

Azerbaijan as a Potential Regional Leader in the South Caucasus

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The South Caucasus—home to Azerbaijan, Georgia, and Armenia—is a geographic region that oftentimes is believed not to have developed regionalism. The reason for such an argument is the lack of political stability caused by security and territorial issues. With the ceasefire truce brokered by Russia and the declaration of Azerbaijan's victory in the Second Karabakh war, new regional perspectives are in sight for the region. As the winner of the war, Azerbaijan has the opportunity to reshape the regional dynamics of the South Caucasus. Nonetheless, theories on regional leadership suggest that a country must satisfy a set of conditions before it is able to aspire to this position in a regional context. Using data on capabilities and the literature on diplomatic behaviour, this paper suggests that Azerbaijan has the means to promote a regional order in the Caucasus, but such a project will largely depend on the policies that Azerbaijan will foster regionally in the short term and how they will be arranged with Armenia, Georgia, and the regional powers neighbouring the South Caucasus.

Keywords: South Caucasus; regionalism; Azerbaijan; regional leadership; national capabilities



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Introduction

Since the collapse of the Soviet Union in 1991, the three countries in the South Caucasus—Azerbaijan, Georgia, and Armenia—have followed their own individual paths, both in domestic and international terms. Despite it being an established geographical region that binds all three countries together through path dependence, and the early international perception of the three countries not having a political dynamic unattached to the region,¹ their distinct foreign policy experiences and political instability have undermined the possibilities for regional development among Azerbaijanis, Armenians, and Georgians. Their foreign policy inclinations reflect their economic, security, and political positions: whereas Tbilisi tries to maintain strong ties with the European Union (EU), aspiring to join Euro-Atlantic institutions and to lessen Russian influence over its territories and its separatist regions,² the geopolitical chessboard in the South Caucasus has made Yerevan strengthen its military and economic ties with Russia³ and thus have a supportive ally in its troubled relations with Turkey. Baku, in turn, until recent times, was considered to follow a more neutral and independent path, trying at the same time to be a strategic partner to the EU and maintain close relations with Russia.⁴ All of these foreign policy inclinations are directly connected to the security issues of the region and make evident its political instability, which has escalated mainly owing to territorial conflicts: the Russian–Georgian conflict, the turmoil of the Georgian separatist regions of South Ossetia and Abkhazia, and the Armenia–Azerbaijan conflict; the latter was considered the main conflict in the region. As security, geopolitics and foreign policy are intertwined in the South Caucasus, Gerard Libaridian argues that the security of the region should rely primarily on the ability of these three countries to resolve their issues among themselves and with their immediate neighbours, because their reliance on outside forces did not stop the recent militarized conflicts on South Caucasian soil.⁵

1 G. Libaridian, “Opportunities gained and lost: South Caucasus security since independence”, in F. Ismailzade & G. Howard (eds.), *The South Caucasus 2021: Oil, Democracy and Geopolitics* (Washington, DC: The Jamestown Foundation, 2012), pp. 237–256.

2 Huseynov, V. “Vicious Circle of the South Caucasus: Intra-Regional Conflicts and Geopolitical Heterogeneity”, *Caucasus Strategic Perspective*, Vol. 1, No. 1, 2020, p. 127.

3 *Ibid.*

4 *Ibid.*

5 Libaridian, *op. cit.*, p.238.

Despite displaying some of the conditions that facilitate the development of regionalism, the South Caucasus has been subject to the will of larger players in the international order, especially the three neighbouring countries and, more recently, the European Union.⁶ With the end of the Second Karabakh war and the signing of the 10 November agreement, brokered by Russia, which is being conducted in partnership with Turkey, a new opportunity to establish regional arrangements has been created. In this context, Azerbaijan has the chance to promote a regional project in the South Caucasus that may well be to the benefit of all three countries in the region.

