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**Foreign Policy of Azerbaijan: Maintaining relations with the West, Turkey
and Russia**

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Summary (maximum: 700 characters)

The foreign policy of Azerbaijan and the implementation of strategic hedging to avoid choosing one clear side in international multipolar order is the subject of this thesis. The changes taking place following the Second Karabakh war in 2020, balance of power in the region between Russia, Turkey and the EU has become a relevant topic, thereby creating newer challenges for the Azerbaijani government to deal with. Therefore, the main research problem is related how the geopolitical rivalry and power shift have been taking place in the region, and how Azerbaijan has been trying to address such novelties.

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List of Abbreviations

CSTO – The Collective Security Treaty Organization

EaP – the Eastern Partnership program

ENP – European Neighborhood Policy

TAP – Trans-Atlantic Pipeline

TANAP – Trans-Anatolian Gas Pipeline

NATO – The North Atlantic Treaty Organization

OSCE – Organization for security and Co-operation in Europe

UN – The United Nations

EU – the European Union

YAP – New Azerbaijan Party (Yeni Azərbaycan Partiyası)

Introduction

When The Soviet Union collapsed, newly emerging states needed to rationalize their statehood and foreign policy in a way that would not endanger their independence again. Azerbaijan was not an exception in this sense, ensuring durable sovereignty of the country was crucial. The country's historical background has almost always been in the center of geopolitical rivalry, interestingly, such rivalry keeps its significance to our day through various policy directives and steps taken by the neighboring and global political actors.

Nonetheless, the leading party's (YAP) main foreign policy slogan founded by H.Aliyev has stayed as significant as it used to be to our day - "Balanced Foreign Policy". Overall, it may seem simple and innocuous at first sight, however ensuring this balance has not been that easy for the foreign policy decision makers of the country. "[...] Azerbaijan has remained the only state within the former Soviet space that may be regarded as neither pro-Russian nor pro-Western"¹. Despite having its own constraints as a small state such a being a land-locked country, Azerbaijan seems to have implemented such foreign policy for a long period. It is clear that some internal and external factors have made Azerbaijan stand out from the rest of the post-Soviet arena and follow such foreign policy model.

From geopolitical viewpoint, Azerbaijan's positioning in the world is a blessing and a curse at the same time. While enjoying the benefits of natural resources, and high potential for global trading, having such neighbor as Russia has caused big convulsions time to time in history. Obviously, foreign policy agenda of the country considers Russia very carefully, while trying to ensure that the relations with the West are on its trail as well, since economic cooperation with the latter is vital. Given the peculiar case of Azerbaijan, several authors tried to explain how the country managed to maintain this "balanced foreign policy" - not choosing sides between Russia, the West, and Turkey.

¹ Anar Valiyev & Narmina Mamishova, "Azerbaijan's foreign policy towards Russia since independence: compromise achieved, Southeast European and Black Sea Studies", *Southeast European and Black Sea Studies*, 19(2), 2019, 269-291.

Literature Review

Most of the literature focusing on foreign policy aspects of Azerbaijan have their focus on pre-2020, or prewar period. Therefore, I want to try to explain what happened after the second war with Armenia, and how Azerbaijan has dealt with its foreign policy. However, for doing so I would firstly discuss foreign policy aspects before 2020 and how they had developed with the EU and the US, Russia, and Turkiye.

There can be discussed rather diverse reasons from the perspectives of the parties involved in the region, nonetheless, colliding interests of them have made Azerbaijani government create a foreign policy mechanism which has to ensure that none of them gets the full scale influence.

“From the Western point of view, Azerbaijan’s fall under Russian control will result in the West’s disconnection from Central Asian and Caspian resources, hence the vital importance of Azerbaijan’s sustained cooperation with NATO and that of the Baku–Tbilisi–Ceyhan pipeline, whose construction was made possible mostly thanks to Western financiers”². As discussed by Efe Can, from the western perspective the country’s energy resources play a vital role in formulating their interests, interestingly, the Azerbaijani government plays the same energy card against the dictate of the EU over human rights and democracy promotion related policies. (Shiriyev Zaur, 2019). Clearly, without the energy resources it would be hard to talk about this resistance overall. Nonetheless, being a part of the post-soviet arena, Azerbaijan is conceived as a part of shared neighborhood by Russia. “Geopolitical motives behind Russia’s approach to the shared neighborhood are thus closely intertwined with value-based or ideological ones”³. Obviously, Russia would also expect Azerbaijan to take decision accordingly in this sense. Indeed, Azerbaijani government has been rather careful in settling relations with Russia, but this does not mean clear bandwagoning. Instead, as explained by Anar Valiyev & Narmina Mamishova in their article⁴ focuses on the exact policies that have been exercised by Azerbaijan against Russia. One factor they value highly is related with Nagorno Karabakh conflict. “Russia appears to believe that if the Nagorno-Karabakh conflict is

² Efe Can Gürçan, “The Changing Geopolitical Economy of Transcaucasia under Multipolarity”. *World Review of Political Economy*. Vol. 11(4), 2020, 533-550.

³ Carolina Vendil Pallin, “Future Approaches to The Shared Neighbourhood”, *Russian Futures: Horizon 2025*, European Union Institute for Security Studies (EUISS), 26, 2016, 63–68.

⁴ Anar Valiyev & Narmina Mamishova, “Azerbaijan’s foreign policy towards Russia since independence: compromise achieved”, *Southeast European and Black Sea Studies*, 19(2), 2019, 269-291.

genuinely solved, Baku will immediately rush into anti-Russian alliances or NATO”⁵. Although debatable for today’s situation considering the dynamics that have taken place after the second Karabakh War (2020), I would agree that pre-war period had been highly impactful on the relations between Russia and Azerbaijan. Russia’s usage of this conflict as a leverage between the two post-soviet countries – Azerbaijan and Armenia can be a good indicator of the enthusiasm and interest Russia possesses towards the Caucasian region.

The geostrategic importance the country has steadily gained by contributing to Europe’s energy security has allowed Baku not to become the ‘Kremlin’s puppet’ (Valiyev, Mammishova 2019). Nonetheless, they explain the tendencies from Azerbaijan’s point of view as being built on energy policy and geopolitical positioning of the country. Obviously, these are crucial factors to be considered when focusing on foreign policy tools of Azerbaijan. Their explanation for dynamic relations with Russia is based on strategic hedging theory, henceforth they claim that legacy of H.Aliyev has been carried further by I.Aliyev for especially post-2008 – Georgia-Russian war. According to their view, the government implemented various strategies towards Russia depending on the conditions of the according time. However, since the article was shared in the pre-war period, Russia’s active roleplaying in the region during the war and right after the war by deploying their peacekeepers⁶ have not been considered while formulating the strategies applied by Azerbaijan to ensure the “balance” in its foreign policy. This writing is solely based on approach towards Russia, thus I would argue that relations with the EU, the US and Turkiye should also be included, since in many instances it may help to explain the balancing. It is because I would argue that Azerbaijan did not only use geostrategy and energy resources as a tool, but also the fact that all those actors are interested in Azerbaijan and time to time the government uses this factor to “neutralize” them.

Considering the relations with the EU, an academic article titled “Why the Neutrality of Azerbaijan Is Important for the European Union” by Abilov Shamkhal, and Beyrak Hajiyevev puts a great emphasis on the historical development of the relations over the decades. Their major explanation for the relations between the EU and Azerbaijan is based on episodic decision-making mechanism.

⁵ Anar Valiyev & Narmina Mamishova, “Azerbaijan’s foreign policy towards Russia since independence: compromise achieved”, *Southeast European and Black Sea Studies*, 19(2), 2019, 269-291.

⁶ Russian Ministry of Foreign Affairs. “Statement by the President of the Republic of Azerbaijan, the Prime Minister of the Republic of Armenia and the President of the Russian Federation”, 2020 <<https://mid.ru/en/maps/az/1446283/>> [2022 12 05].

Although they do not clearly define in which conditions it happens, but I would agree that Russia's activity in the region or the official Kremlin's position plays a great role when the official Baku decides a step further or back when it comes to the relations with the European Union. Indeed, generally it is very important to consider historical development of the relations between the parties, nonetheless, specifying how Azerbaijan reacted under which conditions is also crucial in order to answer the question how Azerbaijan has managed to maintain its so-called balanced foreign policy since 2008. The government has used the term – “balanced foreign policy” rather ubiquitously in speeches of the officials, in the mass media for a long time, however they have not really defined upon specific principles of it. Generally, “friendly relations will all” has been predominant, while ensuring that the country benefits from cooperation with other countries in especially economic and military terms as much as possible. That factor is correlated with how many of authors working on Azerbaijan's foreign policy have put on special emphasis on how the country has managed to the former principle while developing economic and military ties with so many countries.

Strategic hedging as a theoretical approach perceives small states as generally vulnerable to the excessive influence of big powers, nevertheless the theory, similar to Azerbaijan's case, states that these states may have found ways through which they can protect their independence and national interests, but such ways significantly vary from state to state. Military, economic factors are crucial to be considered as discussed by Gustaaf Geeraerts in his article on analyzing the capabilities of states aiming to utilize strategic hedging as a foreign policy tool.

All in all, the primary missing point in academic literature is post-2020 period in Azerbaijan's foreign policy, the sequential official agreements with Russia, Turkiye's inclusion in Nagorno Karabakh, humanitarian support towards Ukraine despite Russian factor, energy agreement with the EU amid the energy crisis, I believe, are well worth points that should be analyzed from the perspective of foreign policy tools Azerbaijan has been exercising 2008 and how they have helped in this process. Adding to the point made by Abilov & Hajiyev, understanding the conditions of the time, while analyzing both internal and external factors for the country, we can understand and answer the question how Azerbaijan really balanced its foreign relations and maintained friendly relations with Russia, Turkiye and the West.

Research Problem: Considering the dynamic political agenda in the South Caucasus, Azerbaijan is not an exception in this process. Especially, the changes taking place following the Second Karabakh war in 2020, balance of power in the region between Russia, Turkey and the EU has become a relevant topic, thereby creating newer challenges for the Azerbaijani government to deal with. Therefore, the main research problem is related how the geopolitical rivalry and power shift have been taking place in the region, and how Azerbaijan has been trying to address such novelties.

Research Question: How has Azerbaijan managed to maintain its relations with the West, Turkey and Russia by using strategic hedging?

Specific Objectives:

- Explaining general interests and policies of the big powers towards Azerbaijan – Russia, Turkey, the EU and to some extent the USA in order to understand general political circumstances
- Analyzing the reactions of the Azerbaijani government towards these policies
- Understanding and explaining how Azerbaijan has managed to keep its relations with all parties without bandwagoning one side, unlike most of other post-soviet countries after independence
- Explaining specific strategies that have enabled the government to realise such policies through strategic hedging theory, specifically in cases in energy policy and the Karabakh region

Structure of the thesis: This case study aims to firstly analyze and explain the external factors that have been crucial to shape the political agenda in the Caucasus region, namely the interests and policies of the Russian Federation, Turkey, and the European Union in different subchapters. Following this, Azerbaijan foreign policy tools will be discussed from the perspective of strategic hedging, the main focus is on post-2008 period. In the final two subchapters, two main foreign policy fields of Azerbaijan, which have been challenged, will be focused on – energy policy and post-2020 Karabakh situation.

Key Words: Strategic Hedging, Azerbaijan’s Foreign Policy, Shared Neighbourhood, Balanced Relations, The European Union, Russia.

Theoretical Framework

Under the conditions of the Post-Soviet arena, the traditional approaches explaining the nature of foreign policies of small states, which were the members of the Soviet Union or at least was a satellite state of the Union under communist beliefs, did not work as they did during the Cold War period. This is primarily rooted in the fact that there was no confrontation between the two blocks anymore and newly emerging states, including Azerbaijan, found themselves in a different world in a way that bipolarity was eradicated, and the world seemed more multipolar. “The idea of hedging arose as scholars examined the novel dynamics of international politics in the post-Cold War period and found prevailing theoretical approaches inadequate.”⁷

Therefore, it has been claimed by many scholars that foundational approaches of band wagoning or balancing are not enough to explain such tendencies between the big powers who have the capability to influence others, and smaller states who need strategies to protect their independence, sovereignty and resist against external intervention if needed. Azerbaijan is not much different in this sense since the country’s foreign policy goals are rather similar as stated by A.Valiyev – “This foreign policy remains in pursuit of three major goals: retaining independence, resolving the Karabakh conflict, and making Azerbaijan a key partner for regional powers”⁸. Therefore, Azerbaijan too as a small state attempts to promote its interests and avoid dominance of bigger states.

