

# LEGAL AND ECONOMIC PRINCIPLES OF THE FOREIGN POLICY OF INDEPENDENT AZERBAIJAN IN RELATION TO NEIGHBORING COUNTRIES

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**Abstract.** The subject of the study is the conceptual, theoretical, empirical, methodological and applied foundations of the legal and economic principles of the foreign policy of independent Azerbaijan in relation to neighbouring countries. *Methodology.* General scientific and special legal methods were used in the process of research. The analysis determined the quantitative characteristics of the economic and legal principles of the foreign policy of independent Azerbaijan in relation to the neighbouring countries as a social phenomenon. The synthesis provided the formation of common features of the legal and economic principles of the foreign policy of independent Azerbaijan in relation to the neighbouring countries. The comparative legal method allowed to identify the characteristic similarities and differences in the international regulatory legal acts, national legislation in this sphere, as well as the prospects for improvement of legal regulation of such relations. The formal-legal method created the conditions for the formulation of conclusions on the effectiveness of measures defined by the international and national legislation in the field of construction of economic and legal principles of foreign policy of independent Azerbaijan in relation to the neighbouring countries. The *purpose* of the article is to define the economic and legal foundations of the independent Azerbaijan's foreign policy towards neighbouring countries. The results of the study showed that the economic and legal principles of independent Azerbaijan's foreign policy towards neighbouring countries are based on respect for territorial integrity, independence, national identity, free economic development, ensuring security and creating an image of a safe and reliable partner both within the Southern Transcaucasus region and beyond. *Conclusion.* The relationship between the economic and legal components in the content of the country's foreign policy activity is differentiated, where the economy acts as a means and functionality for the use of a certain set of resources for the production, sale, distribution and consumption of public goods, and the law ensures the structuring of all social phenomena according to certain rules of behaviour in terms of satisfying public and private interests in the context of building a compromise model of the relationship between them. The economic principles that underpin Azerbaijan's relations with neighbouring countries are predicated on geographical and geopolitical factors, which exert an indirect influence on relations in the oil and gas industry, the construction of transport routes and ways of moving goods, and the ensuring of the region's energy security and other geopolitical formations. In this context, the potential for the implementation of projects to create free economic zones is noted. In the economic sphere, Azerbaijan chooses the means and instruments of co-operation that correspond to the foundations of a civilised, market-based approach to the comprehensive solution of security, resource, energy and financial problems. Azerbaijan is involved in the implementation of many projects of security, energy and logistic nature, including "One Belt, One Road", "Belt and Road", "Middle Corridor", "North-South", "Crossroads of the World", etc. Among the countries occupying a dominant position in the world economy, Azerbaijan has developed the deepest and broadest relations with China, which is reflected in the relevant foreign economic projects. The legal basis of Azerbaijan's co-operation with neighbouring countries is determined on three levels: 1) universal international law; 2) regional international law; 3) national. The dispositive principles of co-operation with the EU are described in detail, with particular reference to the peculiarities of the legal regime established by the founding documents of this organisation and the fundamental founding agreements. Attention is drawn to the rather defining provisions of the intergovernmental agreements of Azerbaijan with China and Kazakhstan, in view of a number of common interests in the field of security, energy independence, logistics and other areas of the economy. The potential for the advancement of such relations is acknowledged, with the

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premise of exponential diversification being established as a foundation. This diversification is characterised by the acceleration of the non-oil sector, irrespective of the magnitude of oil revenues, and the integration of information and communication technologies across various societal domains.

**Keywords:** legal and economic framework, foreign policy, neighbouring countries, international co-operation, security environment, logistics.

**JEL Classification:** F53, K00, P00

## 1. Introduction

Modern socio-economic, geopolitical, legal and other processes are tectonic phenomena in the epistemological formation and development of humanity, which is mediated by the prerequisites of a domestic and foreign political nature. These prerequisites are formed in society both at the level of ethnic groups, peoples and nations, and at the level of regional and global international formations of an interstate and supranational nature.

It is evident that establishing analogies between the organism of human society and the human organism itself is a fruitful endeavour. Such analogies highlight the existence of a functional and organic dependence, whereby the circulatory system of society is analogous to the economy and the corresponding economic institutions, and the nervous system is analogous to the corresponding legal system. In this analogy, doctrinal approaches, particularly the rule of law and the primacy of human rights, are considered to form the vegetative subsystem. It is reasonable to conclude that such a model of social existence is acceptable, given the essence of the economy as a means and functionality for using a certain resource toolkit for the production, sale, distribution and consumption of public goods. Similarly, the law can be considered a sphere of structuring all social phenomena according to certain rules of behaviour in terms of satisfying public and private interests. In this way, a compromise model of the relationship between these two spheres can be built.