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The aim of this paper is to analyse the actual configuration of the capacities and capabilities of the countries in the South Caucasus and to determine if Azerbaijan has the necessary attributes to aspire to the position of a regional leader in a *Pax Caucasia* setting. To do so, the argument presented here is developed on the premise that the world order is built upon the relations among the players in a hierarchical sense. In this regard, Detlef Nolte, using Douglas Lemke's ideas on regional hierarchy, suggests that the world order is a multiple hierarchy model in which subsystems are found in both regional and subregional settings.⁷ These settings function similarly to the global power hierarchy. Hence, a region under a hierarchical ordering would have a leader—even if the exercise of leadership is not always apparent—that ranks at the top of its regional pyramid but closer to the bottom of the immediately superior, broader regional, hierarchical setting. Similarly, the more at the bottom the regional setting lies, the more influence it may receive from more powerful leaders higher in the pyramid, especially when “the local *status quo* is at odds with the global dominant power's preferences or the global patterns of political and economic resource allocation”.⁸ This characteristic of the regional power theory enables us to take ideas developed at macro-levels and apply them to a microcosmos of regions and subregions. If

6 A. Cohen & K. DeCorla-Souza, “Security issues and US interests in the South Caucasus”, in F. Ismailzade & G. Howard (eds), *The South Caucasus 2021: Oil, Democracy and Geopolitics* (Washington, DC: The Jamestown Foundation, 2012), p.189.

7 Nolte, D. “How to compare regional powers: analytical concepts and research topics”, *Review of International Studies*, Vol. 36, No. 04, 2010, p. 886.

8 *Ibid.*, p. 886.

the hierarchy of international politics divides the nations in regional settings, and these still have their own substructures, it is correct to say that the South Caucasus is a geographical subregion in Eurasia, despite Kathleen Hancock and Alexander Libman's argument that Azerbaijan, Armenia, and Georgia do not form a unitary political region.⁹ Thus, when political regional processes are initiated, the South Caucasus also becomes susceptible to having a regional leader. From here on, in order to simplify the cohesion of the text, the word 'region' and its derivative 'regional' will also be used to talk about the subregional dynamics, unless otherwise specified. 'Subregion' and 'subregional', in turn, will only be used when this particular idea needs to be highlighted within a broader context.

Nolte argues that the characteristics that define regional powers and regional leadership are not subject to a consensus among scholars.¹⁰ Investigations on regional leadership, therefore, need to be comprehensive and allow for the dialogue of different theoretical approaches,¹¹ which is thus one of the exercises being undertaken here.

Taking the South Caucasus as a subregion of Eurasia and using the theories of middle powermanship and regional powerhood, this paper takes a look at the capacities, relative power, and behaviour of Azerbaijan and compares the quantitative attributes with the South Caucasus countries and the neighbouring regional powers to argue that, although it cannot compete equally with Russia, Turkey, and Iran, Azerbaijan is in a position to promote regional projects and become the leader of this yet-to-be-born regional order in the South Caucasus. If Carsten Holbraad's argument that the winner of a war gains power and recognition and, as a consequence, is given the responsibility of reorganising the regional order is correct,¹² it is possible to argue that, when this thesis is adapted to the microcosmos of the South Caucasus, one of the main obstacles for regionalism will have been overcome, and Azerbaijan has now an open path to promote and to consolidate regional processes.

9 K. Hancock & A. Libman, "Eurasia", in T. Börzel & T. Risse (eds), *The Oxford Handbook of Comparative Regionalism* (Oxford: Oxford University Press, 2016), p. 206.

10 Nolte, *op. cit.*, p. 881.

11 *Ibid.*, p. 883.

12 C. Holbraad, *Middle Powers in International Politics* (London: Macmillan Press, 1984), p. 66.

The South Caucasus and Eurasia

The South Caucasus is composed of three post-Soviet nations that lie entirely within the Caucasus geographical region: Azerbaijan, Georgia, and Armenia. The south-western part of the Russian Federation, the north-eastern part of Turkey and the north-western part of Iran also lie within the conventional boundaries of the Caucasus. The South Caucasus is a geographic region with diverse cultural, religious, and linguistic heritage. Despite the South Caucasus nations having different political tendencies, different linguistic and ethnographic origins, and distinct religious beliefs from one another, geography has locked these three small nations together at the crossroads between Western and Eastern societies.

