, it was the participation of American companies that first attracted the attention of this country to Azerbaijan, which initially had no particular interest in the region. It was for this reason that lobbying by the Armenian diaspora succeeded in 1992 in pushing through (in a half-empty Congress) Section 907 of the United States Freedom Support Act, which introduced a ban on state aid to the government of Azerbaijan, except specific support for non-proliferation and disarmament. Between 1992 and 2002, Azerbaijan did not receive aid from the United States. Only since 2002 has the U.S. president waived the Section 907 restrictions annually, authorizing aid on certain conditions.¹⁸ This became operationally possible after the events of September 11, 2001, when Azerbaijan provided access to its territory for the transportation of goods to facilitate logistics for the U.S. and its allies participating in the fight against terrorism in Afghanistan.¹⁹ The situation began to change only after the participation of American companies in the development of oil fields in Azerbaijan. As a result, the government of Azerbaijan decided to accept both route options in order to maintain parity in relations with both actors.²⁰ This was in complete agreement with Azerbaijan's emerging policy of balance. Soon, both oil pipelines, Baku–Novorossiysk and Baku–Supsa, began operations. That is to say, Azerbaijani oil was exported through both Russia and Georgia. Although the transit fees for deliveries through the Russian pipeline were five times higher than those for Baku–Supsa (US\$15.67 per ton versus US\$3 per ton),²¹ Azerbaijan had to act as it judged the

17 Ibrahimov, R., "Azerbaijan Energy Strategy and the Importance of the Diversification of Exported Transport Routes", *Journal of Qafqaz University*, November 29, 2010, p. 25.

18 Gao.gov, US Government Accountability Office, *Foreign Assistance: Agencies Should Take Steps to Improve Reporting on Assistance to the Government of Azerbaijan*, March 2, 2022, Available at: <https://www.gao.gov/products/gao-22-104619>, (Accessed: April 14, 2024).

19 Official Site of NATO, "NATO Relations with Azerbaijan", September 28, 2023, Available at: https://www.nato.int/cps/en/natohq/topics_49111.htm (Accessed: April 14, 2024).

20 Ibrahimov, R., *op.cit.*, 2010, pp. 23-26.

21 Ibrahimov, R., *op.cit.*, 2010, p. 25.

geopolitical realities at this early stage of its energy strategy.

The commissioning of the Baku–Supsa oil pipeline in April 1999 was a significant geopolitical move. It allowed Azerbaijan, a former Soviet republic, to export its oil directly to world markets, bypassing Russian territory. This strategic decision was influenced by geopolitical considerations, marking a shift in Azerbaijan’s energy strategy.

As oil production increased at the Azeri-Chirag-Guneshli fields, it was also necessary to determine the main route for oil exports. At the peak of production, exports were expected to reach about 50 million tons per year, and the Baku–Novorossiysk and Baku–Supsa oil pipelines could not cope with these volumes. For obvious reasons, the Russian direction of transportation was unprofitable for Azerbaijan and undesirable for many consortium members. Azerbaijan did not want to grant Armenia a chance of hosting a new pipeline to transit gas to Türkiye as this country occupied some territories of Azerbaijan at that time. Meanwhile, the U.S. was against transportation through the territory of Iran.

Therefore, one of the best options for exporting oil was the construction of a new pipeline that would pass through countries (Georgia and Türkiye) that were both friendly to Azerbaijan and members of the consortium, with access to the port of Ceyhan on the Mediterranean Sea. However, the construction of such a pipeline required political will and support from the U.S. government, and this was personally and officially provided by the Clinton administration.²² Heydar Aliyev, who laid the foundations of the country’s energy strategy and is considered an author of the balanced approach in foreign policy, was not destined to witness the practical implementation of this oil pipeline, as he passed away in 2003. However, this project facilitated stability within the country and the development of subsequent national goals. The fourth president of Azerbaijan, Ilham Aliyev, the son of Heydar Aliyev and a follower of his policies, had the opportunity to participate in the opening ceremony of the Baku–Tbilisi–Ceyhan (BTC) oil pipeline.

Gas Pipelines and the New Reality

Following the BTC pipeline, a decision was made to build the Baku–Tbilisi–Erzurum (BTE) gas pipeline after large gas deposits were

²² Ibrahimov, R., op.cit, 2013 (a), p. 36.

discovered at the Shah Deniz field. The significance of Shah Deniz is that this field is located closer to European markets when compared with Russian and Middle Eastern fields. At the same time, this field is considered an alternative gas source for Europe. The BTE gas pipeline was built in 2006 and became operational for the export of natural gas to the markets of Georgia and Türkiye. For Türkiye, it became a significant alternative gas source. Azerbaijan began exporting its gas to Georgia when Russia's Gazprom raised the gas price to \$235 per 1,000 cubic meters (twice as much as the previous year) in January 2007. This was a heavy burden for the economy of Georgia. Azerbaijan's gas began to flow to the Georgian market for \$120 per 1,000 cubic meters.²³

As the fields developed and gas production consequently increased, it was decided to create the necessary infrastructure with appropriate volume capacity for the export of Azerbaijani gas to Europe. By 2020, the construction of the \$45 billion Southern Gas Corridor was completed, which included the expansion of the Baku–Tbilisi–Erzurum gas pipeline, the construction of the Trans Anatolian Gas Pipeline (TANAP) across the entire territory of Türkiye to its western border, and the Trans Adriatic Pipeline (TAP) through the territories of Greece and Albania to Italy, with a branch (Interconnector Greece–Bulgaria) to Bulgaria through the territory of Greece.²⁴

The month of November 2020 was marked in Azerbaijan not only by victory in the '44-Day War' (on November 10, 2020), but also by the start of natural gas exports via the TAP gas pipeline (November 15, 2020).²⁵ These two significant events in Azerbaijan's foreign policy are related to its geopolitical and geoeconomic vision. This project also allowed Azerbaijan to establish interregional relations among the countries of the South Caucasus, the southern Black Sea region, and the southern flank of the European Union. Moreover, Azerbaijan acted as the main initiator of this project. It is the participation and consent of Azerbaijan in the implementation of such projects that makes them possible. For comparison, the 'Nabucco gas pipeline project', which

23 Rferl.org, Georgia To Receive Natural Gas from Azerbaijan, January 10, 2007, Available at: <https://www.rferl.org/a/1073915.html> (Accessed: April 25, 2024)

24 Bankwatch Network, Southern Gas Corridor, Available at: <https://bankwatch.org/project/southern-gas-corridor-euro-caspian-mega-pipeline> (Accessed: April 25, 2024).