The social existence of individuals and communities within the framework of national or international economic and legal regimes is subject to certain rules and laws, which are reflected in the various aspects of the activity of the relevant state. Furthermore, geopolitical phenomena of regional and global significance exert a substantial influence on such processes, with the former exerting a more pronounced impact on the economic and legal vectors of development for a given society in the near future. This is precisely what justifies the priority of determining the influence on Azerbaijan in this study of neighbouring countries. Concurrently, it is lamentable that the utilisation of proxy technologies from the technical (ip) sphere has attained a considerable degree of notoriety in the contemporary world. The essence of these technologies pertains to the employment

of the proxy model, whereby a subject operates, to a certain extent, in the economic, political, and legal domains, whether consciously or subconsciously, in accordance with the prevailing level of development and the hierarchy of foreign policy relations, for the benefit of another subject. These entities can be both regional and global actors within the international market and the broader foreign policy and legal landscape.

Azerbaijan is a modern, civilised country that combines a deep-rooted cultural heritage with modern interests of an internal and external nature. The foreign relations of Azerbaijan are significantly influenced by its close proximity and historical connections with neighbouring countries, including Iran, Russia, Georgia, and Armenia. Concurrently, relations with such global subjects of international law as the EU, China, and the USA are no less significant, which are manifested in direct relations with Azerbaijan and indirect relations with neighbouring countries that have chosen the appropriate vector of economic relations and the implementation of certain principles of social existence.

The present study builds upon earlier research in this area, which has examined the legal and economic foundations of the foreign policy of independent Azerbaijan towards neighbouring countries in these dimensions. In particular, among the studies of the economic direction of this sphere of relations, it is necessary to note the works devoted to: the influence of the Chinese economy on the global and national systems (Huang, 2016), China's relations with the Transcaucasian republics (Mokretskii, 2020), in the context of the strategic partnership with Israel and Iran (Souleimanov, Ehrmann, Aliyev, 2014), bilateral relations between Azerbaijan and Iran (Rustamova, 2018), trade relations between Azerbaijan and Kazakhstan (Kerchelaev, 2023), the oil determinant in relations with Russia (Jabbarov, 2022), trade aspects of relations with Georgia (Quliyev, Abesadze, Abesadze, Amanova, 2019), the energy component of economic relations between Azerbaijan and the EU (Ultan, Saygin, 2022), economic partnership in the framework of US-Azerbaijan relations (Garashova, 2023).

In the legal sphere, Azerbaijan's relations with neighbouring countries and some other countries of global status were considered from the perspective of: the development of relations between the

Baltic and Black Sea countries (Marshania, 2011), EU co-operation with the countries of the Black Sea region (Golovko-Gavrysheva, 2013), general legal principles of the functioning of international organisations with the participation of Azerbaijan (Zinko, Baikovsky, 2015), deepening of international co-operation between Azerbaijan and the EU, Georgia, Moldova and Ukraine (Kyrylko, 2021), bilateral relations between Ukraine and Azerbaijan with regard to regional co-operation (Baba-zadeh, 2024).

The aforementioned works rightly emphasise the importance of combining the economic and legal factors in the implementation of international relations of Azerbaijan with neighbouring countries and countries that play an important role in determining the geopolitical directions of the country's progressive movement in the modern civilized world. Therefore, they are relevant for further scientific explorations.

## 2. The Economic Factor in the Formation of Azerbaijan's Relations with Neighboring Countries

The economic prerequisites for the formation and development of each country are interconnected with a number of factors of different genesis, where the geographical and geopolitical location of the territory of this state is significant. In the latter area, the issue of the presence of neighbouring countries that directly affect all spheres of life of the state under consideration, or are the object of influence of other countries of a global geopolitical nature, is worthy of attention.

For Azerbaijan, in the context of the above, relations with neighbouring countries Iran, Russia, Georgia, Armenia are significant, some of which claim to be leaders of a regional or global scale, as well as relations with countries from among the global players in the international arena, such as the EU, China and the USA.

The economic statistics of Azerbaijan are typically formulated with reference to the indicators of neighbouring countries, where the economic results

of the countries of Transcaucasia are particularly comparable. Azerbaijan has occupied a relatively prominent place during the period of independence, distinguished by exponential GDP growth, which in 2021 had the structure shown in Figure 1 (Economy of Azerbaijan, 2024).

The prevailing perception of Azerbaijan is inextricably linked to its status as a prominent player in the global oil and gas industry. This economic dominance, in turn, exerts a significant influence on the formulation of the country's foreign policy and its economic interactions with other actors in the international arena.

