



GEOPOLITICS IN THE CAUCASUS: EMERGING CONNECTIVITY PROJECT IN THE REGION

Mohd Furkan

Research Scholar, MMAJ Academy of International Studies, Jamia Millia Islamia New Delhi-25.

The progression of humanity—from early tribal communities to advanced socio-political structures—has been significantly influenced by movement and adjustment to various environments. As people expanded across the planet, their capacity to adapt to different terrains and conditions became the cornerstone of societal advancement. Yet, as communities became more complex, additional elements emerged as crucial drivers of development. Although today's world is segmented into separate political units, the exchange of ideas and cooperation between them remains vital for growth. These exchanges, inherent to human behaviour, are natural and instinctive. However, they depend on both a platform and a means to occur.¹ This is where the concept of connectivity becomes essential—it offers the means and establishes the platform for interaction, allowing societies to prosper in a globally linked environment.²

In its widest definition, connectivity is the means of physical or virtual linking and interaction among individuals, states, and businesses. As Tomas Ries describes, it covers all kinds of ties—political, social, and financial—that hold the planet together.³ This covers both physical infrastructure—roads and commerce routes—as well as intangible links including cultural interactions and digital networks. Still, connectedness is not a one-sided phenomenon. It is greatly shaped by **geopolitics**. Aristotle famously said of people that they are political animals, and politics is fundamental in determining how civilizations interact. Connectivity takes place in the particular space; and it led inroads into geopolitical interaction. Though, Connectivity enables civilizations and societies occupy political environments as they are defined or changed. Still, this approach has drawbacks. Why has connection become such a major concern in global geopolitics? What consequences does it imply?

Two main factors need attention; First, networking generates interdependence that could cause security issues for the local populations. Second, it may render areas more susceptible to world instability. These factors have made more connectivity into a geopolitical battlefield, where countries fight to link the disconnected regions and seize control over important areas or routes.

People have always yearned to connect with one another; connectivity is not a modern idea. Today, however, these relationships have distinct magnitude, intensity, and influence. As Jean-Marc F. Blanchard points out, geopolitics is about dynamic undertakings that change our perception and organisation of space rather than only about fixed physical areas.

Geopolitics used to be mostly about territory under control. Today is about managing connections. This change has resulted in a new sort of geopolitical rivalry reminiscent of the Cold War when

¹ Fitzhugh et al., “Human Ecodynamics: A Perspective for the Study of Long-Term Change in Socioecological Systems.”

² Luo, “New Connectivity in the Fragmented World.”

³ EGMONT Royal Institute for International Relations, and Tomas Ries. “Security Aspects of Connectivity,” August 2019. <https://www.egmontinstitute.be/app/uploads/2019/09/SPB115.pdf>.



countries compete for influence by developing networks and infrastructure. Henry Farrell writes of this as weaponised interdependence, in which means of power include economic and technical linkages.⁴

For instance, China's Belt and Road Initiative (BRI) is like the old Silk Road in that China wants to build a huge network of roads, railroads, and ports to connect Asia, Europe, and Africa. The International North-South Transport Corridor (INSTC) and the Central Asia Regional Economic Cooperation (CAREC) are also changing the way that areas work together. These plans are about more than just trade. They're also about power. Nation-states can have an effect on people, things, and information that move through their borders.⁵

Long a crossroads of civilizations, the South Caucasus—which consists of Armenia, Azerbaijan, and Georgia—has seen Traditionally linked East and West on the Silk Road. In contemporary, South Caucasus once more at the core of initiatives on world of connectedness.

Although, South Caucasus region has more than three distinct political entities, majority of projects are in either in Georgia or Azerbaijan. For instance, with projects like the Baku-Tbilisi-Kars railway and the Alat Port, Azerbaijan has become an important part of the BRI. It has become a centre for trade between Europe and Asia. Thanks to its free trade deals with both the EU and China, Georgia is becoming a logistics hub thanks to its location on the Black Sea. Even Armenia is looking for ways to gain from global internet projects, even though it is not as involved in these particular ones.

