

Azerbaijan's Soft Balancing vis-à-vis Russia

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Soft balancing vis-à-vis Russia has long been embedded in Azerbaijani foreign-policy thinking, based on the assumption that Baku could use non-military tools to neutralize challenges emanating from Russia without directly questioning its hegemonic position in the wider neighbourhood. Diplomatic, economic, and security linkages with the alternative power poles were built in such a way that Azerbaijan could impose constraints on the exercise of power by the Kremlin while avoiding the fate of Georgia and Ukraine, thereby enabling it to seek its own agenda with regard to its strategic partnership with Russia. In this context, the battlefield victory over Armenia in the Second Karabakh War in 2020, Russia's eventual deployment of its peacekeepers to Azerbaijan's Karabakh region, and Turkey's more active involvement in South Caucasus affairs created a new geopolitical architecture in this region according to which Azerbaijan had to adapt its balancing policy to the new realities on the ground. On the one hand, Russia's military presence in Azerbaijan affords it certain leverage to influence Baku's foreign policy calculations in case Moscow perceives anything detrimental to its vital interests in the region. On the other hand, Azerbaijan's domestic politico-economic stability, deepening energy partnership with the EU, and closer military-economic partnership with Turkey bolster its soft balancing capabilities to alleviate potential Russian pressures. Drawing on the theoretical literature on soft balancing, this article discusses in detail the key indicators of Azerbaijan's soft balancing in relation to Russia before and after the Second Karabakh War and explains how it helped navigate Azerbaijan's foreign policy through the complex regional order. The article concludes that this way of proactive foreign policy behaviour has, so far, enhanced Azerbaijan's value as a strategic partner for Russia and the other major power centres and strengthened its relative position in the regional distribution of power.

Keywords: Azerbaijan, Russia, soft balancing, Second Karabakh War, foreign policy



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Introduction

Despite its small size and relatively modest military capabilities, Azerbaijan has, in the last two decades, positioned itself on the international scene as an increasingly pivotal player and pursued a foreign policy trajectory independent of Russia and the West. The so-called ‘balanced foreign policy’ strategy, supported by a strong economic base, entailed equidistance to different power centres that did not exclude temporary leanings towards either side. Against this background, Azerbaijan’s alignment moves revolved mostly around balancing Russia’s growing assertiveness in the South Caucasus with a closer politico-economic partnership with Turkey and Western countries. On the one hand, Baku sought to avoid arousing Russian ire by joining alternative regional integration projects and expanded economic and military ties with Russia on the level of strategic partnership. Russia has long been Azerbaijan’s largest import partner and one of its major sources of arms supplies. On the other hand, evolving energy and connectivity cooperation with neighbouring countries and Western partners afforded Azerbaijan certain opportunities to overcome the security predicaments exacerbated by its landlocked condition and put relations with Russia on a more equal footing.

Azerbaijan’s decisive victory over Armenia in the Second Karabakh War in 2020 led to qualitative shifts in the regional balance of power that presented new challenges to and opportunities for the country’s balancing behaviour in relation to Russia. According to the Trilateral Statement signed by the leaders of Armenia, Azerbaijan, and Russia on 10 November 2020, the last-named obtained the right to deploy 1,960 peacekeepers to the Karabakh region, thereby consolidating its military presence in the South Caucasus. This newly gained leverage over Azerbaijan has since been part of a broader Russian strategy to enforce its writ in its so-called shared neighbourhood. As in the case of the other conflict centres in the post-Soviet space where the Russian military is on the ground, in the Karabakh region, too, Russia gained an opportunity to use its influence and direct control over strategic roads, i.e., the major transport arteries connecting parts of the Karabakh region and Lachin Corridor (under the temporary control of Russian peacekeeping forces), to maintain a “managed instability”.¹ Russia’s ‘failure’ to stop the deployment of Armenian troops to the Karabakh region through the Lachin Corridor, contrary to the principles of the 10

1 Tolstrup, J., “Studying a negative external actor: Russia’s management of stability and instability in the ‘near abroad’”, *Democratization*, Vol. 16, No. 5, pp. 922–944.

November statement, sheds light on one aspect of this policy.

On the positive side for Azerbaijan, Turkey also emerged as one of the main beneficiaries of the post-Karabakh war geopolitical reshuffling as it joined Russia to establish a joint monitoring centre in the liberated Aghdam district. Turkey's political and diplomatic support to Azerbaijan during and after the war played a crucial role in the eventual victory, and deepening military cooperation between the two countries has significantly increased Azerbaijan's standing in the emerging regional order. It should come as no surprise that the Azerbaijani leadership views Turkey as an independent pole of power in the new security architecture of the wider Caspian basin rather than as the western flank in the Russia–West rivalry. In the context of the Western focus shifting to elsewhere and decreasing interest in the South Caucasus, the relationship as an ally with Turkey has become an essential pillar of Azerbaijan's balancing strategy with regard to Russia's ambitions.