A thorough examination of the published "Azerbaijan 2020: Look into the Future" Concept of Development indicates the following transformations in the field of geopolitical directions of development of Azerbaijan, where economic foundations occupy a prominent place (Concept of Development, 2020). The document under consideration proposes the determination of an optimal combination of opportunities and resources as a strategic message for the development of the country. The purpose of this combination is to achieve sustainable development and high social well-being, effective public administration and the rule of law, ensuring all human rights and freedoms, and forming an active status of civil society in public life. Concurrently, a pivotal catalyst for the advancement of the Azerbaijani economy is its exponential diversification, predicated on ensuring elevated development of the non-oil sector, irrespective of the magnitude of oil revenues.

It is projected that the full and most effective use of economic, social and political resources will be made for the development of energy, transport, transit and logistics infrastructure. This suggests the continuation of the development of the non-oil sector, which is mediated by the widespread use of progressive forms of management and management in general, and in this area in particular. It is imperative to acknowledge the significance of enhancing the

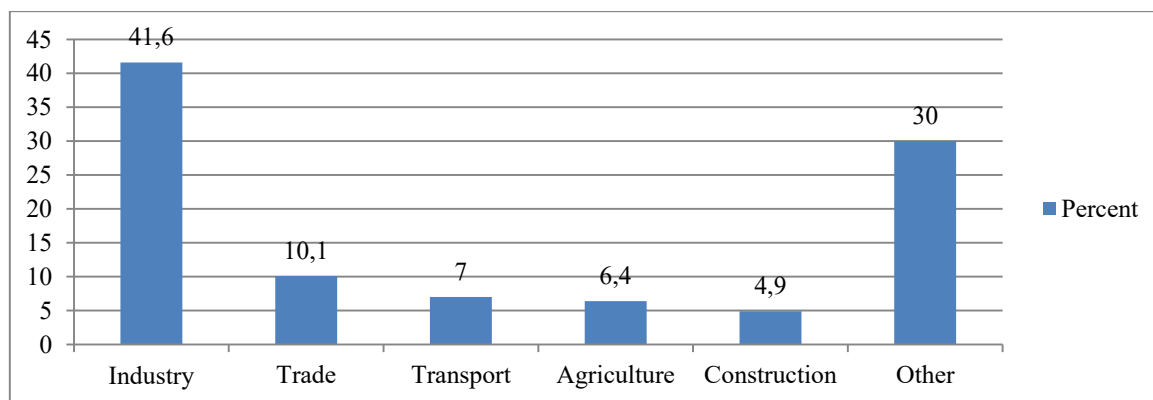


Figure 1

logistics model within the Azerbaijani economic development framework. This enhancement encompasses the development of international transport corridors, namely Europe-Caucasus-Asia and North-South, which play a pivotal role in facilitating trade and economic growth. Of particular importance in the structure of the development of the economic model of Azerbaijani society is the introduction of information and communication technologies into various spheres of life. This, among other things, creates the prerequisites for accelerating and improving international foreign economic relations with both neighbouring countries and other states. The latter is positioned in the aforementioned document as a means of establishing new standards of international trade, competition, and intellectual property, and of involving international organisations and relevant formations at the global and regional levels in this process, in which neighbouring countries have a rightful place.

At the same time, the key to Azerbaijan's development is to prevent the country from becoming a raw material appendage of the world economy in the medium and long term and to ensure the growth of its economy on an innovative basis. Among the priority areas of foreign economic co-operation, the development concept proposes to consider, through the prism of the globalisation of the world economy, the issues of developing multifaceted relations with neighbouring countries, in particular, through the formation and expansion of the work of regional economic unions and the so-called power economic centres, including the EU, the USA and China.

A thorough analysis of scientific research indicates the following patterns and features of foreign economic relations that take place in the context of the subject of this work. In the foreign policy sphere, the following issues are proposed to be distinguished as the primary tasks: the active utilisation of "energy diplomacy", the positioning of Azerbaijan as a leading country in the South Caucasus, the promotion of national interests through the primary utilisation of oil and gas resources, and the transformation of the country into a regional energy centre by means of the intensification of the energy sector within the structure of the national industry (Tkachenko, 2021). Evidently, this concept is to a certain degree indirectly associated with the findings of the Concept of Development analysis previously conducted. However, it is wholly consistent with the foreign economic policies of nations of a global scale, as evidenced by the examples of the United Arab Emirates and the Russian Federation.

Concurrently, F. R. Jabbarov draws attention to the prevailing sphere in the foreign economic relations of the Russian Federation with Azerbaijan, namely the oil determinant in historical retrospect, which

certainly influenced the tangle of problems that to some extent played a role in the formation and development of the Azerbaijani economy (Jabbarov, 2022). This is attributable to two factors. Firstly, the primary consumer of Baku oil in both the past and present is the specified country. Secondly, there is a model for using the logistics of oil pipelines built in Soviet times. This model is based on the geographical location of Azerbaijan and the geopolitical architecture of the arrangement of regional foreign economic relations.

