



AZERBAIJAN AS A REGIONAL LEADER IN GREEN ENERGY TRANSITION

*CORRESPONDENCE

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Abstract

Azerbaijan is at the crossroads between East and West hence its Geopolitical location is both its challenge and its major asset. This paper analyses the general state of relations of Azerbaijan with its largest and geopolitically most important neighbors as well as with other international players in order to see how Azerbaijan is able to maintain a balanced approach in foreign policy, maneuvering politically between the clashing geopolitical interests and ambitions of the different states in the South Caucasus. Hosting COP29 is absolute significant nuance for Baku embracing all world under climate change to Azerbaijan and spinning political and economic network alongside with multilateral regional diplomacy in the region. The economic growth of China leads its economy to supply goods not only via the sea and air trafficking, but also through the trans-Caspian way to Europe. In this regard, Within the New Silk Road Initiative Azerbaijan and China could accelerate some new bilateral and trade partnership. Furthermore, this new project not only makes Azerbaijan as a regional key factor in Caucasus but also in Trans Caspian area. And it would cause nations integration in whole region of this new project. Azerbaijan could get its new role in this project to play an essential role on Global Trade as a transit country. Many scholars argued that, due to its choices to foreign policy and strong focus to effective development of its economy, Azerbaijan vies to maintain an independent course. And this paper basically analyses Azerbaijan's political, economic approaches to Global and Regional Powers as well as its views to China as a new Global actor in its region, and impacts of The New Silk way Project at Azerbaijan-China Relations.

Keywords: Azerbaijan, China, South Caucasus, Green Energy, Regional diplomacy.

Introduction

After the collapse of USSR along with other Post Soviet Countries Azerbaijan has also passed hard Economic transition period. Integration to Market Economy and opening up for world in the background of first Karabakh war with its neighbor country Armenia not only brought huge domestic problem to Azerbaijan it also made South Caucasian region one of the less corporative and instable region. Three Caucasian countries Armenia, Azerbaijan and Georgia have started for unsystematically without dealing regions interests started to make new independent policy. Under the Heydar Aliyev Azerbaijan have gained some credits from most of the western countries for an investment for Baku's fossil energy resources and via this "Oil Diplomacy" Azerbaijan guaranteed its early period of Sovereignty after the gaining Independence. BP, Chevron, Total, Exxon and some other oil companies started their businesses in Baku and it was clear signal to all world Azerbaijan economically and invest friendly country. The correct implementation of foreign policy towards regional as well as global powers exceptionally important for Azerbaijan. Due to, its complex geostrategic location between West and East produce naturally geoeconomic and geopolitical interests. Besides Azerbaijan protecting its national interests and the status of leading country in the region Baku is attempting to establish mutually beneficial relations with West, Islamic countries, The Turkic world, CIS countries as well as with China.

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Located in a favorable geographical location, Azerbaijan is the shortest transport and energy corridor connecting the West and East, North and South countries. As a result of the implementation of strategically important energy and transport-communication projects, Azerbaijan locates an important place in the architecture of European energy security. Azerbaijan is today the main initiator of cross-border projects.

China-Azerbaijan Relations after the Cold War

Although Azerbaijan, which regained its independence in 1991, is a young country, it is the main participant and initiator of huge projects that play an important role in the life of the Eurasian continent. Apart from that, the fact that Azerbaijan has an ancient tradition of statehood also played an important role in the enrichment of its politics and diplomacy.

From the first years of independence, the national leader Heydar Aliyev highlighted three main factors in the foreign policy strategy of the modern Azerbaijani state: *responding to the challenges of the time, taking into account the geopolitical reality surrounding our state, and drawing conclusions from the rich statehood history of our nation.*

The People's Republic of China is one of the countries where the Azerbaijani government attaches great importance to the development of bilateral political and economic relations. China is a permanent member of the UN Security Council and is always in the spotlight with its economic development.

