

A SMALL STATE WITH GROWING INFLUENCE: BALANCING AZERBAIJAN IN GLOBAL ENERGY POLICY

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Abstract

Azerbaijan holds a pivotal position in the global energy landscape due to its substantial hydrocarbon resources and strategic location between Europe and Asia. This study examines Azerbaijan's role as a key energy supplier within the context of its relationships with the EU and Russia. Applying role theory as the analytical framework, the research explores how Azerbaijan conceptualizes, negotiates, and performs its energy diplomacy while balancing external pressures and internal objectives. The study addresses three core questions: how Azerbaijan's identity as an energy supplier influences its foreign policy, how it aligns with the EU's energy diversification and sustainability goals, and how it mitigates role conflicts with Russia while preserving its sovereignty. The research employs qualitative methods, analyzing secondary data and policy documents to assess Azerbaijan's strategic approaches. The findings illustrate Azerbaijan's ability to assert agency within asymmetrical power dynamics, reinforcing its energy role with the EU through infrastructure projects like the Southern Gas Corridor, while managing role conflicts with Russia through economic cooperation and pragmatic engagement. This analysis highlights Azerbaijan's adaptability and strategic positioning, contributing to the broader discourse on small-state agency and the geopolitics of energy diplomacy.

Keywords: Azerbaijan, role theory, energy diplomacy, European Union, Russia, Southern Gas Corridor, energy security, small-state agency.

Introduction

Azerbaijan is situated at a key juncture between Europe and Asia and occupies a special place within the international energy landscape. Quite large supplies of hydrocarbon raw material—primarily oil and natural gas—and the advantageous geographical position within the Caspian Basin turn Azerbaijan into a significant provider and hub of energy. It is important for many initiatives aimed at reducing the energy dependence of Europe on Russia, among which it includes the Southern Gas

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Corridor (SGC). There is, however, much more to Azerbaijani foreign policy and energy diplomacy than the raw export of hydrocarbons: the country has to manoeuvre a very complex web of geopolitical relationships, while concurrently adhering to shifting tectonic plates in international relations, including an accelerating transition towards renewables.

This is an intricate geopolitical balancing with great challenges and opportunities for Azerbaijan. A relatively small country, it is confronted by external expectations from the EU and Russia, both interested in its energy resources and transit corridors. At the same time, the ruling elite in Azerbaijan conceptualize and bargain over its international identity, balancing the external imperatives with a domestic agenda of economic diversification, political sovereignty, and national self-determination.

While such dynamics do defy conventional representations of small states as objects of international relations, Azerbaijan is a specific case that testifies to agency on the part of small states in forms of successfully adjusting to external influences or even using one's resources as levers within the international system. The application of role theory strengthens the examination of Azerbaijan's energy diplomacy by providing a theoretical framework through which to investigate how states conceptualize, negotiate, and then enact their roles within the global system. The role theory emphasizes how the internal conception of a state's role—its self-identified identity and purposes—is dynamically interrelated with the external expectations of roles created by other international actors (Holsti 1970; Holsti 1978). This particular framework is exceptionally useful for Azerbaijan because it explains the country's behavior of balancing between contradictory influences from the EU and Russia. The EU sees Azerbaijan as a critical partner in its plans for energy source diversification and transition to cleaner energy sources (Azimov 2021). Meanwhile, Russia tries to keep Azerbaijan within its orbit, at least regarding energy matters, drawing on its historical prerogatives as a regional hegemon (Aleksanyan 2024; Wilson 2017).

Given these competing pressures, this paper explores how Azerbaijan conceptualizes and performs its role as an energy supplier to mediate between the influences of the EU and Russia. Specifically, the study examines how Azerbaijan's self-identification as an energy supplier shapes its foreign policy, how it coordinates its role with the EU's objectives on diversification and sustainable energy, and how it mitigates potential role conflicts with Russia while pursuing its energy agenda.

We use the interpretive lens of role theory to argue that Azerbaijan performs the role of energy supplier not only through the shipment of hydrocarbons, but in a two-pronged manner: investment in renewable energy resources, coupled with close cooperation with world powers, to mediate the drives of the EU for energy diversification and sustainability with those of Russia towards securing regional hegemony. Through the deliberate construction and adjustment of its international identity, Azerbaijan demonstrates a remarkable capacity for strategic adaptability and agency within highly competitive geopolitical contexts. This paper contributes to the existing literature on the agency of small states in international relations by illustrating how Azerbaijan effectively navigates competing demands from major global and regional powers (Galstyan 2024). A closer examination of Azerbaijan's energy diplomacy reveals how small states can overcome external constraints, leverage their

unique strengths, and maintain relevance in an ever-evolving international environment.