Moreover, there are assessments that rightly highlight in the relations between the Russian Federation and Azerbaijan precisely the interdependent factors based on the joint use of certain energy logistics hubs that were created during the joint existence of the Soviet country. In addition, the location of Azerbaijan next to a part of the Russian Federation in the European part of the continent and the presence of a corresponding array of resources mediate the formation of the roots of a competitive environment in which the economies of both countries develop as sources of resource supply for the EU, primarily in the oil and gas sector (Ultan, Saygin, 2022). In today's conditions, the issue of diversification of energy resources has emerged on a new level, mediated by centres of instability caused by a number of factors, among which the Russian-Ukrainian war occupies a leading place as a factor of existential threat at the regional and global levels. In such circumstances, there are circumstances of undersupply or complete disruption of the supply of oil and gas resources through the traditional logistical routes from the Russian Federation and Azerbaijan to the EU. In this respect, it is correct to consider Azerbaijan as an alternative to the import of natural gas to Europe, where the political and economic benefits of this for the EU and Azerbaijan can be clearly traced, as well as ensuring the EU's energy security along the US-Russian axis, which significantly undermines the energy dependence of European countries on the latter.

Azerbaijan's economic co-operation with Georgia is of significance, manifesting in a multifaceted manner. Concurrently, a notable increase in trade turnover is observed in the export and import sectors, with notable items including alcoholic beverages, potatoes, fruits, ferroalloys and soft drinks (Quliyev, Abesadze, Abesadze, Amanova, 2019). In the context of the aforementioned co-operation, it is imperative to acknowledge the implementation of individual logistics projects, such as the Trans-Caspian international transport route, and the establishment of an alternative to Russian logistics corridors, including the Baku-Tbilisi-Ceyhan oil pipeline.

Among the countries of Central Asia, the most extensive co-operation has been experienced with relations with Kazakhstan, which is argued to be both

a logical conclusion and a justifiable one, given its geographical location and the presence of common interests related to the realization of the largest hydrocarbon reserves in the region. In particular, such relations have found justification in the context of the utilisation of the Caspian Sea reserves, as well as the construction and implementation of a number of transport logistics routes. These include the Europe-Caucasus-Asia branch of the New Silk Road, the Trans-Caspian international transport route, the North-South route with ferry crossings between both countries, and the introduction and implementation of free economic zones, such as the Aktau Sea Port. As Kerchelaev (2023) argue, co-operation in the field of agriculture between these countries is of equal importance.

According to certain researchers, Azerbaijani-Iranian relations in the economic sphere are projected through certain foreign policy contradictions, which are mediated by the polar demarcation of the Azerbaijani-Israeli partnership and the hostile policy that takes place in the relations between Iran and Israel (Souleimanov, Ehrmann, Aliyev, 2014). This approach is supported by a number of rational considerations. However, when viewed through the lens of the economic component and cultural combination of the achievements of the Iranian and Azerbaijani peoples, it is clear that a certain degree of moderation is required. This is particularly true when taking into account certain positive trends in the relations between these countries. This point was emphasised by Z. Rustamova (2018), who identified areas of economic co-operation between Azerbaijan and Iran, including electricity exchange, transport, agriculture, tourism, security, environment, and infrastructure. An additional prerequisite for the development of the above-mentioned relations was the creation of a means of resolving various geopolitical and regional contradictions, which should be represented by multilateral foreign economic activity, which is a noteworthy alternative to various types of sanctions as a mechanism for influencing a subject of international law. Since any radical means, including economic ones, create preconditions for the onset of domestic or foreign policy crises, which may result in radical mechanisms of influence on other subjects of international law, which does not always have a positive outcome.

A comprehensive and systematic approach to the study of the nature of foreign economic relations between Azerbaijan and Iran is the approach that contrasts the informal union India-Armenia-Iran with another informal union Pakistan-Azerbaijan-Turkey. Moreover, in this context, the influence of the Israeli-Iranian relations on the corresponding relations between Azerbaijan and Iran is again highlighted, where attention is paid to satisfying the

main needs of Israel in oil products precisely at the expense of Azerbaijani resources. Simultaneously, the suboptimal institutional level of Azerbaijani-Iranian relations is accentuated, encompassing the economic domain. This shift can be attributed to the meeting of the leaders of both states in early 2023. In terms of the future development of these relations, a position is articulated on the construction and implementation of the international transport corridor "North-South", in which Azerbaijan and Iran constitute a pivotal link. One of the phases of the implementation of this project is identified as the construction of the Zangezur corridor (Aghazadeh, 2024).