From the Middle Ages, the South Caucasus was usually a buffer borderland between empires. Swinging from one empire to another, the people of the South Caucasus were afflicted by many wars and the local elites were often subordinated to an external power: at different points in history, Byzantines, Arabs, Ottomans, Persians, and Russians imposed their influence on the territory between the Caspian and the Black seas.¹³ This perception of being a buffer region is still alive today: it can be seen in the development of the theories of a civilizational world created by Samuel Phillips Huntington.¹⁴ In a nutshell, this theoretical framework divides the world using cultural, linguistic, and religious ties as a basis. If only these variables are taken into account, the three countries in the South Caucasus are distanced from one another; however, Huntington and his followers forget the economic dynamics and path dependence involved in complex regional relations.¹⁵

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The three countries entirely within the South Caucasus region share borders with two established regional powers, Iran and Turkey, and

13 R. Motika, "The Role of Religion in the South Caucasus - Conflict Prevention and Mediation", in IFSH (ed.), *OSCE Yearbook*. (Baden Baden: IFSH, 2005), pp.261–273. Available at: <https://ifsh.de/en/publications/osce-yearbook/yearbook-2004> (Accessed: March 1, 2021).

14 Huntington, S. P., "The Clash of Civilizations?" *Foreign Affairs*, Vol. 72, No. 3, 1993, pp. 23–25.

15 A. Kazharski, *Eurasian Integration and the Russian World* (New York: Central European University Press, 2019), pp. 53–57.

one global power, Russia.¹⁶ They are thus largely influenced by these countries and also by the United States and Europe. All the mentioned regional or global players aim at increased political and economic influence over the South Caucasus. Nonetheless, whereas the region is especially important for Russia, it has recently received more European attention. For Russia, the South Caucasus, along with Central Asia (Kazakhstan, Turkmenistan, Kyrgyzstan, Tajikistan, and Uzbekistan) and the former core members of the *Russkii Mir*¹⁷ bordering the EU (Belarus and Ukraine and, due to geographical reasons alone, Moldova), is a subregion of Russian-led Eurasia.¹⁸ The Eurasian region distances itself from what is considered Europe and what is considered Asia. It is a transcontinental region with its own dynamics, made up of all of the post-Soviet nations with the exception of the Baltic countries. The Eurasian territory is confronted with contested borders and failed projects of regionalism. An exception is the construction of the Eurasian Economic

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Union, comprising Russia, Belarus, Kazakhstan, Kyrgyzstan, and Armenia and launched in 2010, but the effects of which are still hard to determine.¹⁹ For Europe, since the dissolution of the Soviet Union and the opening of the Azerbaijani gas sector to foreign investment, the South Caucasus has not only become a region to which the EU could extend its cooperation practices, but also provides an opportunity to diminish the EU’s energy dependence on Russia²⁰ and thereby diversify its energy resources.²¹

Despite not acting like a formal unitary political region because of the lack of regionalism processes, the South Caucasus is a formal geographic subregion of Eurasia. It is argued here that the 10 November statement putting an end to the Armenia–Azerbaijan conflict creates room

16 The literature on national capacities and capabilities and the theorists of middle powermanship and similar definitions used in this paper sometimes classify Russia as a global power and some other times as a regional power.

17 I. Torbakov, *After Empire: Nationalist Imagination and Symbolic Politics in Russia and Eurasia in the Twentieth and Twenty-First Century* (Stuttgart: ibidem-Verlag, 2018), p. 11.

18 Libman & Hancock, *op. cit.*, pp. 204–206.

19 *Ibid.*

20 Kirvelitė, L. “The dilemma of Azerbaijan’s security strategy: energy policy or territorial integrity”, *Lithuanian Annual Strategic Review*, Vol. 10, No. 1, 2012, p. 207.