Historical Evolution of Azerbaijan's Role as an Energy Supplier

The evolution of Azerbaijan's role as a key energy supplier is deeply rooted in its historical path, heavily marked by previous periods of independence, foreign domination, and further recovery of self-government (Cornell 2011, 199). In this respect, from the very beginning as a large oil producer at the end of the 19th century to strategic readjustments following the fall of the Soviet Union, Azerbaijan's energy sector has represented a complex relationship between external constraint and internal aspiration. This section examines the historical variables that significantly shaped Azerbaijan's perception of its national role as an energy supplier. These include the legacy of the Soviet period, marked by centralized control and resource exploitation; the challenges of the post-Soviet transition, characterized by economic and political instability; and the transformative developments that established Azerbaijan as a pivotal player in the global energy market (Polláková 2018).

Azerbaijan's significance as an energy producer commenced in the late 19th and early 20th centuries, during which time the area established itself as a worldwide frontrunner in oil production (Altstadt 2017). By the year 1901, Baku was responsible for over fifty percent of global oil output, thereby drawing substantial foreign investment and fostering technological progress. However, all that dramatically changed in the course of Azerbaijan with the Soviet takeover in 1920. During the Soviet rule, the energy resources of Azerbaijan were centralized, included in the general industrial complex of the USSR, and exploited systematically for the purposes of the Soviet Union (Yergin 2008). Although that period had some positive features of technological and infrastructural progress, it reduced Azerbaijan's autonomy and made it a peripheral source within a commanding system (Cornell 2011, 199-203). The oil supplies of Azerbaijan played an important role in the Soviet military campaign during the period of World War II, providing a large portion of fuel used by the Red Army. Given the highly centralized nature of Soviet politics, however, this provided little say for Azerbaijan as to its own resources (Mukhtarov, Aliyev and Maharramli 2022; Abbasov, Karimov and Jafarova 2022). Decisions on exploration, extraction, and distribution were made in Moscow, and the authority of Azerbaijan was strictly limited (Yergin 2008). This externally imposed role brought immense role strain as the aspiration of independence was not in consort with being compelled to depend upon the Soviet system (Cornell 2011, 199-203).

With the collapse of the Soviet Union in 1991, developments in energy resources took a different dimension. Of course, with independence came the opportunity for Azerbaijan to assume full control over its energy resources, but with this came a considerable challenge. The early years of the 1990s were characterized by political instability, an economic decline, and the disastrous (for Azerbaijan) outcomes of the Nagorno-Karabakh conflict (Melander 2001). It is within this period that the Azerbaijan Government realized that its energy sector played a vital role in the stabilization of the economy, strengthening sovereignty, and reconstructing

international prestige (Cornell 2011, 199-203). President Heydar Aliyev, who came to power in 1993, managed to reconstruct Azerbaijan's national role conception as an important supplier of energy (Ibrahimov 2024). Aliyev's perspective was fixed on remodeling Azerbaijan from an obedient energy supplier in the Soviet setup into an independent actor capable of using its resources to rejuvenate the nation (Ibrahimov 2024). The process inherently called for a deliberate act of playing the role whereby Azerbaijan assumed full responsibility for its energy initiatives and actively engaged with international partners to become a key player in the global energy sphere.

The signing of the 1994 'Contract of the Century' marked a watershed in Azerbaijan's energy diplomacy since the break-up of the Soviet Union (Caspian-Alpine Society 2024). That deal, grouping together a consortium of Western oil companies, reflected a strategic turn by Azerbaijan toward Western markets and structures. The agreement paved the way for foreign investment in the development of large oil fields, such as the Azeri-Chirag-Gunashli (ACG) field, and laid the foundation for Azerbaijan's long-term energy policy (Caspian-Alpine Society 2024). It demonstrated, besides its economic significance, that Azerbaijan was seriously building along the road of sovereignty, showing capabilities to dramatize this position of an independent energy provider. The Contract of the Century has given the opportunity for Azerbaijan to gain success in repositioning itself externally as a reliable partner in the context of global energy security (Aliyev et al. 2024; Tarasova 2017). Internally, this performance of the new role was supplemented with considerable efforts of aligning national goals - economic development, sovereignty - with external expectations of stability and reliability. The role shifting of Azerbaijan from a marginal player in Soviet times to an active player in the global energy diplomacy game testifies to its capability for strategic role enactment and bargaining (Cornell 2011, 207-212).