Generally, it is hard to define strategic hedging in a single accepted way in academic literature, this is mostly due to the fact that the application of the theory has been common for various regions in the world. Interestingly, it was commonly and originally used for Asian studies in context of relations with the USA and China as great powers in the region. Nonetheless, I will base my analysis on the concept that has been commonly implemented for Eastern European and Eurasian countries. “[...] a set of strategies aimed at avoiding (or planning for contingencies in) a situation in which states cannot decide upon more straightforward alternatives such as balancing,

⁷ John D Ciorciari, Jürgen Haacke, “Hedging in international relations: an introduction”, *International Relations of the Asia-Pacific*, 19(3), 2019, 367-374.

⁸ Anar Valiyev, “Finlandization or strategy of keeping the balance? Azerbaijan’s foreign policy since the Russian-Georgian war”, *PONARS Eurasia Policy Memo*, 112(2), 2010, 1-5.

bandwagoning, or neutrality. Instead, they cultivate a middle position that forestalls or avoids having to choose one side at the obvious expense of another”⁹. Following this concept, Azerbaijan’s one sided choice in favor of the EU, the USA or Turkiye as a big power would obviously disrupt the relations with Russia and cause probably direct military power from Russian side, as it has been observed in the cases of Ukraine and Georgia when they prioritized the EU over Russia directly.

One common factor in the theory of hedging is a perceived and potential security threat from usually a neighboring big power. It should be noted that while considering a big power, we do not only focus on their military or hard power, but also soft power tools are included. In my case study, considering Azerbaijan, Russia fits this role rather well. On the other hand, we should consider the interest and influence of the European Union and the United States towards Azerbaijan. Based on soft power influence model, the European Union included Azerbaijan into the Eastern Neighborhood policy in 2009 with the aim of further cooperation and possible Association agreement. In this way The European Union could also be seen as a big power for Azerbaijan alongside Russia. Although both of them can benefit the country through the lenses of various levels of cooperation and partnership, band wagoning or balancing would not allow this as much as Azerbaijan has been doing it since 2008 thanks to its policies aimed at neither disrupting one side, nor band wagoning any of them.

“[...] hedging strategies seek to address risk in the form of potential security-related threats”¹⁰. In my case study, Azerbaijan is being addressed as a small state whose geopolitical positioning has a rather big potential to create security threats to the independence of the country – Russia factor. Russia’s undeniable existence in the region and unstoppable interest make Azerbaijan consider it as a potential threat for both long-term and short-term future. By applying strategic hedging the Azerbaijani government tries to ensure that Russia will not mean any direct threat to the country’s existence, instead of applying balance or bandwagoning methods.

“In the field of IR, hedging is a widely used but under-theorized term. In 2005, Evan Medeiros lamented that hedging is “highly underdeveloped both in international relations theory and security

⁹ Ayman El-Dessouki and Ola Rafik Mansour, “Small states and strategic hedging: the United Arab Emirates’ policy towards Iran”, *Review of Economics and Political Science*, 2020, 1-16 cited from Evelyn Goh, “Southeast Asian strategies toward the great powers: Still Hedging after All These Years?”, *The Asan Forum*, 7(5), 2016.

¹⁰ John D Ciorciari and Jürgen Haacke, “Hedging in international relations: an introduction”, *International Relations of the Asia-Pacific*, 19(3), 2019, 367-374.

studies literature.”¹¹. This is the main challenge regarding the implications of the theory, since not all academic literature sources define it in the same way, some approach it through unipolar system, while other do it from the viewpoint of multipolarity. This case study will analyze Azerbaijan Foreign Policy from the perspective of strategic hedging in multipolar world.

However, it is important to note that there is no exact internationally accepted deviation between balancing and hedging. As discussed by Denny Roy, “Balancing is one but not the only strategy a government may employ to keep open a future strategic option”¹². This case study will consider balancing as a strategy that may be included among the tools implemented in hedging, therefore strategic hedging on its own is a more general approach states can apply, that may include diverse policy tools. On the other hand, bandwagoning is a more distinct strategy as supporting the system leader to ensure that there will be no damage coming from them.

The interests of the EU, Russia and Turkiye clash with each other in some cases regarding Azerbaijan. This situation may bring great convulsions for Azerbaijan if not being handled accordingly, especially with Russia considering their immediate physical access to Azerbaijan and history with the other Post-Soviet countries. At the same time such geopolitical situation can benefit Azerbaijan greatly, especially in economic terms. “Strategic hedging is a form of behavior used by states wanting to improve their competitiveness while at the same time avoiding direct confrontation with main contenders”¹³. Therefore, strategic hedging can help Azerbaijan benefit from such economic cooperation with different international actors, despite Russian factor.

“The European Security Concept pledges the creation of a ring of well-governed countries on the Union’s borders. Healthy security sector governance is key to achieving this objective”¹⁴. In addition to this, Turkiye’s existence and support to Azerbaijan should be taken into account while considering this hedging strategy applied by Azerbaijan.

Therefore, this situation has helped and still helps Azerbaijan to ensure that it has favored neither the European Union, nor Russia in its foreign policy, while getting Turkiye’s support in its foreign policy. In this way the role energy resources of the country cannot be denied either, which will be

11 Kuik, CC. “Getting hedging right: a small-state perspective”. *China Int Strategy Rev.* 3, 2021, 300–315

12 Denny Roy, “Southeast Asia and China: Balancing or Bandwagoning?,” *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, Volume 27, Number 2, August 2005, pp. 305-322

13 Geeraerts, G., Salman, M., “Measuring Strategic Hedging Capability of Second-Tier States Under Unipolarity”, *Chin. Polit. Sci. Rev.* 1, 2016, 60–80

14 Dov Lynch, “The security dimension of the European neighbourhood policy”, *The International Spectator*, 40(1), 2008, 33–43.

further discussed in this case study. As a result of this process, Azerbaijan benefits from economic cooperation with all parties - big powers in the neighborhood, while not allowing bandwagoning with any of them, thereby keeping its foreign policy goals vivid and borders secure.

Methodology

The main method of data gathering in this case study is qualitative research method that has been based on desk review of secondary sources, such as official interviews, policy documents, newspaper articles, speeches and official statements of presidents or foreign ministers.

Azerbaijan is a peculiar case among the former post-soviet countries considering the foreign policy directives that have been implemented by the government. Therefore, this research work is a case study trying to explain the factors and circumstances behind such type of strategic hedging policies of Azerbaijan. It is based on an interpretative method of case study that aims to explain how Azerbaijan has managed to steer its foreign policy through the lenses of strategic hedging theory. Since analyzing foreign policy motives and strategies through statistical data such as in qualitative research methods is rather impractical, qualitative analysis has been used in this case study.

Generally, foreign policy actors of Azerbaijan can be considered as two official bodies, the first one is the president of the Republic of Azerbaijan – who in this case has been and is Ilham Aliyev since post - 2008 period. Therefore, analyzing the interviews, speeches and official statements of the president is important in order to explain the strategies in foreign policy in the stated period of time. The president is the head of the President Administration; therefore, the official statements of the Administration will be considered in the same way.

On the other hand, the Ministry of Foreign Affairs of the Republic of Azerbaijan is an important body of foreign policy mechanism of the country as well, especially on day-to-day basis statements. Henceforth, their official statements are also important to understand how Azerbaijan has reacted and is still reacting to Russia, Turkiye and the West in its foreign policy. Also, some statistical data from various official sources related to public opinion, and economic indicators has been analyzed in order to explain the real circumstances.

Similarly, while explaining the interests of Turkiye, the EU and Russia, official statements of presidents/foreign ministers, official declarations or agreements of governments will be taken as a basis for analysis.

To sum up, I have used official approaches or opinions from the government – the president and MFA – to justify how they have addressed problems arising in foreign policy and therefore, how they have used strategies to maintain relations with the big powers. This is case study on Azerbaijan's foreign policy is focusing on the post-2008 period as a foreign policy analysis.

1. Clash of interests – motives and interests of Russia, the EU and Turkiye.

This chapter under its own three different subchapters aims to explain the motives and interests of the main actors who in some cases differ from each other when it comes to their foreign policy towards Azerbaijan. Different aspects of interests will be discussed, such as political and economic, in most cases they are interrelated to each other, however in each subchapter there is an emphasis on cultural ties as well, since it can also be an important factor to understand the circumstances that Azerbaijan have to deal with. At the end of each subchapter there is a short summary. At the end of this chapter there will be discussed similarities and differences between Turkiye, Russia and the EU concerning their foreign policy towards Azerbaijan.

1.1 *Russia: A big neighbor and a potential threat*

Playing a central role in the country's foreign policy directives, Russia should be carefully analyzed in order to understand the real scene in the Southern Caucasian region, especially for Azerbaijan in this case study. From the perspective of the strategic hedging theory, as discussed in the previous chapters, a big power whose existence can highly become a direct threat to the security for a smaller neighbor is in the foundation of the theory. "Russia's main interest in the CN countries stems from the necessity to build a coalition to confirm its aspirations to great power status. CN countries are suitable for this purpose as Russia has the capacity both to reward and to punish them"¹⁵. From pragmatic aspect, what happened with Georgia in 2008 and with Ukraine from 2014 till the present day can be a good example of the Russia's real-life reaction as an aggressor. Henceforth, a similar scenario for Azerbaijan can be implemented if Russia starts to feel strong disagreement towards the path which the Azerbaijani government is following.

After the 1991, despite not being so powerful in the beginning, Russia did not want to give up its influence on the neighborhood, especially if they used to be a part of the Soviet Union.

¹⁵ Irina Busygina, *Russia–Eu Relations and The Common Neighborhood*, 1st edition, New York : Routledge, Taylor & Francis Group, 2018.

“Geopolitical motives behind Russia’s approach to the shared neighborhood are thus closely intertwined with value-based or ideological ones. As one author has put it, this is a ‘post-modern empire’ where Russia does not want to rebuild the Soviet Union territorially, but does seek ‘strategic, economic, and normative leadership in post-Soviet Eurasia’ – also with the goal of countering Western interests and influence in the region”¹⁶. In Azerbaijan’s case Russia’s such eagerness for the shared neighborhood can become a real threat since developing relations with the EU or the USA in such high level would disrupt the interests of Russia and cause unwanted results. In tandem with this, Russia would not tolerate another colorful revolution in the shared neighborhood either, after the historical cases with Georgia and Ukraine, any attempt in Azerbaijan would be harshly frowned upon by the official Kremlin. As stated by V.Putin – “We will not allow the boat to be rocked”¹⁷ when he commented on the convulsions taking place in Kazakhstan in the beginning on 2022. Following the same logic, Azerbaijan would face the same reaction if there was any attempt for such a colorful revolution.

The interest and willingness of Russia towards the Caucasus region and especially Azerbaijan can be discussed and elaborated on through the official declarations, agreements that have been signed with the direct involvement of Russia, one of the most important agreements in the history of Azerbaijan in the last decade – 10 November Ceasefire Agreement¹⁸ between Azerbaijan and Armenia was signed with the assistance and attendance of the official Kremlin, hereby Vladimir Putin. Nonetheless, none of the other member states – France and the USA of the OSCE Minsk Group, which had been supposed to help with the resolution of the conflict, directly or indirectly attended or contributed the signature process. This fact is a good indicator of how Russia is intrigued to keep its monopoly both on Armenia and Azerbaijan even though there have been developments towards the resolution of the conflict utterly. “In Russia’s view, the Eastern neighborhood is not common or shared. It is a region where Russia’s long-term goal is to increase economic, security and, ultimately, political integration around Russia”¹⁹. Therefore, it can be

¹⁶ Carolina Vendil Pallin, “Future Approaches to The Shared Neighbourhood”, *Russian Futures: Horizon 2025*, European Union Institute for Security Studies (EUISS), 26, 2016, 63–68, cited from Bobo Lo, *Russia and the New World Disorder*, Washington D.C.: Brookings Institution Press, 2015.

¹⁷ Jamie Dettmer, “Putin: No More Color Revolutions”, 2022. < <https://www.voanews.com/a/putin-no-more-color-revolutions/6390636.html>> [2022 11 25]

¹⁸ Russian Ministry of Foreign Affairs. “Statement by the President of the Republic of Azerbaijan, the Prime Minister of the Republic of Armenia and the President of the Russian Federation”, 2020. < <https://mid.ru/en/maps/az/1446283/>> [2022 12 07].