Since independence, relations between Azerbaijan and the United States have been structured around the oil and gas industry in the structure of economic relations. At the same time, such co-operation was aimed at expanding Azerbaijan's co-operation with Western oil companies, forming a Western direction of hydrocarbon exports of this republic, preserving the international legal status of the Caspian Sea and developing its resources, and providing the USA, represented by private companies, with access to Azerbaijan's oil fields. The above is related to the existing competition policy of the USA and the Russian Federation in terms of forming an energy corridor outside and directly through the Russian territory, respectively. In connection with the above, the USA was seen as a guarantor of preserving Azerbaijan's independence and attracting additional investments into its economy in the oil sector of the country's economy (Markova, 2021). Garashova's position on this matter is consistent with the aforementioned considerations, with the author highlighting four distinct periods of co-operation between the countries in question. Each of these periods is characterised by its own notable features. The period from 1991 to 2001 was characterised by the formulation of numerous ambitious plans, including those of an economic nature, particularly the establishment of the Baku-Tbilisi-Ceyhan pipeline. However, priority was accorded to political objectives related to the dissemination of democracy and the protection of human rights. From 2001 to 2007, economic factors were accorded greater priority, particularly with regard to the implementation of the Baku-Tbilisi-Ceyhan pipeline project. The period from 2007 to 2015 was characterised by a shift in focus from energy and security issues, with democracy and human rights once again becoming a priority. And finally, in the period from 2015 to 2020, the US policy in relations with Azerbaijan was implemented under the influence of the unconventional gas revolution, as a result of the cooling of interest in traditional sources of hydrocarbons, the decline in the importance of Central Asia, the spread of isolationism, and so forth (Garashova, 2023).

The most significant influence on the economic development of Azerbaijan was exerted by China, which has been conquering economic markets at the global and regional levels by leaps and bounds in recent decades. This is especially true when considering China's geographical location and transport and logistics routes that lead from this country to the West, including by involving the relevant capabilities of Azerbaijan. It is important to note that researchers have drawn attention to certain components of Azerbaijan that give it an advantage in its co-operation with China. These components include its geographical location, natural resource and economic potential. Azerbaijan is distinguished from other South Caucasus countries by its access to the Caspian Sea, a relatively abundant source of hydrocarbons and a pivotal logistical hub connecting Europe with China and South Asia, and Transcaucasia, Central Asia and Asia Minor with Europe. In the context of the second, Azerbaijan concentrates approximately 11% of the gas and 14% of the oil resources of the Caspian region, which allows it to occupy twentieth place among 133 other states in terms of potential oil production. When the third factor is taken into consideration, Azerbaijan's current trends in GDP growth are notable, distinguishing it from other countries in the region. Azerbaijan's potential for co-operation in the economic sphere with a global state such as China is promising (Liuyin, 2019).

It should be noted that in studies of the ways of economic co-operation between these two countries, the construction of logistics of goods circulation occupies one of the leading places. This was a prerequisite for building a structure of three pairs of relations China-Azerbaijan, China-Armenia, China-Georgia in the sphere of development of relations with the republics of Transcaucasia (Mokretskii, 2020). Firstly, the aforementioned relations are in full accordance with the ideology of the foreign policy course "community of a common destiny for mankind" implemented by China, which to a certain extent correlates with its desire to incorporate the entire Southern Transcaucasia into its geopolitical orbit by ensuring the implementation of the global project "One Belt, One Road" or the initiative platform "Belt and Road". Secondly, such relations engender competitive foundations in the implementation of the logistics routes of the "Middle Corridor" as the only alternative to the Trans-Siberian Railway, lobbied by Azerbaijan, and the "Ice Silk Road" as a means of diversifying trade routes in China's field of vision and constructing the initiative platform "Belt and Road". Thirdly, as part of the diversification of trade and transport routes, such promising programmes for the development of relevant infrastructure in the region are being implemented as the North-South project, which is essentially a component of the global

One Belt, One Road project and is more in line with Azerbaijan's interests, and the Crossroads of the World programme, which provides for the connection of the Persian Gulf, the Gulf of Oman and the Black, Caspian and Mediterranean Seas by a single regional railway network and North-South and East-West routes, which reflects Armenia's interests to a greater extent.

It is evident from the extant literature on the economic foundations of the foreign policy of independent Azerbaijan in relation to neighbouring countries and individual countries that are economic powerhouses, such as China, the EU, and the USA, that there are signs of a progressive movement in improving the quantitative and qualitative indicators of such co-operation. This improvement ensures the economic interests of Azerbaijan as a prominent subject of regional policy in the South Caucasus and international relations in the geopolitical dimension.