25 Gurkov, A., Tap i Yujnij Gazoviy Koridor v Obxod Rossii Voshli v Stroy, November 17, 2020, Available at: <https://www.dw.com/ru/tap-i-juzhnyj-gazovyj-koridor-v-obhod-rossii-voshli-v-stroj/a-55631331> (Accessed: April 25, 2024).

was supposed to connect the countries producing natural gas in the Caspian basin with European markets through Türkiye, was not implemented because Azerbaijan refused to participate,²⁶ as it did not meet its national interests, nor was it commercially appealing.

An important point for the growth of Azerbaijan's gas exports to Europe was the signing of the Memorandum of Understanding (MoU) between the EU and Azerbaijan on July 18, 2022, in Baku. European Commission President Ursula von der Leyen and Azerbaijani President Ilham Aliyev agreed to double the volume of Azerbaijan's gas exports to Europe from 8 billion cubic meters annually in 2021 to 20 billion cubic meters a year by 2027.²⁷ Azerbaijan has the potential to increase its natural gas exports thanks, in addition to the Shah Deniz field, to other gas fields such as Absheron, Umid, Babak, Shafak, Asiman, and Garabagh, as well as the deep layers of the Azeri–Chirag–Guneshli field. The number of countries where Azerbaijani gas is supplied is expected to grow. Azerbaijani gas has already been provided to Serbia via Hungary; since September 2024, Azerbaijani gas has been supplied to Croatia;²⁸ and, in the future, it may be supplied to Bosnia-Herzegovina and Montenegro.²⁹ Albania will receive Azerbaijani gas in 2025–2026.³⁰

Azerbaijan also has reached an agreement to start or increase gas exports to countries such as Bulgaria, Hungary, Romania, and Slovakia.³¹ On April 25, 2023, these five countries signed an MoU in Sofia concerning the implementation of the Solidarity Ring (STRING) gas corridor project. Cross-border infrastructure will be developed for the purpose of supplying Azerbaijani natural gas to these countries. Even before this, from the end of 2023, Azerbaijan had already started exporting gas

²⁶ Ibid.

²⁷ EU Commission, “European Commission, Statement by President von der Leyen with Azerbaijani President Aliyev”, July, 18, 2022, Available at: https://ec.europa.eu/commission/presscorner/detail/es/statement_22_4583 (Accessed: April 26, 2024).

²⁸ AzerTac, SOCAR Nachala Postavki Gaza v Xorvatiyu, September 2, 2024, Available at: https://azertag.az/ru/xeber/socar_nachala_postavki_gaza_v_xorvatiyu-3160818 (Accessed: September 15, 2024).

²⁹ Dovgal, V., “Azerbaijan Wants Certainty From EU on Gas Needs”, Argus Media, April 27, 2024, Available at: <https://www.argusmedia.com/en/news-and-insights/latest-market-news/2562870-azerbaijan-wants-certainty-from-eu-on-gas-needs> (Accessed: April 29, 2024).

³⁰ A'Hearn, B., “Azerbaijan to supply gas to Albania in 2025-26”, Argus Media, May 1, 2024, Available at: <https://www.argusmedia.com/en/news-and-insights/latest-market-news/2543198-azerbaijan-to-supply-gas-to-albania-in-2025-26> (Accessed: May 2, 2024).

³¹ Apnews.com, European Countries, Azerbaijan Agree to Boost Gas Transfers, April 25, 2023, Available at: <https://apnews.com/article/europe-azerbaijan-gas-bulgaria-romania-hungary-slovakia-a0ae5e90dbb7b87b7b81afb3acd3455a> (Accessed: April 25, 2024).

to Hungary (initially, 100 million cubic meters, with a possible increase to 2 billion cubic meters)³² and Romania.³³

In addition to natural gas, Azerbaijan plans to export green energy (energy generated from alternative energy sources, mainly solar and wind) to Europe in the future. In this regard, on December 17, 2022, Bucharest, Azerbaijan, Georgia, Hungary, and Romania signed an agreement on a strategic partnership for developing and delivering green energy. The parties agreed to build a power cable with a capacity of 1 GW and a length of 1,195 km for transporting electrical energy across the bottom of the Black Sea.³⁴

SOCAR: The Main Agent for the Implementation of Azerbaijan's Geoeconomic Policy

Azerbaijan's national energy company SOCAR has become a leading entity for implementing the country's geoeconomic policy abroad. At the same time, SOCAR is also the largest investor in some countries where this company is implementing projects. It is actively represented in the South Caucasus and the Black Sea regions, as well as several other European countries. The Black Sea has become an internal sea of interests of the company, which plays an active role in forming inter-regional relations and is represented in all the countries of this region.

SOCAR is widely represented in the **Georgian** market (through its subsidiary SOCAR Energy Georgia, established in 2006), where it is engaged in gas distribution activities covering more than 800,000 domestic consumers, has a vast network of gas stations (110 gas stations, as well as 13 service stations and four oil terminals), and, since 2008, has been operating a terminal in the Black Sea port of Kulevi for the export of oil products. Meanwhile, the company is the largest taxpayer in Georgia.³⁵

32 Shahin, U., "Azerbaijan to Start Supplying Gas to Hungary via Turkiye", Azernews, February 19, 2024, Available at: https://www.azernews.az/oil_and_gas/222029.html (Accessed: April 25, 2024).