What is important is that Azerbaijan's balancing moves in this regard have historically differed from those of the other, structurally similarly placed (in-between) states in the shared neighbourhood. While Georgia and Ukraine preferred hard balancing, that is, attempts to form military alliances with alternative power poles to deter a threatening great power, Azerbaijan relied mostly on institutional, economic, and other non-military instruments. Notably, choosing hard balancing as a foreign policy strategy does not necessarily exclude soft balancing manoeuvres as they are not mutually exclusive and different states can undertake either approach to different degrees according to their threat perceptions. The key determinant of why states use soft as opposed to hard balancing is the threat level posed by the target state.² Hence, after the August War in 2008, Georgia doubled down on its efforts to secure NATO membership; that has since become the ultimate goal of its foreign policy alignment. At the same time, Tbilisi signed an Association Agreement with the EU in 2014, choosing its side in the evolving zero-sum game between Brussels and Moscow for influence over the in-between states. Similarly, after the annexation of Crimea in 2014, Ukraine adamantly pursued NATO and EU membership to balance the growing Russian threat to its territorial integrity. In contrast, Azerbaijan did not face an immediate threat from Russia and limited its engagement with the Western partners to strategic energy partnerships while diversifying its international linkages to the other regions. This

2 Brooks, S. and Wohlforth, W., "Hard times for soft balancing", *International Security*, Vol. 30, No. 1, Summer, 2005, p. 105.

would ultimately lessen its exposure to the potential pressures emanating from Russia. Post-Karabakh war developments in Azerbaijan–Russia relations, however, indicate that these policies may be converted to hard balancing measures if and when security competition becomes intense in the South Caucasus and Russia openly threatens the common interests of Azerbaijan and Turkey.

This article aims to analyse the major components of Azerbaijan’s soft balancing strategy in relation to Russia since independence and how it has affected the country’s position in the regional security system. The paper proceeds with a brief description of the concept of soft balancing and its theoretical implications for the case of a small state balancing against a regional major power. Drawing on insights from the soft balancing literature, this part of the article looks into why states conduct soft balancing and what kinds of instruments they use to realize it. The next section examines the place of soft balancing in Azerbaijan’s Russia policy in the past three decades. The third section assesses certain changes to the strategy during the Karabakh war and in the post-war period as the growing military alignment with Turkey boosted Azerbaijan’s confidence in its dealings with Russia. The concluding section summarizes the main features of Azerbaijan’s soft balancing vis-à-vis Russia and its implications for Azerbaijan’s place in the evolving security system in the wider Caspian basin.

Soft Balancing: Overview

A growing body of international relations literature contends that the traditional balance of power theory, with its focus on military alliances and armed build-ups, has been mostly irrelevant to explaining the puzzles of world politics against the backdrop of fast-moving globalization and economic interdependence in the post-Cold War years.³ There was a need to incorporate new variables for examining state behaviour, which later became the main research agenda of realist theories such as neoclassical realism, the balance of threat theory, and omnibalancing. It was in this context that soft balancing emerged as a realist theoretical framework to shed light on different aspects of state strategies aimed at balancing potential threats through non-military means. According to Robert Pape, soft balancing includes foreign policy moves “that do not directly challenge the preponderance but that use non-military tools

3 Nexon, D., “The Balance of Power in the Balance”, *World Politics*, Vol. 61, No. 2, April 2009, pp. 1-2.

to delay, frustrate, and undermine aggressive unilateral” policies of a more powerful actor.⁴ In a recent book, T. V. Paul defines soft balancing as “restraining the power or aggressive policies of a state through international institutions, concerted diplomacy via limited, informal ententes, and economic sanctions in order to make its aggressive actions less legitimate in the eyes of the world and hence its strategic goals more difficult to obtain.”⁵

Paul provides four scope conditions for states pursuing soft balancing as an optimal strategy to constrain external pressures. First, intensified economic globalization makes military balancing less likely in today’s international relations system. As Steven Chan argued, and relevant to the case of Azerbaijan–Russia relations, military “balancing policies would entail forfeiting possible gains that could accrue from cooperation, gains that states are wary of foregoing in the absence of demonstrable hostility from a stronger neighbor.”⁶ Second, revolutions in military matters have rendered direct conquest costly, thereby ruling out an all-out war. Third, the norm of territorial integrity is deeply ingrained in current inter-state relations. As the Georgian and Ukrainian cases showed, the violation of these countries’ territorial integrity incurred a substantial cost for Russia, in both economic and political terms, and damaged its image as a responsible stakeholder in contemporary international relations. This makes Russia more cautious in its dealings with Azerbaijan to avoid a similar scenario. Last but not least, the absence of expansionist ideologies provides smaller countries with greater room for manoeuvre in regional affairs. In this context, Azerbaijan’s Russia policy has been conducted in a relatively permissive environment as Moscow’s hegemonic ambitions through the creation of regional integration projects such as the Eurasian Economic Union and the Collective Security Treaty Organization have so far been a reaction to adapt its position as a great power to the emerging multipolar world order rather than an attempt to resuscitate the Soviet Union and reinstate its former borders.

