

How Azerbaijan Advances South Caucasus-Central Asian Integration Through the Middle Corridor

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This article examines the evolving geoeconomic significance of the South Caucasus and Central Asia, with a particular focus on Azerbaijan's emergence as a pivotal actor in the region. It begins by tracing the historical trajectory of the West's interest in these regions, highlighting its recently renewed strategic focus there, which is driven by evolving global dynamics and competition among connectivity routes. Azerbaijan's leadership in advancing the Middle Corridor is explored in detail, emphasizing its transformation from a conceptual framework to a significant logistical network supported by partnerships with Kazakhstan, Türkiye, and Uzbekistan. Subsequent sections analyse Azerbaijan's infrastructure investments, including the Port of Alat and the Baku-Tbilisi-Kars (BTK) railway, alongside its cooperation with international financial institutions (IFIs) and the EU to address challenges like transit inefficiencies and bottlenecks. The discussion then turns to Azerbaijan's expanding role within multilateral organizations, such as the Organization of Turkic States (OTS) and the UN's Special Program for the Economies of Central Asia (SPECA), illustrating how these platforms amplify its regional influence. Finally, the article evaluates how Azerbaijan's foreign policy, balancing with multiple partners, allows it to consolidate its middle-power status, and also reflects on the country's broader impact on East-West trade and connectivity in the evolving global order.

Keywords: connectivity, geoeconomics, infrastructure, integration, logistics, trade, trans-Caspian



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Introduction

The South Caucasus and Central Asia have become geoeconomically prominent and connected regions since the end of the Cold War, most recently thanks to Azerbaijan's leadership in shaping the Middle Corridor (Trans-Caspian International Transport Route). This corridor links Asia to Europe, bypassing routes through the territory of Russia and fostering economic resilience. Over the last 5–10 years, the Middle Corridor – bolstered by partnerships among Azerbaijan, Kazakhstan, Türkiye, and Uzbekistan – has been transformed from a mere concept

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into a significant logistics network. Initiatives of international financial institutions (IFIs) and the EU have supported infrastructure upgrades, increasing trade efficiency and connectivity.

Through its leadership in multilateral platforms like the Organization of Turkic States (OTS) and the UN's Special Program for the Economies of Central Asia (SPECA), Azerbaijan has deepened regional cooperation while raising its diplomatic profile.

Strategic infrastructure, such as the Port of Alat and the Baku–Tbilisi–Kars (BTK) railway, underscores Azerbaijan's role as a logistical and diplomatic linchpin. This strategy exemplifies Azerbaijan's multi-vector diplomacy as an emergent middle power. Azerbaijan thus diminishes Central Asia's economic dependence on large powers and helps to integrate it into global markets. It is both an example and an instrument of Azerbaijan's transformative impact on regional geoeconomics.

Strategic Evolution and Western Interest in the South Caucasus and Central Asia

Since the end of the Cold War, the South Caucasus and Central Asia have emerged as key geopolitical regions. The West's initial focus on these areas extended beyond their abundant energy resources, emphasizing strategic connectivity and influence. Western involvement, however, diminished through the early 21st century, yet recent years have marked a renewed interest by both the U.S. and Europe, spurred by rising global instability and competition over transit routes.

Azerbaijan and Kazakhstan have been instrumental in shaping the

Middle Corridor not only as a vital transcontinental link but as a framework for economic and political autonomy within the South Caucasus and Central Asia. Azerbaijan's geographical role as a bridge between Europe and Asia underpins this growth, transforming the Trans-Caspian International Transport Route (TITR), also known as the Middle Corridor, from a conceptual model into an active conduit for commerce and collaboration. The enduring bilateral commitment between Azerbaijan and Kazakhstan, initiated in 2017, has matured into a regional platform enabling a sustainable route that balances global political dynamics and fosters regional stability.

Recent Developments and Strategic Initiatives in the Middle Corridor

The Middle Corridor has gained significant traction, particularly after 2022, as Western sanctions on Russia intensified in response to its actions in Ukraine. This route – extending from China, through Kazakhstan, across the Caspian Sea to Azerbaijan and Georgia, and onward to Europe – has evolved into an essential transcontinental alternative, reducing dependency on northern routes. Initiated by Azerbaijan and Kazakhstan, the corridor has since attracted broad support from IFIs, including the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), and the World Bank's International Bank for Reconstruction and Development (IBRD).