33 Turan.az, Romania is a New Gateway for Azerbaijani Gas to Europe, April 1, 2024, Available at: <https://turan.az/en/europe/romania-is-a-new-gateway-for-azerbaijani-gas-to-europe-778909> (Accessed: April 25, 2024).

34 TASS.ru, Gruzziya, Azerbydjan, Vengriya i Ruminiya Sozdadut Kompaniyu po Pokrkladke Podvodnogo Kabelya, March 1, 2024, Available at: <https://tass.ru/ekonomika/20133503> (Accessed: April 11, 2024).

35 SOCAR.ge, SOCAR in Georgia, Official Site of SOCAR Georgia, Available at: <https://socar.ge/en/about-company/> (Accessed: April 3, 2024).

Along with Georgia, SOCAR has expanded activities in **Türkiye**, where it is the largest investor. SOCAR started its activities in this country by acquiring the leading shareholding in privatized Petkim, Türkiye's largest petrochemical company. Over time, the company's activities have become even broader. SOCAR works through three separate business units:

Refinery and Petrochemicals, with the companies Petkim, STAR Refinery, SOCAR Storage, SOCAR Trade, and Petkim RES;

Natural Gas: SOCAR Energy Trade, Bursagaz, and Kayserigaz; and

Portfolio Management: Millenicom, SOCAR Terminal, SOCAR Fyber, SOCAR Re-De, SOCAR Insurance, and TANAP.

SOCAR is the main shareholder (58%) in the TANAP gas pipeline and also the main refueller at the new international airport in Istanbul. The total investments of this company in Türkiye amount to about \$18 billion.³⁶

As for **Romania**, the company started operating in 2011. Currently, 75 fuel stations are operating under the SOCAR brand.³⁷

Since 2012, SOCAR has been operating in **Switzerland** after acquiring assets from ExxonMobil. There are about 200 fuel stations in this country, specializing in traditional fuel and refuelling with electricity and hydrogen. The company also has wholesale points for the sale of petroleum products.³⁸

SOCAR Energy Austria Operating Company GmbH and SOCAR Energy Switzerland GmbH are wholly owned subsidiaries of SOCAR Energy Holdings AG in Zurich. In January 2018, SOCAR acquired the fuel station operator A1 and it has more than 82 fuel stations in **Austria**. The first petrol station under the SOCAR brand was opened in Graz in July 2019.³⁹

The company has four modernized oil depots in **Ukraine** that store

36 SOCAR.com.tr, Bir Bakışta SOCAR Türkiye, Official Site of SOCAR Türkiye, Available at: <https://www.socar.com.tr/bir-bakista-socar> (Accessed: April 3, 2024).

37 SOCAR.ro, SOCAR Stations in Romania, Official Site of SOCAR Romania, Available at: <https://socar.ro/en/socar-stations/> (Accessed: May 4, 2024).

38 SOCARENERGY.ch, SOCAR Energy Switzerland, Official Site of SOCAR Switzerland, Available at: <https://www.socarenergy.ch/en/socar-energy-switzerland.html> (Accessed: May 4, 2024).

39 SOCARENERGY.at, SOCAR Energy Austria, Official Site of SOCAR Austria, Available at: <https://socarenergy.at/de-ch/ueber-socar.html> (Accessed: May 4, 2024).

petroleum products. There are 60 gas stations in the country, 12 of which also offer electricity.⁴⁰ SOCAR has built representative offices in 13 different countries. Moreover, the company has founded international trading companies in Singapore, Vietnam, Nigeria, and Switzerland and acquired assets in Greece.⁴¹ In 2023, the company opened a representative office in **Bulgaria**, where it also plans to engage in gas distribution activities.⁴²

SOCAR is seeking to expand its activities in other countries, too. In October 2023, SOCAR, together with BP and Israeli NewMed, won a tender and received a licence for exploration works in the north of Israel's Leviathan gas field.⁴³ Engagement in the exploitation of fields outside the territory of Azerbaijan is a new direction for the company.

Another very interesting direction in the activities of SOCAR is the possible transit of natural gas through the territory of Ukraine. The gas transit agreement between Russia's Gazprom and Ukraine's Naftogaz expires on December 31, 2024, and the Ukrainian government does not intend to further extend it.⁴⁴ At this stage, Ukraine and Russia are negotiating with Azerbaijan for the latter to facilitate the continuation of supplies through Ukraine's territory so that Ukraine's transport system will not be paralyzed and countries such as Austria will not face problems with their natural gas supplies.⁴⁵ This aspect became possible only because Azerbaijan has its own perception of the conflict in Ukraine and remains neutral. Meanwhile, Azerbaijan's President Ilham Aliyev maintains strong relations with the leaders of both Russia and Ukraine.

40 SOCAR.ua, SOCAR Energy Ukraine, Official Site of SOCAR Ukraine, Available at: <https://socar.ua/ru/socar-today> (Accessed: May 4, 2024).

41 SOCAR.ro, SOCAR Stations in Romania, op.cit.

42 Commersant.ge, SOCAR Plans to Expand its Business in Bulgaria, May 9, 2024, Available at: <https://commersant.ge/en/news/world/socar-plans-to-expand-its-business-in-bulgaria> (Accessed: May 11, 2024).

43 Rabinovitch, A., and Scheer, S., "Israel Awards Gas Exploration Licences to Eni, BP and Four Others", Reuters, Available at: October 30, 2023, <https://www.reuters.com/business/energy/israel-awards-gas-exploration-licences-eni-bp-four-others-2023-10-29/> (Accessed: May 4, 2024).

44 Korochkina, A., "SMI Uznali o Planax EC Zakluchit Noviy Kontrakt s "Gazpromom" posle 2024 goda", Forbes, July 3, 2024, Available at: <https://www.forbes.ru/biznes/516097-smi-uznali-o-planah-es-zakluchit-noviy-kontrakt-s-gazpromom-posle-2024-goda> (Accessed: September 15, 2024).