But there are risks with these projects. When areas are better connected, they may be more likely to be affected by economic, political, or environmental changes from outside. For example, the South Caucasus is already a tense place for geopolitics, with wars and rivalries between Russia, Turkey, and Iran that haven't happened yet. As connection grows, so does the chance that these conflicts will get worse.

Infrastructures are what makes connections nodes possible through complex interaction. There are ample ways through which areas can connect are through; roads, railroads, ports, and digital networks all connects physically or virtually. But building infrastructure isn't just putting down trains or wires; it's also making sure that the economy grows, the government stays stable, and people from different cultures and regions can interact easily.

Projects such the Anaklia Deep Sea Port and the Baku-Tbilisi-Kars railway are changing the economic scene of the South Caucasus. Along with increasing commerce, these initiatives generate employment, draw capital, and promote regional collaboration. They also draw attention at the same time on the difficulties of connection, from maintenance and security to finance and building.⁶

⁴ Farrell, Henry, and Abraham L. Newman. "Weaponized Interdependence: How Global Economic Networks Shape State Coercion." *International Security* 44, no. 1 (January 1, 2019): 42–79. https://doi.org/10.1162/isec_a_00351.

⁵ Fawn and Bruder, "Building the West's On-Ramp to China's Belt and Road: Opportunities in the South Caucasus."

⁶ International School of Economics at TSU Policy Institute, "South Caucasus Trade Study."



Belt and Road Initiative

For ages, people and civilisations have been linked by the flow of products over extensive trading routes. The Silk Road, which appeared in the early phases of human civilisation, was one of the oldest and most important of these routes. The Silk Road developed into a crucial route for trade. Its cross-cultural interaction, connecting China, Central Asia, Eastern Europe, West Asia, and portions of the Indian subcontinent enables movement of goods and commerce. The name 'Silk Road' comes from the extremely valued Chinese silk which used to be high demanding commodity in the Europe, but it also made it easier to sell valuable stones, metallurgy, tools, grains, leather, and artwork. Further, In addition to commodities, the Silk Road also enabled exchange of philosophical concepts, scientific information, religious beliefs, languages, and civilisations over great distances. Important inventions that originated in China, such as paper and gunpowder, moved westward and significantly changed the social and political landscapes in Europe and in the the world. Operating from around 130 B.C. to 1453 A.D., the Silk Road was mainly unidentified until the 19th century, when the German geographer Ferdinand von Richthofen came up with the phrase.⁷

BRI in South Caucasus

This old trading network of Silk Road also included the South Caucasus. The region included in the vast Silk Road network as early as 2000 B.C. The historical presence of old silk road, for exmple, present in Kolkheti, on the Black Sea's eastern coast in present-day Georgia; it was a centre of the caravan trade under the Greek Empire. The South Caucasus region was connected to India through Silk Road as well. For example, from the Indian subcontinent, goods were transported to the Caspian Sea, then to the port of Phasis (present-day Poti) via the Kura River, and finally to markets in the Mediterranean.⁸

China's many fold economic growth at the beginning of the twenty-first century changed the nature of international commerce. China's expanding supply networks and rising demand for resources led to overtake the US as the world's largest trading country in 2013. Though China is the world's industrial house. the recent economic growth has fueled China's desire to increase its influence. In contemporary China has trade agreements with more than 130 countries. By 2023, trade between China and Europe had increased to about 740 billion euros. China, in quest to connect Europe, started the Belt and Road Initiative (BRI) in 2013 after seeing the potential of land routes as quicker and as an alternate options bypassing strategic choke points. The BRI, often termed as the "New Silk Road," is made up of two primary parts: the Maritime Silk Road, which emphasises marine links, and the Silk Road Economic Belt, which focuses on land routes throughout Eurasia. Through promoting economic integration and fortifying geopolitical relations, the strategy seeks to link China and Europe.⁹

The South Caucasus is not specifically mentioned in the BRI , but its advantageous position provides a different path between Europe and Asia. As a result, nations like Georgia, Armenia, and Azerbaijan now have a great chance to strengthen their political and economic relations with China.

