



Section 3. Regional economy

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NATION BRANDING OF AZERBAIJAN WITHIN THE CONTEXT OF THE MIDDLE CORRIDOR

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Abstract

This paper examines Azerbaijan's nation branding strategy in relation to its strategic position along the Middle Corridor. Utilizing the Anholt-Ipsos Nation Brands Index as an analytical framework, the study explores how Azerbaijan aligns its national branding efforts with broader geopolitical and economic objectives to enhance its international profile and advance sustainable development. The findings highlight the dual role of nation branding as a diplomatic mechanism and an economic strategy, underscoring the importance of governance, cultural diplomacy, and service quality in shaping a resilient and competitive national identity.

Keywords: *Nation Branding, Middle Corridor, Regional Connectivity, Geoeconomics, Azerbaijan-China Relations*

Introduction

In an increasingly complex and strategically contested global environment, nation branding has become an essential tool for countries seeking to shape their international image, attract investment, expand exports, and build soft power (Anholt, 2007; Dinnie, 2008). For emerging economies undergoing structural transformation, nation branding serves not only as a form of public diplomacy but also as a strategic framework for redefining national identity, improving global market positioning, and adapting to evolving geopolitical dynamics (Al-Azemi & Ahmad, 2021). Azerbaijan, a resource-rich post-Soviet state

at the crossroads of Europe and Asia, exemplifies this approach. Since launching the "Made in Azerbaijan" initiative in 2016, the country has sought to promote non-oil exports, diversify its economy, and construct a modern international image rooted in cultural heritage and regional engagement.

This strategy unfolds amid a reconfiguration of the global economic order, marked by a move away from liberalized globalization toward more fragmented and regionally managed interactions (IMF, 2023). Rising geopolitical tensions and disrupted supply chains have accelerated this trend. Within this context, in 2013, China's Belt and Road Initiative (BRI)

has emerged as a key platform for regional connectivity and economic cooperation. Azerbaijan's location along the BRI's Middle Corridor offers significant opportunities to enhance economic integration and elevate its strategic profile in Eurasia (Valiyev, 2019).

Azerbaijan's engagement with the BRI aligns closely with its nation branding goals. Investments in infrastructure, expanding trade routes, and stronger international partnerships have reinforced the visibility and credibility of the national brand. At the same time, branding allows Azerbaijan to shape how it is perceived within a multilateral framework, asserting narrative control while contributing to regional cooperation (Ibadoghlu, 2024). Nation branding thus operates as both an economic development strategy and a diplomatic tool to advance geopolitical interests.

Cultural diplomacy reinforces Azerbaijan's international image. By hosting high-profile international events such as the Eurovision Song Contest, Formula 1 Grand Prix, UEFA matches, and the COP29 climate summit, Azerbaijan projects itself as a modern and culturally dynamic actor on the global stage. These events enhance visibility and consolidate its identity as an engaged regional player.

While nation branding has attracted increasing scholarly attention, there remains a relative lack of research exploring how such strategies evolve in the context of expansive international frameworks like the Belt and Road Initiative (BRI). This study seeks to address this gap by investigating the alignment and adaptation of Azerbaijan's "Made in Azerbaijan" initiative within the strategic contours of the BRI. The findings suggest that a thoughtful integration of national branding with regional connectivity efforts can generate reciprocal advantages. Azerbaijan's experience illustrates how nation branding may not only advance economic diversification but also cultivate a cooperative and distinctive international identity. As the BRI continues to develop, fostering greater synergy between domestic branding objectives and regional integration could enhance both policy coherence and long-term strategic outcomes.

Methodology

This study employs a qualitative case analysis to assess Azerbaijan's nation brand-

ing strategy, with a focus on its strategic role along the Middle Corridor. Drawing on the Anholt-Ipsos Nation Brands Index, it focuses on six dimensions: exports, governance, culture and heritage, people, tourism, and investment and immigration. The analysis highlights how these aspects contribute to Azerbaijan's international image, economic diversification, and regional integration efforts.

Results analysis

The Anholt-Ipsos Nation Brands Index (NBI) stands as a globally established benchmark for evaluating the international image and brand performance of countries. Although Azerbaijan is not included in the official list of countries surveyed by the NBI, the index's six-dimensional structure provides a comprehensive and robust analytical framework that can be effectively utilized to assess Azerbaijan's nation branding efforts and its evolving strategic positioning on the global stage. The following analysis applies the Anholt-Ipsos Nation Brands Index (NBI) to assess the scope and effectiveness Azerbaijan's nation branding:

- **Exports:** Historically, Azerbaijan's international visibility has been largely shaped by its abundant hydrocarbon reserves. This resource-based identity gained particular prominence after the signing of the "Contract of the Century" in the 1990s, which positioned Azerbaijan as a major energy supplier within the Caspian region. While this branding strategy significantly contributed to the country's economic development and geopolitical standing, it gradually revealed structural vulnerabilities. In response, the nation has undertaken a strategic shift in its branding narrative, gradually transitioning from an "Energy Label" toward a more multifaceted and future-oriented "Cultural Calling Card." The "Made in Azerbaijan" program embodies this transformation, aiming to diversify the country's export base by promoting sectors such as agrifood, handicrafts, design, textiles, and cultural industries including music, film, and visual arts.