¹⁹ Carolina Vendil Pallin, “Future Approaches to The Shared Neighbourhood”, *Russian Futures: Horizon 2025*, European Union Institute for Security Studies (EUISS), 26, 2016, 63–68.

stated that Russia would not tolerate any external interference towards the Nagorno Karabakh conflict, especially after the second war in 2020 which resulted in the aforementioned ceasefire agreement in November; however, Turkiye took part in the process after the agreement, and this will be discussed in the next chapters as an example of Azerbaijan's attempt of avoiding band wagoning Russia.

Article three of the cease-fire agreement states – “A peacekeeping force of the Russian Federation comprising 1,960 military personnel with light weapons, 90 armored personnel carriers and 380 military and special vehicles shall be deployed along the contact line in Nagorno-Karabakh and along the Lachin Corridor”. Russia's such “enthusiastic” and willing military deployment for peacekeeping in Nagorno Karabakh demonstrates that the official Kremlin cannot stand the possibility that the EU or Turkiye could take action in the region to terminate the war and even send military power. As stated by Hannes Adomeit, “[...] the EU's activities on post-Soviet space are seen in Moscow in geopolitical terms, as a struggle over spheres of influence where ‘power vacuums’ cannot exist for long and attention needs to be paid to the ‘balance of power’. [...] Kremlin officials perceive EU - Russian relations in the common neighborhood as a zero-sum game, where the gain of one side is the loss of the other”²⁰. Henceforth, Russia implies that they are in control of what has been going on in the Caucasus region and their military existence is to ensure this in empiric way as well.

One of the key documents – “Declaration on allied interaction between the Republic of Azerbaijan and the Russian Federation”²¹ - that can be regarded as a corner stone of modern Russia-Azerbaijan relations, and it was signed on 22nd of February 2022. This declaration does not only reflect contemporary relations between Russia and Azerbaijan in general context, but also may help us understand the real intentions of Russia towards Azerbaijan. Point 6 from the declaration states that “The Russian Federation and the Republic of Azerbaijan express their readiness to hold urgent consultations in the event of a situation that, in the opinion of one of the Parties, may pose a threat to peace, disrupt the peace or affect the security interests of one of the Parties, as well as in the

²⁰ Hannes Adomeit, “Russia and its Near Neighbourhood: Competition and Conflict with the EU”, *Natolin Research Papers*, Warsaw: The College of Europe Natolin Campus, 2011.

²¹ “Declaration on allied interaction between the Republic of Azerbaijan and the Russian Federation” accessed from the website of the Presidential Administration of Azerbaijan Republic, 2022. <https://president.az/en/articles/view/55498>, [2022 12 09]

event of a threat of such a situation arising, for the purpose of its settlement”. Despite the fact that Azerbaijan today is not a member state in CSTO and therefore and does not have any obligations towards collective security including Russia, the aforementioned sentence points to the possibility that, maybe not in the way of exact collective security, but in face of a direct threat one party may assist the other. Therefore, officially Russia will have justification to send even military force in case the Azerbaijani government asks for help. A similar case happening with Kazakhstan²² a month before this declaration being signed is a good practical indicator of Russia’s eagerness to take any necessary steps to keep the “shared neighborhood” or the co-called post-Soviet arena under its influence.

Following this track, point 7 adds further weight to the importance of cooperation between two countries, establishing a mechanism of consultation between the two countries’ Foreign Affairs Ministries. This declaration also includes cooperation in the field of military, economy and social life. As point 13 claims – “The Parties will deepen interaction between the armed forces of the Russian Federation and the Republic of Azerbaijan, including holding joint operational and combat training activities, as well as developing other areas of bilateral military cooperation”²³.

Considering the fact that this declaration was signed just two days prior to the start of the 2022 Russian-Ukrainian war, Russia’s attempt to ensure that Azerbaijan would not take any steps against them is visible from the document. For example, point 25 states – “The Russian Federation and the Republic of Azerbaijan will refrain from carrying out any economic activity that causes direct or indirect damage to the interests of the other Party”, special emphasis on “any” is a good indicator that Russia wanted to ensure that Azerbaijan would be on their side, or at least would not join any sanctions or embargo against Russia, since it was obvious that the EU and the US was definitely going to do that in case of the launch of a military intervention into Ukraine. Again, in point 17 – “The Parties refrain from any actions, including those carried out through third states, directed against each other”. Having developed such deep relations with Azerbaijan throughout the independence period, modern Russia seems very eager to ensure that Azerbaijan would never choose even a slightly different foreign policy path, especially when it comes to security issues and military cooperation.

²² Olzhas Auyezov, “Russia sends troops to put down Kazakhstan uprising as fresh violence erupts”, Reuters, 2022, <https://www.reuters.com/world/asia-pacific/troops-protesters-clash-almaty-main-square-kazakhstan-shots-heard-2022-01-06> [2022 12 11]

²³ “Declaration on allied interaction between the Republic of Azerbaijan and the Russian Federation” accessed from the website of the Presidential Administration of Azerbaijan Republic, 2022. <<https://president.az/en/articles/view/55498>>, [2022 12 12]

Years	Import from Russia	Export to Russia	Total
2019	2290219,80	731826,20	3022046
2020	1.962.155,68	709.390,07	2.671.545,75
2021 January - March	449885,05	135330,85	585215,9

Source: MFA of Azerbaijan²⁴, the numbers are given in mln US dollar

Apart from political relations between two countries, we should touch upon the economic relations as well. Both Russia and Azerbaijan are vital partners for each other in economic terms.

Especially, considering the status-quo related with the sanctions imposed on Russia by the West, and Azerbaijan's refusal to join those sanctions. Therefore, the importance of Azerbaijan for Russia is not only limited to political and security interests, but also economic relations. Obviously, Russia is more advantageous than to its huge geography in having so many potential economic partners, compared with Azerbaijan whose non-energy exports are heavily limited due to the fact that the country is land-locked and also there are not many alternative importers than Georgia, Iran, Turkiye and Russia (This does not apply to oil-gas exports of Azerbaijan). Table 1 depicts the level of import-export relations between Russia and Azerbaijan.

At last but not least, we should take into account the fact that Azerbaijan was a part of the Soviet Union in addition to geographical proximity, therefore people-to-people relations between Russians and Azerbaijani people have played an important role in Russia's foreign policy towards Azerbaijan. Especially, the Russian-speaking part of the society of Azerbaijan is at the center of the official Kremlin. As Vladimir Putin mentioned in his speech when meeting Ilham Aliyev in 2018 - "We see and highly appreciate this - the interest in the Russian language. We see not only the interest of the citizens of Azerbaijan in the Russian language, but also assistance from the state, in municipalities, cities".²⁵ He also noted that there are more than 300 schools teaching in Russian in Azerbaijan. The Official Kremlin's approach to Russian speaking minorities outside Russia have been discussion topic for years, and of course, a policy tool for Russia herself. It would be too far-reaching to claim that Russia is using this tool against Azerbaijan for today's situation, but there is always a possibility of Russia's using it if there is a need. Similar examples can be

²⁴ Bilateral Trade statistics between Azerbaijan and Russia - accessed from the website of the Ministry of Foreign Affairs of Azerbaijan, <<https://www.mfa.gov.az/en/category/avropa/rusiya-federasiyasi>> [2022 12 15]

²⁵ Алексей Дружинин, "Путин оценил поддержку русского языка в Азербайджане", Ria Novosti, 2018, <<https://ria.ru/20180927/1529468795.html>> [2022 12 19]. - In Russian, translated by the author.

given such as Ukraine and Moldova. Also, the impact of Russian media should be emphasized since it has become a tool for modern Russian foreign policy.

To sum up Russia's interests and foreign policy mechanism towards Azerbaijan:

- Russia sees Azerbaijan as a part of the Shared Neighborhood and directs its policies in this way, meaning that Russia would not tolerate any other global power – in this case the EU - to be involved in any political situation more than Russia itself. This fits the role of a big power whose existence may mean a security threat for a smaller state as depicted in strategic hedging theory discussed earlier.
- Russia is always eager and interested to be involved in the Caucasus region, therefore in Azerbaijan, as much as possible so as to leave no vacuum space for the West. In case there is any direct involvement of the EU or the US, Russia will see this as a direct threat to itself as well – Ukrainian, Georgian cases can be good historical examples.
- To put it into practice, Russia has expanded its relations quite comprehensively through agreements and declarations (10 November 2020, 22 February 2022) with Azerbaijan in recent years, the deployment of military forces of Russia into Azerbaijan as peacekeepers may be seen as a peak of this process.
- Economic relations and people-to-people contact should not be ignored either, since the former one may, to some extent, foster the relations and ensure that Russia is one of the main partners of Azerbaijan in this field too. The latter one helps Russia impose its language and culture in the shared neighborhood, since it has been one of the main elements in Putin's foreign policy.

1.2 The European Union

Despite being one of the big powers in the world, and obviously in Azerbaijan's case too, the European Union had not had any direct and calculated policies towards the Caucasus region till 2009, including Azerbaijan too. This does not mean there was not development in the relations between them, since diplomatic and economic ties started to develop after 1991. Since our main focus in post-2008 period, we will analyze the interests and policies of the European Union towards Azerbaijan in this chapter.

The EU initiated its Eastern Partnership program as a part of the European Neighborhood Policy in 2009, and Azerbaijan was included among the countries the EU wanted to develop further relations. "The main goal of the EaP is to 'accelerate political association and deepen economic integration' between the EU and its eastern neighbors. [...] The EaP aims to promote democracy and good governance, strengthen energy security, encourage sectoral reforms (including environmental protection), encourage people-to-people contacts, support economic and social development and offer additional funding for projects to reduce socioeconomic imbalances and increase stability"²⁶. The simultaneous focus on both economic and political relations should be noted, despite the former being develop satisfactorily with Azerbaijan, the latter one has had problematic cases in the last decade. Obviously, soft power is the primary tool of the European Union in this way. "[...] the EU actively engaged in promoting democracy in its eastern and southern neighborhoods through the European Neighborhood Policy (ENP) and attached various humanitarian principles to its programs to achieve its goals"²⁷. While officially the main focus of the EaP is promotion of European values through soft power in the neighborhood, the EU obviously has aimed to ensure security and peace in its common borders as well. Therefore, it can be said that the EU by implementing EaP program does not differ much in its foundational interests from Russia, however their tools for doing so are rather different.

²⁶ The European Neighborhood Policy Factsheet Page provided by the European Parliament, <
https://www.europarl.europa.eu/factsheets/en/sheet/170/the-european-neighbourhood-policy#_ftn2 > [2022 12 05]

²⁷ Abilov Shamkhal and Beyrak Hajiyev, "Why the Neutrality of Azerbaijan Is Important for the European Union", *Insight Turkey* 21(3), 2019, 53-67

One of the main tools of the European Union in ensuring security in the so-called Shared Neighborhood is the promotion of European values, therefore the promotion of democracy, human rights, rule of law, alongside free trade, and economic liberalization. Analogical to the case of Russia, the EU has wanted to promote its internal values onto Azerbaijan, therefore future cooperation would be much easier and the expansion of Russian impact in the region could be halted. As Donald Tusk mentioned in his speech in the press conference after having an official meeting with Ilham Aliyev in 2017– “ During our talks, I stressed the importance we attach to human rights and fundamental freedoms, including the freedom of expression. The EU believes that an open society is the best guarantee for long term stability and prosperity. We look forward to continuing to work as partners on these issues. Azerbaijan acts as a bridge between cultures. This is very welcome in view of the challenges that we currently face in our common neighborhood”²⁸. However, it should be noted that the promotion of such values, despite being a priority for the EU, has not been very successful in Azerbaijan’s case and there have been disagreements between the official Baku and Brussels over this issue.

