

# **Azerbaijan's Foreign Policy: New Dimensions after Becoming a Middle Power**

## **Traditional Foreign Policy of Azerbaijan**

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### **Introduction**

After Azerbaijan gained independence, this state faced several political and economic problems, led by the Armenian-Azerbaijani Nagorno-Karabakh conflict. As a consequence, the main task of Azerbaijan was to restore the territorial integrity of the country. At the same time, the short period between 1991-1993 was marked by political instability. In three years, the country has changed its president three times. At the same time, Azerbaijan's foreign policy changed diametrically every year. At first, it was pro-Russian; under the next president, it was anti-Russian and pro-Turkish, and under the third president after 1993, a balanced foreign policy began to take shape. The balance of policy started to be implemented by Heydar Aliyev (1993-2003), an experienced politician who took different positions in the Soviet Union authority.

The formula for a balanced foreign policy includes two aspects:

1. Attracting as many Great Powers as possible to the South Caucasus region and Azerbaijan to balance Russia's oppressive position. For this purpose, Azerbaijan's main trump card - its energy resources- was used.
2. After attracting the Great Powers, maintain an equal distance from them while not participating in integration processes.

As was said earlier, at that time, there was a need to balance Russia, which had a dominant position in the post-Soviet space. It was because there was a gentleman's agreement between the West (represented by the USA, NATO, and the EU) and Russia, according to which the region of the former Soviet Union was recognized as a zone of exclusive interests of Russia.

### **Foreign Policy of Ilham Aliyev - Continuation and Deepening of the Balanced Foreign Policy**

The course of a balanced foreign policy was continued by the fourth president, Ilham Aliyev (2003-today), who is the son of Heydar Aliyev. Ilham Aliyev strengthened his position on a balanced policy. Azerbaijan managed to avoid participation in the pro-Russian Eurasian Economic Union and the signing of the Association Agreement with the EU within the

framework of the Eastern Partnership Program, thus remaining aloof from two integration processes possible in the region.

In addition, Azerbaijan joined the Non-Aligned Movement (NAM) (May 26, 2011), the largest international organization after the UN, emphasizing the non-alignment of its foreign policy. Membership in the organization strengthened Azerbaijan's position in the international arena. Members of the NAM (120 states in total) recognized the territorial integrity of Azerbaijan and condemned the occupation policy of Armenia. Thanks to the votes of the NAM members, Azerbaijan was elected as a non-permanent member of the UN Security Council (2012-2013), the first of the countries of the South Caucasus and Central Asia, a very significant event for a 20-year-old small state. In 2019, Azerbaijan was elected chairman of the NAM, pursuing a very active policy to strengthen the organization's position. In this connection, Azerbaijan's chairmanship was extended for one year.

During this period, Azerbaijan actively participated in implementing regional transport and energy projects. In 2017, the Baku-Tbilisi-Kars railway (Türkiye) was built, which created an alternative railway route to the Trans-Siberian Railway (Russia), connecting Europe with Asia. Azerbaijan initiated the creation of the Trans-Anatolian gas pipeline (2018) through Türkiye and took part in constructing the Trans-Adriatic gas pipeline (2020) through Greece, Albania, and Italy. Through these gas pipelines, Azerbaijani gas began to flow to Europe.

On September 27, 2020, after another military attack by Armenia on the territory of Azerbaijan, a counter-offensive operation known as the "44-day war" was carried out. As a result of military operations, Azerbaijan managed to liberate territories that had been under the occupation of Armenia for about 30 years. After the conclusion of a ceasefire agreement through Russian mediation on November 10, 2020, Armenia withdrew its troops and liberated three more regions of Azerbaijan it occupied. Azerbaijan immediately began clearing the territories of the mines that had been placed in these territories and restoring cities and villages that had been completely wiped off the face of the earth by the occupiers.