### **3. Legal Principles of the Foreign Policy of Independent Azerbaijan in Relation to Neighboring Countries**

In the context of the content of this part of the work, it is worth paying attention once again to the rather relative nature of the understanding of regional and global relations. The advent of a certain level of global human development has resulted in the establishment of the foundations for the direct or indirect influence of subjects of international law on the relevant states, even at the regional level (for example, the above-mentioned model using proxy technologies). Consequently, the consideration of relations in the legal plane should be approached with a view that extends beyond the borders of regional neighbouring countries and also to neighbouring countries, which are such indirectly through the formation of geopolitical power poles, including the above-mentioned countries, which are economic power centres, for example China, the EU and the USA.

In light of the contemporary epoch, characterised by the transition to a post-industrial or information society, and the profound integration of all facets of life at both global and regional levels, the implementation of legal standards and doctrines through the designated law-making and law-enforcement mechanisms has become imperative. Consequently, the prevailing legal principles governing these relationships are shaped within the multifaceted domain of global, regional, and national law-making and law-enforcement activities. That is why, obviously, the model of building the legal framework for co-operation between the above-mentioned countries in terms of three levels is more acceptable: 1) universal international law; 2) regional international law; 3) national law.

In this context, the issue of Azerbaijan's involvement in the activities of relevant international organisations is evidently significant. It is important to note that this country seeks to derive certain positive benefits not from its participation in large associations under the auspices of strong and influential states, but through co-operation in certain international organisations to ensure the successful implementation of its national interests. The most prevalent of these interests are ensuring security, territorial integrity and establishing harmonious and beneficial economic relations (Zinko, Baikovsky, 2015). Moreover, the key factors in implementing a foreign policy course with a suitable legal foundation are the presence of substantial energy reserves, along with the unique characteristics of the geopolitical and logistical position. These elements establish the foundations for collaboration with the EU and other international economic and political organisations. The aforementioned correspondence is in accordance with the progressive steps in joining international organisations, such as the Council of Europe and the OSCE, which is reflected in the progressive actions of the state leadership, such as the signing by the President of Azerbaijan Heydar Aliyev of the Partnership and Co-operation Agreement between the EU and Azerbaijan. The aforementioned agreement is manifest in such areas as: joint dialogue and reforms; the sphere of justice, freedom and security; economic and social reforms, poverty reduction and sustainable development; development of the transport, energy and environmental sectors; establishment of direct contacts between people, training, reform of the healthcare sector, and cultural co-operation.

Given the subject of this study, it is evident that the second level is more acceptable and optimal, which to some extent correlates with the first and has the appropriate relevance in relation to the latter, since it is about the perception of the obligations undertaken in the relevant co-operation by national legislation.

Consequently, the extant research conducted on this issue has identified the geopolitical and strategic measures that are imperative for Azerbaijan, which are being implemented in the relevant organisational and legal projects of the EU. Of particular note is the progressive movement of this geopolitical entity towards expansion in the direct and indirect senses, as reflected in the European Commission of the EU's message entitled "Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours", the purpose of which is to establish a zone of prosperity and good neighbourliness. This message provides for the introduction of a novel instrument in the foreign policy sphere of the EU's relations with other countries. This instrument is termed the "European Neighbourhood Policy", which takes a rather differentiated approach to

building such relations. This approach takes into account the economic potential, level of democratisation, and foreign economic priorities of a particular counterparty. Azerbaijan is a participant in the "Eastern Partnership" project with EU countries, along with Belarus, Georgia, Moldova, Ukraine, and Armenia. The organisational and legal underpinnings of this co-operation are rooted in the policy framework of the Pan-European Partnership, which does not necessitate membership. This framework is facilitated by the EU's existing achievements in pivotal areas such as political stability, democracy, the economy, the rule of law, and the well-being of the population. The legal basis of these relations is rightly emphasised, and it is distinguished by its dispositivity, which is manifested in the recommendatory nature of the relevant regulatory acts and the legislative regulation of only the financing mechanism of the relevant projects (Levytskyi, Kuzma, 2017).

It is imperative to acknowledge the universal nature of the regulatory requirements stipulated within the Treaty on the European Union. According to Article 21 of this treaty, the promotion of democratic principles, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, equality and solidarity, compliance with the principles of the UN Charter and international law are identified as the primary objectives of the EU's co-operation with other subjects of international law (The Treaty on European Union, 2012). This collaborative framework has contributed to the establishment of various foreign policy initiatives, among which are the aforementioned projects.

No less important for the development of the EU's international relations is the content of the Treaty on the Functioning of the EU, which sets out the legal principles for relations with other states and international organisations in the relevant areas. At the same time, the main message in such relations is the content of Art. 3 of this Treaty, according to which such activities are based on compliance with the principle of limited powers, which authorises the EU to achieve its objectives in accordance with the requirements of the constituent acts (The Treaty on the Functioning of the European Union, 2012).