Iham Aliyev continued to broaden this vision, ensuring the policy of modernization and diversification in the energy sphere, representing big infrastructure projects as signs of national success. A major breakthrough in this regard was the Baku-Tbilisi-Ceyhan pipeline, finally completed in May 2006, which linked Azerbaijani oil supplies directly to the West via Georgia and Türkiye. Avoiding Russian territory, the BTC pipeline became a symbol of Azerbaijan's determination to control its export routes and further align itself with Western interests. The emergence of the SGC further strengthened Azerbaijan's strategic position in terms of European energy security (Cornell 2011, 207-212). The SGC, comprising the South Caucasus Pipeline, the Trans-Anatolian Pipeline, and the Trans Adriatic Pipeline, directly connects Azerbaijani gas to European consumers, solidifying Azerbaijan's role as a crucial energy supplier for Europe (Siddi 2018; Winrow 2013). All these steps raised not only Azerbaijan's geopolitical importance but also proved that it is capable of finding its way out of the opposite interests of both the regional players and international actors. Iconic architectural images, like the Flame Towers in Baku, became visual representations of Azerbaijan's energy riches and its aspirations to develop the country further, stitching energy into the cultural and symbolic fabric of the nation.

These actions with accompanying narratives linked energy resources to national pride and tacked on public opinions to the strategic goals of the government. Energy was more than just a commodity; it was framed in such a way that, besides being a

unifying force, it could also rise above the country's problems, including the legacy of Soviet subordination and the decades-long conflict over Nagorno-Karabakh. While cultivating the national value of energy independence, Azerbaijan reduced potential role strain between public opinion and its state role performance on the global stage.

This has, however, come with its share of challenges. Despite the revenues from energy that have propelled huge economic growth, serious concerns around corruption, inequality in income, and regional disparities are still prevalent (Cornell 2011, 238-240). Reports by international organizations, including Transparency International (2017) and the World Bank (2022), show challenges in governance that undermine efforts toward the fair distribution of energy wealth. Added to these factors, centralization of power in the Aliyev administration has exacerbated them, where critics pointed out how the state's narrative of energy wealth as a unifying force clashed with lived experiences at the margins. The mismatch brings along tensions that entangle efforts at keeping internal cohesion and a stable national identity.

The EU's Energy Diversification Strategy and the Performance of Azerbaijan's Role

The EU has long grappled with energy security concerns due to its heavy dependence on Russian gas supplies (Gils 2019; Gils 2024). Historical events such as the Russia-Ukraine gas disputes in 2006 and 2009 exposed the vulnerabilities associated with this dependence, prompting the EU to seek diversification of both energy sources and transit routes (Rodríguez-Fernández, Fernández Carvajal and Ruiz-Gómez 2020).

As Azerbaijan worked to consolidate its role as a key energy supplier, the European Union introduced new external role expectations that redefined the strategic importance of Azerbaijani energy. These expectations gained urgency with the outbreak of the Russia-Ukraine war, which fundamentally altered the EU's energy priorities. Before the war, Russia accounted for approximately 40% of the EU's natural gas imports, leaving Europe vulnerable to geopolitical coercion (Celi, Guarascio, Reljic et al. 2022). With Russia weaponizing energy exports by reducing flows through pipelines like Nord Stream 1, the EU launched the REPowerEU plan in May 2022 to accelerate its transition away from Russian gas and diversify its energy sources (Siddi 2023).