### **Foreign Policy Trends After 2020**

After restoring territorial integrity, Azerbaijan's main foreign policy agenda has changed radically. Thanks to the victory, Azerbaijan restored its territorial integrity. It allowed it to move from the category of small-power countries to the category of middle-power countries. It's changed Azerbaijan's foreign policy agenda. The comprehension and reorganization of

Azerbaijan's foreign policy is underway, which may take several years.

Azerbaijan also previously played an active role in determining the geopolitical and geo-economic agenda of the region. Azerbaijan initiated and participated in implementing several transport and energy projects in the region; in addition, not any single project in these areas was implemented without Azerbaijan's consent.

However, strengthening its positions was not allowed by the reality that part of its territories was under occupation since a number of actors in international relations used this reality as a tool of pressure on Azerbaijan.

Regarding relations with Armenia, signing a peace agreement with this country, which Azerbaijan proposed as a sign of goodwill, is now on the agenda.

An encouraging signal for such an expectation is that on December 7, 2023, Azerbaijan and Armenia agreed to exchange their captive military personnel (two Azerbaijanis and thirty-two Armenians). At the same time, an unprecedented event occurred: as a sign of goodwill, Armenia agreed not to block Azerbaijan's candidacy to host the UN COP29 climate conference in 2024. Thanks to Armenia's action, Azerbaijan's candidacy was eventually accepted. In turn, Azerbaijan stated that it would support Armenia's candidacy to join the COP Bureau of the Eastern European Group.

What is unconventional is that for two years now, countries at war have supported each other on the international platform for the first time. The critical thing in this decision was that the parties agreed without intermediaries.

### **Intensifying Relations with Central Asia**

The Karabakh conflict resolution allowed Azerbaijan to redirect its foreign policy into a geo-economic direction. Trade relations are expanding, and transport communications are being strengthened for this purpose. It so happens that, at the moment, Azerbaijan is intensifying relations along the horizontal axis - strengthening ties with the countries of Central Asia and the Black Sea region. Further, these relations also cover Eastern European countries, some of which are members of the European Union. Azerbaijan began strengthening its position as a transit country between the abovementioned regions. An essential factor is that after the outbreak of the Ukrainian conflict, Eurasian countries started searching for alternative transport routes to Russia for transporting goods from Europe to China and back. An essential role in the

implementation of this project is the Trans-Caspian International Transport Route (TITR) or the Middle Corridor, which runs through China, Kazakhstan, the Caspian Sea, Azerbaijan, Georgia, and further to European countries. Thus, the volume of freight traffic along the TITR by the end of 2023 may be six times higher than in 2021. In January-November 2023, container traffic in the West-East direction in transit from Azerbaijan along the Middle Corridor increased 2.3 times compared to the same period in 2022.

Along with this, there is intensity in relations between Azerbaijan and Central Asian countries. In short, over the ten months of 2023, trade turnover between Azerbaijan and the region's countries increased by 16% and reached \$1.2 billion. In general, in 2022, the volume of trade turnover between Azerbaijan and the countries of Central Asia amounted to 1.3 billion US dollars, which is 3.6% more than in 2021. As you can see, trade turnover is growing at a faster pace. Relations with the countries of Central Asia are not limited to the development of economic ties. Over the past two years, there has been activity in the traffic of visits by leaders of countries in the region. During the year, the leader of one country can visit another regional country several times. It's unpretentious. It has never been observed before. It also indicates that all countries in the region are interested in strengthening relations and increasing trade turnover. A significant event in 2023 was that Azerbaijan, for the first time, participated as an observer in the Fifth Consultative Meeting of the Heads of State of Central Asia held in Tajikistan on September 14-15, 2023. Thus, a country not part of Central Asia participated in this summit for the first time.