The study of the legal framework for EU co-operation with the Black Sea countries made it possible to distinguish between legal forms of co-operation and corresponding institutional forms of co-operation. The formation of international organisations at the regional level was noted separately, such as the Organisation of the Black Sea Economic Co-operation, which brings together Albania, Azerbaijan, Bulgaria, Armenia, Greece, Georgia, Moldova, Romania, the Russian Federation, Turkey, Ukraine and Serbia. Within the framework of this organisation, an organisational

and legal basis for the development of trade, economic relations, banking and finance, communications, energy, transport, agriculture, etc. has been created. This organisation implements the above-mentioned directions both within the framework of the relevant legal provisions and additional agreements as a subject of international law. It is evident that the undertakings of this organisation constituted the foundation for the execution of the projects entitled "Program for the Promotion of Trade and Investment in the Black Sea Region" and FAO (Project on Promoting the Development of Relations in the Field of Trade in Agricultural Products). It is also necessary to note the position supported in the literature, according to which a significant component of rule-making activity, including in the field of foreign policy relations, is the case law of the European Court of Justice, which is coordinated with the relevant agreements on partnership and association of the EU with certain countries (Golovko-Gavrysheva, 2013).

The approach that focuses on the formation and implementation of the concept of "indivisibility of security" is relevant and quite thorough. The content of this concept is manifested in guaranteeing the absence of threats not only to the EU, but also to neighbouring countries, among which, along with Azerbaijan, Georgia, Moldova and Ukraine are considered. The establishment of the interstate regional association GUAM was predicated on the formation of a coalition of states with analogous political and economic priorities in the international arena, thereby engendering a counteraction to the influence of the Russian Federation in the international arena. The above became the basis for formulating the following components in the content of relations to ensure security on the territory of the above countries in co-operation with the EU, namely: strengthening the security component in the area of political co-operation; conflict resolution on the territories of these states; development of effective mechanisms of interaction in the sphere of migration; formation of basic principles of co-operation in the area of economic security (Kyrylko, 2021).

The legal basis for co-operation between Azerbaijan and Kazakhstan is reflected primarily in the Declaration on Relations of Friendship and Strategic Partnership between the Republic of Azerbaijan and the Republic of Kazakhstan, which was signed by President Ilham Aliyev. This document determined the directions for the implementation of the Baku-Tbilisi-Ceyhan project and possible options for resolving the Karabakh conflict (Kerchelaev, 2023). Such documentation encompasses protocols and accords pertaining to the domains of civil aviation, scientific and technical collaboration, and other pertinent areas (Kerchelaev, 2023).

A significant focus in scientific research is on the issue of legal support and the corresponding political and economic environment for the development of relations between Ukraine and Azerbaijan (Babazadeh, 2024). In addition to the aforementioned, it is imperative to acknowledge the security foundations underpinning the establishment of such relations, which are associated with a congruent approach to the restoration of geopolitical justice against the backdrop of direct or covert aggression against the territories of both countries. In this context, it is noteworthy that Azerbaijan's assertive policy has yielded a favourable outcome in the restoration of the status quo regarding Nagorno-Karabakh. In addition, it is pertinent to emphasise the regulatory and legal foundations underpinning the development of international relations between Ukraine and Azerbaijan in the domains of security and economics. This is exemplified by the Communication Black Sea Synergy – A New Regional Co-operation Initiative (2007), Joint Declaration of Prague Eastern Partnership Summit (2009), Joint Declaration of the Eastern Partnership Summit (2017).

Relations between Azerbaijan and China are conducted within the framework of ensuring the security sphere and developing the economies of both countries, which is reflected in the progressive implementation of the policy of national unity and combating any manifestations of separatism and terrorism. Among the legal bases of such co-operation, it is worth mentioning the adoption of the Joint Declaration on the establishment of strategic partnership between the Republic of Azerbaijan and the People's Republic of China within the framework of the Shanghai Co-operation Organisation Summit. The relevant regulatory legal act is the Law of the Republic of Azerbaijan dated June 14, 2005 on Approval of the Agreement on Trade and Economic Co-operation between the Government of the Republic of Azerbaijan and the Government of the People's Republic of China, the Law of the Republic of Azerbaijan dated March 24, 2000 on Accession to the Agreement with Reservation "On International Road Transport" between the Government of the Republic, Uzbekistan, the Government of the People's Republic of China and the Government of the Kyrgyz Republic, the Law of the Republic of Azerbaijan dated February 1, 2016 on Approval of the Joint Declaration on Further Development and Deepening of Relations of Friendship and Co-operation between the Republic of Azerbaijan and the People's Republic of China. It is worth noting the above-mentioned projects, which have been established by the People's Republic of China with the appropriate legal basis, namely "One Belt, One Road", "Shanghai Co-operation Organisation", the establishment and operation of the Silk Road International Co-operation Organisation



through the differentiation of the joint projects of the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road" (Gafarova, 2024).