Azerbaijan's strategic significance grew considerably within this context. The new 2022 EU-Azerbaijan Memorandum of Understanding on Strategic Energy Partnership (European Commission 2022) formalized this relationship, reflecting the EU's expectation that Azerbaijan would expand its gas exports to meet Europe's immediate needs. In 2023, Azerbaijan exported approximately 11.8 billion cubic meters (bcm) of natural gas to Europe (Shahbazov 2024), accounting for about 2.5% of the EU's total gas consumption. On the oil front, the EU imported around 19.8 million tonnes of Azerbaijani crude in 2022 (LUKOIL 2022; Ibadoghlu 2024), representing approximately 5% of the EU's total crude oil imports. These figures underscore Azerbaijan's role as a key, though not dominant, energy supplier to the EU, highlighting the strategic importance of its energy resources in the region's diversification efforts.

With Azerbaijan being in an important position for EU projects of energy diversification, its potential for selective adaptation to these demands is a looming issue (Gils 2024). While the EU presses for transparency, governance reforms, human rights and democracy, and compatibility with sustainability goals, Azerbaijan pitches those aspects of the partnership that enhance its sovereignty and geopolitical importance in order to avoid broader demands for political change (Gils 2019; Gils 2024). The State Oil Company of Azerbaijan Republic (SOCAR) exemplifies this adaptation. To maintain credibility with European partners, SOCAR has implemented governance improvements, such as adopting international financial reporting standards and increasing operational transparency. These changes enhance Azerbaijan's reputation as a dependable partner while securing continued investment in its energy infrastructure. Nevertheless, governance practices in Azerbaijan still raise many controversies. The 2023 resolution by the European Parliament expressed concern with democratic deficiencies and the human rights record in Azerbaijan, indicating tensions between the EU normative agenda and domestic policy in Azerbaijan (European Parliament 2023). These critiques notwithstanding, the EU has mainly compartmentalized the relationship with Azerbaijan, bracketing political reform for energy security (Kamilsoy and Zamejc 2022). Such pragmatism underlines the urgency with which Europe needs to make sure that its energy supply is stable in light of the Russia-Ukraine War.

Azerbaijan's partnership with the EU concerning energy security is consistent with shared objectives; however, it simultaneously engenders intrinsic tensions owing to conflicting role expectations (Gils 2024; Gils 2018). The EU's strategic alliance with Azerbaijan emphasizes energy security and diversification; nonetheless, its extensive normative framework—which encompasses expectations for governance reforms, transparency, and adherence to human rights—poses a risk of role strain. From the point of view of role theory, Azerbaijan's role conflict follows from the divergence between internal role conceptions—sovereignty and domestic control in first place—and external role expectations from the EU. In addressing this conflict, Azerbaijan has pursued approaches of selective engagement focused on the fulfillment of energy-related expectations while limiting political critiques. For example, the Azerbaijani authorities have framed the SGC as an entirely economic project, deliberately refusing to align with the political attitudes of the EU. The framing of issues reduces tensions and allows Azerbaijan to maintain a fragmented relationship wherein energy cooperation is stepped up despite far-reaching normative incompatibilities.

It remains, however, to be proven feasible. The increasing focus on renewable energy sources and climate commitments by the EU raises questions regarding the long-term viability of the hydrocarbon-based aspect of Azerbaijan's strategy. The European Green Deal (European Commission 2024b) and the following REPowerEU (European Commission 2022) plan have marked a shift in the EU's attention in which the role of Azerbaijan as a gas supplier is bound to shrink. This shift in the EU toward cleaner energy will also allow Azerbaijan to sidestep implications for being less relevant. With that in mind, Azerbaijan, being aware of the changing character of the global energy market, started to adopt renewable energy sources into its energy mix.

This step constitutes an effort toward maintaining its position as a reliable energy partner for Europe (LaPorte 2024).

Since 2022, Azerbaijan has signed agreements with international investors for the development of serious projects on renewable energy, including wind and solar stations totaling more than 700 megawatts. This strategic shift, therefore, coincides with the priorities of the EU geared toward sustainability and climate action. By investing in renewables, Azerbaijan positions itself as a progressive energy partner that could help meet the long-term energy goals of Europe (Civillini 2024). For example, the state has signed cooperation with the EU within the Green Energy Partnership for the purpose of integrating renewable energy sources into the SGC infrastructure (European Commission 2024a, 2024b). Such steps show that Azerbaijan is ready to change its role performance considering the emergence of new external demands without any loss of independence. Viewed through the lens of role theory, Azerbaijan's renewable energy initiative illustrates the nation's ability to adapt its roles. By broadening its self-perception from a conventional hydrocarbon supplier to a multifaceted energy provider, Azerbaijan mitigates possible role strain and improves its strategic adaptability. Challenges, however, remain: at the current moment, renewable energy potential is still in its infancy in Azerbaijan, and such a transition requires huge financial investment, technological know-how, and institutional reforms (Civillini 2024).