When it comes to the key instruments of soft balancing, states prefer three main options: institutional, diplomatic, and economic. First, membership of and active participation in international organizations

4 Pape, R., “Soft Balancing against the United States”, *International Security*, Vol. 30, No. 1, Summer, 2005, p. 17

5 Paul, T. V., *Restraining Great Powers: Soft Balancing from Empires to the Global Era*, London: Yale University Press, 2018, p. 20.

6 Chan, S., *Looking for Balance: China, the United States, and Power Balancing in East Asia*, Stanford, CA: Stanford University Press, 2012, p. 4.

have historically been key components in restraining great powers, especially when the power imbalance made the military balancing less appealing for the smaller countries. Azerbaijan's proactive diplomacy within different international institutions in the last three decades bore fruit on many occasions as it managed to counterbalance Russia's position on certain policy issues, territorial integrity being the major one. Membership in the United Nations (UN), Council of Europe (CoE), and the Organization for Security and Cooperation in Europe (OSCE), among others, provided strong platforms on which to engage third parties regarding strategically vital issues such as the (former) Armenia–Azerbaijan conflict and that, to some extent, limited Russia's unilateral assertiveness. At the same time, Azerbaijan has built strong ties with the key members of Russia-led economic and military institutions, which offered it some opportunities to restrain Russia's ability to implement its goals. Belarus, Kazakhstan, and Azerbaijan used growing partnerships on energy, connectivity, and trade issues to diversify their economies and move away from dependence on Russia.⁷ Azerbaijan came together with the regional major powers, to create trilateral formats such as the Turkey–Azerbaijan–Russia or Iran–Azerbaijan–Russia triads to limit Moscow's unilateral approach to regional affairs.

Second, states use diplomatic arrangements with different power centres to balance the influence of the stronger state. In this regard, Azerbaijan's informal alliances or strategic partnerships with countries such as Turkey, Israel, Pakistan, Ukraine, Italy, and so on have been essential to cement its economic and military position in a geopolitically volatile region. Notably, Azerbaijan's increasing military imports from Turkey and Israel proved decisive in decreasing its dependence on Russian supplies. According to SIPRI, Israel replaced Russia as the top military supplier of Azerbaijan, providing 60% of arms imports in 2015–2019, while Russia accounted for 31%.⁸ Azerbaijan also successfully deployed its diplomatic toolbox to attract political support from friendly countries under the auspices of the Organization of Islamic States, Non-Aligned Movement, and Turkic Council.

Third, states strive for diversified economic relations to undermine the economic influence of the dominant power. Compared with other in-

7 Nurgaliyeva, L., "Kazakhstan's economic soft balancing policy vis-à-vis Russia: From the Eurasian Union to the Economic Cooperation with Turkey", Vol. 7, No. 1, January 2016, pp. 92–105.

8 SIPRI, "Trends in international arms transfers, 2019", March 2020, available at: https://www.sipri.org/sites/default/files/2020-03/fs_2003_at_2019.pdf (accessed: 9 November 2021).

between countries in the shared neighbourhood, Azerbaijan managed to pursue a more independent economic policy based mostly on oil and gas exports to global markets. That not only decreased Azerbaijan's dependence on Russia as an economic powerhouse but also established Baku as an important, albeit, to date, smaller, energy supplier and an alternative to Russia for gas supplies to regional energy markets. Azerbaijani energy exports rendered neighbouring countries more resilient vis-à-vis Russia's use of energy as a coercive tool in bilateral relations.

Soft Balancing in the Pre-Karabakh War Period

As was the case with the other newly-independent states in the post-Soviet space, Azerbaijan–Russia relations also got off to a rocky start in the early 1990s. Already mired in political and financial difficulties, successive Azerbaijani governments struggled to come up with a sustainable Russia policy and failed to strike the right balance in relations with Russia and the West.⁹ Ayaz Mutallibov, the first president of independent Azerbaijan, pursued a pro-Russia foreign policy that was predicated on bandwagoning with Moscow to get military assistance to defeat Armenia during the First Karabakh War.¹⁰ As later events showed, Mutallibov's moves generated public and oppositional backlash, as memories of Soviet tanks attacking Baku on 20 January 1990 were still fresh and the Russian-backed Armenian occupation was considered the major obstacle to establishing domestic order. Consequently, after a series of defeats during the First Karabakh War and the Khojaly genocide committed by Armenian forces, Mutallibov was jettisoned from power in 1992.

During the presidency of Abulfaz Elchibey, the leader of the Azerbaijan Popular Front, bilateral relations with Russia hit a nadir as he openly called for closer ties with Turkey and the Western powers.¹¹ The Elchibey government's efforts to bring Western oil companies to Azerbaijan without Russian participation proved deleterious to Moscow's interests. In another bold move, he withdrew Azerbaijan from the Commonwealth of Independent States (CIS) in late 1992 and secured the full withdrawal

9 Valiyev, A. and Mamishova, N., "Azerbaijan's foreign policy towards Russia since independence: compromise achieved", *Southeast European and Black Sea Studies*, Vol. 19, No. 2, February 2019, pp. 269–291.