45 Energypolicy, Energeticheskaya Politika, Rossiya, Ukraina i Azerbaydjan Vedut Peregovori po Tranzitu Gaza v Evropu s 2025 Goda, September 6, 2024, Available at: <https://energypolicy.ru/rossiya-ukraina-i-azerbaydzhnan-vedut-peregovory-po-tranzitu-gaza-v-evropu-s-2025-g/novosti/2024/15/06/> (Accessed: September 15, 2024).

Resolution of the Conflict and Transition to the Category of Middle Power

Today, Azerbaijan could already be assessed as a middle power in terms of achieving its geo-economic goals. However, for years it was hard to assign this status to Azerbaijan when the country was in conflict with Armenia, had not yet restored its territorial integrity, and could not ensure its security on its own.

Arguably, the [former] Armenia–Azerbaijan conflict had the greatest influence on the formation of independent Azerbaijan. Certainly, this conflict became decisive in structuring the state and the public perception of Azerbaijan’s further development and shaping virtually all spheres of the country.

Before Azerbaijan liberated its territories by military means in 2020, endless negotiations were held between the two countries, either with the mediation of the OSCE Minsk Group, represented by the co-chairs of the United States, Russia, and France; with the mediation of Russia; or in a bilateral format. However, no results were achieved during those negotiations and the status quo formed after 1994 had remained unchanged. The main guarantors of the status quo were the Great Powers, that is, the co-chair countries of the OSCE Minsk Group who, surprisingly for these countries, had a rare united opinion on this issue. They did not want another military conflict to flare up⁴⁶ and were interested in maintaining the status quo for different reasons. Even though Azerbaijan had the right to self-defence according to international norms (namely Article 51 of the UN Charter, as well as four UN Security Council Resolutions 822, 853, 874, and 884, adopted from April 30 to November 12, 1993), in the absence of appropriate favourable conditions, the use of force to solve that problem would not have yielded the expected results at a time when Azerbaijan was unready and the geopolitical conditions were not yet met.

As a small power, Azerbaijan recognized the necessity of considering the interests of great powers, particularly that of Russia in the South Caucasus region. Georgia’s experience with Russia’s swift and forceful response in 2008 underscored the need for strategic thinking and the

46 Sputniknews.ru, Kakim Viditsya Budushee Otnosheniy Azerbaydjana i Rossii – Markedonov, January 5, 2021, Available at: <https://az.sputniknews.ru/news/20210105/425851582/azerbayjan-russia-zapad-karabakh.html> (Accessed: September 15, 2024).

far-reaching implications of miscalculations in foreign policy.⁴⁷ In the case of Georgia in 2008, the West's engagement was limited to verbal statements of condemnation. Azerbaijan realized that having sufficient military potential is not the only factor for restoring territorial integrity and, without support and the emergence of the necessary conditions, such as international recognition and diplomatic negotiations, it would be difficult for this small power to resolve the conflict.

Given Georgia's reality and negative experiences, Azerbaijan had few tools that could be developed independently without dependence on external factors. So, what was possible?

Firstly, for three decades, Azerbaijan continued to build a modern army, equipped with advanced weaponry and trained in modern warfare tactics, and developed its defence industry, focusing on the production of high-tech military equipment and the enhancement of its cyber and electronic warfare capabilities. Azerbaijan's defence spending also increased. On average, between 2012 and 2020, up to 4% of the country's GDP was spent on the army's needs. The lowest figure was observed in 2018 (3.56% of GDP) and the highest in 2015 (5.46% of GDP).⁴⁸ In this way, Azerbaijan strengthened its military potential while forcing Armenia to spare funding for military needs from its limited state budget. By doing so, Azerbaijan contributed to Armenia's economic weakening, as other sectors in that country did not receive the necessary financial backing. To a certain extent, this policy was successful. From 2012, when military spending amounted to 3.58% of GDP, Armenia had to increase its military budget. It reached its highest point in 2020 at 4.98%. On average, between 2012 and 2020, Armenia allocated just over 4% of GDP to military and defence needs.⁴⁹ The degree of militarization of Azerbaijan and Armenia's expenditures can be better understood if they are compared to the average spending of European Union countries: EU member states spent 1.3% of their GDP on defence needs in 2022.⁵⁰

47 Lenta.ru, Rossiya Priznala Nezavisimost Abkazi i Yujnoy Osetii, August 28, 2008, Available at: <https://lenta.ru/news/2008/08/26/medvedev/> (Accessed: September 16, 2024).

48 Statista, Azerbaijan: Ratio of Military Spending to Gross Domestic Product (GDP) from 2012 to 2022, Available at: <https://www.statista.com/statistics/810328/ratio-of-military-expenditure-to-gross-domestic-product-gdp-azerbaijan/> (Accessed: October 25, 2024).

49 Statista, Armenia: Ratio of Military Spending to Gross Domestic Product (GDP) from 2012 to 2022, Available at: <https://www.statista.com/statistics/810319/ratio-of-military-expenditure-to-gross-domestic-product-gdp-armenia/> (Accessed: October 25, 2024).