A recent IBRD report noted a 33 per cent increase in container traffic through this route in 2022, a growth underscoring both the route's strategic importance and its infrastructural challenges. Issues like border delays and transshipment bottlenecks have surfaced, prompting Azerbaijan, Georgia, and Kazakhstan to collaborate on infrastructure enhancements.¹ The roadmap they signed with Türkiye in late 2022 prioritizes efficiency improvements, aligning with Azerbaijan's ambition to bolster its position as a major transit hub and to catalyse economic growth through logistical modernization.

Europe's active involvement, particularly through initiatives like the EU's Global Gateway, has played a crucial role in advancing the Middle

¹ World Bank, "The Middle Trade and Transport Corridor: Policies and Investments to Triple Freight Volumes and Halve Travel Time by 2030", International Bank for Reconstruction and Development, <https://www.worldbank.org/en/region/eca/publication/middle-trade-and-transport-corridor> (Accessed: April 7, 2024).

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Corridor. Dr S. Frederick Starr and other experts highlight the collaborative financial efforts between the EU and Türkiye that have accelerated the project's timeline, fostering stability in trade between Europe and Asia. The EU and EBRD have pledged substantial funding, including an initial €10.5 billion and an anticipated €18.5 billion for future development,

which aims to slash transit times between Asia and Europe from over a month to approximately 13 days, a vital upgrade for regional competitiveness.

By leveraging its strategic infrastructure, such as the modernized Port of Alat and the BTK railway, Azerbaijan has positioned itself as an indispensable link in Eurasian logistics. The roadmap signed by Azerbaijan, Georgia, Kazakhstan, and Türkiye outlines a commitment to corridor-wide logistics improvements, focusing on end-to-end and mid-route optimizations essential for eliminating bottlenecks and maximizing trade potential. These advancements further Azerbaijan's goal of securing its role in the Middle Corridor as a linchpin of connectivity and economic resilience for the South Caucasus and Central Asia.

Azerbaijan's Regional Leadership through SPECA and the Organization of Turkic States

Azerbaijan's evolving leadership role in regional connectivity was underscored at the 25th anniversary meeting of SPECA, held in Baku in November 2023. Established in 1998, SPECA promotes Central Asian integration into the global economy, with Azerbaijan leveraging this framework to expand its role as a critical logistics and transport hub within the region.

The OTS has traditionally served as the primary platform for regional collaboration. However, recent developments in SPECA signal Azerbaijan's intent to deepen ties across Central Asia through enhanced cooperation frameworks. The OTS's 2040 Vision provides a long-term strategy encompassing transport, energy projects, and preferential trade agreements, which Azerbaijan now uses in conjunction with SPECA

initiatives to accelerate regional economic integration.² The OTS's new policy direction, as crystallized in its Vision 2040 document, supports Azerbaijan's broader Eurasian ambitions.

As chair of the 2023 SPECA Economic Forum, Azerbaijan emphasized the strategic potential of transforming the SPECA region into a central connectivity node with global outreach. This builds on prior initiatives, including the 2019 Ashgabat Initiative and the 2021 Tashkent Statement, both of which sought to enhance sustainable transport and trade within the region.³ Azerbaijan's investments in logistics, digital customs systems, and energy infrastructure make it a key facilitator of these initiatives, positioning SPECA and OTS as dual engines of Central Asia's growth trajectory.

Looking forward, the OTS's and SPECA's cooperation frameworks aim to attract new investment partners and stakeholders, with recent summits inviting participation from countries such as Georgia, Hungary, and members of the Gulf Cooperation Council. Azerbaijan's President Ilham Aliyev inaugurated the latest SPECA summit by endorsing a multilateral trust fund to attract resources for new projects. By integrating broader partnerships under the SPECA framework, Azerbaijan is expanding regional connectivity and economic resilience, making Central Asia an emerging focal point in global trade dynamics.

It is also worth noting that Azerbaijan will soon assume, for the first time, the chairmanship of the Conference on Interaction and Confidence Building Measures in Asia (CICA) for the term 2024–2026. Azerbaijan intends that CICA should enhance pan-Asian dialogue and multilateral cooperation across various sectors, including security, economy,

2 Cutler, R.M., "Middle Corridor countries expand cooperation beyond their region", *Asia Times*, December 4, 2003, Available at: <https://asiatimes.com/2023/12/middle-corridor-countries-expand-cooperation-beyond-their-region/> (Accessed: November 10, 2024). For analysis of the OTS's 2040 Vision, see Pelin Musabay Baki, "Turkic World Vision-2040: A Step Forward for the Resilience of Turkic Cooperation", *Perceptions* 27:1 (Spring-Summer 2022): 26–52, <https://dergipark.org.tr/en/download/article-file/2559488>.