21 J. Stern, S. Pirani, A. Honoré et al. *Reducing European dependence on Russian gas: distinguish natural gas security and geopolitics* (Oxford: Oxford Institute of Energy Studies, 2014) pp. 24–26.

for regional development processes. The statement basically declares Azerbaijan's victory and the defeat of Armenia; it also ratifies Baku's sovereign control of all previously occupied territories in the Karabakh region and its surroundings areas liberated by the Azerbaijani army, and, most importantly, anticipate the end of economic and transport blockades in the region.²²

The Possibilities for Regional Projects in the South Caucasus

Before we enter a discussion of the attributes a regional leader must possess, it is important to conceptualize what regions, regionalism, regionalisation, regional order, and regional governance are. According to Tanja A. Börzel and Thomas Risse, in their introduction to *The Oxford Handbook of Comparative Regionalism*, regions are entities placed between the local and the global;²³ they are thus social constructs that refer to a territorial locality and a normative and geographic contiguity. For the geographical contiguity to be a region, it must include more than two countries; it may also be continental, subcontinental, or transcontinental.²⁴ By analogy, subregions are entities placed between the local and the regional arrangements. In this sense, the South Caucasus is a geographic entity above the local and national levels but below the Eurasian level. Börzel and Risse also argue that regionalism refers to state-led processes for the construction and maintenance of formal regional institutions and organisations along with cooperation; regionalisation, in turn, is defined as a process that increases economic, political, and social relations among neighbouring countries, for which the emphasis lies on non-state actors. The various combinations of regionalism and regionalisation in a particular region define a regional order, whereas regional governance is seen as an institutional model of social coordination to produce binding rules and public goods and services in one or several issue areas at the regional level.²⁵

Owing to the aforementioned lack of regional arrangements in the

22 Kremlin.ru, *Zayavleniye Prezidenta Azerbaydzhanskoj Respubliki, Premyer-ministra Respubliki Armeniya i Prezidenta Rossijskoj Federatsii*, News, November 10, 2020. Available at: <http://www.kremlin.ru/events/president/news/64384> (Accessed: February 17, 2021).

23 T. Börzel & T. Risse (eds.), *The Oxford Handbook of Comparative Regionalism* (Oxford: Oxford University Press, 2016), p. 7.

24 *Ibid.*

25 *Ibid.*, pp. 7–10.

South Caucasus, regionalist approaches actually become projects of bilateral or multilateral cooperation; for example, the trans-regional Southern Gas Corridor (TAP and TANAP) projects that supply Europe with Caspian Sea natural gas and the newly built transport corridor that metaphorically reshapes the historical Silk Road linking the Western and Eastern worlds.²⁶ Both projects bypass Armenia because of the non-existence of diplomatic relations between Yerevan and Ankara, and Yerevan and Baku. Therefore, one cannot, at present, talk about South Caucasian regionalism, regionalisation, regional order, or regional governance. Nonetheless, the 10 November statement stopping the hostilities between Armenia and Azerbaijan presents the South Caucasus with a possibility for building regional arrangements.

According to Nolte, a regional arrangement does not necessarily produce an evident leader.²⁷ A regional leader—or an aspirant—must meet a series of requirements before being considered as such. There are different approaches to deal with the sense of being a leader without being a great power in international politics. The definitions of middle power, regional power, and regional middle power, and the set of definitions for countries that may fit more than one definition or role in regional and international politics, such as torn,²⁸ cusp,²⁹ or misplaced³⁰ states, usually analyse the same countries using different theoretical and methodological perspectives. Nonetheless, most approaches tend to analyse them based on middle-power premises, which are defined by their capabilities and roles in international politics, and regional power premises, which are usually also attached to the responsibility for maintaining regional order and security. Along with their roles and responsibilities, Nolte summarises these requirements as: a) being able to articulate the willingness of a leading position in a geographically limited region; b) disposing the necessary material, organisational, and ideological resources to build and maintain a regional power project;

26 Hajiyev, S., “The news you probably missed: TAP pipeline up and running”, *Euractiv*, November 19, 2020. Available at: <https://www.euractiv.com/section/azerbaijan/opinion/the-news-you-possibly-missed-tap-pipeline-up-and-running/> (Accessed: March 03, 2021).