10 Cornell, S., *Azerbaijan since Independence*, New York, NY: M. E. Sharpe, Inc., 2011, p. 59.

11 Gvalia, G., Siroki, D., Lebanidze, B., et al., "Thinking outside the bloc: Explaining the foreign policies of small states", *Security Studies*, Vol. 22, No. 1, February 2013, p. 127.

of Russian troops (the 104th Airborne Division stationed in Ganja) from Azerbaijani territory. Expectedly, when faced with an anti-Russia government in Baku, Russia tilted towards Armenia and anti-government forces in Azerbaijan to punish Elchibey's recalcitrance. As a result, the Azerbaijani army suffered heavy defeats in the First Karabakh War and Elchibey had to resign after pro-Russia anti-government forces threatened to take power by force. After Mutallibov, Elchibey's experience showed that Azerbaijan needed internal stability to successfully extract or mobilize domestic resources to reach its goals, and that might also require accommodating Russian interests in certain policy areas while expanding energy cooperation with the West.

It was the Heydar Aliyev government's soft balancing strategy that put Azerbaijan's Russia policy on firmer ground. Baku began to keep a good dose of pragmatism in bilateral relations with its northern neighbour. The order that the new leadership forged out of the cauldron of domestic turmoil and the First Karabakh War became the baseline for this foreign policy posturing. At the same time, the United States' emergence as the sole pole of the international system and the West's commitment to expanding the liberal international order eastwards by integrating large segments of the former Soviet republics created a relatively permissive security environment that the Heydar Aliyev government harnessed to bolster its position as a pivotal player in the South Caucasus.

As part of the institutional binding, Azerbaijan returned to the CIS in 1993. This membership was a conciliatory move aimed not only at putting the country in Russia's good graces but also engaging Russia on a multilateral level with like-minded neighbouring countries. Azerbaijan also ratified the Collective Security Treaty in 1994, even if it refused to extend it in 1999, withdrawing on the grounds that little was being done at that time to resolve the Armenia–Azerbaijan conflict.¹² Furthermore, by 1997, westernization of the OSCE's Minsk Group format with the inclusion of France and the US as co-chairs alongside Russia was supposed to balance potential risks emanating from Russia's sole mediator role in this issue.¹³

On the diplomatic level, Heydar Aliyev skilfully balanced the West and Russia insofar as ensuring that Azerbaijan's stability and prosperity were in the best interests of all sides. In 1994, Azerbaijan joined

12 Markedonov, S., "Will Azerbaijan join the 'Eurasian NATO'?", *Carnegie Moscow Center*, 28 August 2018, available at: <https://carnegiemoscow.org/commentary/77116> (accessed: 9 November 2021).

13 Shiryev, Z., "Azerbaijan's relations with Russia: Closer by default?", *Chatham House*, March 2019, p. 7.

NATO's Partnership for Peace programme that opened the way for its participation in NATO-led missions in different parts of the globe, political consultations on a wide range of issues, and, more importantly, NATO's increasing contributions to defence reform in Azerbaijan. A strategic partnership with Turkey, a NATO member country, on the basis of the 'one nation, two states' mantra added more nuance to this cooperation, strengthening Azerbaijan's hand in regional affairs. At the regional level, in 1997, Azerbaijan joined Georgia, Moldova, and Ukraine to establish GUAM that would counterbalance Russian influence and maintain geopolitical pluralism in the post-Soviet space.¹⁴

But what was more essential to Azerbaijan's soft balancing in relation to Russia in this period was sophisticated energy diplomacy that tied Western interests to the region for the next decades. With the signing of the 'contract of the century' in 1994, Heydar Aliyev achieved bringing major Western oil companies to Azerbaijan, thereby guaranteeing the country's sovereignty and stability with Western political support. Unlike Elchibey, however, Aliyev also brought Russia on board by inviting Lukoil to join the newly established consortium of 11 oil companies representing 6 nations for the development of 3 major oil fields in the Azerbaijani sector of the Caspian Sea: Azeri, Chirag, and the deepwater portion of the Gunashli field.¹⁵ Furthermore, Azerbaijan began to use the Baku–Novorossiysk pipeline to export part of its early oil production to global markets through Russian territory.