In the context of the legal bases underpinning Azerbaijan's co-operation with neighbouring countries, it is imperative to acknowledge the significance of the industry-specific regulatory framework. This framework is articulated within various regional international treaties and conventions, with the Eurasian Patent Convention being a notable exemplar. The participating countries of this convention, in addition to Azerbaijan, include Ukraine, Tajikistan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova and the Russian Federation. The scientific position that characterises this document as fundamental in the field of creating a regional patent protection system, which has the right to exist alongside the same American and European systems in this area, deserves support (Spesytseva, 2023).

The considerations expressed in this section of the work provided an opportunity to differentiate the legal foundations of Azerbaijan's international relations with neighbouring countries. This enabled the drawing of certain conclusions regarding the existing static and dynamic parameters of the current state and forecasting the further development of such relations. It is evident that such relations are determined primarily by geopolitical factors of a security and economic nature.

#### 4. Conclusions

Consequently, the examination of the legal and economic foundations of the foreign policy of independent Azerbaijan in relation to neighbouring countries engendered the prerequisites for the identification of the following patterns, characteristic features and directions for the further development of such activities of the state.

The relationship between the economic and legal components in the content of the country's foreign policy activity is differentiated, where the economy acts as a means and functionality for using a certain resource toolkit for the production, sale, distribution and consumption of public goods, and the law ensures the structuring of all social phenomena according to certain rules of behaviour in terms of satisfying public and private interests in the context of building a compromise model of the relationship between these.

In the context of international co-operation, relations with neighbouring countries, as well as global powers such as the EU, China and the USA, are of particular significance. At the same time, relations with the latter are characterised by direct and indirect interaction through the model of proxy technologies, with the

involvement of various instruments of foreign policy activity.

The economic underpinnings of Azerbaijan's interactions with its neighbouring nations are predicated on geographical and geopolitical factors, which exert an indirect influence on the oil and gas industry, the construction of transport infrastructure, the facilitation of goods movement, the assurance of regional energy security, and other geopolitical formations. In this context, the potential for the implementation of projects aimed at establishing free economic zones was identified. In the economic sphere, Azerbaijan selects means and instruments of co-operation that would meet the foundations of a civilized, market approach to comprehensively solving problems in the security, resource, energy and financial spheres.

Azerbaijan is currently engaged in the implementation of numerous projects of a security, energy and logistics nature, including "One Belt, One Road", "Belt and Road", "Middle Corridor", "North-South", "Crossroads of the World", and others. Azerbaijan's foreign economic relations are most extensive with China, a country that is also a key participant in the aforementioned foreign economic projects.

The legal basis of Azerbaijan's co-operation with neighbouring countries is defined in terms of three levels: 1) universal international law; 2) regional international law; 3) national law.

With regard to the first and second levels, the most optimal model of building international relations for Azerbaijan is formed through participation in various international organisations, where the country's desire to gain certain positive outcomes is evident. However, this is not achieved through participation in large associations under the auspices of strong and influential states. Instead, the most effective approach is to co-operate in certain international organisations to ensure the successful implementation of national interests, among which the most prevalent are ensuring security, territorial integrity and establishing harmonious and beneficial economic relations. In consideration of the aforementioned points, a more detailed description of individual international organisations that ensure relations with neighbouring countries and the EU, the USA, and China is provided.

The dispositive principles of co-operation with the EU are described in more detail, with particular reference to the features of the legal regime established by the founding documents of this organisation and the fundamental founding agreements. Of particular note are the provisions of the intergovernmental agreements between Azerbaijan and China, as well as those with Kazakhstan, which reflect a number of shared interests in the fields of security, energy

independence, logistics and other areas of the economy.

In this study, the legal aspects of the prospective development of Azerbaijan are examined. It is acknowledged that this will have an impact on international relations, and therefore the relevant programme principles are taken into consideration. The issue of the optimal combination of opportunities and resources is highlighted, under which it is possible to achieve sustainable development and high social well-being, effective public administration and the rule of law, ensuring all human rights and freedoms, and the formation of an active status of civil society in public life. Concurrently, exponential

diversification is regarded as the fundamental principle, with the objective being to ensure the accelerated development of the non-oil sector, irrespective of the level of oil revenues, and the implementation of information and communication technologies in diverse societal domains.

Consequently, the issue of examining the legal and economic foundations of the foreign policy of independent Azerbaijan in relation to neighbouring countries is of great importance for the structuring of relevant international relations, which in turn will further update research in this area using the results of this work.

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