50 Eurostat, Government Expenditure on Defence, Available at: <https://ec.europa.eu/eurostat/>

Another instrument of pressure on Armenia was the deliberate isolation of the country from regional projects. This strategic move, initiated in the late 1990s, significantly impacted Armenia's geopolitical position, underlining the gravity of the situation. For instance, at the conference on the revival of the Great Silk Road held in Baku in 1998 within the framework of the EU TRACECA programme, Azerbaijan amended the Final Agreement, stipulating that, until the resolution of the conflict, cargo from Armenia, heading to Armenia, or crossing the territory of that country would not have the right to cross the territory of Azerbaijan.⁵¹ Thus, Azerbaijan, within the framework of TRACECA, limited Armenia's participation in the fourth European transport corridor passing through Türkiye and Georgia.⁵²

Also, despite the fact that the route through Armenia is shorter and commercially more attractive, the main pipelines for the export of oil (Baku–Tbilisi–Ceyhan) and gas (Baku–Tbilisi–Erzurum) were laid through the territory of Georgia.⁵³ For the same reason, the Baku–Tbilisi–Kars railway,⁵⁴ which made it possible to connect the rail routes of Europe and Asia, also passed through the territory of Georgia. During the Soviet period, there was a railway connection between Türkiye and Armenia,⁵⁵ which ceased to operate after Türkiye closed its border with this country in solidarity with Azerbaijan in the early 1990s. The new railway was also intended to remove the temptation to reopen the railroad between Türkiye and Armenia. This railway route existed since Soviet times and was closed from the Turkish side in 1992 after Armenia occupied the Kalbajar region of Azerbaijan.

Azerbaijan also made efforts to prevent Armenia from benefiting from another transport project – the North–South Transport Corridor, initiated

statistics-explained/index.php?title=Government_expenditure_on_defence (Accessed: October 15, 2024).

51 TRACECA.org, Basic Multilateral Agreement on International Transport for Development of the Europe-the Caucasus-Asia Corridor, Baku, September 9, 1998, p.6, Available at: http://www.traceca-org.org/fileadmin/fm-dam/pdfs/til_mla/MLA_English_with_amendments.pdf (Accessed: September 16, 2024).

52 Ibrahimov, Rovshan, op.cit, 2013 (a), p. 53.

53 Ibrahimov, R., “Turkish-Azerbaijani Energy Relations: Significant Leverage in the Implementation of the Foreign Policy Interests of Both Countries”, *Insight Turkey*, 17, No 2, 2015, p. 85.

54 Ibrahimov, R., “The Development of the Transport Sector in Azerbaijan: The Implementation and Challenges”, *Caucasus International*, Volume 6, No 1, Summer, 2016, pp. 106-107.

55 Ibrahimov, R., *EU External Policy Towards the South Caucasus: How far is it From Realization?*, Baku, Strateji Arashdirmalar Merkezi, 2013, p. 140.

by Russia, Iran, and India in 2000. Azerbaijan actively modernized the rail tracks and roads on its section and began building the necessary transport infrastructure for this purpose.

Along with strengthening Azerbaijan's military potential and weakening Armenia's economic position, Azerbaijan continued negotiations with Armenia, hoping to resolve the conflict peacefully. However, Armenia postponed the resolution of disagreements and occasionally carried out provocations on the [former] line of contact between the military forces of both countries, leading to an escalation of the level of tension. Eventually, this led to the short military skirmishes between the armed forces of Armenia and Azerbaijan in 2016, later dubbed the 'Four-Day War'. For the first time since 1994, Azerbaijan was able to change the long-standing status quo and managed to liberate a certain part of its territories. The events of 2016 became a harbinger of a larger military operation.

Another escalation of the situation occurred on the Armenia–Azerbaijan border in July 2020. As a result of shelling from the Armenian side, several high-ranking officers of the Azerbaijani army were killed, including Major General Polad Hashimov, who was widely popular in Azerbaijan.⁵⁶ The events on the border achieved broad resonance in the capital, Baku, where, despite the lockdown restrictions imposed due to the coronavirus, an unauthorized rally was held in support of the army and demanding mobilization for the liberation of the Armenian-occupied territories.⁵⁷

In response to another military provocation, Azerbaijan's Armed Forces launched counter-offensive operations on September 27, 2020, which eventually turned into a large-scale war lasting 44 days. During the course of the war, the Azerbaijani army managed to restore the country's territorial integrity in many areas. A significant milestone was the return of the city of Shusha on November 8, 2020. In addition to the symbolic and strategic significance of Shusha for Azerbaijan, its liberation also became a point of no return, after which Armenia, finally realizing that it was facing an inevitable defeat, agreed to the terms of the Trilateral

56 Mishutin, G., "Perestrelki na Armyano-Azerbaydjanskom Granitse ne Prekrashayutsya", *Vedomosti.ru*, July 15, 2020, Available at: <https://www.vedomosti.ru/politics/articles/2020/07/14/834579-perestrelki-ne-prekraschayutsya> (Accessed: May 15, 2024).

57 BBC, *Protesti v Baku: tisyachi azerbaydjantsev ustroili aktsiyu v podderjku armii*, July 15, 2020, Available at: <https://www.bbc.com/russian/media-53421189> (Accessed: May 15, 2024).

Statement to terminate the war, which was proposed with the mediation of Russia. As a result, on the night of November 9 to 10, three countries (Armenia, Azerbaijan, and Russia) signed the Trilateral Statement. The document, consisting of nine points, agreed on the deployment of a peacekeeping force of the Russian Federation in parallel with the withdrawal of the armed forces of Armenia, including from the Aghdam, Kalbajar, and Lachin districts; the exchange of prisoners of war and other detained persons, as well as the bodies of fallen soldiers; ensuring the return of internally displaced persons and refugees; and the restoration of all economic and transport links in the region.⁵⁸

Despite the requirements of the Trilateral Statement, the remnants of Armenia's armed forces did not leave the region, and the separatist junta established by Armenia continued to function therein. Meanwhile, Armenia illegally transported weapons, ammunition and landmines into the region, and promoted and facilitated illegal travel of representatives of third countries to this region via the Lachin road, which connected Armenia with the Garabagh region of Azerbaijan where an Armenian population remained.

Events reached their peak on September 19, 2023, when Armenian sabotage forces planted mines on the recently repaired Ahmedbeyli–Fuzuli–Shusha road in the territory of Azerbaijan. As a result, a truck was blown up by a mine, killing several people.⁵⁹ On the same day, Azerbaijan announced the start of local anti-terrorist measures against the illegal Armenian military formations in the Garabagh region to restore its full sovereignty and constitutional order. The fighting lasted less than one day, after which the Armenian side surrendered.