⁷ The Editors of Encyclopaedia Britannica, "Silk Road | Facts, History, & Map."

⁸ Joshi et al., *Reconnecting India and Central Asia: Emerging Security and Economic Dimensions*.

⁹ Allison, Kiersznowski, and Fitzek, "The Great Economic Rivalry: China Vs the U.S."



For example, Azerbaijan's relationship with China has significantly improved, especially after President Ilham Aliyev's 2015 visit. Significant infrastructure investments resulted from the two countries signing agreements to further cooperation under the BRI framework. Important projects include the Baku-Tbilisi-Kars (BTK) railway, a vital component of the Trans-Caspian International Transport Route, and the Baku International Sea Trade Port, which handles 15 million tonnes of cargo yearly. Azerbaijan is now a vital logistical centre that facilitates commerce between Europe and Asia as a result of these developments. In an effort to shorten freight delivery times between China and Europe, the national railroads of Kazakhstan, Georgia, and Azerbaijan decided in October 2023 to form a joint company that will coordinate their electronic and customs systems to allow Chinese products to pass via a single checkpoint. Azerbaijan and Georgia are part of the Middle Corridor, a land route from China to Europe that bypasses Russia.¹⁰

Georgia has also benefited from its advantageous position. Georgia has worked to strengthen economic links with China since formally establishing relations with the country in 1992, especially following the 2008 conflict. A significant turning point was the conclusion of a free trade agreement in 2017, when Georgia's Deep and Comprehensive Free Trade Area (DCFTA) with the EU attracted Chinese investment. The goal of projects like the East-West Highway expansion and the Anaklia Deep Sea Port is to make Georgia a logistical hub between Europe and Asia.¹¹

Despite being less part of the BRI, Armenia has shown interest in taking part in international economic projects. Despite its geographic limitations—it is landlocked and shares borders with Georgia and Iran—Armenia has worked to increase collaboration with China in fields including tourism, education, and technology. Its restricted access to international markets is still a problem, though.¹²

The South Caucasus's potential as an East-West bridge is demonstrated by the expanding commercial and business relations between China and the area. In addition to strengthening local economies, infrastructure initiatives like the BTK railway and the Alat Port also improve regional connections. However, as major nations compete for influence in this strategically important region, these developments highlight the South Caucasus' geopolitical relevance.

Central Asia Regional Economic Cooperation Program

The vast Eurasian landmass spanning between Europe and Asia, has long been an important socio-political space. In Eurasian region, numerous civilizations emerged, which fostered trade, impacted human migration cultural landscape of the region. Throughout the Cold War, much of the Eurasian region was under a single political system. The single political system established consistent regulations and unified norms. The dissolution of the USSR in 1991 led to the rise of independent nation-states. Each state with its own ethnic and religious diversity has different strategic goals. These newly formed states, many of which are landlocked and lack integrated trade and transportation networks, gained significant geostrategic importance. As noted by Warikoo, the region's importance is underscored by the interests of major powers, necessitating genuine partnerships built on non-hegemonic principles.

¹⁰ Veliyev, "Promises of Azerbaijan-China Comprehensive Strategic Partnership."

¹¹ Sirbiladze and Mgebrishvili, "China, EU and Georgia Nexus: Unpacking the Economic and Political Relations."

¹² Matin et al., "Belt and Road Initiative – Armenia Country Case Study."



To foster connectivity in Eurasia, the Central Asia Regional Economic Cooperation (CAREC) program established in the late 1990s under the guidance of the Asian Development Bank. The first CAREC conference took place in 2002. Currently, the program includes 12 member countries and six multilateral institutions. CAREC's primary focus is on enhancing transport, energy, and trade facilitation among its members; with a particular emphasis on transport infrastructure. It can be noted from that fact that, approximately 76 percent of the program's investments are directed toward improving transport corridors. CAREC operates under a strategic framework agreed upon by its member countries. The current CAREC Transport Strategy 2030, adopted during the 16th Ministerial Conference in Dushanbe in 2017, builds on the achievements of the earlier Strategy 2020. The earlier strategy prioritized building approximately 7,800 kilometers of roads and 1,800 kilometers of railways. In contrast, the new strategy places greater emphasis on linking trade and transportation.¹³