Russia's Role Expectations and Azerbaijan's Strategic Position

Russia's relationship with Azerbaijan is shaped by a complex interplay of power dynamics, historical ties, and evolving geopolitical realities. Through the lens of role theory, Moscow's approach reflects a persistent effort to prescribe Azerbaijan a role that aligns with its strategic objectives. These include safeguarding Russia's influence in the South Caucasus, maintaining dominance over regional energy flows, and limiting Azerbaijan's integration with Western structures (Naumkin 2002; German 2022; Manukyan 2024; Mankoff 2022). However, Azerbaijan's self-perception as a sovereign and independent energy supplier often diverges sharply from these external expectations, creating a continuous undercurrent of role conflict between the two states (Aslanli 2010; Köstem 2022).

Russia views Azerbaijan as strategically vital due to its geographic position and energy potential. The South Caucasus serves as a crucial buffer zone and transit corridor, connecting Europe and Asia (Shlykov 2024). Azerbaijan's significant hydrocarbon resources make it a key player in global energy markets, further elevating its importance in regional calculations. Moscow's expectations for Azerbaijan are deeply embedded in its broader geopolitical strategy, which seeks to preserve its traditional dominance over the post-Soviet space.

Azerbaijan, however, has consistently resisted these prescriptions, asserting its independence through policies and projects that bypass Russian influence (Ismayilov 2019; Çakmak and Özşahin 2023). The Southern Gas Corridor (SGC), which directly connects Caspian gas to European markets, epitomizes Azerbaijan's defiance of Moscow's expectations. This divergence underscores the fundamental conflict between

Russia's prescribed role for Azerbaijan and Baku's own priorities (Çakmak and Özşahin 2023; Silaev 2021). The Ukraine war has significantly amplified these dynamics, altering both the regional balance of power and the global energy landscape. As Europe moved to reduce its dependency on Russian gas, Azerbaijan emerged as a crucial alternative supplier. This shift has allowed Azerbaijan to assert its role more confidently, deepening its partnerships with European states while Russia's traditional dominance in the region has declined.

Russia's response to these developments reflects both adaptation and persistence. On one hand, Moscow continues to seek influence in Azerbaijan's energy sector through economic ties. Russian energy companies, such as LUKOIL, hold stakes in major Azerbaijani projects like the Shah Deniz gas field, maintaining a foothold in Azerbaijan's hydrocarbon industry. These investments create a degree of interdependence that mitigates tensions and ensures continued cooperation in certain areas. On the other hand, Russia employs diplomatic and economic tools to encourage alignment. Initiatives such as discounted energy supplies and offers of infrastructure collaboration aim to entice Azerbaijan into closer integration with Russian-led frameworks, though with limited success.

From Azerbaijan's perspective, maintaining pragmatic ties with Russia is essential for mitigating the risks of outright conflict. Azerbaijan avoids direct confrontation by framing its energy initiatives as economic endeavors rather than geopolitical maneuvers against Russia. This neutral framing reduces the likelihood of escalating tensions and enables Azerbaijan to pursue its energy agenda without provoking Moscow. For example, while Azerbaijan prioritizes export routes like the SGC and Baku-Tbilisi-Ceyhan (BTC) pipeline, it continues to use the Baku-Novorossiysk pipeline for some oil exports, signaling its willingness to maintain limited cooperation with Russia.

The broader implications of this balancing act highlight Azerbaijan's ability to leverage its strategic assets to navigate asymmetrical power dynamics. By capitalizing on its geographic position and energy resources, Azerbaijan asserts its autonomy while simultaneously mitigating the pressures imposed by Russia's role expectations. The post-Ukraine geopolitical environment has further strengthened Azerbaijan's hand, enabling it to perform its self-identified role as a sovereign energy supplier with greater confidence.

The role conflict between Azerbaijan and Russia ultimately illustrates the complexities of small-state agency in the context of great-power influence. While Moscow continues to promote its expectations through economic and diplomatic channels, Azerbaijan actively reshapes its role to align with its national interests. This dynamic underscores the fluidity of roles in international relations, where smaller states can challenge external prescriptions by leveraging strategic assets and pursuing adaptive strategies.