A special emphasis should be put on the reactions of the EU towards the Caucasus region after the second Karabakh War (2020). Obviously, the EU would not accept total Russian impact on the region, and started to get more involved by time, there have been several official trilateral (Azerbaijan, Armenia, and the Council of the EU presidents) meetings with the involvement of the President of the European Council – Charles Michel in December 2021, April, May, August and recently in October of 2022. Interestingly, there were analogical meetings held in Moscow by V.Putin around the indicated dates. It is obvious that the EU tries to demonstrate that they are not inactive towards what is happening with Azerbaijan in the Caucasus, and they closely follow what Russia is also trying to do. As a more pragmatic step taken by the EU is the newly-set monitoring capacity alongside the border of Armenia and Azerbaijan. High Representative for Foreign Affairs

²⁸Remarks by President Donald Tusk after his meeting with President of Azerbaijan Ilham Aliyev” accessed from the website of the Council of the European Union, 2017, <https://www.consilium.europa.eu/en/press/press-releases/2017/02/06/tusk-remarks-president-azerbaijan-aliyev/> [2022 12 08]

and Security Policy, Josep Borrell stressed the importance of such an action taken by the EU - “The EU’s deployment of up to 40 EU monitoring experts along Armenia’s international border with Azerbaijan will aim to build confidence to the unstable a situation that is putting lives at risk and jeopardizes the conflict resolution process”²⁹. This indicated that the EU does not plan to step back in confrontation with Russia in the Caucasus region, because under the contemporary circumstances if the EU does not take any actions, Russia will be the only one mediating-controlling the process, considering the lack of direct the US involvement in the region. Therefore, The EU aims to remind Russia that it is also an international superpower who can also mediate the process. In December 2022, Joseph Borrell touched upon the importance of such monitoring group in Armenia – “The deployment of 40 European monitoring experts has proved to be effective and contributed to building confidence in an unstable situation. Today we start a new phase in the EU’s engagement in the South Caucasus, with a transitional team that will prepare the ground for a possible longer term EU mission in Armenia, with the ultimate goal of contributing to sustainable peace in the region”³⁰. Already hosting around 2000 Russian military personnel in its lands, Azerbaijanian side had not shown consent for such a mission from the EU side, however, obviously this did not stop the EU from getting involved in the processes happening in the South Caucasus.

Following the Russian-Ukrainian war starting in February 2022, Europe has found itself in the middle of an energy crisis. “As of September 2022, Russia’s gas deliveries to the European Union are down by 80% compared to where they have been in recent years. This has naturally created significant pressure on European and global gas balances”³¹. Looking for an alternative energy provider, Azerbaijan seems a rather decent partner for the

29 “Armenia-Azerbaijan: EU sets up monitoring capacity along the international borders”, press release taken from the website of the the Council of the European Union, 2022, <<https://www.consilium.europa.eu/en/press/press-releases/2022/10/17/armenia-azerbaijan-eu-sets-up-monitoring-capacity-along-the-international-borders/>> ,[2022 12 12]

30 “Armenia: EU Monitoring Capacity completes its mandate, new planning team launched”, press release taken from the website of the Council of the European Union, 2022, < <https://www.consilium.europa.eu/en/press/press-releases/2022/12/19/armenia-eu-monitoring-capacity-completes-its-mandate-new-planning-team-launched/>> [2022 12 12]

31 “World Energy Outlook 2022” published by International Energy Agency, 2022. < <https://iea.blob.core.windows.net/assets/830fe099-5530-48f2-a7c1-11f35d510983/WorldEnergyOutlook2022.pdf>>

European Union in order to cover at least a part of the demand for natural gas. Huge energy projects – TAP and TANAP that have been developed with the financial assistance of the European Central Bank, today seem to be playing an important role against energy crisis in Europe. Having an official visit to Baku in July 2020, the president of the European Commission, Ursula von der Leyen stated the importance of such strategic partnership between Azerbaijan and the EU – “Today, with this new Memorandum of Understanding, we are opening a new chapter in our energy cooperation with Azerbaijan, a key partner in our efforts to move away from Russian fossil fuels. [...] . Amid Russia’s continued weaponization of its energy supplies, diversification of our energy imports is a top priority for the EU”³². The official Baku has been interested in further economic partnership with the EU, despite having constraints, such as geography and the need to avoid Russian content, now with the high interest of the EU for such rich energy resources and future potential, both parties seem to have agreed for deeper economic partnership for now. Nonetheless, it should be noted that although Azerbaijan possesses big reserves of energy resources, delivering them to the EU is not so simple, especially taking into account the demand of Turkiye for natural gas and the capacity of the Southern Gas Corridor. Therefore, it is not realistic for now to claim that Azerbaijan will be a very significant gas exporter for the EU, however for Southern European countries, the percentage may be higher for southern member states such as Greece (Siddi, 2019). Henceforth, interests of the EU for energy diversification are a priority today, which in turn creates a fertile situation for a deeper economic cooperation between the EU and Azerbaijan.

“The EU has been often criticized by scholars and commentators for allowing the significant material and strategic interests at stake to hinder a more in-depth values promotion policy in regard to Azerbaijan (Warkotsch 2006; Gahramanova 2009; Youngs 2010); while this may be true to some extent, the fact is that many of the EU’s policies towards Azerbaijan do have a clear values dimension, and this approach regularly leads to diplomatic tensions in relations with the government in Baku”³³. Despite having such important economic interests, the EU did not overlook the democracy breaches taking

³² “EU agrees deal with Azerbaijan to double gas exports by 2027” news article by Euronews, 2022, < <https://www.euronews.com/my-europe/2022/07/18/von-der-leyen-heads-to-azerbaijan-to-secure-new-gas-import-deal>> [2022 12 20]

³³ Eske Van Gils, “Azerbaijan’s Foreign Policy Strategies and the European Union: Successful Resistance and Pursued Influence”, *Europe-Asia Studies*, 70:5,2018, page 738-758.

part in Azerbaijan, especially related to human rights and free speech, which created diplomatic tensions between the Brussels and Baku time by time. The website of the Parliament of the European Union lists the cases of human rights violations against some activists and journalist in Azerbaijan³⁴, however it is still unclear if such strategic energy partnership will impact the EU positioning in case of the repetition of previous analogical human rights violations. Also, in many reports of the EU, such issues are given a great importance while mentioning specific cases, as this Cooperation Implementation Report on Azerbaijan from 2020 did – “Safeguarding human rights and fundamental freedoms continues to be of concern. The 2017 legislation on non-governmental organizations has not been amended, maintaining the ‘single window’ procedure for registering grant agreements”.

It is obvious that the promotion of its foundation values in the Eastern borders of the EU is an integral part of their foreign policy, however it should be noted that public opinion matters a lot when it comes to norm-promotion vis-à-vis the Russian case. According to the official public poll held by EU Neighbors-East³⁵, 48% of the society have a positive opinion towards the EU, while Armenia having 42% and Georgia with 65%. Compared with the previous years’ indicators, it seems EU’s public promotion through social projects and programs has boosted the process, however public support does not seem very strong towards the EU in Azerbaijan in today’s reality.

To summarize the interests and foreign policy of the EU towards Azerbaijan:

- Despite placing so much importance over the promotions of European values, The EU does not seem to be quite successful at doing so. Nevertheless, there has been some development regarding the public opinion and positive approach towards the EU in Azerbaijan.
- Not dissimilar to the Russian case, the EU does not want to take the Karabakh conflict and Armenia-Azerbaijan relations for granted, thereby assuring that Russia understands that they are not the sole great power mediating the process.

34 “Three Eastern Partnership neighbours in the South Caucasus” – factsheet published by the European Parliament, < <https://www.europarl.europa.eu/factsheets/en/sheet/172/three-eastern-partnership-neighbours-in-the-south-caucasus>> [2022 12 22]

35 “Annual Survey 2022: Azerbaijan” provided by EU Neighbourseast, < <https://euneighbourseast.eu/news/publications/annual-survey-2022-azerbaijan/>> [2022 12 23]

- Energy interests seem more prevalent at the current state, considering the cold relations of the EU with Russia and the ongoing sanctions against it. The official agreement over energy transit over the Southern Gas Corridor is the most recent example of this.

1.3 Turkiye

The relations between Azerbaijan and Turkiye have had its instabilities and there have been some disagreements, nonetheless today both governments seem to be rather close allies in diverse fields of cooperation. “One nation – two countries- this became a fashionable motto for Azerbaijani and Turkish leaders to proclaim and promote throughout the 1990s”³⁶. Turkiye’s being a member state of NATO, ethnic closeness with Azerbaijani people, military support and cooperation make Turkiye a very interesting and important ally for Azerbaijan. However, Turkiye has its own interests in the region including Azerbaijan as well. In this chapter, such motives and interests of Turkiye will be discussed and analyzed.

Similar to the other big powers – the EU and Russia, Turkiye did not stay inactive towards the dynamics taking place in the South Caucasus after 2020 either. One week after the deployment of 2000 Russian peacekeepers in Karabakh, Turkish parliament approved the decision to send troops to cooperate with their Russian counterparts³⁷, this had been agreed upon the official talks between Moscow and Ankara. Interestingly, upon the completion of their official term of duties, the Turkish Parliament decided to extend the period for another year in 2022, thereby ensuring the continuity of Turkish military in the Karabakh region. Generally, Turkiye’s military support for Azerbaijan has been rather significant, mutual military training and educational opportunities for Azerbaijani military personnel have been quite common. What stems from such interests of Turkiye is that they want Azerbaijan to be militarily capable of keeping their existence in the region, while Turkiye ensures that neither Russia, nor Iran is able to capture more control over and impose their interests over Azerbaijan.

One of the most important agreements between the two governments is “Shusa Declaration” which preceded the declaration the Azerbaijani government signed with Russia, since the former one was

³⁶ Fariz Ismailzade, “Turkey-Azerbaijan: The Honeymoon Is Over, Winter 2005”, *Transatlantic Policy Quarterly*, 2006, p 2

³⁷ “Turkish parliament approves troop deployment to Nagorno-Karabakh” news article by Aljazeera, 2020 <<https://www.aljazeera.com/news/2020/11/18/turkish-parliament-approves-troop-deployment-to-nagorno-karabakh>> [2022 12 25]

signed in 2021. This is the first document being signed between the two states, which defined relations as an alliance³⁸. Apart from the planned cooperation in the fields of military, defense industry technologies, energy and economy, more importantly “[...] Turkiye and Azerbaijan expressed their determination to act jointly in the case of a threat or an attack on the independence, sovereignty, territorial integrity of any of the parties, or the security of their internationally recognized borders”³⁹. Turkiye has openly demonstrated its position towards a potential escalating military tension in the region. Obviously, the Turkish government has become more active after the second Karabakh War in order to balance the power in the South Caucasus, otherwise Russia’s sole military existence in the region would ensure dominance for Russia herself. The president Erdogan’s opinion towards the situation in Karabakh during his visit to Azerbaijan in December 2020 summarizes Turkiye’s position roughly – “Azerbaijan's saving its lands from occupation does not mean that the struggle is over," Erdogan said during a military parade in Baku. "The struggle carried out in the political and military areas will continue from now on many other fronts”⁴⁰. Obviously, Erdogan considered the situation to have changed, but not completely tranquil, and rightfully implying that Russia’s intentions and interests are still in force.

In the last two decades, there have been some dissent between the Azerbaijani government and that of Turkiye – official visits to Armenia from Turkiye, Azerbaijan’s lacking support during the jet crisis of Turkiye with Russia, or Azerbaijan’s refusal to recognize the independence of Northern Cyprus. However, considering the contemporary relations, we would see much closer ties between the two governments, especially the personal closeness between the two presidents – I.Aliyev and R.T.Erdogan can reflect the harmony in the relations. Erdogan’s frequent official visits to Azerbaijan, especially to the Karabakh region can reflect how important Azerbaijan is for Turkiye as an ally country. The Turkish Defense Minister Hulusi Akar’s statement during his official visit to Azerbaijan demonstrates how ready and intrigued Turkiye is in case of need, as he said "A friend

³⁸ “We elevated relationship with Azerbaijan to strategic alliance: Erdoğan”, news article by Hurriyet Daily News, 2022, <
<https://www.hurriyetdailynews.com/we-elevated-relationship-with-azerbaijan-to-strategic-alliance-erdogan-174133>> [2022 12 26]

³⁹ Ruslan Rahimov, “Landmark Shusha Declaration between Türkiye, Azerbaijan turns year-old”, Anadolu Agency, 2022, <
<https://www.aa.com.tr/en/world/landmark-shusha-declaration-between-turkiye-azerbaijan-turns-year-old/2614301>> [2022 12 25]

⁴⁰ “One nation, two states' on display as Erdogan visits Azerbaijan for Karabakh victory parade”, news article by France 24, 2020, <
<https://www.france24.com/en/asia-pacific/20201210-one-nation-two-states-on-display-as-erdogan-visits-azerbaijan-for-karabakh-victory-parade>> [2022 12 27]

for one of us is a friend to the other and an enemy is an enemy for both of us. There should be no doubt about this."⁴¹. Turkiye's such interest to be involved in the region seems to transcend the direct interests of NATO, since no other member of the alliance has shown such tangible support to the Azerbaijan government. "Turkiye is ready to go quite far in its relations with its recent partners and allies – the European Union and NATO, presenting itself as a separate player in the Caucasus and pursuing its own geopolitical line, without looking at the interests of the partners, as well as the need to coordinate further steps with them"⁴². Nonetheless, the status-quo shows that Turkiye's step-back from the region might guarantee stronger Russian impact for a long term, since neither the EU, nor the US has demonstrated such decent interest to really stand against or deter Russia.