In the mid- to late 2000s, during Ilham Aliyev's first term as president, Azerbaijan's soft balancing capabilities received a decisive boost as the Baku–Tbilisi–Ceyhan oil and Baku–Tbilisi–Erzurum natural gas pipelines became operational, bypassing Russian territory to link Baku to international customers. Azerbaijan's emergence as a reliable energy supplier to Europe was happening against the backdrop of Russia's resurgence in European power politics and its use of energy as a political instrument against Ukraine, Belarus, and Georgia, among others.¹⁶ Thus, the new infrastructure initiatives between Azerbaijan, Georgia, and Turkey not only increased Azerbaijan's economic resilience against potential Russian pressures in this regard but also decreased the partner countries' exposure to Russia's geopolitical manipulation. Azerbaijani

14 Qiyang, N., "Can China help GUAM diversify away from Russia?", *Eurasianet*, 12 June 2017.

15 British Petroleum, "The contract of the century: A national strategy for success", available at: https://www.bp.com/en_az/azerbaijan/home/who-we-are/operationsprojects/acg2/the-contract-of-the-century---a-national-strategy-for-success.html (accessed: 9 November 2021).

16 Newnham, R., "Oil, carrots, and sticks: Russia's energy resources as a foreign policy tool", *Journal of Eurasian Studies*, Vol. 2, No. 2, July 2011, pp. 134–143.

companies invested about \$3 billion in the Georgian economy, which was badly damaged after the August War in 2008, and the State Oil Company of Azerbaijan (SOCAR) became Georgia's major taxpayer.¹⁷ Moreover, in 2010, Baku agreed to lend \$200 million to Belarus to clear its debt to Gazprom, which would have otherwise led to another round in the energy dispute between Belarus and Russia.¹⁸

In this period, Azerbaijani–Georgian–Turkish cooperation on energy, connectivity, and military affairs became an integral part of Azerbaijan's mostly multivectoral foreign policy posturing. To anchor the new security order in the region, all three countries also actively participated in different regional cooperation frameworks offered by NATO and/or the EU. Azerbaijan positioned itself as a reliable partner for the US in its 'war on terror' in the Middle East. Baku joined NATO's Individual Partnership Action Plan in 2004. With the EU, Azerbaijan became a part of the EU Neighbourhood Policy (ENP) in 2004 and Eastern Partnership (EaP) programme in 2009. It should come as no surprise that, in 2007, Azerbaijan's National Security Concept highlighted the Euro-Atlantic direction as the ultimate goal of its foreign policy.¹⁹

In this context, the Russian occupation of Georgian territories in 2008, the global financial crisis, and the West's decreasing influence in global affairs turned out to be a critical juncture for Azerbaijan's foreign policy from a systemic point of view and pushed the country to revise its external posturing towards the West. The Military Doctrine adopted in 2010 clearly stated that Azerbaijan will not allow the establishment of foreign military bases on its territory.²⁰ In 2011, Azerbaijan joined the Non-Aligned Movement as a full member. Especially after the crisis in Ukraine in 2014 that made the shared neighbourhood a geopolitical fault line between the EU and Russia, Baku carefully kept its distance from both sides and pursued a pragmatic Russia policy based on deepening trade relations and security cooperation while engaging third powers (Turkey and China) on Russia's flanks to play a bigger role in regional

17 Valiyev, A., "Finlandization or strategy of keeping the balance? Azerbaijan's foreign policy since the Russian–Georgian War", *Ponars Eurasia*, 23 July 2012, available at: <https://www.ponarseurasia.org/finlandization-or-strategy-of-keeping-the-balance-azerbaijan-s-foreign-policy-since-the-russian-georgian-war/>

18 Azernews, "Aliyev's \$200m aid to Belarus in analysts' focus", 30 June 2010, available at: <https://www.azernews.az/nation/21818.html> (accessed: 9 November 2021).

19 E-qanun.az, "Azərbaycan Respublikasının milli təhlükəsizlik konsepsiyasının təqdim edilməsi haqqında", 23 May 2007, available at: <http://www.e-qanun.az/framework/13373> (accessed: 9 November 2021).

20 Anl.az, "Azərbaycan Respublikasının Hərbi Doktrinası", 17 June 2010, available at: <http://anl.az/down/meqale/azerbaycan/2010/iyun/124735.htm> (accessed: 9 November 2021).

affairs. Thus, on the eve of the Second Karabakh War, Azerbaijan's geopolitical positioning, especially with regard to Russia, was opposite to that of the 1990s: that gave the country a strategic advantage for solving the Armenia–Azerbaijan conflict according to its best interests.

Soft Balancing and the Second Karabakh War

The liberation of the territories occupied by the Armenian armed forces in the early 1990s has long been the primary goal of Azerbaijani foreign policy. The occupation of its territory exposed Azerbaijani foreign policy to pressures from major powers attempting to use the conflict to extract concessions from Baku. Although Russia has not been a direct party to the conflict, it nevertheless skilfully projected its leading position in the conflict resolution process to ensure that neither Armenia nor Azerbaijan acted to the detriment of Russian interests in the region. Thus, in case of a possible war to liberate the occupied territories, Azerbaijan had to include possible Russian involvement in its strategic calculations. The mutual defence obligations of Armenia and Russia within the framework of the CSTO and the probable spill over of war to Armenia's territory in a potential war was always thought to be a credible deterrent against Azerbaijan. The Second Karabakh War showed how successfully the Azerbaijani leadership used different soft balancing instruments to bypass this strategic hurdle and win a 21st-century war without damaging its neighbourly ties with Moscow.