Following the abrupt end to hostilities, a significant portion of the residents of the Garabagh region decided to migrate from the region through the Lachin corridor to Armenia.⁶⁰ On April 17, 2024, 18 months earlier than planned under the Trilateral Statement (2020), Russia

58 Sputniknews.ru, Eto Voennaya Kapitulyatsiya Armenii – Obrashenie Prezidenta Aliyeva k Natsii, November 10, 2020, Available at: <https://az.sputniknews.ru/azerbaijan/20201110/425428253/Segodnya-istoricheskiy-den-dlya-Azerbaydzhana---prezident-Aliev.html> (Accessed: May 15, 2024).

59 RBC, Azerbaydjan Obyavil o Nachale “Antiterroristicheskoy Operatsii” v Karabakhe, September 19, 2023, Available at: <https://www.rbc.ru/politics/19/09/2023/65096ae39a7947d4d615f6e1> (Accessed: April 24, 2024).

60 TASS.ru, “Gerasimov: Mirotvortsi RF Obespechili Viyezd v Armeniyu Pochti Vsex Jiteley Karabakha”, December 21, 2023, Available at: <https://tass.ru/armiya-i-opk/19599403> (Accessed: April 21, 2024).

began to withdraw its peacekeeping forces from Azerbaijan, thereby confirming that there is no need for a presence on the ground due to the final resolution of the conflict.

Azerbaijan's Activities in the International Arena

The existence of the conflict previously prevented Azerbaijan from fully realizing its potential, even though it did not hinder implementing large-scale energy and transport mega-projects. Azerbaijan's increased military and economic potential formed a new reality, both within the country and in the region as a whole. Azerbaijan succeeded in becoming the first country among the small powers of the former socialist countries to resolve its conflict on its own. The author of the liberal definition of middle power, John Wendell Holmes, believes that engaging in active diplomatic activity enables a middle-sized country to influence international politics and achieve the desired results. Thanks to this, such a state strengthens its prestige and is, thus, able to expand its influence in the global arena.⁶¹ In this case, the most rational and optimal option for its active foreign policy is based on the possibility of competently using the available resources and maximizing the levers of soft power whenever possible.

Eduard Jordaan also tries to provide a rationale for the recently emerged and developing middle powers, which can be used to explain Azerbaijan's actions. According to Jordaan, such middle powers are semi-peripheral, materially unequal, and recently democratized states that demonstrate great regional influence and self-association. In their behaviour, they choose reformist changes rather than radical global ones, demonstrate a strong orientation in favour of regional integration, and seek to create an identity different from the identities of weak states in their region.⁶²

In this aspect, Azerbaijan has chosen two concepts as a basis for more active participation in the international arena. These are the fight against the modern challenges of neocolonialism; and the promotion of the transition to green energy (alternative energy sources) within the framework of global environmental challenges. It is worth noting that Azerbaijan's political activity in the international area was observed

61 Kohei, I., op.cit.

62 Jordaan, E., op.cit, p. 165.

even before the liberation of its territories. At that time, this activity was consolidated to increase the country's potential for resolving the conflict. Towards its first goal, Azerbaijan chose the platform of the Non-Aligned Movement (NAM), of which it became a member in May 2011.⁶³ Azerbaijan's participation in this block was a smart strategy to demonstrate its neutral status to the Great Powers, particularly Russia, and to avoid any misinterpretation of its foreign policy that could lead to undesirable consequences. This successful manoeuvre, from a political perspective, demonstrates the maturity of a smaller player in the complex landscape of international relations. Azerbaijan's adept use of the movement's platform, which boasts 120 members, led to its election as a non-permanent member of the UN Security Council from the Eastern European Group for the term 2012–2013.⁶⁴ Azerbaijan chaired the NAM between 2019 and 2022. During this period, Azerbaijan initiated several reforms and programmes within the movement.⁶⁵ Azerbaijan has been developing contacts with many African and Asian countries since it became a member of the NAM. This platform has enabled Azerbaijan to establish diplomatic relations with countries from more distant regions.

The COVID-19 pandemic began during Azerbaijan's chairing of the NAM. Many developed countries stocked up on vaccines to levels several times greater than their needs. As a result, some developing countries faced difficulties in accessing these medications. Azerbaijan initiated a proposal to hold a Special Session of the UN General Assembly at the level of heads of state and governments dedicated to the fight against the coronavirus. More than 150 UN member states supported this initiative, and the Special Session was held on December 3–4, 2020. Moreover, Azerbaijan provided humanitarian and financial assistance to more than 30 countries in the fight against the pandemic. It provided voluntary financial assistance to the World Health Organization in the amount of US\$10 million, half of which was earmarked for NAM member states.⁶⁶

63 Azerbaijan in the Non-Aligned Movement, Available at: <https://namazerbaijan.org/azerbaijan-in-the-nam> (Accessed: September 16, 2024).

64 UN News, Azerbaijan Wins Final Vacancy on Security Council, October 24, 2011, Available at: <https://news.un.org/en/story/2011/10/392772> (Accessed: September 16, 2024).

65 Azerbaijan in the Non-Aligned Movement, op.cit.

66 Official Site of President of Azerbaijan Republic, Ilham Aliyev's Statement Presented at Mid-Term Ministerial Conference of Non-Aligned Movement in Video Format, July 13, 2021, Available at: <https://president.az/en/articles/view/52430/> (Accessed: September 16, 2024).