Mitigating Role Conflict: Azerbaijan's Pragmatic Balancing

Azerbaijan's ability to mitigate role conflicts with Russia lies in its pragmatic approach, blending strategic cooperation with diplomatic neutrality and selective

engagement. As Azerbaijan asserts itself as a sovereign energy supplier and deepens its ties with Europe, it simultaneously manages the expectations of its more powerful northern neighbor. This balancing act is particularly challenging given Russia's historical dominance in the South Caucasus and its role as a major energy competitor. By fostering economic interdependence, maintaining neutral rhetoric, and accommodating limited Russian interests, Azerbaijan mitigates potential tensions without compromising its core national priorities.

One key aspect of Azerbaijan's strategy is its deliberate focus on fostering mutually beneficial economic ties with Russia (Graef 2023; Tyushka 2024). The bilateral trade relationship remains strong, with Azerbaijan exporting agricultural products, polymers, and industrial goods to Russia while importing machinery and essential commodities. This economic interdependence has been particularly important for Russia, whose economy faces the strain of international sanctions following the Ukraine war (Graef 2023). Azerbaijan's logistical and trade contributions, including its role in the International North-South Transport Corridor, have provided Russia with critical access to global markets (Vinokurov, Ahunbaev and Zaboiev 2022; Odintsov 2022). These pragmatic engagements reduce the likelihood of conflict by emphasizing shared economic interests rather than geopolitical competition (Götz 2022; Skalamera 2022).

In the energy sector, Azerbaijan avoids openly antagonizing Russia while pursuing its independent agenda. Russian energy companies, such as LUKOIL (LUKOIL 2022; Ibadoghlu 2024), maintain stakes in key Azerbaijani projects like the Shah Deniz gas field. These partnerships create a degree of interdependence that moderates potential friction, as both countries benefit economically. Azerbaijan also continues to export a portion of its oil through the Baku-Novorossiysk pipeline (Ismailov and Nadjafova 2022), even as the majority of its exports are directed westward through the Baku-Tbilisi-Ceyhan (BTC) pipeline and the Southern Gas Corridor (SGC). By maintaining limited cooperation in energy transit, Azerbaijan signals its willingness to accommodate some Russian interests while prioritizing its alignment with European markets.

Another vital component of Azerbaijan's strategy is its commitment to neutral rhetoric and careful framing of its energy initiatives. Unlike other countries in the region, Azerbaijan avoids openly criticizing Russia or framing its energy projects as geopolitical maneuvers. Instead, it presents initiatives such as the SGC as apolitical efforts to enhance regional energy security and economic development. This narrative minimizes the perception of Azerbaijan as a rival to Russia and reduces the risk of overt confrontation. By framing its actions in terms of mutual benefit, Azerbaijan fosters an environment conducive to dialogue and cooperation (Veebel and Ploom 2024), even as it pursues divergent objectives.

The full annexation of the Nagorno-Karabakh in 2020-2023 marked a significant turning point in Azerbaijan's relationship with Russia. Following the withdrawal of Russian peacekeeping forces and Azerbaijan's full annexation of the region, Baku eliminated a longstanding source of external influence in its domestic affairs. Russia's preoccupation with the Ukraine war and its diminished regional influence have limited its ability to assert control over Azerbaijan's decisions. This has allowed Azerbaijan to

consolidate its sovereignty in the South Caucasus without facing significant backlash from Moscow.

From a role theory perspective, Azerbaijan's approach exemplifies the concept of role negotiation and adaptation. Faced with conflicting expectations from Russia and Europe, Azerbaijan has successfully redefined its role as a sovereign energy supplier by leveraging its geographic position, energy resources, and diplomatic flexibility. The key to this success lies in Azerbaijan's ability to align certain aspects of its role performance with Russian interests while pursuing its broader objectives independently. For example, by continuing economic and energy ties with Russia, Azerbaijan reduces role strain and creates space for maneuver in its relationships with other powers.