3 The Ashgabat Initiative refers to a document adopted by SPECA's Governing Council in November of 2019. Its full title is the "Ashgabat Initiative on Reducing barriers to trade and transport using United Nations legal instruments, norms, standards and recommendations while bolstering connectivity in the SPECA region", see https://unece.org/fileadmin/DAM/SPECA/documents/ecf/2019/Ashgabat_Initiative_EN.pdf. The Tashkent Statement refers to a document adopted at a SPECA Economic Forum in November of 2021, having the full title, "Tashkent statement on Sustainable Transport, Trade and Connectivity in the SPECA Region for a Greener, Circular and Inclusive Post-Pandemic Recovery", see https://unece.org/sites/default/files/2022-01/TASHKENT%20STATEMENT_ENG_0.pdf.

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and cultural exchanges. Azerbaijan will attempt to overcome past criticism of CICA for lacking concrete achievements and, while chairing key bodies, will also lead efforts to transform CICA into a fully-fledged regional international organization. It will host the CICA's Council of Foreign Ministers in 2024 and the CICA's Council of Heads of State and Government in 2026. On the agenda will be the enhancement of

discussions around regional security issues, including counterterrorism and conflict resolution.

Integrating Uzbekistan into the Middle Corridor

Azerbaijan's efforts to integrate Uzbekistan into the Middle Corridor exemplify its strategy of consolidating regional alliances. The 2020 Treaty on Allied Relations between Azerbaijan and Uzbekistan formalized a burgeoning strategic partnership, positioning Uzbekistan as a critical partner in Azerbaijan's Middle Corridor strategy. Recent backing from IFIs, including the EBRD and the World Bank, has accelerated Uzbekistan's inclusion, with IFI reports identifying key trans-Caspian routes and infrastructure priorities.

Uzbekistan's integration into the Middle Corridor has already involved multiple trilateral discussions and agreements among Azerbaijan, Uzbekistan, and Türkiye. As a newly integrated partner in the TITR Association, Uzbekistan is benefiting from streamlined customs processes, intermodal links between Samarkand and Baku, and the establishment of digital customs platforms to expedite transit flows. Direct rail connections have opened between the two nations, enhancing trade logistics while bypassing traditional Kazakhstan-centric routes.

In energy, Azerbaijan and Uzbekistan have collaborated closely, with Uzbekneftegaz poised to join the Shah Deniz consortium in natural gas extraction. This collaboration has broadened Azerbaijan's energy network into Central Asia, creating long-term synergies across the sector. The High-Level Economic Council co-chaired by the prime ministers of both nations has further institutionalized trade and investment relations, fostering a cooperative climate that aligns Uzbekistan's economic ambitions with Azerbaijan's Middle Corridor initiatives.

This growing partnership signals a pivotal shift in Uzbekistan's foreign policy, which has diversified significantly under this country's President Shavkat Mirziyoyev. Previously focused inward, Uzbekistan has embraced international engagement, joining regional frameworks such as the OTS and signing multiple bilateral agreements with Azerbaijan. These developments have cemented Uzbekistan's role in Azerbaijan's broader geopolitical framework, reinforcing Azerbaijan's capacity to drive regional connectivity and economic autonomy within the Middle Corridor.

Azerbaijan's Political and Energy Diplomacy in Central Asia

Azerbaijan's foreign policy within the Middle Corridor has extended beyond mere logistical concerns, emphasizing a strategic mix of energy and diplomatic initiatives. The TITR has advanced Azerbaijan's role as a central transit hub and diversified trade corridor links across Eurasia. This influence is amplified by Azerbaijan's dual approach: supporting energy cooperation and fostering a cohesive diplomatic network that reinforces Central Asia's geoeconomic and infrastructural autonomy from Russian influence.