Another important event related to Central Asia was the Summit of Heads of State and Government of the countries participating in the UN Special Program for the Economies of Central Asia - SPECA, held on November 24, 2023, in Baku. The Prime Ministers of Georgia and Hungary and the Secretary General of the Cooperation Council for the Arab States of the Gulf took part in the summit as guests of honor. As a result of the Summit, the Baku Declaration and the Road Map for the digitalization of the Middle Corridor were adopted.

### **Deeping Relations with the Eastern Europe**

As for the intensification of relations along the horizontal axis in the western direction, there were a number of initiatives in the energy sector. In short, in 2023, Azerbaijani gas began to flow into the markets of Hungary and Romania for the first time. In addition, on April 26, 2023, in Sofia, Azerbaijan, together with Bulgaria, Romania, Hungary, and Slovakia, signed a

Memorandum of Understanding to stimulate cooperation on efforts to diversify routes that could facilitate the transport of additional gas from Azerbaijan to the EU. The parties signed a Ring of Solidarity agreement to use internal European gas interconnectors to increase the flow of Azerbaijani gas through the Southern Gas Corridor. Slovakia could become the following country where Azerbaijani gas can be supplied.

On November 15, 2023, an agreement was signed on natural gas supply to Serbia. The Czech Republic, Croatia, Montenegro, North Macedonia, Bosnia, Herzegovina, and Albania are also interested in Azerbaijani gas.

At the same time, the expansion of cooperation was wider than natural gas. In short, on December 17, 2022, in Bucharest, Azerbaijan, Georgia, Romania, and Hungary signed an agreement on a strategic partnership for the construction of the Black Sea Energy undersea electric cable with a capacity of 1000 MW and a length of 1195 km, which makes it the longest in the world. The cable will supply green electricity produced in Azerbaijan through Georgia and the Black Sea to Romania for onward transport to Hungary and the rest of Europe. In June 2023, it was decided to join Bulgaria in this project. The EU plans to provide 2.3 billion euros to install this cable. Construction of the cable will take 3-4 years.

### **Multilateral Diplomacy within Non-Aligned Movement**

An important foreign policy event for Azerbaijan was the election in 2019 as chairman of the Non-Aligned Movement. In general, the platform of the NAM was widely used to strengthen the role of its members in the international arena. At the initiative of President Ilham Aliyev, the NAM has taken on the role of world leader in the fight against the pandemic. In May 2020, an online summit of the Movement dedicated to the fight against COVID-19 was held. At the summit, President Ilham Aliyev proposed holding a special session of the UN General Assembly dedicated to the fight against the pandemic. More than 150 countries supported this proposal. In December 2020, a special session was held.

One of the most important areas of Azerbaijan's activity during its chairmanship of the Movement was the fight against vaccine nationalism. At Azerbaijan's initiative, the Human Rights Council and the UN General Assembly adopted resolutions entitled "Ensuring equal, accessible, timely and universal access to vaccines for all countries in the fight against the COVID-19 pandemic."

In turn, Azerbaijan provided financial and humanitarian assistance in connection with the

coronavirus to more than 80 countries, most of which are members of the NAM. Azerbaijan also assisted the World Health Organization and made a voluntary financial contribution of US\$10 million.

In 2023, the direction of the struggle against neo-colonialism has been chosen in the foreign policy of Azerbaijan as a Middle Power. As chairman of the NAM Azerbaijan has carried out several activities in this direction, supporting regions with the right to self-determination within the framework of international law. As the chairman of the Non-Aligned Movement, Azerbaijan supports the people fighting against colonialism and striving for freedom.

In short, this topic was discussed within the framework of Azerbaijan's chairmanship in the meeting of the NAM in Baku on July 6, 2023, at an event at the headquarters of the UN General Assembly in New York on September 22, 2023, which was initiated by Azerbaijan, as well as on October 20, 2023 at the international conference in Baku on the topic "Neocolonialism: violation of human rights and injustice."

### **Expectations for 2024**

The critical event in Azerbaijan's foreign policy may be the signing of a peace treaty with Armenia. If the two sides agree, this will become an important event for Azerbaijan. There is optimism for this, as officials from both countries say many aspects of the future agreement have already been agreed upon.