27 Nolte, *op. cit.*, p. 884.

28 Huntington, *op. cit.*, pp. 42–45.

29 P. Robins, “Introduction: ‘Cusp States’ in international relations – in praise of anomalies against the milieu”, in M. Herzog & P. Robins (eds), *The role, position and agency of cusp states in international relations* (New York: Routledge, 2014), pp.2–21.

30 Aslam, W., Wehner, L., Koga, K., *et al.*, “Misplaced states and the politics of regional identity: towards a theoretical framework”, *Cambridge Review of International Affairs*, Vol. 4, No. 33, 2020, pp. 505–526.

and c) having great influence in regional affairs.³¹ Additionally, he points to a set of conditions that give validity to the leadership position by arguing that the regional leader must be economically, politically, and culturally interconnected with the region as well as able to influence the political delimitation of the region, promote a regional identity, take part in the provision of public goods for the region, define the regional security situation significantly, have its leadership recognized both inside and outside the region, and articulate not only its own but also regional interests in global fora and institutions.³²

In terms of capability, Carsten Holbraad³³ gives hints on various contexts that have historically been used to measure and analyse capabilities and power while also pointing to the various definitions and characteristics of being a powerful nation, but not a superpower, in international politics. As in Nolte,³⁴ many of the definitions and the analytical framework that Holbraad overviews are based on the role of the country and its relative power capability, which is the size of the territory and its population. Economic variables such as GDP (absolute and per capita³⁵) are also relevant to evaluating and labelling regional powers. Military power is also one of the analysed attributes, and focus is usually placed on the ability to produce nuclear arms, net military capacity, or self-perceived and assessed power. Here, our focus is on net military capacity and a power index. Although all of the different forms of evaluating middle powers have deficiencies,

each of these ways of identifying middle powers draws attention to an element of national power which must not be ignored in an attempt to evolve a more suitable system of classifying the powers of the world.³⁶

In line with Nolte³⁷ and most of the scholarship on great, middle, and regional powers, Holbraad argues that a state will enjoy such a status not because of its military and economic capabilities alone, but mainly

31 Nolte, *op. cit.*, pp. 890–894.

32 *Ibid.*

33 Holbraad, *op. cit.*, p. 72.

34 Nolte, *op. cit.*, p. 889.

35 Holbraad actually argues that GNP and GNP *per capita* should be used, but due to most databases displaying GDP and GDP *per capita* and due to the little difference presented in both indicators, GDP and GDP *per capita* were used in this study. Also, Nolte uses GDP as a parameter of analysis.

36 Holbraad, 1984, *op. cit.*, p. 75.

37 Nolte, *op. cit.*, pp. 890–892.

because this status is certified by others, who must present a degree of acceptance.³⁸

Finally, to denote the methodology used herein, this paper aligns with Holbraad's arguments for an analytical framework that can be used to make inferences on states that are powerful and may exercise leadership in a particular regional setting. The most suitable approach, he argues,

[...] is first to consider each region by itself and draw the line of separation at whichever level a division between middle and lesser powers seems most natural, and then to compare the results [...]. This

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method involves dividing the world into regions. For our purposes, a simple geographical division seems preferable to one based on established patterns of interaction among states.³⁹

Therefore, having defined the South Caucasus as the region to be explored and, on the basis of the relevant literature, setting Russia, Turkey, and Iran in a line above the South Caucasus, it is important to

observe the attributes of these countries to compare the extent to which Azerbaijan could be placed as a leader of the South Caucasus region.

How the Data Suggest Azerbaijan as a Regional Leader

The 10 November Statement recognises Azerbaijan as the winner of the Second Karabakh war and has returned most of the formerly occupied territories to the sovereign control of Baku. It also foresees the end of the transport and economic blockades between Azerbaijan and Armenia, and the deployment of Russian and Turkish military forces to the region to keep the ceasefire in effect. Adapting Holbraad's idea that the winner of a war is presented with the possibility to become the leader in a given system⁴⁰ to the regional context of the South Caucasus, Azerbaijan has the possibility to lead regional dynamics and processes. The question that arises from this situation is: does Azerbaijan have the necessary attributes to aspire to the leadership of the South Caucasus?