After Western sanctions on Russia intensified in 2022, Azerbaijan and Kazakhstan jointly promoted the Middle Corridor as a primary route connecting Central Asia, the South Caucasus, and Europe, independent of Russian territory. This shift aligned with European Union investments through the Global Gateway initiative, with loans and grants totalling €10.5 billion and an anticipated €18.5 billion needed by 2040. These funds underscore the strategic imperative to improve customs efficiency and transportation infrastructure along the corridor. Azerbaijan's Port of Alat and the BTK railway have become pivotal nodes in this corridor, ensuring smoother and faster flows of goods from Asia to Europe.

Azerbaijan's energy diplomacy, particularly with Türkiye, complements these infrastructure projects. Through the OTS and the "Turkic World Vision 2040," Azerbaijan and Türkiye coordinate efforts to enhance energy and transport linkages across Central Asia, with Kazakhstan, Turkmenistan, and Uzbekistan joining as active participants. This network-building has enabled Azerbaijan to position itself as a middle

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power, balancing relations with global players while supporting Central Asia's aspirations for economic autonomy.

As Azerbaijan's profile in the region has risen, so has its role in steering Central Asia's foreign policy alignment. Bilateral and multilateral engagements with countries such as Kazakhstan and Uzbekistan have allowed Azerbaijan to present itself as a stable partner for economic growth, logistics, and security, consolidating its influence in Central Asia. This cooperation enables Azerbaijan to drive broader economic and diplomatic agendas that integrate regional energy and transit routes into the Middle Corridor framework, positioning the South Caucasus as a bridge between Europe and Asia.

Azerbaijan as a Foreign Policy Vector for Central Asia

Azerbaijan's emergence as a foreign policy 'vector' for Central Asia reflects a strategic pivot among the region's nations towards increased autonomy from Russia and deeper integration into the Eurasian economic landscape. Building on its success with the Middle Corridor and the OTS, Azerbaijan has actively engaged with Kazakhstan, Uzbekistan, and Turkmenistan to promote shared economic, political, and logistical goals. This partnership aligns with Central Asia's broader aspirations for diversification, marking Azerbaijan as an influential player that not only offers alternative trade routes but also strengthens diplomatic ties across Eurasia.

Historically, Kazakhstan pioneered the "multi-vector" foreign policy approach, balancing relations between Russia, China, and the West. In recent years, however, Azerbaijan has stepped into a prominent role, guiding Central Asia toward enhanced trade routes and economic partnerships, notably with Türkiye and the European Union. Azerbaijan's proactive diplomacy has encouraged Central Asian states to diversify their foreign policy strategies and reduce their dependency on Russia – a shift underscored by Kazakhstan's President Tokayev affirming that his country will not violate sanctions against Russia.

Azerbaijan's role extends beyond bilateral relations. Baku leverages its partnerships within the OTS and with European and other IFIs to

consolidate regional interests and ensure that Central Asia's connectivity with Europe and the Middle East thrives independently of Russian infrastructure. The 2040 Turkic World Vision, a comprehensive strategy established by the OTS, reinforces this goal. As part of this framework, Azerbaijan and Türkiye facilitate energy and logistical investments across Central Asia, positioning Azerbaijan as an essential link within a larger network that prioritizes regional sovereignty and cooperation.

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Azerbaijan's Emergence as a Middle Power in Eurasia

Azerbaijan's ascent to middle-power status within Eurasia is characterized by its strategic use of energy resources, geographic positioning, and deft diplomacy. Positioned at the nexus of Europe and Asia, Azerbaijan has transformed from a regional player into a central figure in Eurasian geopolitics, leveraging its role in the Middle Corridor to enhance economic ties and political influence across the South Caucasus, Central Asia, and beyond.

The defining feature of Azerbaijan's middle-power diplomacy is its engagement in plurilateral partnerships and multilateral institutions, a tactic that enables it to navigate complex international dynamics. Through platforms like the Non-Aligned Movement (NAM) and the Organization of Turkic States, Azerbaijan has cultivated strong alliances and reinforced its commitment to regional integration. Azerbaijan's chairmanship of the NAM from October 2019 to January 2024, during which it founded and chaired the NAM's Parliamentary Network, underscored its leadership capabilities and affirmed its

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role as a bridging force. This leadership is further emphasized by Azerbaijan's deepening engagement with the Organization for Democracy and Economic Development-GUAM, which promotes economic cooperation and security with Georgia, Ukraine, and Moldova.