Turkiye's military support is not only against Russia or Armenia, but also towards Iran. Following the decision of the Iranian government to initiate large-scale military trainings at the border with Azerbaijan after some deterioration of relations with the official Baku, Turkiye's Defense Ministry started joint military exercises in the border of Azerbaijan with Iran⁴³. The minister of Defense of Turkiye paid an official visit to Azerbaijan and participated in the exercises in person. Upon the trainings, he said " [...] we will not allow anyone to underestimate Azerbaijan's military power"⁴⁴ in a press conference.

Coming to the economic interests of Turkiye towards Azerbaijan, apart from being one of the top importers of Turkish exports, Azerbaijan's natural resources have started to play an important role in meeting the Turkish demand for natural gas. Special emphasis on the cooperation through the Southern Gas Corridor, a part of whose – TANAP- goes through the Turkish territory, is not coincidental. In this sense again Azerbaijan is a very important ally for Turkiye. In 2021, Azerbaijan (13.6% of the total import of Turkiye) took the third place following Russian and Iran⁴⁵

⁴¹ Sarp Ozer, "Turkiye considers threat to Azerbaijan as threat to itself, says defense minister", news article by Anadolu Agency, 2022, < <https://www.aa.com.tr/en/turkiye/turkiye-considers-threat-to-azerbaijan-as-threat-to-itself-says-defense-minister/2756822>> [2022 12 18]

⁴² Elena Dmitrieva, "Azerbaijan-Turkiye Relations and Their Influence on The Geopolitical Situation In The South Caucasus", *National Policy*, 6(40), 2020, 52-64

⁴³ Dorian Jones, "Turkish-Azeri Exercise Warning to Iran as Tensions Rise", Voice of America, 2022, < <https://www.voanews.com/a/turkish-azeri-exercise-warning-to-iran-as-tensions-rise/6874791.html>> [2022 12 28]

⁴⁴ Fatma Sevinc Cetin, "Bakan Akar: Azerbaycan ordusuna kimsenin yan bakmasına imkan ve fırsat vermeyeceğiz", Anadolu Agency, 2022, < <https://www.aa.com.tr/tr/politika/bakan-akar-azerbaycan-ordusuna-kimsenin-yan-bakmasına-imkan-ve-firsat-vermeyeceğiz/2770723>> [2022 12 30] – in Turkish, translated by author.

⁴⁵ "Natural Gas sectorial report 2021" provided by Energy Market Regulatory Authority of Turkiye, 2022 <<https://www.epdk.gov.tr/Detay/DownloadDocument?id=L53LfG19uM4=>>, [2022 12 28]

in the list of countries Türkiye imports natural gas from. Despite having a decreasing indicator in import levels in the recent years, Türkiye seems to be intrigued to diversify their energy import sources and tries to prioritize Azerbaijan in energy imports over Iran and Russia. Türkiye's being one of the major investors into Azerbaijan's economy should also be noted, which has contributed much to the development of private sector in Azerbaijan, while benefiting the Turkish economy too. "So far, more than 13,000 Turkish companies operating in Azerbaijan have invested about US\$ 12.6 billion in our (Azerbaijan's) economy"⁴⁶. At the current stage, Türkiye's active political support to Azerbaijan may also boost the future turnovers of both countries' economies, especially in case of the realization of the concept of Zangezur corridor through Armenia. Therefore, Türkiye would have an easier access into Azerbaijan. The minister of Defense Hulusi Akar mentioned in his speech: "It is our most sincere wish to re-establish the railway and road connections in the region, especially the opening of the Zangezur corridor, to start economic activities, and to ensure a comprehensive normalization throughout the region, including the relations between Azerbaijan-Armenia and Türkiye-Armenia."⁴⁷. Developed trade relations are also included in the Shusha Declaration as a form of free movements of goods, however this has not been implemented into practice.

One crucial factor which both the EU and Russia misses in relations with Azerbaijan at large scale is the fact that Türkiye and Azerbaijan share common ancestry, both countries being Turkic states. "The existence of a collective identity in the form of a common national family, namely the Turks, has also become a driving force for Türkiye's foreign policy to help Azerbaijan. Even the relationship and the closeness of their identity are likened to One Nation, Two States"⁴⁸. Public demand for the participation of Turkish military forces in peacekeeping operations in Karabakh following the cease-fire agreement in 2020 with Armenia can be a good example of such situation. This is not only due to cultural and linguistic proximity between Turkish and Azerbaijani people, but also Türkiye's visible political and military support during the Second Karabakh War played

46 Factsheet on Azerbaijan-Türkiye relations by the Ministry of Foreign Affairs of Azerbaijan, <<https://mfa.gov.az/en/category/avropa/turkiye>> [2022 12 24]

47 Sarp Ozer, "Türkiye considers threat to Azerbaijan as threat to itself, says defense minister", news article by Anadolu Agency, 2022, <<https://www.aa.com.tr/en/turkiye/turkiye-considers-threat-to-azerbaijan-as-threat-to-itself-says-defense-minister/2756822>> [2022 12 18]

48 Adilah Hasna Khairunisa, "Identity and Foreign Policy: Turkey's Support of Azerbaijan in the Nagorno-Karabakh Conflict", *EAI*, 2022. <<https://eudl.eu/pdf/10.4108/eai.31-3-2022.2320955>>

a big role in promoting the image of modern Turkiye in the eyes of Azerbaijani public. “Azerbaijan is estimated to have spent more than 120 million dollars in the first nine months of 2020 on defense equipment and planes from Turkiye, including drones, rocket launchers, ammunition, and other armaments (Toksabay 2020)”⁴⁹. Henceforth, Turkiye has an upper hand to promote its interests in the region considering such close ties both at the societal level and governmental level with Azerbaijan.

The current approach of Turkiye and ongoing interests towards Azerbaijan can be summarized as following:

- Turkiye’s priority interest seems to be supporting Azerbaijan at all means, especially in the military field by holding military trainings, exercises while providing the most recent available military equipment to Azerbaijani army. Turkiye openly means to demonstrate both Russia and Iran that Azerbaijan is not “alone”.
- Economically speaking, Azerbaijan is very significant for Turkish economy, not only in public goods import-export levels, but also energy import from Azerbaijan can serve decently to the Turkish economy in the future, thereby decreasing dependency on Russia and Iran for natural gas.
- Shusha Declaration between Azerbaijan and Turkiye as the most recent “alliance” document – signifying political, military, economic cooperation between the two countries.
- Cultural and Linguistical closeness has benefited a lot for the development of close relations in both countries, thereby enabling Turkiye to act as an active actor in the region.

⁴⁹ Jović-Lazić, Ana, “The role of Turkey in the second Armenian-Azerbaijani armed conflict over Nagorno-Karabakh as a reflection of continuity and change in its foreign policy”. *Međunarodni problemi=International Problems*, LXXIV (1). 2022, pp. 29-49.

1.4 A Short Summary: similarities and differences between the three.

While all three actors have their own unique perspectives considering Azerbaijan, they possess some similarities as well. The primary similarity is the fact that they want to make sure that Azerbaijan does not become totally influenced by any other of them, which would otherwise make their interest invalid. Also, all three actors have shown interests to be involved in the Karabakh region upon the second war in the region, Turkiye and Russia seem to have succeeded in this process more than the EU in status-quo.

The European Union differs from the others firstly in the way they try to realize their interests, through soft power model, which does not really seem to be working in Azerbaijan's case as discussed earlier. While Russia can really overtake the role of a potential threat or risk as discussed in the theory as a big power, geographical closeness and very close economic ties able Russia to do that in case their interests are strictly violated. Turkiye, on the other hand, benefits from ethnic closeness and tight relations in both state and people-to-people contact level. From energy policy aspect, oil and gas reserves mean more to the EU and Turkiye rather than Russia, however this does mean that Russia will not be interested in how Azerbaijan commercializes its energy resources and who they ally with in this sphere.

2. Foreign Policy of Azerbaijan towards the EU, Russia and Turkiye.

2.1 Setting the scene: Multipolarity from Azerbaijan's perspective

Once being defined as a bipolar structure during the Cold War period, today's international system is often described as multipolar one by many scholars and politicians, strategic hedging is not an exception in this sense. "In a multipolar system, small and second-tier powers can adopt hedging as a viable policy"⁵⁰, this is mostly because multipolarity brings challenges alongside. During the unipolar or bipolar periods, small states would have to be made choose a clear side – as a satellite state, very close ally, or a member of a union, however in multipolar systems they get to have diverse strategies to deal with difficulties they encounter in foreign policy towards their neighbors or generally big powers who try to expand their influence zone as much as possible.

Nonetheless, as stated by Geeraerts G. and Salman M. - "Since the end of the Cold War, several second-tier states have attempted to transform the international system from unipolarity to multipolarity (Layne 1993: 9–10; Monteiro 2011: 10)."⁵¹ They explain it from a viewpoint that small states can have a chance to formulate their foreign policy mechanism in a way that can benefit them a lot both economically and politically. It should also be noted that in multipolar world there is a higher likelihood of challenges that such small states will be faced with.

"Undoubtedly, the demise of unipolar system and the return of bipolarity or multipolarity could increase the likelihood of conflict among major powers (Wohlforth, 2009:57)"⁵². Since such big powers become more inclined towards conflicts in multipolarity, usually to ensure balance of power in the world or to promote and expand their influence zones, small states may find themselves in the middle of chaos and convulsion in case they do not formulate their foreign policy accordingly and properly. This actively illustrates that small states can benefit from

⁵⁰ Telci, İsmail & Rakipoğlu, Mehmet, "Hedging as a Survival Strategy for Small States: The Case of Kuwait" *All Azimuth: A Journal of Foreign Policy and Peace*, 10(2), 2021, 213-229..

⁵¹ Geeraerts, G., Salman, M., "Measuring Strategic Hedging Capability of Second-Tier States Under Unipolarity", *Chin. Polit. Sci. Rev.* 1,2016, 60–80

⁵² Geeraerts, G., Salman, M., "Measuring Strategic Hedging Capability of Second-Tier States Under Unipolarity", *Chin. Polit. Sci. Rev.* 1,2016, 60–80

multipolar world order while such order can bring up overwhelming challenges to them too, however it should be noted that in multipolar world they at least get to have a chance to shape their foreign policy rather than having almost zero chance to have a choice like in bipolar structure.

Therefore, it is very important to understand how a country's foreign policy leaders perceive the world and we can understand how they formulate their foreign policy to survive and develop under such circumstances.

Azerbaijan has such a geographical position that, similar to what theory claims, may be a blessing or a curse at the same time depending on the conditions and decisions taken by the government. Henceforth, it is very important to understand how the decision makers of the country comprehend the international arena. Ilham Aliyev in his interview in January 2020 to a Russian TV channel was asked a related question to the current world order, he said "The world is developing as a multipolar one today. There are several centers of power. Of course, there are issues of concern to us, the escalation of tension in our region. But we also see positive dynamics, when countries that did not previously have such close interaction are acting almost like allies today and making a great contribution to regional stability."⁵³, so obviously from Azerbaijan's perspective of the international system today is multipolar ones, as stated by Aliyev there are concerns – stronger interest from those centers of power to interfere and influence, while some positivity – like economic expansion is a discussion point. As he continued in his answer - "[...] large countries always have their interests outside these own boundaries, and each country wants to secure better conditions for itself and expand its sphere of influence. [...] The question is that the current structure of the world order, including the structure of international relations, is such that it implies multi-polarity". He clarified his opinion that multipolarity is not under question, it is the obvious answer, the question is about how individual states – often small/second-tier states react and position inside such multipolar world. He also put an emphasis on the fact that the UN Security Council permanent members, having the right to veto crucial decisions single handedly, have greater power in the world today. Considering the fact that France from the EU, the Russian Federation and the USA are all permanent members of the

⁵³ Ilham Aliyev, interview with a journalist (Rossiya-24 TV), Moscow, 27th January, 2020.
<<https://president.az/en/articles/view/35662>>

Security Council, their potential impact on Azerbaijan is rather huge, since they all have their own interests regarding Azerbaijan as discussed in the previous chapter.