Multi-vector diplomacy remains a cornerstone of Azerbaijan's strategy. By cultivating strong ties with Türkiye, the EU, and other regional actors, Azerbaijan dilutes Russia's influence and ensures access to alternative sources of support (Murinson 2009). This multi-faceted approach enables Azerbaijan to maintain its strategic autonomy without becoming overly reliant on any single actor. For instance, Azerbaijan's partnerships with Türkiye, exemplified by the Trans-Anatolian Pipeline (TANAP), and its alignment with European energy priorities through the SGC, underscore its ability to balance competing pressures (Yorucu and Mehmet 2022). At the same time, Azerbaijan continues to engage with Russia through multilateral forums and bilateral agreements, signaling its commitment to regional stability.

Despite these successes, Azerbaijan's balancing act remains fraught with challenges. The asymmetry in power dynamics with Russia necessitates constant vigilance, as any significant shifts in Moscow's posture could disrupt the delicate equilibrium. Furthermore, Azerbaijan's growing alignment with Europe, particularly in the energy sector, increases the risk of geopolitical friction, especially as Russia seeks to reassert its influence in the South Caucasus. However, Azerbaijan's strategic use of framing, coupled with its pragmatic engagement with Russia, mitigates these risks and preserves its ability to act independently.

Conclusion and discussion

Azerbaijan's energy diplomacy illustrates the complexities and opportunities faced by small states in responding to asymmetrical power dynamics within a globalized and interconnected world. Positioned at the intersection of Europe and Asia, Azerbaijan has leveraged its geographic location, substantial hydrocarbon resources, and strategic partnerships to emerge as a critical energy supplier in a rapidly evolving international energy landscape (Gurbanov and Mammadli 2024). Through the application of role theory, this analysis highlights Azerbaijan's ability to conceptualize, negotiate, and perform its role as an energy supplier amidst competing pressures from the EU and Russia.

Azerbaijan's pursuit of sovereignty and strategic autonomy underpins its foreign policy and energy diplomacy. From the historical constraints of the Soviet era to the transformative 'Contract of the Century', Azerbaijan has consistently sought to assert its independence through deliberate infrastructure development and partnerships. The

Southern Gas Corridor, the Baku-Tbilisi-Ceyhan pipeline, and other strategic projects exemplify Azerbaijan's role as an indispensable energy provider to Europe, reducing the continent's dependence on Russian energy supplies. This role has only grown in significance in the context of the Russia-Ukraine war, which has reshaped European energy priorities and placed Azerbaijan at the center of diversification efforts. However, Azerbaijan's role as an energy supplier is not without challenges. While its collaboration with the EU has elevated its strategic importance, it has also created role conflicts with Russia. Moscow's historical dominance in the South Caucasus and its desire to control regional energy flows often clash with Azerbaijan's independent energy policies. Yet Azerbaijan has successfully mitigated these conflicts through pragmatic engagement, economic interdependence, and strategic framing of its energy initiatives as apolitical. The continued use of the Baku-Novorossiysk pipeline and partnerships with Russian energy companies like LUKOIL demonstrate Azerbaijan's willingness to accommodate certain Russian interests without compromising its broader objectives.

The annexation of Nagorno-Karabakh in 2023 created new risks to the national and human security of Armenians and Armenia (Barbieri and Aleksanyan 2024), and further strengthened Azerbaijan's sovereign foreign policy and diminished Russia's influence in the region. The withdrawal of Russian peacekeepers and the complete annexation of Nagorno-Karabakh territory and the occupation of part of Armenia by Azerbaijan marked a decisive shift in regional dynamics, allowing the Azerbaijani leadership to focus more on national development and energy diplomacy. This turning point underscores Azerbaijan's growing confidence and its ability to find a delicate balance between asserting its sovereignty and maintaining stable relations with its northern neighbor.

Azerbaijan's energy diplomacy provides valuable insights into the agency of small states in global politics. By leveraging its strategic assets, managing role conflicts, and adopting a multi-vector foreign policy, Azerbaijan demonstrates that even smaller nations can shape their roles in the international system. Its ability to adapt to shifting global dynamics while maintaining its sovereignty offers a model for other small states facing similar challenges. As Azerbaijan continues to transition toward renewables and address governance challenges, its energy diplomacy will remain a cornerstone of its foreign policy, exemplifying the resilience and agency of small states in a competitive and uncertain world.

Supplementary material

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Conflict of interests

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Ethical standards

The author affirms this research did not involve human subjects.

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