Azerbaijan's strategic partnerships with Kazakhstan, Uzbekistan, and Türkiye have propelled the development of the Middle Corridor, expanding

connectivity from the Caspian Sea to Europe. This collaboration has positioned Azerbaijan as a crucial transit hub, essential for diversifying trade routes beyond Russian dominance. Notably, the BTK railway, a critical part of the corridor, exemplifies Azerbaijan's commitment to enhancing logistics infrastructure that bolsters trade efficiency across Eurasia. In conjunction with the Port of Alat, these investments not only secure Azerbaijan's standing as a primary transit state but also stimulate economic growth across the South Caucasus and Central Asia.

Moreover, Azerbaijan's bilateral and multilateral diplomacy with Turkic-speaking nations, particularly Türkiye, has amplified its influence. The Shusha Declaration on Allied Relations, signed in June 2021 between Azerbaijan and Türkiye, established a framework for economic, defence, and political cooperation, solidifying their alliance within a multipolar world. This agreement has furthered Azerbaijan's influence in Central Asia, positioning it as a leading actor in the region's geopolitical restructuring and enhancing its autonomy from larger powers like Russia and China.

Through its multi-vector approach and role in key transport corridors, Azerbaijan has not only secured its economic and strategic interests but also contributed to regional stability and the integration of Turkic-speaking nations. This rise underscores Azerbaijan's transition from a regional energy supplier to an indispensable player in Eurasian trade and diplomacy.

Conclusion

This article has explored how Azerbaijan advances South Caucasus–Central Asian integration through the Middle Corridor and has

progressed it from a conceptual initiative into a developing logistical and trade network. The results reveal that Azerbaijan's strategic investments in infrastructure – such as the Port of Alat and the BTK railway – have been critical in enhancing connectivity and efficiency along the corridor. In parallel, Azerbaijan's active engagement with multilateral organizations like the OTS and SPECA has strengthened regional cooperation. In addition, the study makes clear how Azerbaijan's multi-vector foreign policy – supported by partnerships with Kazakhstan, Türkiye, and Uzbekistan – has permitted it to balance diverse geopolitical interests while diminishing Central Asia's economic dependency on larger powers.

Azerbaijan's pivotal role in the Middle Corridor project represents a strategic leap in Eurasian geopolitics, establishing it as a key player in reshaping regional trade, connectivity, and diplomatic relations. The corridor has become much more than a logistical pathway; it is a robust geopolitical asset that enables Azerbaijan to leverage its geographic location and infrastructure investments to foster regional stability, economic resilience, and diversified trade routes that bypass Russian influence.

The Middle Corridor has provided Azerbaijan with a unique opportunity to drive deeper integration across the South Caucasus, Central Asia, and Europe. Through investments in key infrastructure – such as the Port of Alat and the BTK railway – Azerbaijan has established itself as an essential transit hub that links East and West, facilitating a flow of goods and services that is reshaping Eurasian trade dynamics. Partnerships with countries like Kazakhstan, Uzbekistan, and Türkiye have further consolidated Azerbaijan's influence, while trilateral agreements have expanded its reach and fostered stronger ties with the Turkic world.

Azerbaijan's ascent to middle-power status is also defined by its nuanced, multi-vector diplomacy. Rather than aligning exclusively with major powers, Azerbaijan has cultivated a balanced approach, navigating relations with Russia, Türkiye, and the West to optimize its own strategic autonomy. This pragmatism has allowed Azerbaijan to pursue regional influence while remaining resilient to external pressures. By fostering connections within the OTS and the NAM, and with other multilateral institutions, Azerbaijan has reinforced its position as a leader in regional diplomacy, one whose influence resonates across Eurasia.

The continued development of the Middle Corridor holds substantial promise for Azerbaijan and its partners. As investment flows into the corridor, regional cooperation will deepen, further diversifying trade routes and enhancing the economic and political autonomy of participating countries. Azerbaijan's stewardship of the corridor has catalysed a shift towards a more interconnected Eurasian landscape, where trade efficiency and geopolitical resilience are prioritized.

In conclusion, Azerbaijan's leadership in the Middle Corridor project symbolizes its transformation into a central player in Eurasian geopolitics. Through strategic infrastructure projects, diplomatic agility, and multilateral collaboration, Azerbaijan is not only advancing its own national interests but also contributing to the broader regional integration and stability of Eurasia. This pivotal role positions Azerbaijan as a bridge between East and West, securing its influence for decades to come in a rapidly evolving international order.