2.2 A Unique case of Azerbaijan, abstaining from choosing a side.

Despite the fact that the Cold War period ended more than 30 years ago, in today's conditions most of the post-Soviet arena countries have chosen "a side", interestingly, it is still between the West – integrating to the EU, or to the East – Russia for them. Nevertheless, Azerbaijan as a part of this arena – so-called shared neighborhood, which is at the center of both EU's and Russia's foreign policy interests, seems not to have chosen a side throughout this period of independence. This chapter will focus on the factors that have made Azerbaijan capable of realizing such sets of foreign policies, as a result of which Azerbaijan has benefited from cooperation with the EU, Russia and Turkiye.

The first factor that should be considered is that Azerbaijan, unlike the cases of Georgia and Ukraine, never had a color revolution. Clearly, having such a political circumstance would bring Azerbaijan closer to the EU and put some distance towards Russia. Nevertheless, since the central government of Azerbaijan never had any radical changes since 2003 under the presidency of Ilham Aliyev, policies towards the EU and Russia have been more or less consistent. Also the lack of public support and interest to the integration to the EU should be noted, as discussed in the previous chapter, public support in Azerbaijan for the EU has never been over 50%, therefore it is barely possible to talk about any color revolution in the country. This situation has made Azerbaijani government to stand on its grounds against the promotion of EU values in the country. "The EU's objectives clash with Azerbaijan's growing demand to be acknowledged as an equal partner and its foreign policy focus on independence, balancing and internal regime legitimacy"⁵⁴. As discussed by Gils, such policies of the Azerbaijani government related to the acknowledgement as an equal partner by the EU have been calculated to prevent the EU from having too much influence on the country, especially by doing norm-promotion. Azerbaijan side has been more intrigued in having closer economic ties with the EU, as in the current situation resumes with the energy deal

⁵⁴ Eske Van Gils, "Azerbaijan's Foreign Policy Strategies and the European Union: Successful Resistance and Pursued Influence", *Europe-Asia Studies*, 70:5,2018, page 738-758

between the EU and Azerbaijan, but political partnership and the promotion of values of human rights, democracy and civil society participation in politics by the EU have been problematic between the parties throughout years of relations. Therefore, not having experienced color revolution, and preventing the EU from having “too much” political impact on the country, have made Azerbaijan able to hedge its foreign policy towards the EU in general. Especially, the role of historical lessons from Ukraine and Georgia following the color revolutions and association agreements cannot be denied in such policies of Azerbaijan. Otherwise, Russia would be likely to punish the Azerbaijani government as they did with Ukraine and Georgia by violating their territorial integrity. Such protective ideas over internal values of Azerbaijan government can be found in the quotes of I. Aliyev too, when asked about the difficulty of surviving in such geopolitical situation, he answered : “[...] with respect to relations with our neighbors, I can say that we always try to find areas of cooperation and those areas which were problematic or where we had a different approach, we always articulated that. We never adjusted ourselves to a policy of our big neighbors. We always had our own policy, which is based on international law, justice, decisions and resolutions of international organizations and common sense”⁵⁵.

The second important factor is related with military behavior of Azerbaijan. “While strategic hedging involves upgrading of military capabilities, it seeks to avoid provoking the system leader either through increasing its military arsenal provocatively or through entering into an alliance against the latter (Tessman and Wolfe 2011; Tessman 2012; Salman and Geeraerts 2015)”⁵⁶. Despite benefitting from cooperation with NATO, Azerbaijan never aimed or declared any intention towards NATO membership, this is a very important factor that in an opposite scenario would cause Russia to take immediate action against Azerbaijan. Also, Azerbaijan never renewed its membership in CSTO again after 1999. This is the indicator of avoidance of the Azerbaijani government from becoming a member to any military alliances. The country also became a member to the non-Aligned Movement in 2011 and hosted the conference in Baku in 2019, which is the official declaration of the country’s interest to avoid membership in regional military pacts. However, such strategic hedging policies did not avert the country from developing its military capacity, especially military cooperation with Turkiye, Russia, and Israel. Still, it must be noted

55 Ilham Aliyev, interview with Monica Maggioni), Italy, 2nd September 2022, < <https://president.az/en/articles/view/57093>>

56 Geeraerts, G., Salman, M., “Measuring Strategic Hedging Capability of Second-Tier States Under Unipolarity”, *Chin. Polit. Sci. Rev.* 1,2016, 60–80

that no matter how big Azerbaijan's military capacity expands, neither Russia, nor the West would see it as a threat to themselves, also considering the fact that Azerbaijan has been in war with Armenia for many years. Shusha Agreement with Turkiye and the February Declaration signed with Russia can be comprehended as the most recent developments in military cooperation field of Azerbaijan, since both these documents include articles related with military partnership and security matters. However, the future developments in the region will show to which extent they will be put into practice and how they will shape the military scene between Turkiye, Russia and Azerbaijan.

Another factor in Azerbaijan's case is related to the economic structure of the country, unlike Georgia and Armenia in the region, Azerbaijan possesses oil and gas reserves which do not only meet the local demand but are also exported. This factor, to some extent, has enabled the government to use it in hedging its foreign policy, meaning that such natural reserves have decreased the country's economic dependence on other countries and can be used as a leverage in foreign relations, especially towards the EU. In the resistance against the EU discussed in the previous chapter is also interrelated with this factor of energy resources, since it makes Azerbaijan able to demand equal partnership, thereby disabling the EU's "carrot and stick" policy. Since Russia is also rich in energy sources, a similar strategy would not work against Russia, however, having such constant inflow of financial resources into the country thanks to energy exports makes the Azerbaijani government more confident in financial terms. Nonetheless, it is arguable how vulnerable the country's economy may become in the face of sudden drops in energy prices globally, as happened twice in the past decade and the economy of Azerbaijan suffered badly.

Last but not least, it is important to note some strategic political decisions of the country in the last decade, it is primarily related with the fact that Azerbaijan's avoidance to bandwagon neither the EU, nor Turkiye or Russia. As discussed in the theory, strategic hedging allows countries to choose a middle position to avoid balancing, bandwagoning or neutrality in their foreign policy. Azerbaijan has not been an exception in this sense. Firstly, when the EU initiated the process of Association agreements with Eastern Partnership countries, Azerbaijan did not sign the document in 2014, which clearly was done not to disrupt relations with Russia. On the other hand, following Russia's unlawful acts in 2014 in Ukraine and the annexation of Crimea and Sevastopol, Azerbaijan did not recognize the annexation process, however, did not join the sanctions that were put on Russia by the EU. Such decisions of the government demonstrate that Azerbaijan has

adopted the method of episodic decision making, which tries to avoid going directly against both the Western interests and Russian interests.

Following the Russian-Ukrainian war in 2022, Azerbaijan did not join the sanction against Russia again, however this has not stopped Azerbaijan from having an energy deal with the EU amid the energy crisis in Europe (this will be discussed in detail in the next chapter). Interestingly, Azerbaijan did not use its voting right during the UN General Assembly during the discussion on Russia's violence on Ukraine, however, this did not stop the government from sending humanitarian aid to Ukraine, which caused the disapproval of the Russian government⁵⁷. Therefore, this important strategy of the government is built upon the fact that neither the EU, nor Russia is a permanent ally, Azerbaijan tries to benefit from cooperation with both. However, the government will not put relations at risk at the cost of another, thereby trying to ensure peaceful relations with both sides as much as possible.

⁵⁷ Burc Eruygur, "Transfer of Azerbaijani equipment to Ukraine as humanitarian aid 'puzzling': Russia", Anadolu Agency, 2022, <https://www.aa.com.tr/en/russia-ukraine-war/transfer-of-azerbaijani-equipment-to-ukraine-as-humanitarian-aid-puzzling-russia/2764930> [2022 12 29]

2.3 Fostering energy policies vis-à-vis Russia

The main problem for Azerbaijan's economy has been limited diversification, thanks to the rich oil and gas reserves the country possesses. "Azerbaijani economy heavily dependent on oil revenues, and commodity price volatility affected the economy negatively since 2014 due to plummeting oil prices"⁵⁸. There have been visible attempts to develop non-energy sectors in the country's economy so as to diminish the dependency on natural resources export, since it creates great risk and uncertainty for the future considering the fact that small states such as Azerbaijan can be easily manipulated through economic tools implemented by bigger countries. Nevertheless, such attempts of the Azerbaijani government have not been very fruitful, and oil and gas exports still dominate in the country's economy, often the net percentage of oil and gas exports is over 90%⁵⁹.

However, it should be noted that such uncertainties and risks that are brought along by undiversified economy are not only limited by only economic problems, but also political tensions are potential considering the Russia's undeniable existence and influence in the region, and more importantly due to the fact that Russia is one of the biggest energy exporters in the world, much bigger in comparison with that of Azerbaijan. Naturally, this situation raises potential risks alongside for Azerbaijan, since any clash of interest with Russia would result in increased tensions. Azerbaijani government, starting from 1993 under the Heydar Aliyev's presidency, has been interested to find new ways of exportation of natural resources of Azerbaijan to Europe. Firstly, the Contract of the century, which was renewed in 2017 till the mid-century, was signed in 1994 with various international energy companies, this can be considered as the cornerstone of the process. However, starting from 2005 the Azerbaijani government took new initiatives to diversify the means of gas exportation to the west, Baku-Tbilisi-Jeyhan as a major crude oil pipeline started to transport Azerbaijani oil through Georgia and Turkiye. Following this project, TANAP was introduced and consequently, TAP project which today transports Azerbaijani natural gas to the Southern Europe - Greece and Italy. Apart from economic restrictions to these projects, interests

⁵⁸ Muradov, A, "The Importance of Natural Resources for The Azerbaijani Economy", *Economics, Business and Organization Research*, 3(1),2021 pp. 118

⁵⁹ Statistics of the most exported goods from Azerbaijan by the States Custom Committee of Azerbaijan, available at <https://customs.gov.az/en/faydali/gomruk-statistikasi/en-cox-ixrac-olunan-mallar>

and approach of Russia were important for Azerbaijan, since any decision trespassing the limits of Moscow would result in an undesired case for Azerbaijan, which did not fortunately happen.

It is crucial to note that before the TAP pipeline, there was another huge project – “Nabucco” which would serve the direct interests of the EU and Azerbaijan directly, allowing the former to minimize its energy dependency on Russia and the latter to export more natural gas and increase net profits. Russia would be the state whose interests were at risk, Nabucco pipeline was directly seen as a rival project to the Russian Gazprom’s South Stream, since both of them were aimed to export natural gas to major Central European markets, such as Austria, Hungary, Czech Republic and Romania. There were other external factors, including lack of support from the EU and the USA, financial difficulties etc., why the Nabucco pipeline became an aborted project, this chapter will focus on Azerbaijan’s viewpoint and for Azerbaijan this project meant direct rivalry with Russia, which was not desired by the government.

This is a very clear example of how small states when faced with such straight rivalry in economic terms will usually try to find alternatives means to avoid any clash of interests, therefore aiming to minimize any antagonization with the bigger states. Not taking into account external factors for the project again, Azerbaijan had two ways, either to fully support the project, regardless of the results, or to find alternative markets to avoid such collision of interests with Russia. Obviously, in the former decision Russian would react and Azerbaijan side would be the one suffering from the results. This does not mean direct military intervention; however initially diplomatic and economic pressure tools could be implemented since Russia’s economic impact over Azerbaijan is huge as discussed in the previous chapter. Nevertheless, the Azerbaijani government chose the second way and TAP, which goes through Turkish border and to Italy and Greece, was continued instead of the Nabucco pipeline.

Clearly, we see Azerbaijan’s side hedging its foreign policy in economic terms, at the cost of giving up on a bigger and probably more beneficial project, in order not to disrupt relations with Russia in any forms. This topic has been commonly discussed in the media for years and the president Ilham Aliyev was addressed with such questions on rivalry with Russia in energy projects and oil and gas exports. “Russia fully respects our policy, foreign policy, and energy policy, and we are not rivals. As I said many times, this issue is sometimes artificially exaggerated. We are in no way competitors to Russia because Russia is supplying hundreds of billions of cubic

meters to Europe, and demand for Russian gas is growing. Azerbaijan just started”⁶⁰ said Aliyev in his interview in 2021, stressing two important points. Firstly, there is no rivalry between the two countries, which means Azerbaijan will not take any steps that would mean direct rivalry towards Russia as we have already seen in the case of the Nabucco pipeline. Secondly, competition is technically irrelevant considering the status-quo, as discussed earlier Azerbaijan currently has limited capacity to export its oil and gas to Europe, therefore in technical terms Russian economy would not suffer much from competition from Azerbaijani exports. However, in political terms the official Moscow would not appreciate the opposite scenario, regardless of the insignificance of economic damage they might get, they would accept it as antagonization from Azerbaijan side to Russia, which would have consequences for Azerbaijan.