It focuses on five main areas: managing road assets, improving railways, facilitating cross-border transport, enhancing logistics, and ensuring road safety. It aims to establish railways as the preferred choice for trade by 2030. It also focusing on making rail transport efficient, easy to access, and convenient. Under the CAREC Railway Working Group; it has two-pronged approach: improving physical infrastructure and implementing sectoral reforms to promote commercialization. This dual strategy seeks to create a seamless and efficient rail network that supports regional trade and economic growth. In the South Caucasus, two of the three countries—Azerbaijan and Georgia—are members of CAREC. Azerbaijan joined in 2003 and has since received \$6.89 billion in investments for transport and energy projects. Georgia became the member in 2016.¹⁴

Georgia has secured than \$2.91 billion for transportation initiatives by 2023. Both countries have undertaken numerous infrastructure projects of national and geopolitical significance. In Azerbaijan, 44 transport sub-projects have been initiated under CAREC, with 37 completed and 7 still underway. Key projects in Azerbaijan under CAREC includes the Baku-Shamakhi road, the Baku-Samur highway, and the Sumgayit-Yalama railway line. Georgia, meanwhile, has focused on projects like the Shorapani-Argveta highway section and the Batumi-Sarpi bypass. Many of these initiatives align with other regional transportation programs, such as TRACECA, further enhancing connectivity across the South Caucasus. CAREC aims to transform the South Caucasus into a vital hub for trade and transportation, bridging Europe and Asia. This effort not only strengthens economic ties but also reinforces the region's strategic importance in an increasingly interconnected world.

Transport Corridor Europe-Caucasus-Asia

Transport Corridor Europe-Caucasus-Asia (TRACECA) operates as a multi-mode transport network across Central Asian and South Caucasian countries. It aims to integrate regions under a unified economic and trade framework. it connects the region through transportation systems. TRACECA initiative holds significance for reviving the historic Silk Road in the 21st century. The European Union plays a major role in TRACECA, supporting its goals. The idea of reviving the Silk Road and creating a Eurasian market was first proposed by Eduard Shevardnadze. At the Asia-Pacific Countries: Dialogs, Peace, Cooperation conference in Vladivostok in September 1990, Shevardnadze introduced

¹³ Asian Development Bank, *Introduction to the Central Asia Regional Economic Cooperation Program Development Effectiveness Review Building the Baseline 2009*.

¹⁴ "Regional Cooperation Between the South Caucasian Countries and Their Economic Development. - Free Online Library."



the concept of a new political and economic space for the Caucasus, Europe, and Asia, envisioning a shared Caucasian-Eurasian market.¹⁵

The idea of a common market and the revival of the Silk Road gained momentum at a conference in Brussels in 1993. Armenia, Azerbaijan, and Georgia (from South Caucasus) along with Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan (from Central Asia) adopted the Brussels Declaration. it marked the beginning of TRACECA. It is largely supported and funded by the European Union, and it aims to develop transport corridors linking Europe and Asia through the Black Sea, Caucasus, and Caspian Sea.

In 1995, the TRACECA working group began organizing its efforts around four key areas: trade facilitation, road transport, rail transport, and maritime transport. At the Baku conference in 1998, member countries signed the Basic Multilateral Agreement on International Transport. The agreement aimed at developing the Europe-Caucasus-Asia transport corridor. The first intergovernmental commission conference took place in Tbilisi in 2001. TRACECA's permanent secretariat opened in Baku in 2013. To further enhance transportation-related economic activities and standardize practices; the Coordination Committee for the Trans-Caspian International Transport Route established in 2013. The committee sets standards for transporting goods, containers and determines tariff rates.¹⁶

The United Nations identifies the following objectives for the EU under TRACECA

Strengthening the political and economic independence of South Caucasus and Central Asian countries by improving their access to European markets through alternative routes:

1. Promoting regional cooperation among these republics.
2. Linking the TRACECA route with the Trans-European Network.

In the South Caucasus, the TRACECA transport corridor passes through all three republics—Armenia, Azerbaijan, and Georgia—as well as their neighbouring countries.