In this context, two structural factors accounted for Azerbaijan's successful balancing act in relation to Russia. First, when the Armenia–Azerbaijan war started in late September 2020, Russia had to make a hard choice between its strategic ally Armenia and strategic partner Azerbaijan. Baku went a long way to keep Moscow neutral in the case of a military escalation that was deemed likely after the July 2020 clashes in the proximity of the Azerbaijan's northern border with Armenia (in the direction of Tovuz). High-level visits to Moscow by the foreign minister in August and by the speaker of parliament in September 2020 indicated that the Azerbaijani leadership was seeking ways to keep channels open in case Armenia decided to wage a “new war for new territories”, as advocated by the then Armenian defence minister, David Tonoyan.²¹ Even during the peak of Armenian missile attacks on

21 Report.az, “Moscow hosts meeting of Azerbaijani and Russian Foreign Ministers”, 26 August 2021, available at: <https://report.az/en/foreign-politics/moscow-hosts-meeting-of-azerbaijani-russian-foreign-ministers/> (accessed: 9 November 2021).

civilian targets in major Azerbaijani cities during the Second Karabakh war, Baku avoided targeting Armenian territory as that would trigger a mutual defence clause within the CSTO and put the two strategic partners on a collision course. Second, unlike the Georgia–Russia war in 2008 or the Ukraine–Russia war in 2014, the Armenia–Azerbaijan war in 2020 did not happen against the backdrop of a debilitating zero-sum game between the EU/NATO and Russia. In contrast, Western countries were mostly acquiescent to Russia’s unilateral peace enforcement that began on 10 November 2020 and the Russian-only format of the peacekeeping contingent, thus accepting more active Russian involvement in the hope of preventing the emergence of a new wave of escalation in the region. As a result, Azerbaijan had far greater room to manoeuvre to realize its long-time goals as long as they did not threaten Russia’s fundamental interests in the South Caucasus.

Institutionally, Azerbaijan’s soft balancing in relation to Russia during the Second Karabakh War came on the heels of the preparation of a draft statement on behalf of the president of the UN Security Council on 19 October that was developed mainly by Russia and France.²² In a show of solidarity with Azerbaijan, and supporting the principle of territorial integrity, some non-permanent members of the UN Security Council and members of the Non-Aligned Movement – the Dominican Republic, Indonesia, Niger, Saint Vincent and the Grenadines, South Africa, Tunisia, and Vietnam – twice issued *notes verbales* breaking the silence procedure and raising objections to the wording of the document owing to its lack of reference to the four UNSC resolutions adopted in 1993. Subsequently, as a result of this principled position of the NAM countries, the draft declaration calling on Azerbaijan and Armenia to stop fighting and desist from military operations was officially withdrawn. This diplomatic victory could be viewed in the context of Azerbaijan’s long-term efforts to link the Karabakh issue to the Global South discourses of equality, social justice, and respect to the major tenets of international law under the auspices of the NAM. Azerbaijan’s chairmanship of the organization in 2020 further contributed to its ability to muster international support under this framework.

Baku also accrued significant diplomatic support from the Turkic

²² Report.az, “Members of Non-Aligned Movement refuse to adopt document against Azerbaijan”, 23 October 2020, available at: <https://report.az/en/karabakh/hikmat-hajiyev-comments-on-discussions-in-un-security-council-on-armenian-azerbaijani-conflict/> (accessed: 9 November 2021).

Council, an intergovernmental organization established in 2009 that brings together the Turkic-speaking countries Azerbaijan, Kazakhstan, Kyrgyzstan, Turkey, and Uzbekistan. Secretary-General Baghdad Amreyev, in a visit to Ganja, which became the target of heavy missile attacks by Armenian armed forces in October 2020, expressed unconditional support for Azerbaijan and reiterated the council's recognition of Azerbaijan's right to liberate its territories from the decades-long occupation.²³ The fact that Kazakhstan and Kyrgyzstan are also members of the Russia-led CSTO and the EAEU made this support more meaningful for Azerbaijan's institutional balancing policies. Similarly, the Organization of Islamic Cooperation (OIC), a 57-member international institution of mostly Muslim-majority countries, backed Azerbaijan's position during the Second Karabakh War. In the early days of fighting between Armenia and Azerbaijan, the OIC called for the "full and unconditional withdrawal of Armenian forces from the occupied Azerbaijani territories and for the dialogue to reach a political solution to the conflict between the two countries based on respect for the sovereignty and territorial integrity of the Republic of Azerbaijan, and the inviolability of its internationally recognized territories."²⁴ Taken together, Azerbaijan's successful diversification of its international linkages through the NAM, the Turkic Council, and the OIC, among others, strengthened its hand against Armenia and Russia on the diplomatic front and increased its confidence in reaching its defined goals.