In another interview in 2022, President Aliyev answered the question on potential competition with Russian gas in Europe as “[...] We should understand that Europe is not our only destination. We supply Turkiye with the exact figure as Italy – about 10 billion cubic meters and the demand in the Turkish market also is growing. We supply Georgia, though the market is not big, but still. [...] And also, one important thing that we never in the past or even now put in front of us a target to compete with Russian gas on the European market. No, we had our space.”⁶¹. Special emphasis on specific countries show that Azerbaijanian side respects the market share of Russia and would not risk by going against Russian interest neither in political, nor in economic terms.

The nature of such decision on energy project indicates that the Azerbaijani government did not bandwagon the Russian side in decision-making process. This is because Azerbaijan would not take any initiatives from the beginning and would not spend such huge amounts of money on TANAP and TAP projects if they band-wagoned Russia. At the same time, Azerbaijan did not take Russia for granted, fearing negative consequences, found an alternative route which to a great extent still met Azerbaijanian side interest by expanding export rates to Europe, while making sure that Russia is not dissatisfied. This strategy followed by the Azerbaijani government in energy sector clearly follows the main principles of hedging theory – aiming to find a middle ground that neither damages the country’s interests utterly, nor puts the country into direct threat from abroad.

⁶⁰ Ilham Aliyev, interview with a journalist (Il Sole 24 Ore), 18th December 2021, <https://president.az/en/articles/view/54679>

⁶¹ Ilham Aliyev, interview with Roberto Bongiorno (Il Sole 24 Ore), Cernobbio, 2nd September 2022, <https://president.az/en/articles/view/57095>

Coming to the most recent agreement between Azerbaijan and the EU in 2021, which aims to double the natural gas export rate of Azerbaijan to Europe by 2027⁶², Azerbaijan's decision is crucial again, since Russia has such deteriorated relations with the EU currently and Azerbaijan's active roleplaying to assist Europe amid the energy crisis might deteriorate relations between Azerbaijan and Russia in the long term. When the interviewer asked I.Aliyev about the risk of reprisal from Russia in diplomatic or economic ways since there is greater closeness with the EU after energy agreement, he responded - "With every neighbor, we have a special agenda of bilateral cooperation, which is different from other neighbors and with every neighbor, we always have been very fair and sincere. We never violate our promise. If we say something, our neighbors are sure that we mean it. So, our signature has the same power as our word. Therefore, in this complicated situation, we do not have any messages neither from Russia nor Iran about our position. Our position is straightforward"⁶³. It is hard to interpret what Aliyev meant by saying "promise", which could possibly mean that there is a gentleman agreement with Russia regarding the energy deal with the EU. Still, it should not be ignored that even after this energy agreement, Azerbaijan's capacity is limited to meet greater European demand for natural gas, this is due to two main factors. Firstly, Turkish demand is rather significant and as a close ally Azerbaijan will prioritize it, which leaves relatively smaller share as a result. Secondly, from technical viewpoint TANAP and TAP projects as a part of Southern Gas Corridor have their own limited capabilities to transmit natural gas, however if the need be, there can be developments to the project.

A similar question had been addressed to I.Aliyev regarding position of Russia to Azerbaijan's expanding its gas export rate to Europe, he answered – "Our gas supply can by no way compete with the Russian gas supply. Russian export to Europe is hundreds of billions of cubic meters and is growing. As I said already, our export to Europe is not a competition, and we never looked at it as a competition. For us, this project was commercial, a project of commerciality. [...] The Russian Federation's leadership clearly understands the real substance of the story. Our gas is nowhere an

62 "EU agrees deal with Azerbaijan to double gas exports by 2027" news article by Euronews, 2022, < <https://www.euronews.com/my-europe/2022/07/18/von-der-leyen-heads-to-azerbaijan-to-secure-new-gas-import-deal>> [2022 12 28]

63 Ilham Aliyev, interview with Roberto Bongiorno (Il Sole 24 Ore), Cernobbio, 2nd September 2022, <https://president.az/en/articles/view/57095>

alternative; it's just additional supply demanded, which is needed for consumers.”⁶⁴. Special emphasis on commerciality shows that Azerbaijanian side does not aim to go against Russian interest in political sense, but it is rather economic interest that has been agreed with Russia, since he mentioned the fact that he regularly talks to V.Putin and this topic has been also discussed. From the viewpoint of strategic hedging, states applying such methods will try to benefit from economic partnership with other actors, even considering the threat may come from the bigger state. In Azerbaijan’s case, understanding its own importance for the EU following the energy crisis, Azerbaijan would not ignore the possibility of fostering its energy policies towards the West. In this sense, Azerbaijan does not choose bandwagoning or balancing strategy towards Russia, since it has ensured that this is only based on commercial interests, Azerbaijan realized this by minimizing the EU’s political influence on Azerbaijan, thereby ensuring Russia too that its interest region is not overly impacted by the EU. According to Valiyev and Mamishova, Azerbaijan chose the dominance denial tool in-between 2000 and 2008 while developing its relations with the West in energy export. It seems such strategy of Azerbaijan has kept its relevance, considering the energy deal signed in 2021 between Azerbaijan and the EU while the relations between the EU and Russia have been poor. Therefore, the main hedging element in energy policy is allowing the development of energy cooperation with the EU, while ensuring Russia that there will be no political commitment with the West and it is purely commercial interest.

64 Ilham Aliyev, interview with a journalist (El Pais newspaper), Brussels, 15th December 2021.
<https://president.az/en/articles/view/54636>

2.4 The Post-Second Karabakh War period, new challenges for Azerbaijan

From the earliest period of its independence, Karabakh region has been a bleeding scar in Azerbaijan's both internal and external policies. Long-lasting, but failed negotiations through OSCE Minsk Group, disagreements between Armenia and Azerbaijan, resulted in the full-scale war in 2020 September, which created a relatively new scene in the Caucasus region. This war did not concern only Azerbaijan and Armenian interests, but also Russian, Turkish and the interests of the West were there.

For many years, prior to the second war, many scholars interpreted the frozen Karabakh conflict as Russia's main foreign policy tool against Azerbaijan. "The concern of President Aliyev's government over the deepening hardship in the Nagorno-Karabakh conflict and the growing threat to the national security of Azerbaijan has played an important role in steering the foreign policy orientation of Azerbaijan away from antagonizing Russia"⁶⁵. However, considering the status-quo in the Karabakh region, there have been quite dynamic changes involving the direct or indirect participation of all three parties – the EU, Turkiye and the Russian Federation.

As discussed in the chapter discussing Russian interests towards Azerbaijan, 10 November cease-fire agreement was signed with direct involvement of Russia, and personally Vladimir Putin. The Deployment of Russian military personal in Karabakh, which has been aimed to protect Armenian community residing there, was one of the articles in the trilateral agreement back in 2020. According to the agreement, at least for 5 years, around 2000 Russian peacekeepers will be serving in Karabakh. In this case, obviously Azerbaijan did not have any alternative mechanism to stand against Russian intervention and deployment, for example asking for UN peacekeepers instead of Russian, since this would clearly cause Russia to take an immediate action against Azerbaijan. Analyzing this case as band wagoning would be wrong to great extent, because in this exact case Azerbaijani government did not have alternatives, such as energy resources or another strong ally to hedge relations with Russia. Thanks to Russia's deep roots to the conflict itself and direct military support to Armenia, their significant role could not be neutralized.

⁶⁵ Anar Valiyev & Narmina Mamishova, "Azerbaijan's foreign policy towards Russia since independence: compromise achieved", *Southeast European and Black Sea Studies*, 19(2), 2019, 269-291.

Nevertheless, such physical existence of Russian military forces did not stop Azerbaijan from benefiting from positive relationship with Turkey. “[...] and on many issues in our region Turkiye and Azerbaijan act as one team, and this also must be taken into account by everyone”⁶⁶ – when asked about Azerbaijan’s perspective towards relations with Turkiye, Aliyev responded in this way in 2022. It was not much different back in 2020, following the war and Russian military deployment, Turkish government after having the consent of the Azerbaijani government decided to send their peacekeeping mission to Karabakh too.

Azerbaijan’s such interest towards inclusion of Turkey in the region alongside Russia, demonstrates that Azerbaijan has used its ally state in order to prevent Russia’s sole existence in the region, despite Azerbaijan having its own limitation as a small state against Russia. In case of total bandwagoning, we would probably not see Turkish activity in Karabakh, as in the case of Belarus, which would not prioritize any other side than Russia herself. In the first stage of developments in Karabakh, Azerbaijan used Turkiye’s assistance in its own. A journalist asked I. Aliyev about the change in balance of power in the South Caucasus region, after the war and Turkiye’s increased activity alongside Russia, and he responded as “Turkiye is playing a very important role in future regional development and regional stability in the region, as well as Russia. [...] Today I think about Turkiye and Russia as two neighbors of Azerbaijan, and one of them is a neighbor of Armenia, plays a very important role in the stability, security, and future development”⁶⁷. He did not directly address the change in balance of power, but the general answer indicates that Azerbaijanian government sees Turkiye as important as Russia, and in case of need as an ally to neutralize Russia’s excessive interest or potentially a threat coming from Russia. Interestingly, when asked about direct military intervention of Turkiye to assist Azerbaijan if there is need for that, Aliyev said “[...] with Turkiye we have more or less the same format legal basis like Armenia and Russia has. So, if Azerbaijan will face an aggression and if Azerbaijan will see that the Turkish military support is needed, then we will consider this option”⁶⁸. So, clearly

⁶⁶ Ilham Aliyev, interview with Roberto Bongiorno (Il Sole 24 Ore), Cernobbio, 2nd September 2022, <https://president.az/en/articles/view/57095>

⁶⁷ Ilham Aliyev, interview with a journalist (Spanish EFE News Agency), 2nd October 2021, <https://president.az/en/articles/view/53296>

⁶⁸ Ilham Aliyev, interview with a journalist (BBC News), 9th November 2020, <https://president.az/en/articles/view/45845>

Turkiye's existence has been a great advantage for the Azerbaijani government to hedge Russia's foreign policy towards Karabakh following the war, and has given Azerbaijan more confidence during and after the war.

Turkiye and Russia were not the only actors interested in the mediation process in Karabakh region, but also the EU tried and expressed their concerns and interests into the process. However, the EU's activity had delayed compared with the other two, only towards the end of 2022, the official Brussels asked consent of both Armenia and Azerbaijan for sending their mission to the border zone. The main ambition of the mission was upon helping with the delimitation process between Azerbaijan and Armenia. Due to the damaged relations between Armenia and Russia, the former one had turned to the West for more support, therefore accepting the mission of the EU was priority for Armenia⁶⁹; however only for two-month term.

The case of Azerbaijan was a bit different towards the EU, generally Azerbaijanian side expressed their welcoming attitude to both the EU and Russia in the mediation and normalization process with Armenia. Generally, commencing from the end of 2020, trilateral meetings have become regular for parties involved in the process. Russia – president V.Putin being as the mediator of meetings, Presidents I.Aliyev and N.Pashinyan have meet for several times discussing the future of Karabakh, especially over disagreements on transportation routes, citizenship and so on. On the other hand, the EU has not been inactive in the process, there also have been trilateral meetings of both presidents with the President of the European Council – Charles Michel in Brussels. It can be argued that not much has been agreed in either of these meetings between the sides, however it is a fact that in diplomatic scene both the EU and Russia see each other as rivals. Azerbaijan's position has been positive towards both of them from the beginning, as Aliyev answered the question regarding possible rivalry between the EU and Russia and their difference in doing so, he said “We don't see any kind of rivalry here though some may think that a kind of competition. Not at all. We see that these efforts are complementary as far as we are concerned. These efforts can support the peace process. I also know that there have been interactions between President Putin

⁶⁹ Gabriel Gavin, “Armenians turn fire toward Russia as Nagorno-Karabakh blockade enters third week”, Euroasianet, 2022, <https://eurasianet.org/armenians-turn-fire-toward-russia-as-nagorno-karabakh-blockade-enters-third-week> [2023 01 03]

and President Michel discussing many issues, including the relations between Azerbaijan and Armenia”⁷⁰.