In the relations between the two countries, more attention is paid to economic relations. China and Azerbaijan are successfully cooperating in the "One Belt, One Road" project proposed by the Chinese leader in 2013. Hikmet Hajiyev, the head of the foreign policy affairs department of the Presidential Administration, who gave an interview to the Chinese TV channel "Phoenix", mentioned this issue in particular. Recalling that Azerbaijan was one of the first countries to support the "One Belt, One Road" initiative put forward by the President of the People's Republic of China, Xi Jinping, the assistant to the President said that this project had a positive effect on the general well-being of the countries located along the route, strengthened cooperation between them, and also promoted inter-civilizational dialogue. And thanks to this, the international community benefited from the ancient Chinese civilization: "We see this project as a cooperation, partnership and mutual prosperity that can bring prosperity to the countries along the route. Azerbaijan, located between the Caspian Sea and the Black Sea, is a natural connection connecting Central Asia and Europe," said H. Hajiyev said.

The transition to "green energy", which is one of the challenges of the modern era, can further strengthen China-Azerbaijani relations. China is one of the world leaders in purchasing energy from renewable sources. Making transition to "green energy" a priority area, Azerbaijan also partners with Chinese companies in this direction. China pays attention to Azerbaijan's clean energy reforms and highly appreciates the country's efforts towards ecological development. Currently, areas are selected for the construction of solar power plants with a Chinese company in Fuzuli. China's advanced manufacturing industry is famous all over the world. This means the end of the West's monopoly on technology.

Active Participation of Chinese Green Energy companies in Karabakh Region.

Chinese companies are aware of the investment promotion measures implemented by Azerbaijan to promote infrastructure construction and improve the investment and business environment in the territories liberated from occupation. Chinese companies have gone on inspection trips to conduct research and have participated in projects such as supplying test equipment for "smart villages" and airports. Currently, some enterprises are actively promoting the investment and construction projects of photovoltaic power plants to help develop the local green economy. China is actively ready to promote and collaborate with Azerbaijan for Green Economy and indeed is one of the strategic partners in the region. Recent Chinese companies' activities in the Karabakh region is clear resemble of Beijing's support and clear partnership with Baku. China is eagerly applause to speeding up connections and modernizing infrastructure and services along the Trans-Caspian International Transport Corridor. China attaches great importance to the favorable geographical location of the "Middle Corridor" and positively evaluates its importance in strengthening regional relations, promoting regional economic development, and ensuring the stability of global industrial and logistics chains. The joint construction of "One Belt, One Road" fully corresponds to the "Middle Corridor" concept. In the field of transport communications, China and the region countries located along the "One Belt, One Road", including Azerbaijan, have common interests on this project.

Meanwhile, China is committed to speeding up connectivity along the Trans-Caspian International Transport Corridor, improving infrastructure and services, increasing the volume of China-Europe rail freight, easing and removing barriers to regional and international supply chains. The Chinese side is also willing to strengthen cultural and humanitarian ties, promote relations between the business, academic and non-governmental sectors of the two countries, and strengthen and diversify the social base to deepen bilateral cooperation.

China-Azerbaijan: Close allies of "Green Energy"

China attaches special importance to "green energy" projects in Azerbaijan and is considering plans to invest in this field. The strengthening of multi-directional cooperative relations between Azerbaijan and China on renewable energy within the framework of the 29th session of the Conference of the Parties to the UN Framework Convention on Climate Change (COP29) in Baku also creates good opportunities for this. Chinese companies will be one of the main partners of Azerbaijan in the projects implemented in liberated territories. These areas have been declared Green Energy Zones and energy demand models have been developed. Based on that strategic approach, several sources for energy production have been identified in the Green Energy Zone, and negotiations are underway with foreign companies in the fields of electricity generation from renewable energy sources, use of electric vehicles, construction of solar panels, and the application and management of smart energy technologies. Among that business community, Chinese companies are also in the main line. Currently, China

is the world's leading country in the production of electricity from renewable sources, twice ahead of its closest competitor, the United States. In 2023, China's electricity generation from renewable sources has reached 1,000 gigawatts, which is 43.5 percent of the country's total generating capacity potential. About 40 percent of the world's renewable energy potential is provided by China, and in 2030 this number is expected to reach 44 percent.