Economically, Baku built on its successful oil and gas diplomacy of the past two decades to further deepen its strategic energy partnership with the EU and Turkey that has solidified its relative position in the regional distribution of power. The launch of the Trans-Anatolian Natural Gas Pipeline (TANAP) and Trans-Adriatic Natural Gas Pipeline (TAP) to bring Azerbaijani gas from the Shah Deniz field in the Caspian Sea directly to European customers was a significant development in this regard. It not only helped reinforce the Western vector of Azerbaijani foreign policy, but revenues from this direction also provided the country with the ability to bolster its military capabilities without moving further into the Russian orbit. Compared with Armenia, which

23 Anadolu Agency, "Turkic Council voices support for Azerbaijan", 20 October 2020, available at: <https://www.aa.com.tr/en/politics/turkic-council-voices-support-for-azerbaijan/2013299> (accessed: 9 November 2021).

24 Anadolu Agency, "OIC condemns Armenia's attacks on Azerbaijan", 28 September 2020, available at: <https://www.aa.com.tr/en/asia-pacific/oic-condemns-armenias-attacks-on-azerbaijan/1988811> (accessed: 9 November 2021).

had long been highly dependent on Moscow for its economic and military security, Azerbaijan's financial resources afforded it a larger margin of error in geo-economic and geopolitical affairs, thus enabling it to push its own agenda for creating a regional atmosphere amenable to its national interests.

Its pivotal location at the intersection of regional transportation networks also opened up certain avenues for lessening the challenges imposed by the country's landlocked nature and preparing the economy for the post-oil era. In this regard, Azerbaijan, in close coordination with Turkey, Georgia, and Kazakhstan, took a proactive stance in initiating intercontinental transport projects for connecting China to Europe while offering an alternative to the Russian and Iranian route options. The construction of the Baku–Tbilisi–Kars railroad (2017) that, after decades, reopened the direct rail connection between the South Caucasus and Turkey and the Trans-Kazakhstan railroad (2014) that cut the east–west transport route between the Chinese border and Caspian Sea port of Aktau by 1,000 kilometres increased the Middle Corridor's importance as an alternative containerized rail freight transport network for Chinese rail operators and European logistics companies.²⁵ At the same time, Azerbaijan positioned itself as a reliable partner in the North–South Transport Corridor connecting India with Iranian, Azerbaijani, Russian, and European markets. Against this background, the realization of transport projects linking the western regions of Azerbaijan to its Nakhchivan Autonomous Republic (NAR) in line with Article 9 of the 10 November statement would further cement Azerbaijan's geostrategic position on the east–west and north–south transport routes and bring together all major powers in the region to invest in the idea of peace and stability.²⁶ Connecting Azerbaijan's western regions with the NAR and Turkey through Armenian territory, the Zangezur Corridor would also link Armenia to Iran and Russia, thereby establishing economic interdependence that may spill over to the other policy areas. By drawing Russia into a regional society in which the other major powers are also actively participating, Azerbaijan could balance Russia's newly gained influence that would otherwise, under asymmetric bilateralism, be more difficult to deal with.

25 ADB Institute, "Middle Corridor – Policy development and trade potential of the Trans-Caspian International Transport Route", May 2021, available at: <https://www.adb.org/sites/default/files/publication/705226/adbi-wp1268.pdf> (accessed: 9 November 2021).

26 Gasimli, V., "The 'Zangezur Corridor' is a geoeconomic revolution", *Emerging Europe*, 17 May 2021, available at: <https://emerging-europe.com/voices/the-zangezur-corridor-is-a-geo-economic-revolution/> (accessed: 9 November 2021).

Most important of all, Baku's proactive alignment behaviour during and after the Second Karabakh War showed certain changes to its traditionally highly cautious balancing manoeuvres in relation to Russia. That behaviour was most significantly manifested in strengthening economic and military ties with close ally Turkey. Building on the tenets of the Agreement on Strategic Partnership and Mutual Support signed in 2010, Turkey pledged its support to Azerbaijan in time of 'aggression'.²⁷ It is already well established that the Bayraktar TB2 drones that Azerbaijan bought from Turkey on the eve of the war played a decisive role in the eventual victory. Having Turkey on its side, Azerbaijan became more confident in its dealings with outside powers, and President Ilham Aliyev urged the use of Turkish F-16s in case of external intervention.²⁸ At the same time, President Aliyev heavily criticized Russia's continuing military supplies to Armenia and attempted to delegitimize such action as support to an occupying force.²⁹ Referring in some part to Russia, on many occasions he confidently claimed that no country could prevent Azerbaijan from recovering its jurisdiction over the occupied territories. This kind of posturing continued after the war. Most significantly, on 15 June, Azerbaijan and Turkey signed the Shusha Declaration that laid the foundation of an allied relationship between the two countries.³⁰ In September, Turkey sent four generals to Azerbaijan to upgrade the Turkish Armed Forces' representation within the Task Group Command, which has been one of the central pillars of bilateral military cooperation since 1992, albeit with a previously lower profile.³¹ As part of Azerbaijan's efforts to delegitimize the unwelcomed moves of Russian peacekeepers in the Karabakh region, such as anti-drone exercises in the Lachin district

27 Daily Sabah, "Turkey sides with Azerbaijan against Armenia's occupation, Erdogan says", 1 October 2020, available at: <https://www.dailysabah.com/politics/diplomacy/turkey-sides-with-azerbaijan-against-armenias-occupation-erdogan-says> (accessed: 9 November 2021).