³⁸ Holbraad, *op. cit.*, p. 75.

³⁹ *Ibid.*, p. 81.

⁴⁰ Holbraad, *op. cit.*, pp. 67–75.

Table 1: Comparison of capacities of the countries of the South Caucasus and their immediate neighbours

	Population ⁴¹	GDP (abbrev.) ⁴²	GDP per capita ⁴³	Land area ⁴⁴	Power Index ⁴⁵
Russia	145,934,462	\$1.578 tri	\$10,846	16,376,870	0.0791
Turkey	84,339,067	\$852 bi	\$10,498	769,630	0.2109
Iran	83,992,949	\$454 bi	\$5,682	1,628,550	0.2511
Azerbaijan	10,139,177	\$40.75 bi	\$4,139	82,658	1.0472
Georgia	3,989,167	\$15.08 bi	\$3,762	64,490	2.2265
Armenia	2,963,243	\$11.54 bi	\$3,918	28,470	2.4216

Source: Author's own design based on data from the 2019 United Nations World Population Prospects organised by Worldometer and the 2021 Global Fire Power military index.

As the theory suggests, a regional leader must possess the capabilities necessary to lead, and its behaviour must match accordingly. In terms of land area and population, as Table 1 shows, each of the three countries above the line of the South Caucasus displays far higher numbers than Azerbaijan, Georgia, and Armenia combined; this sets them in a different class of regional leadership and above the countries of the South Caucasus in any given regional arrangement pyramid. Nonetheless, within the South Caucasus, Azerbaijan's population is more than three times larger than that of Armenia and over twice as big as Georgia's. Similar numbers are presented in the comparison of land area between Armenia and Azerbaijan. Between Georgia and Azerbaijan, the difference in land area is considerably smaller, and an

41 The data is based on the latest United Nations Population Division estimates. Retrieved from: Worldometers.info, *Countries in the world by population* (2021), 2021. Available at: <https://www.worldometers.info/world-population/population-by-country/> (Accessed: February 20, 2021). In number of inhabitants.

42 Ibid. In American Dollars, USD.

43 Ibid. In American Dollars, USD.

44 Ibid. Land area in square kilometers (km²).

45 The scores of the Global Fire Power (GFP) power index indicate the value of the military manship of a given country. The value of reference is 0.0000, which is considered to be the best balance possible of all considered variables. The higher the score of a given country, the weaker the military manpower is. Retrieved from: GlobalFirePower.com, *2021 Military Strength Ranking, Annual Ranking, 2021*. Available at: <https://www.globalfirepower.com/countries-listing.php> (Accessed: March 4, 2021).

analysis of internal and logistical infrastructure⁴⁶ suggests that, although Azerbaijan still presents better numbers, the countries are even on a set of territorial variables.

The main economic indicator of capability is GDP. This attribute is shown in Table 1 for the three countries in the South Caucasus and also for the three neighbouring countries. In addition, the table also presents the GDP per capita because, according to Holbraad,⁴⁷ when GDP is used as the sole indicator of power, it may give room for rank inconsistencies, as

a country that on the basis of [GDP] alone would assume a certain rank, might find itself in a much higher, or much lower, position when ranked with reference to a more specific indicator of power, for example population, area or armed forces.⁴⁸

Put differently, GDP is an important indicator to assess power, but its weaknesses may hinder comprehensive and accurate analysis if it is used as the only indicator of any complex phenomenon.

A close look at the economic variables shows that Russia and Turkey are in much higher positions than the other countries. Although Russia's

In terms of military capacity, Azerbaijan also ranks higher than its South Caucasian neighbours according to the 2021 Global Fire Power (GFP) military strength ranking.

GDP is almost twice as large as Turkey's, which, in turn, is almost twice that of Iran, in per capita terms, Russia's and Turkey's GDPs are similar. Iran, also an established regional power, has a GDP over ten times greater than Azerbaijan's but, when compared in per capita terms, the difference in economic capability between the two is significantly decreased. Among the three South Caucasian countries, Azerbaijan clearly stands out as the main regional actor. Azerbaijan's GDP is greater than Armenia's and Georgia's numbers combined and, although in per capita terms the difference is minimal, the country still has the best numbers.