Figure 1. Six Dimensions of Anholt-Ipsos Nation Brands Index (NBI)



- **Governance:** The Governance dimension of the Nation Brands Index reflects global perceptions of a country's political competence, institutional transparency, adherence to the rule of law, and alignment with international standards. In Azerbaijan's case, governance constitutes both a practical domain of reform and a symbolic component of its nation branding strategy. The government has implemented a range of institutional reforms aimed at improving administrative efficiency, modernizing public services, and fostering a more conducive environment for foreign investment, particularly in light of the country's growing strategic relevance along the Middle Corridor. Although these efforts signal a commitment to modernization and development, international assessments continue to raise concerns regarding democratic governance, media freedom, and judicial independence. As such, the governance dimension presents both opportunities for enhancing Azerbaijan's international image and ongoing reputational challenges. The long-term credibility of these branding efforts, however, depends on the government's ability to balance domestic institutional consolidation with

the external projection of legitimacy, transparency, and trustworthiness.
- **Culture and Heritage:** The Culture dimension of the Nation Brands Index measures how a country's cultural heritage and creative outputs are perceived globally. Azerbaijan's rich cultural mosaic, shaped by Turkic, Persian, Caucasian, and Russian influences, plays a key role in shaping its international image and soft power. The "Made in Azerbaijan" campaign highlights traditional crafts such as carpet weaving, as well as music including the renowned Mugham tradition, literature, and culinary heritage, which together emphasize a distinctive national identity. Additionally, Azerbaijan invests heavily in cultural diplomacy through hosting international festivals, art exhibitions, and promoting UNESCO World Heritage sites such as the Old City of Baku. These efforts increase the country's cultural visibility and encourage regional cultural exchanges. By prioritizing culture, Azerbaijan supports economic diversification and strengthens its profile not only as a strategic transit corridor but also as a vibrant cultural crossroads along the Middle Corridor.
- **Tourism:** The Tourism dimension of the Nation Brands Index assesses

a country's attractiveness as a destination, including perceptions of natural beauty, cultural appeal, hospitality, and infrastructure. In Azerbaijan, tourism is closely intertwined with cultural heritage, yet it also draws significantly on the country's varied natural landscapes and culinary richness. From the Caspian Sea coastline to the snow-capped Caucasus Mountains, Azerbaijan offers ecological diversity that supports a range of leisure and adventure tourism activities. Local cuisine, shaped by Persian, Turkic, and Caucasian influences, adds a distinctive experiential layer to the visitor experience and contributes to the country's soft power. In recent years, the government has prioritized infrastructure development, eased visa procedures, and promoted international tourism campaigns to enhance visibility. These efforts not only position Azerbaijan as a cultural and logistical node along the Middle Corridor, but also as a multidimensional travel destination capable of attracting diverse global audiences.

- **People:** The People dimension of the Nation Brands Index reflects perceptions of a country's population in terms of openness, hospitality, and social values. Azerbaijan actively promotes its image as a hospitable and culturally welcoming society through public diplomacy, educational exchanges, and international events. Tourists frequently highlight informal interactions with locals as a key part of their positive experience, reinforcing the perception of Azerbaijanis as friendly and open. However, concerns have been raised about non-transparent or inconsistent pricing practices in airport transportation, which may negatively affect first impressions. Ensuring alignment between perceived hospitality and actual visitor experience remains essential to strengthening this dimension of the national brand, which may benefit from improved oversight and more consistent service standards in key areas of tourist infrastructure.

- **Investment and Immigration:** The Investment and Immigration dimension of the Nation Brands Index assesses perceptions of a country's economic environment and its attractiveness as a destination for work and residence. Azerbaijan has pursued reforms to improve its investment climate, focusing on regulatory simplification, tax incentives, and infrastructure development, particularly leveraging its strategic position along the Middle Corridor. Special economic zones and free trade areas target diversification beyond oil, attracting foreign direct investment (FDI) in logistics, agriculture, and renewable energy. Despite progress in administrative efficiency and digital governance, challenges in legal certainty and institutional transparency persist. In terms of livability, Azerbaijan offers a favorable work-life balance, enhancing its appeal to expatriates and skilled workers. However, relatively low wage levels compared to peer economies may hinder talent attraction and retention. Strengthening legal frameworks and improving compensation remain critical to advancing Azerbaijan's competitiveness as a destination for investment and immigration.

Conclusion

Over the past decade, Azerbaijan has capitalized on the China's BRI initiative to implement numerous infrastructure projects, generating significant GDP growth, expanding employment opportunities, and enhancing public welfare. Positioned at the strategic nexus of the East and West, as well as the Middle East, Azerbaijan plays a critical role in connecting Asia and Europe through the Middle Corridor. The period from 2024 to 2025 marked a further advancement in Azerbaijan-China relations, culminating in the establishment of a comprehensive strategic partnership. This development has fostered deeper cooperation across diverse fields such as science and education, cultural exchange, green energy, and sustainable development.

Taken together, these achievements have substantially strengthened Azerbaijan's nation branding by reinforcing its image as

a dynamic regional hub and promoting economic diversification. To sustain this momentum, continued improvements in governance, socio-economic equity, and service quality remain essential. Azerbaijan's experience underscores the strategic value of em-

bedding nation branding within broader regional and geopolitical frameworks, offering important insights for emerging economies seeking to balance domestic progress with global integration.

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