This is how Azerbaijan's initiatives in support of the Global South began to take shape. Along with supporting independent states and former colonies, Azerbaijan started to attach increasing importance to the fight against neocolonialism as a form of exploitation of both developing countries and those territories that have the right to self-determination but, due to artificial obstacles, have been unable to realize this legal right as prescribed in international law. In short, in 2023, on the initiative of the Center for Analysis of International Relations (AIR Center) in Azerbaijan, on the sidelines of the ministerial meeting of the Coordinating Bureau of the NAM, a decision was made to create the Baku Initiative Group to combat manifestations of neocolonialism, primarily that of France. A document adopted in this context outlines that:

*The supporters of independence and the representatives of Martinique, Guyana, New Caledonia, French Polynesia, Wallis and Futuna, the Solomon Islands, as well as the representatives of the Republic of Azerbaijan and the French Republic, confirmed and emphasized the validity and relevance of the Movement's fundamental positions regarding the fight against colonial and neocolonial practices.*⁶⁷

The Baku Initiative Group has been very active, becoming a voice for territories seeking their independence within the framework of international law. Since the establishment of the Group up to September 2024, about sixteen events have been held, and the number continues to grow.⁶⁸

Initiation of the fight against neocolonialism at the level of the NAM and its active promotion at the international level is becoming one of the 'brands' through which Azerbaijan is presenting itself as a middle power. As the experience of the past year since the creation of this initiative shows, it has not been random and reflexive, but increasingly institutionalized and equipped with the necessary tools.

67 BR.az, Bakinskiy Rabochiy, Budet Sozdana Bakinskaya Initsiativnaya Gruppy Protiv Frantsuzskogo Kolonializma, July 6, 2023, Available at: <https://br.az/politics/64311/budet-sozdana-bakinskaya-initsiativnaya-gruppa-protiv-francuzskogo-kolonializma/> (Accessed: September 16, 2024).

68 AzərTac, Abbas Abbasov: Bakinskaya Initsiativnaya Gruppy za Posledniy God Organizovala 16 Mejdunarodnix, September 3, 2024, Available at: https://azertag.az/ru/xeber/abbas_abbasov_bakinskaya_initsiativnaya_gruppa_za_poslednii_god_organizovala_16_mezhdunarodnyh_meropriyatii-3162306 (Accessed: September 16, 2024).

The second format Azerbaijan has chosen for its agenda of being a new middle power in the international arena is the encouragement of the increased use of alternative energy sources to ensure a reduction in environmental threats emanating from using hydrocarbons, mainly oil and coal.

It is worth noting that Azerbaijan is a significant producer of oil and natural gas, with Baku being famous for being the first place in the world where oil was extracted industrially, in 1846. Even though Azerbaijan's economy relies on oil and gas export revenues, for the past few years, the country has been setting an agenda for transition to alternative energy sources. The year 2024 has been declared the “Year of Solidarity for a Green World” in Azerbaijan by presidential decree. Thus, Azerbaijan has committed to reducing its greenhouse gas emissions 40% by 2050. The country intends to increase its renewable energy capacity to 30% by 2030 and diversify its existing energy system to become a leader in green energy. To this end, Azerbaijan is intensively building solar and wind power plants through the assistance of companies such as ACWA Power (Saudi Arabia) and Masdar (United Arab Emirates).⁶⁹ ACWA Power plans to invest about US\$5 billion in Azerbaijan. The company's investment decision is associated with Azerbaijan's political stability and the advantages of transit routes.⁷⁰

As for Masdar, the company has built the 230-MW Garadagh solar power plant in Azerbaijan and signed agreements to develop an additional 1 GW of clean energy projects.⁷¹

Azerbaijan intends to produce 7 GW of green energy by 2030. Of this figure, 2 GW will be used to meet domestic demand, and the rest will be exported. Of the produced green energy, 4 GW will be exported via the Caspian–Black Sea–Europe corridor via a cable on the bottom of the Black Sea, and 1 GW via the Azerbaijan–Türkiye–Europe corridor.⁷²

69 Official Site of COP 29, Azerbaijan's Green Energy Transition Initiatives, Available at: <https://cop29.az/en/green-energy-transition-initiatives> (Accessed: September 16, 2024).

70 AzərTac, Acwa Power: V Azerbaydjane Budet Investirovano Okolo 5 Milliardov Dollarov, July 5, 2024, Available at: https://azertag.az/ru/xeber/acwa_power_v_azerbaidzhan_budet_investirovano_okolo_5_milliardov_dollarov-3040718 (Accessed: September 18, 2024).

71 Official Site of Masdar Company, “Azerbaijan”, Available at: <https://masdar.ac/en/global-office-locations/azerbaijan>, (accessed: September 18, 2024).

72 APA, Azerbaijan to Produce 7 Gwt of Green Energy by 2030, September 18, 2024, Available at: <https://en.apa.az/energy-and-industry/azerbaijan-to-produce-7-gwt-of-green-energy-by-2030-448525> (Accessed: September 19, 2024).

The goals set for transitioning to alternative energy sources are not indicators of Azerbaijan's transformation into a middle power. The fact is that Azerbaijan received the right to host the UN Climate Change Conference (COP29) in Baku, held from November 11–22, 2024.⁷³ It is through this platform that Azerbaijan has chosen to present itself to the world as a middle power with a new image of the country as formed after the restoration of its territorial integrity. COP29 is, for the first time, being held in the post-Soviet space. As Azerbaijan's President Ilham Aliyev stated, for Azerbaijan, it is a unique chance to step into a higher league.⁷⁴ President Aliyev implied that Azerbaijan is now acting in line with a global agenda and becoming an actor capable of implementing that agenda. According to President Aliyev, Azerbaijan is one of the few countries, perhaps the only one in the Eurasian region and the post-Soviet space, that has signed or adopted declarations and agreements on strategic partnership with 10 EU member states. In addition, Azerbaijan is a member of the Organization of Islamic Cooperation and the OPEC+ format. Azerbaijan is actively working with oil-producing countries and has already developed proposals on how oil-producing countries can play a more critical role in accumulating funds for environmental protection.