In 2024, Azerbaijan will continue to develop the geo-economic direction of its foreign policy. Attention will be paid to the development of the Middle Transport Corridor. Along with this, the construction of the Araz Trans-Corridor will begin through the territory of Iran, which will connect the territory of Eastern Zangezur with another territory of Azerbaijan - Nakhchivan, which is separated from the rest of Azerbaijan by Armenia. This corridor will then be extended to Turkey. Thus, the Middle Corridor will have the opportunity to enter Turkish territory through Georgia and Iran.

Part of the geo-economic agenda will also be an increase in gas exports and the start of a project to build a cable for the export of "green energy" from Azerbaijan to Europe.

An exciting development is that Azerbaijan intends to open an embassy in Afghanistan in 2024 (the other two, planned to open in 2024, will operate in Thailand and Oman). Azerbaijan

planned to open an embassy in Afghanistan earlier, but the situation changed after the power change in this country. Given the close relations of Central Asian countries and Turkey with Afghanistan, Azerbaijan intends to establish relations with this country. It is a proactive action since only some countries can form ties with Afghanistan at the current stage. For Azerbaijan, Afghanistan is a part of Central Asia, which is now developing relations.

### **Azerbaijan-Korean Relations**

As for relations between Azerbaijan and South Korea, they traditionally develop in a friendly environment. Azerbaijan became the first country in the South Caucasus, where Korea opened its embassy in 2006. A year later, in 2007, Azerbaijan, the first of the South Caucasus countries, opened an embassy in Korea.

It is worth noting that economic relations between the two countries need to be at the proper level. In 2021, Korea exported goods to Azerbaijan worth US\$145 million, ranking 99th among Korea's 218 export partners. The main export product was cars (\$61.6 million). Azerbaijan exported goods worth only \$1.52 million, primarily paintings. It puts Korea in 68th place among 138 countries to which Azerbaijan exported. The numbers are insignificant.

In 2022, there was a slight increase in trade turnover between the two countries. Compared to 2021, 2022 trade turnover between Azerbaijan and Korea increased by 18.23%. Azerbaijan's exports to Korea expanded 3.52 times, and imports from Korea grew by 18.14%.

The trade turnover between the two countries is affected by the small size of the Azerbaijani economy, geographical remoteness, and the fact that Azerbaijan is a country without access to the open seas.

Notably, Korea is one of the most prominent foreign direct investors in Azerbaijan's non-oil sector. Azerbaijan is also interested in broader Korean participation in projects in Azerbaijan, including the construction of smart cities and villages in the liberated territories. It is no coincidence that on November 6, 2023, President of Azerbaijan Ilham Aliyev received a delegation led by the Chairman of the Chamber of Commerce and Industry of the Republic of Korea and the SK Group of companies Chey Tae-won. During the meeting, along with the implementation of projects on smart cities and villages, issues of realizing the potential of renewable energy, as well as issues of cooperation in the field of significant mineral resources

of our country, information and communication technologies, education, and human capital development were also discussed. It is worth noting that Chey Tae-won had previously visited Azerbaijan in 2011.

## **Conclusion**

Post-2020, Azerbaijan underwent a significant foreign policy shift, elevating its status from a small to a middle power after reclaiming territorial integrity. Notably, thawing relations with Armenia hinted at potential diplomatic breakthroughs, showcasing unprecedented support between erstwhile adversaries on global stages. Azerbaijan strategically expanded ties with Central Asia and the Eastern Europe, focusing on geo-economics and transit routes. Simultaneously, through the Non-Aligned Movement, it championed global causes, from pandemic response to combating neo-colonialism. These changes highlight Azerbaijan's nuanced and multifaceted evolution in navigating a complex geopolitical landscape with deliberate diplomacy and strategic engagements.



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