In terms of military capacity, Azerbaijan also ranks higher than its South Caucasian neighbours according to the 2021 Global Fire Power (GFP) military strength ranking. The ranking developed by GFP organises the total available military manpower by creating a power index that agglutinates, among other variables, military might, logistical and

⁴⁶ These data are present in the Global Fire Power ranking as one of the variables used to create the power index.

⁴⁷ Holbraad, *op. cit.*, p. 78.

⁴⁸ *Ibid.*

financial capabilities, and geography. Their power index stipulates that a score of zero indicates the best match of all variables and therefore it is considered that the closer to this score a country's power index is, the stronger is its military capacity.⁴⁹

With larger available manpower and paramilitary forces; better financial indicators (defence budget, foreign reserves, purchasing power); more airpower than Georgia and Armenia combined; an overwhelmingly larger land power; and greater marine power in comparison to Georgia (Armenia is a landlocked country and does not have marine power), Azerbaijan scores better than its South Caucasus neighbours in most of the variables analysed to build their power indices. Azerbaijan's logistics also differ greatly from Armenia's, although Georgia surpasses Baku in number of ports and terminals. Among the three, Azerbaijan's oil resources and oil consumption also highlight that the country is at a different level from Georgia and Armenia.⁵⁰ Altogether, as Table 1 presents, Azerbaijan's 1.0472 power index is precisely between those of its neighbours and the regional powers: in an absolute comparison, however, it ranks closer to those of Iran and Turkey than those of Georgia and Armenia.

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In summary, all the indicators above point to two clear arguments: the regional powers around the South Caucasus are on a different level from the Eurasian subregion, and Azerbaijan is the country most suitable to aspire to leadership should a regionalist project in the South Caucasus lead to a *Pax Caspasia*. Nonetheless, these indicators are not enough for Azerbaijan to become the leader of the South Caucasus in a regional context. Its behaviour and the perception of its leadership by its neighbours must match accordingly.

Insofar as Azerbaijan's behaviour goes, its comprehensive energy and security strategy points to a balanced multilateral approach⁵¹, and its relations with the neighbouring powers and Europe are stabilised through the Non-Aligned Movement.⁵² Regional concerns are also present in Azerbaijan's behaviour and discourse. Such developments can be seen in the report 'The Priorities of the Foreign Policy of the

49 GlobalFirePower.com, *op. cit.*

50 *Ibid.* All of the above-mentioned variables are used by GFP to make the index's score.

51 Kirvelitè, *op. cit.*, pp. 205–209.

52 Huseynov, *op. cit.* p. 133.

Republic of Azerbaijan.⁵³ In this publication, along with the solution of the conflict with Armenia on the basis of the principles of the Lisbon summit and through negotiations within the OSCE Minsk Group and calls for pluralistic democracy, rule of law, and development of the

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economy and territorial integrity, Azerbaijan publicly states a set of priorities that match what is expected of the leader of a regional order. Among these priorities, the topics ‘developing good-neighbourly and mutually beneficial relations with neighbouring countries’ and ‘strengthening security and stability in the region’ are signs that Baku is willing to work on a regionalist project. Similarly, the reference to the whole South Caucasus region when addressing the prevention of proliferation of nuclear arms and the joint projects

of the Eurasian transport and energy corridors presents concrete and ongoing possibilities for greater integration in the region with the inclusion of Armenia in ongoing and future projects.

Concluding Thoughts

After winning the Second Karabakh War and presenting better capacity and increased willingness to be part of a regional project, Azerbaijan meets a set of conditions to be the leader of the South Caucasus in a Eurasian subregional context. Owing to historical developments and the greater capability of Russia at a higher hierarchical level, Moscow’s influence in the region will not cease. Nonetheless, due to the special geographical position of the South Caucasus, and the recent involvement of Ankara in its security issues, Turkey and Iran will also have a share of influence in the regional dynamics of the South Caucasus. In summary, exogenous dynamics will continue to influence the intraregional issues, but, with regional arrangements and balanced relations among neighbours, the countries will be able to pursue an increased voice in international fora and institutions. Having this panorama in mind, the prospects for Azerbaijani leadership in the South Caucasus might be found in policymaking.