As its goals for COP29, Azerbaijan proposed the creation of the Climate Finance Action Fund (CFAF) to invest in climate action in developing countries. The CFAF will be capitalized through contributions from fossil-fuel-producing countries, as well as oil, gas, and coal companies. Participants will commit to transfer annual contributions as a fixed amount or based on production volumes. Azerbaijan will be the founder of this fund, which will start functioning after the initial fundraising round, which aims to capitalize the fund in the amount of US\$1 billion, and when ten donor countries commit themselves as shareholders. Some countries have already responded positively to the initiative. Fifty per cent of the capital will be directed to climate projects in developing countries that rely on support, including for mitigation, adaptation, and research and development. The other half of the contributions will be used to help form Nationally Determined Contributions (NDCs) to

73 UN Climate Change, UN Climate Change Conference, Available at: <https://unfccc.int/cop29> (Accessed: September 19, 2024).

74 Official Site of President of Azerbaijan Republic, Meeting of the President Ilham Aliyev with the participants of the 2nd Shusha Global Media Forum, July 20, 2024, Available at: <https://president.az/en/articles/view/66533> (Accessed: October 15, 2024).

support the target of not allowing the planet to warm more than 1.5 degrees Celsius by the end of the century, according to the agreement reached under the Paris Climate Agreement. Azerbaijan has committed to and is working on submitting its NDC to set an example for other countries.⁷⁵ If the current trend continues, global temperatures will rise by 2.5–3°C by the end of the century. Incidentally, 1.5°C is a scientifically sound limit (albeit a political goal) initially proposed by small island states and then supported by a broad coalition of ambitious countries.⁷⁶ Azerbaijan has also taken responsibility for these small island states. In short, after the pandemic, Azerbaijan has already allocated US\$1 million for the post-pandemic recovery of African and small island states.⁷⁷ Within the framework of COP29, Azerbaijan will pay attention to solving problems related to the consequences of climate change for small island developing states during its presidency, and plans to hold a Summit of Small Island Developing States in Baku.⁷⁸ A special fund is expected to be created to support these states.

Conclusion

As mentioned above, in the past the only limitation in defining Azerbaijan as a middle power was Armenia's continuing occupation of its territories. However, Azerbaijan's strategic foreign policy, coupled with its abundant resources and military potential, has enabled it to address this issue effectively. This achievement is also significant, as no country had previously been able to change an unsatisfactory status quo since the collapse of the socialist bloc and the Soviet Union.

The restoration of the territorial integrity of Azerbaijan has allowed

75 Official site of COP 29, Azerbaijan Launches Climate Finance Action Fund in Package of Initiatives for COP29, July 19, 2024, Available at: <https://cop29.az/en/news/azerbaijan-launches-climate-finance-action-fund-in-package-of-initiatives-for-cop29> (Accessed: September 19, 2024).

76 Rogelj, J., Tsel Ostaetsya Prejney: ne Dopustit Globalnogo Potepleniya Vishe 1,5°C, Project Syndicate, June 5, 2024, Available at: <https://www.project-syndicate.org/commentary/ambitious-global-warming-target-still-feasible-and-necessary-by-joeri-rogelj-2024-06/russian> (Accessed: September 19, 2024).

77 TASS, Azerbaydjan Videlit \$1 mln na Vosstovnenie Afriki i Ostrovny Gosudarstv Posle Pandemii, March 2, 2023, Available at: <https://tass.ru/mezhdunarodnaya-panorama/17176429> (Accessed: September 19, 2024).

78 Akberova, E., Ilkham Aliyev: Azerbaydjan Vsegda Otstaiвал Zakonnie Interesi Malix Ostrovnix Razvivayushixsya Gosudarstv, May 25, 2024, Available at: aa.com.tr/ru/мир/ильхам-алиев-азербайджан-всегда-отстаивал-законные-интересы-малых-островных-развивающихся-государств/3232553 (Accessed: September 19, 2024).

this country to re-evaluate its potential and its achievements in the international arena before 2020. Azerbaijan, as a middle power, continued its active interaction at the regional level and formed a new agenda for its foreign policy, in line with its unique status. As was previously examined, for Azerbaijan, this is the fight against neocolonialism and the introduction of a 'green' agenda at the international level.

After the 44-day war, Azerbaijan restored its territorial integrity on its own, demonstrating its determination and resilience in the face of the ambiguous reaction of the international community. This was achieved strictly within the framework of international law. Azerbaijan withstood the onslaught and achieved its goals, marking a transition to the category of a middle power. Azerbaijan has long deserved this status from a geo-economic point of view and through its regional activities. However, it was impossible to confirm this when its territories remained under occupation.

Now, a post-war perception of Azerbaijan is being formed, showcasing its proactive approach. It is a common practice to showcase one's achievements at important international events. Azerbaijan is no exception in using COP29 as a demonstrative platform. At the same time, the platform itself can also serve as a basis for building a new mission for Azerbaijan.

As President Aliyev stated, as the host of the COP29, Azerbaijan, from a geographical point of view, is ideally located to bridge the gaps between Global North and South, East and West, and the developing and developed world. At the same time, the COP29 presidency will provide platforms for smaller countries to make their voices heard, as they often face the most significant risks from climate change but have limited capacity to combat its impacts.⁷⁹

Support for small countries is not new to Azerbaijan. Azerbaijan implemented such support when it was still the chair of the Non-Aligned Movement. As can be seen from its actions, Azerbaijan's foreign policy is not reflexive; in other words, it is not formed purely as a reaction to current events. Azerbaijan builds its agenda and firmly holds to its convictions. For further development, both within the country and in

⁷⁹ Official Site of COP 29, President Aliyev Outlines COP29 Commitment to Small Island Developing States (SIDS) Leaders, March 14, 2024, Available at: <https://cop29.az/en/news/president-aliyev-outlines-cop29-commitment-to-small-island-developing-states-sids-leaders> (Accessed: September 20, 2024).

the international arena, Azerbaijan prepares a long-term strategy and takes consistent tactical steps based on its existing potential. At the same time, the foreign policy model is constructed while considering the realities of the international arena. As a result, the consolidation of the country's potential and its efforts in the political, economic, military, and diplomatic fields have allowed Azerbaijan to resolve its primary task and reach a new qualitative level due to its growing potential.