In Georgia, TRACECA supports four major projects. These include the development of the Anaklia Deep Sea Port, prioritized for its strategic location and year-round navigation capabilities. Additionally, upgrades to the E-60 and E-70 highways, known as the North-South and East-West highways, are underway. Efforts to strengthen the aviation sector include expanding Kutaisi International Airport's terminal and support infrastructure. The development of logistics centers in Tbilisi and Kutaisi is also progressing, offering potential advantages for the East-West Highway Corridors upon completion.¹⁷

International North–South Transport Corridor

The International North-South Transport Corridor (INSTC) is a major transportation network. It spans over 4,500 miles, connecting India's Mumbai port to Russia's St. Petersburg. The route passes through Iran and Azerbaijan. The idea for INSTC began with a freight forwarding agreement in 1999. This

¹⁵ European Union, "EU Support to the Europe-Caucasus-Asia Transport Corridor."

¹⁶ "History of TRACECA. TRACECA ORG," n.d., <https://traceca-org.org/ir/about-traceca/history-of-traceca/>.

¹⁷ Mosashvili, "Opportunity to Strengthen Deterrence and Advance US Interests: Georgia as a Transit Hub Between Europe and Asia."



agreement includes primarily Iran, Russia, and India. The main goal of INSTC is to reduce travel distances and freight costs. It also aims to decrease reliance on strategic choke points such as Suez Canal and Bab el Mandeb.¹⁸

Seven other countries are part of the project. These are Azerbaijan, Turkey, Armenia, Ukraine, Kazakhstan, Belarus, Kyrgyzstan, Oman, Tajikistan, and Bulgaria (as an observer).

The corridor has four main routes

1. **Caucasus Route:** Mumbai to Baku via Tehran.
2. **Central Asia Route:** Mumbai to Central Asian Republics.
3. **Caspian Sea Route:** Mumbai to Moscow via Astrakhan.
4. **South Asian Route:** Mumbai to Bandar Abbas via the Arabian Sea.

The INSTC passes through the South Caucasus region. According to Sarma, this corridor will create new opportunities and be a "game changer" for India. For the South Caucasus countries, INSTC can bring significant benefits. First, as estimated it would generate millions of dollar worth in foreign exchange. Second, it can benefit non-traditional sectors like agriculture and oil and gas. Third, it can improve overall infrastructure in the region. Finally, it could open doors to trade with new regions such as Arab and Gulf countries.

However, there are ample challenges such as economic disinterest from major powers, security issues in frozen conflicts, and limited investment opportunities. Iran's Chabahar Port, a key part of the project, depends entirely on investments from different countries. The current geopolitical situation in the region makes it difficult for potential players to participate fully. Despite these challenges, INSTC has the potential to transform trade and connectivity across the region.¹⁹

Conclusion

The South Caucasus, positioned between Europe and Asia, has always functioned as a conduit connecting civilisations. The region has been part of the ancient Silk Route, and in contemporary times various connectivity initiatives such as BRI, CAREC, TRACECA and INSTC are connecting it. These projects are not only providing connectivity with the other regions of the world but also shaping the geopolitical and economic framework of the region. These projects are influencing commerce, infrastructure, and regional integration. Azerbaijan and Georgia are two main countries present in the connectivity corridors, providing logistics and strategic locations. Though Armenia is a respectable member of the South Caucasus community, it has limited integration in the connectivity projects due to geopolitics in the region. Though connectivity projects are progressing, obstacles remain. However, connectivity in the South Caucasus not only provides infrastructure for connecting the world, it also serves as a strategic tool for numerous geopolitical actors. Various big actors in world politics are trying to influence the region.

¹⁸ Pal, "The International North-South Transport Corridor (INSTC) and India: Potential and Impediments."

¹⁹ Əliyev, "The International North-South Transport Corridor: Russia's Geoeconomic and Geopolitical Interests."



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