China's electricity generation in 2023

Gigawatts

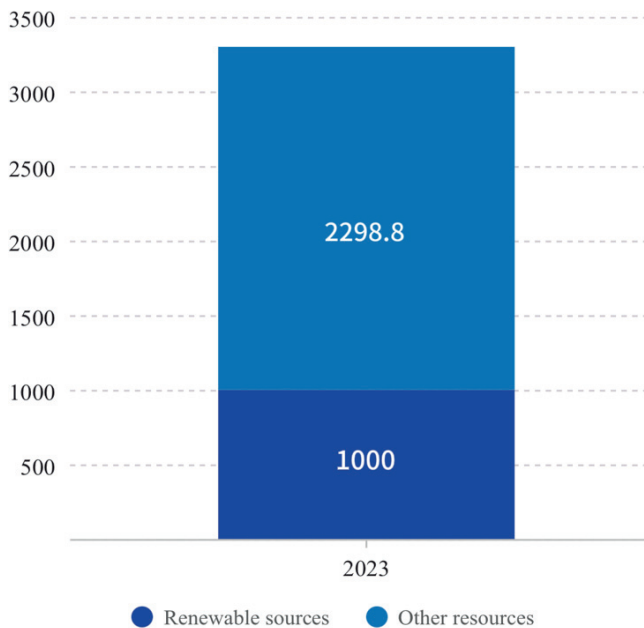
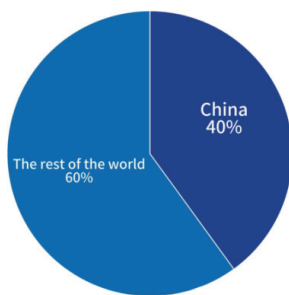


Figure 1: China, electricity generation in 2023

The world's renewable energy provided in 2023



The world's renewable energy provided in 2030

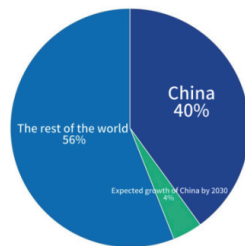


Figure 2: The Worlds renewable energy provided in 2023(2030)

From this point of view, Azerbaijan's "green hydrogen" alliance with such a country means the mobilization of great economic and political opportunities. Thus, the representation of Chinese companies as the most reliable and close allies in the construction of "green energy", which is part of Azerbaijan's modern agenda, will be a strong support in the transformation of our country from traditional energy resources to an exporter of "green energy" in the global trade sphere.

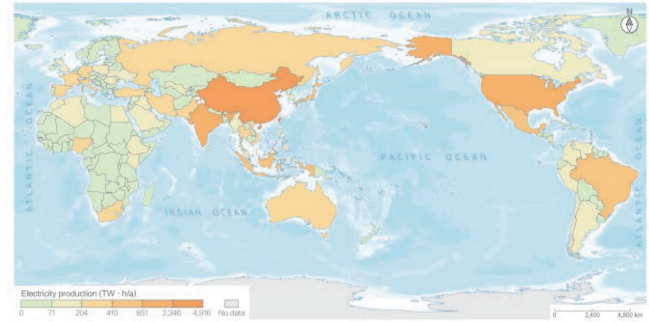


Figure 3: Global spatial distribution of national-scale rooftop photovoltaic power generation potential (the data in the figure is from the Earth Big Data Supporting Sustainable Development Goals Report (2024).

Conclusion

Its undeniable fact that upcoming world economy will be based on Green Energy and it can systematically influence all kind of industries. Azerbaijan as a regional leading country transferring its economy and industry to Green Energy and integrating to multipolar system. COP29 summit in Baku is clear evidence that Baku is attempting for diversification of its economic and energy policy for producing better collaboration model. Role of China through Belt and Road initiative is an alternative collaboration model for Eurasian hemisphere and encouraging all countries for better developing strategy. Unlike other fossil energy producing countries Azerbaijan become first country to shift its economy to green energy and it could be motivational model for other fossil producing countries. COP29 and future impact on regional policy for Azerbaijan will be very resilient and it will be tightening relations with China as they already become strategic partner.

Data availability statement

The original contributions presented in the study are included in the article/supplementary material, further inquiries can be directed to the corresponding author.

Author contributions

The author confirms being the sole contributor of this work and has approved it for publication.

Peer-review

Externally peer-reviewed.

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Conflict of interest

No potential conflict of interest was reported by the author(s).

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