28 Tass, "Turkish F-16 may be used in case of external aggression against Azerbaijan", 26 October 2020, available at: <https://tass.com/world/1216505> (accessed: 9 November 2021).

29 Daily Sabah, "Those who want ceasefire are sending weapons to Armenia, Aliyev says", 26 October 2020, available at: <https://www.dailysabah.com/politics/diplomacy/those-who-want-cease-fire-are-sending-weapons-to-armenia-aliyev-says> (accessed: 9 November 2021).

30 Apa.az, "Azerbaijan, Turkey signed Shusha declaration on allied relations", 15 June 2021, available at: <https://apa.az/en/xeber/domestic-news/azerbaijan-turkey-signed-shusha-declaration-on-allied-relations-351730> (accessed: 9 November 2021).

31 Report az, "Türkiyə Azərbaycanda Xüsusi komandanlığı gücləndirir", 9 September 2021, available at: <https://report.az/herbi-xeberler/turkiye-azerbaycanda-xsusi-komandanligi-guclendirir/> (accessed: 28 November 2021).

or, more importantly, the free passage granted for the deployment of Armenian troops to the Karabakh region, Azerbaijan and Turkey conducted unprecedented joint military exercises in the Lachin district of Azerbaijan, close to the Lachin Corridor.³² This all gives credit to the argument that soft balancing becomes more likely when a country has support from another major power.³³

Conclusion

Azerbaijan's Russia policy, which, since 1993, has been in some part predicated on soft balancing against potential challenges emanating from Russia, has enabled it to engage Moscow on a more equal footing. Nevertheless, securing politico-economic stability in the country created a relatively permissive internal environment that enabled Azerbaijan's government to be more flexible in its contacts with Moscow without incurring adverse political consequences. Unlike the other "in-between countries", Russia has not had strong pro-Russia groups within Azerbaijani society or asymmetric economic leverage that could be used to put serious pressure on Baku. Moreover, Azerbaijan's sophisticated institutional, economic, diplomatic, and ad hoc military alignments offered many possibilities to pursue a more independent Russia policy.

The Second Karabakh War in 2020 showed how the successful use of soft balancing instruments enabled Azerbaijan to defeat a Russian ally on the battlefield and liberate its occupied territories without prompting a rupture in relations with Russia. During the 44 days of war, the Azerbaijani leadership kept in frequent touch with the Kremlin while ramping up efforts to delegitimize Russia's military support to Armenia. At the same time, Azerbaijani military planners went a long way to avoid striking military targets in the main territory of Armenia as that would trigger Russian intervention on Yerevan's side.

Turkey's public commitment to support Azerbaijan in time of war gave a significant boost to Azerbaijan's soft balancing at that time. On the battlefield, Turkish drones played an essential role in the destruction

32 Azernews, "Azerbaijan, Turkey hold joint drills in liberated Lachin", 7 September 2021, available at: <https://www.azernews.az/nation/183005.html> (accessed: 9 November 2021).

33 McDougall, D., "Responses to 'Rising China' in the East Asian region: Soft balancing with accommodation", *Journal of Contemporary China*, Vol. 21, No. 73, 2012, p. 11.

of Armenia's Russian-supplied military hardware. After the war, the Shusha Declaration, signed in June 2021, ushered in a new era in Azerbaijan's alignment policy, thereby cementing the relationship as an ally with Turkey.

Against this background, two main structural factors will shape Azerbaijan's balancing moves in relation to Russia in the new geopolitical realities of the South Caucasus. First, Russia's military presence on Azerbaijani territory will give it certain strategic potential for using 'managed instability' in Karabakh region to influence Baku's foreign policy calculations. As in the case of the other conflict centres in the post-Soviet space, Russia will have the ability to mobilize its tools of influence to manipulate the course of events in this region if Moscow perceives anything detrimental to its fundamental interests. In this context, Azerbaijan's joint military exercises with Turkey in reaction to the unwelcome moves of the Russian peacekeepers indicate that it could consider replacing soft balancing with more hard-balancing manoeuvres if Russia continues to challenge Azerbaijani-Turkish common interests. Second, and relatedly, Turkey's growing influence in the neighbourhood and deepening military-economic ties between Baku and Ankara will add confidence to Azerbaijan's soft balancing in relation to Russia. As the post-war developments have shown, Azerbaijan is considering using this framework as a nucleus for shaping trilateral formats with strategic partners such as Georgia, Ukraine, Pakistan, and even Israel. All in all, the new security environment looks more amenable to Azerbaijan's security interests and the Azerbaijani government seems ready to adapt its long-term soft balancing strategy to the new realities on the ground.