Again in 2021, Aliyev expressed an optimistic approach to potential EU involvement for the development of peace in the region, “We are ready to work, and actually different levels of our officials were in permanent contact with the EU. EU can help us in delimitation, EU can help us in the opening of communications, and also post-war development”⁷¹. However, when the EU asked the Azerbaijani government about sending their civilian mission group, they turned it down, unlike Armenia. President Aliyev’s special emphasis on this matter in CIS meeting in 2022 - “There was an attempt to send this mission to the Azerbaijani side, which was resolutely rejected by us. Therefore, the mission will be located on the territory of Armenia, in the zone of CSTO’s responsibility”⁷² – indicates that Azerbaijan side did not consider the EU’s further activity suitable for the status quo.

As discussed by John D. Ciorciari and Jurgen Haacke, small states utilize strategic hedging in order to avoid any risk or threat coming from a big potential aggressor state, in Azerbaijan’s case Russia would take this role. Such small states try to ensure their security to avoiding confrontation with big powers who can become a risk or a threat for the state itself. However, they also try to continue their economic activities – like trade and investment. In our case study, Azerbaijan having signed the energy deal with the EU did not have a serious issue with Russia by labeling it being purely commercial, not political. On the other hand, Azerbaijan did not see it appropriate to allow involvement of the EU in Karabakh vis-à-vis Russian military existence there. Turkey’s already existing forces also contributed to this decision, since would mean all three parties to be active in the region, which would make the situation even more complex than helping to maintain peaceful relations. It is important to note that Russia’s military power and geographical proximity may outweigh the heavily soft power based policies of the EU from Azerbaijan’s perspective, since as a small state applying strategic hedging Azerbaijan prioritizes to avoid any risk or threat from Russia and would not risk this by going too far in political relations with the EU.

70 Ilham Aliyev, interview with a journalist (El Pais newspaper), Brussels, 15th December 2021. <https://president.az/en/articles/view/54636>

71 Ilham Aliyev, interview with a journalist (Spanish EFE News Agency), 2nd October 2021, <https://president.az/en/articles/view/53296>

72 Speech by Ilham Aliyev at the meeting of CIS’s councils of heads of state in Astana, Astana, 2022, <https://president.az/en/articles/view/57748>

Despite Russia's military existence in Karabakh starting from 10 November 2020, the relations with Russia have not been completely unproblematic. The first diplomatic tension has been related with the weaponization of Armenia following the war, President Aliyev addressed this problem in his interview - "[...] we expect that Russia will not arm Armenia. We have brought this issue to the attention of Russian officials. We are alarmed about that. The war is over [...] we want Russia to take into account our concerns in this matter. Because no matter how many weapons are given, the balance of powers will not change. Over the past 30 years, Russia provided Armenia with billions of dollars worth of free weapons [...]"⁷³. Apart from that, regarding the activities and role of Russian peacekeepers, there have been disagreements over illegal visits from Armenian side and artificially created problems regarding transportation of people in Karabakh.⁷⁴

"[...] Azerbaijan would either bandwagon with Russia if it realized that the alliance with like-states would be too weak to defend it, or balance against the latter if there were enough pooled resources to avoid a gross mismatch in power"⁷⁵. As discussed earlier, states applying strategic hedging try to avoid direct band wagoning or balancing in their foreign policy, Azerbaijan is not an exception. However, given the conditions sometimes limited band wagoning can be an only solution for the wellbeing of the state, in Azerbaijan's case refusing the deployment of Russian peacekeeping mission would be avoidance from band wagoning Russia. However, considering the fact that in reality Azerbaijan does not possess any adequate military force to stand against Russia in that way, limited band wagoning was the only choice for the country. This choice can be explained from the viewpoint that there was no real alliance apart from the one with Turkiye, and harsh historical examples from Georgia and Ukraine made Azerbaijani government accept the situation. The following dynamics – Turkiye's sending military mission to Karabakh should also be considered as Azerbaijan's attempt to avoid bandwagoning Russia.

Therefore, Azerbaijan as a small state still seems to be intrigued not to give up its economic interests with the EU, while limiting their political involvement with Karabakh. On the other hand, Russia's undeniable power and military force are there, while the alliance with Turkiye can help

73 Ilham Aliyev, interview with a journalist (CNN Turk TV), 14th August 2021, <https://president.az/en/articles/view/52736>

74 Ilham Aliyev, interview with a journalist (National TV of Azerbaijan), Baku, 12th January 2022, <https://president.az/en/articles/view/55243>

75 Anar Valiyev & Narmina Mamishova, "Azerbaijan's foreign policy towards Russia since independence: compromise achieved", *Southeast European and Black Sea Studies*, 19(2), 2019, 269-291.

to mitigate this process and ensure that Russia is not the sole big power with dominance in the region, which could also create further vulnerability for Azerbaijan in the future.

Conclusion

To conclude, Azerbaijan as one of the post-soviet countries has developed its foreign relations in a way that enable the country to benefit from cooperation with big powers while avoiding antagonizing any of them. By applying strategic hedging theory, the country has attempted to minimize one sided relation with any of them- Turkiye, the EU or Russia. All these three actors bring up their own benefits and potential problems for Azerbaijan, and the country has to make choices at the cost of another one time to time. Nevertheless, such choices must be calculated in a way that neither prevents Azerbaijan to benefit from cooperation with a party, nor put Azerbaijan into a direct risk by bandwagoning one against the other.

This case study has attempted to cover the problem of clash of interests on Azerbaijan in the South Caucasian region, especially focusing on dynamics taking place following the Second Karabakh war in 2020. By applying strategic hedging theory and strategies discussed in academic literature regarding hedging, the behaviors and empirical decisions of the Azerbaijani government have been emphasized, thereby answering the question how Azerbaijan has maintained its relations with the West, Russia and Turkiye in the face of challenges it might be faced with as a small state with limited resources.

The first part of the thesis attempted to explain the interests and motives of Turkiye, the EU and Russia, so as to enable the reader to be acquainted with the real situation and circumstances Azerbaijan have to deal with. The second part focuses on more on Azerbaijan's perspectives, aiming to analyze the decisions taken by the government to ensure that its interests are well-protected.

The following conclusive statements can be made regarding the result of this case study:

- Four main elements regarding Azerbaijan's case can be listed that have enabled to country to avoid choosing one side in its foreign policy in post-2008 period in general – not having experienced a color revolution, not joining any military alliances, possessing oil and gas resources, and calculating its decisions in a way that would not favor any side excessively.
- As discussed in the theory, small states applying strategic hedging attempt to maximize their economic activities and cooperation with various parties. Azerbaijan's energy resources play a great role in this process, especially in economic relations with the EU. However, the country has never ignored Russian interests, which could cost a lot.

Following the hedging theory, the government did not give up its economic interests, simultaneously ensuring Russia that it is merely commercial, and there is no political commitment. This seems to have worked as a strategy, which also has benefited the country's economy enormously, so as Azerbaijan enjoys greater economic activity with the EU after the energy deal, while Russia's political interests are not violated.

- However, the abandonment of the Nabucco pipeline must be given a special attention since it signifies the fact that the Azerbaijani government will consider the limits of its economic interests too in the face of potential competition with Russia.
- Regarding the status quo in Nagorno Karabakh, Turkiye's support must be emphasized, thanks to which Azerbaijani government has attempted to prevent dominant existence of Russian military power in the region. However, to which extent such attempts will be successful is hard to answer at the current stage, which creates future possibilities of research into this topic.
- Russia's military deployment into Karabakh is a case that can be understood as exempt from hedging strategies, since they could not help Azerbaijan to hedge this process enough. All the possible resources of the country were inadequate for this, and missing support from a third party (excluding Turkiye, which would not be enough) made Azerbaijan partially bandwagon Russia. This sample proves that under specific circumstances, usual tools implemented for hedging may not work, thereby leaving no other option for the country.
- In many cases, Azerbaijan has succeeded to prevent bandwagoning Russia, and such a big potential threat – Russia itself has not stopped the country from developing economic cooperation with the EU thanks to strategic hedging. At the same time, Turkiye's existence in the region has helped Azerbaijan to neutralize Russia's overwhelming impact, especially in the example of post-second Karabakh war scene.
- Therefore, Azerbaijan seems to have formulated its foreign policy, which benefits the country's economy in most cases, while in political terms hedging tools have helped the country to prevent direct dominance of Russia, and soft-power influence of the EU, thereby enabling Azerbaijan to abstain from choosing any of them as a clear side.

This case study has attempted to explain tendencies in Azerbaijan foreign policy in post-2008 period, the main aspect that this research complements to the already existing literature is the analysis of the period following the Second Karabakh War, which brought great changes to the region and its balance of power. Also by analyzing all three big powers in face of each other, this case study differs from the usual academic literature, since Azerbaijan's foreign relations are discussed unilaterally with them.

Following the results of this foreign policy analysis, as a new research line, future dynamics in Karabakh and Azerbaijan's capabilities to implement strategic hedging to protect its interests can be researched. Also, energy deal with the EU as a new topic, may need further research considering the growing demand for energy resources and plans for 2027. Also, two main variables – Turkiye's potential governmental change due to presidential elections in 2023, and a potential negative result of Russia-Ukraine war for Russian side might change the interests of sides, and more importantly balance of power in the region, thereby creating new challenges for Azerbaijan. Either strategic hedging will still be sufficient to keep the country's "non-sided" position or not will depend on many internal and external factors, which can be researched as a potential research line of this case study.

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Summary

The foreign policy of Azerbaijan and the implementation of strategic hedging in order to avoid choosing one clear side in international order – as multipolar one – is the subject of this thesis.

Considering the dynamic political agenda in the South Caucasus, Azerbaijan is not an exception in this process. Especially, the changes taking place following the Second Karabakh war in 2020, balance of power in the region between Russia, Turkey and the EU has become a relevant topic, thereby creating newer challenges for the Azerbaijani government to deal with. Therefore, the main research problem is related how the geopolitical rivalry and power shift have been taking place in the region, and how Azerbaijan has been trying to address such novelties.

The first goal of this case study is to explain the reader how geopolitically complex region Azerbaijan is situated in, and what kind of empiric interests the main big powers – the EU, Russia and Turkiye possess towards Azerbaijan. The second goal following the introduction to the region, is related to explain how Azerbaijan has reacted to such diverse interests, which may become a threat if not addressed properly. Especially, post-2008 period and Azerbaijan's foreign policy tools to implement hedging are explained. Lastly, two important cases of energy policy and Karabakh issue following the dynamics in the region in 2020 are given special emphasis.

The main findings of this research:

- As discussed in the theory, small states applying strategic hedging attempt to maximize their economic activities and cooperation with various parties. Azerbaijan's energy resources play a great role in this process, especially in economic relations with the EU. However, the country has never ignored Russian interests, which could cost a lot. Following the hedging theory, the government did not give up its economic interests, simultaneously ensuring Russia that it is merely commercial, and there is no political commitment. This seems to have worked as a strategy, which also has benefited the country's economy enormously, so as Azerbaijan enjoys greater economic activity with the EU after the energy deal, while Russia's political interests are not violated.
- Regarding the status quo in Nagorno Karabakh, Turkiye's support must be emphasized, thanks to which Azerbaijani government has attempted to prevent dominant existence of Russian military power in the region. However, to which extent such attempts will be

successful is hard to answer at the current stage, which creates future possibilities of research into this topic.

- Russia's military deployment into Karabakh is a case that can be understood as exempt from hedging strategies, since they could not help Azerbaijan to hedge this process enough. All the possible resources of the country were inadequate for this, and missing support from a third party (excluding Turkiye, which would not be enough) made Azerbaijan partially bandwagon Russia. This sample proves that under specific circumstances, usual tools implemented for hedging may not work, thereby leaving no other option for the country.
- In many cases, Azerbaijan has succeeded to prevent bandwagoning Russia, and such a big potential threat – Russia itself has not stopped the country from developing economic cooperation with the EU thanks to strategic hedging. At the same time, Turkiye's existence in the region has helped Azerbaijan to neutralize Russia's overwhelming impact, especially in the example of post-second Karabakh war scene.
- Therefore, Azerbaijan seems to have formulated its foreign policy, which benefits the country's economy in most cases, while in political terms hedging tools have helped the country to prevent direct dominance of Russia, and soft-power influence of the EU, thereby enabling Azerbaijan to abstain from choosing any of them as a clear side.

Following the results of this foreign policy analysis, energy deal with the EU as a new topic, may need further research considering the growing demand for energy resources and plans for 2027. Also, two main variables – Turkiye's potential governmental change due to presidential elections in 2023, and a potential negative result of Russia-Ukraine war for Russian side might impact the interests of sides, and more importantly balance of power in the region, thereby creating new challenges for Azerbaijan. Either strategic hedging will still be sufficient to keep the country's "non-sided" position or not, and this will depend on many internal and external factors, which can be researched as a potential research line of this case study.