Of course, to function as a stabiliser in the region, Azerbaijan must have

53 Supreme Court of the Republic of Azerbaijan, The priorities of the foreign policy of the Republic of Azerbaijan, (n.d.), Available at: <http://www.supremecourt.gov.az/en/static/view/5> (Accessed: March 5, 2021).

the willingness and the capability to assume the role of a peacemaker and peacekeeper. Azerbaijan's leadership should also be accepted by its neighbours. Although for Georgia this acceptance seems to be less problematic owing to the ongoing cooperation projects for oil and transportation with Turkey, the main focus of Azerbaijan in this context is to convince Armenia that Yerevan's net gains in joining a regional project will be greater than if Armenia decides to opt out. It is also believed that peaceful regional arrangements are to the benefit of Armenia, whereas for Georgia, improving its infrastructure and stepping up diplomatic relations with its neighbours will guarantee that Tbilisi does not lose ground in regional negotiations.⁵⁴ The endorsement of Armenia and Georgia is crucial for Azerbaijan's leadership because, according to Detlef Nolte, 'the stability of a regional power hierarchy depends on the perceived net gains of the involved states';⁵⁵ this, he argues, is more important than external validity,⁵⁶ which might be less of a problem because this leadership, in a subregional context, does not greatly impact Moscow's influence over the region and allows for the presence of Ankara as well. Backed both by Russia and Turkey, the region should not have trouble with Iran if it continues to maintain balanced and friendly relations with Teheran.

If the criteria for regional power status are, as Nolte indicates, the articulation of its leading position, the display of the necessary capabilities and resources, and influence in regional affairs,⁵⁷ Azerbaijan fulfils the main requirements. Nonetheless, a few other conditions need to be better addressed or reinvented if Azerbaijan pursues this track.

Although the three countries are connected politically and economically through path dependence, they are culturally and linguistically diverse. A regional approach in the South Caucasus must make clear that religious beliefs, culture, and language will not interfere negatively in regionalism and regionalisation processes. This automatically spills over into the articulation of a regional identity. Historically, external players have treated the countries in the

Azerbaijan thus has a great share in the definition of the regional security agenda, which is one of the additional characteristics a regional leader should have, while maintaining its regained territorial integrity.

54 Lomsadze, G., "Not all roads lead to Georgia", *Eurasianet*, March 8, 2021. Available at: <http://eurasianet.org/not-all-roads-lead-to-georgia> (Accessed: March 18, 2021).

55 Nolte, *op. cit.*, p. 889.

56 *Ibid.*

57 *Ibid.*

South Caucasus as belonging to a unitary geographic region; a common regional identity, however, is non-existent. Overcoming the problems that may arise from the aforementioned differences in faith, culture, and language will likely open the possibility of creating a regional identity.

The security agenda of the South Caucasus is largely influenced by Azerbaijan's energy policy, its territorial integrity, and the resources of the Caspian Sea.⁵⁸ Azerbaijan thus has a great share in the definition of the regional security agenda, which is one of the additional characteristics a regional leader should have, while maintaining its regained territorial integrity.

Once a regional project is launched, Azerbaijan must be prepared to take part in the provision of regional collective goods and be involved in interregional and global fora and institutions to articulate its own interests and those of the South Caucasus region. These movements will have a positive influence on the final additional characteristic of a regional leader: the recognition and acceptance of nations both within and outside the South Caucasus.

Since each of the comments presented in this section are made solely on the basis of the interpretation of the theory and data herein explored, they may well be targets of independent studies to further formulate concrete policies and future prospects. Nonetheless, there is enough theoretical and empirical evidence that Azerbaijan should be the leader of a regionalist dynamic in the South Caucasus, should the regional path be followed by Baku, Tbilisi, and Yerevan.

⁵⁸ Kirverlitè, *op. cit.*, pp. 209–211.