

A Turkic Singapore?

Perspectives for the Middle Corridor

Maxime Gauin

In many ways, the idea of establishing the Middle Corridor began to take practical shape with the gradual transformation of Azerbaijan into an international energy hub over the past three decades. This began with the December 1994 signing of the Contract of the Century and the oil boom that came in its wake; broadened and deepened with the discovery of vast quantities of natural gas and their subsequent export via the Southern Gas Corridor; and is now entering its next stage by the strategic endeavor to diversify the sources of Baku’s energy exports to include electricity, wind and solar, and even hydrogen, as outlined in the July 2022 Memorandum of Understanding signed between Azerbaijan and the European Union.

Such geo-economic changes have been complemented by geopolitical ones. The two most recent—and most tectonic for regional developments—both involve conventional warfare: the Second Karabakh War, which ended on 10 November 2020, and the ongoing Russia-Ukraine war, which began in February 2022.

All this (and more) has had a positive impact on the likelihood of the full actualization of the Middle Corridor connectivity mega-project. That being said, the situation is not without its challenges, as noted most recently by my colleague Jahangir E. Arasli in his 20 December 2022 IDD Working Paper titled “The Caspian ‘Black Hole’: Soft Link in the Middle Corridor.” This IDD analytic policy brief can thus be read in complement to the aforementioned.

Energy of Today and Tomorrow

The most obvious aspect of the Middle Corridor is energy—more particularly, the increase of the delivery of energy originating on *both* sides of the Caspian to Türkiye and the European continent, which is now taking place in the context of heightened political

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will to end energy dependency on Russia. Hence one of the provisions of the July 2022 MoU is the doubling of the Southern Gas Corridor's capacity by 2027.

But that is hardly the full story. The first *completely new* energy-related agreement since the Russia-Ukraine war began was signed in August 2022 with Kazakhstan to transport a part of its oil via the Baku-Tbilisi-Ceyhan pipeline; another, more significant one was reached in November 2022 and involves the transport of 1.5 million tons of oil via the same source. Reportedly, the next objective is to agree on terms to transport between 6 and 6.5 million tons of oil per year. This is particularly remarkable, not only because such a deal would have been unthinkable as late as January 2022 (considering Astana's longstanding links with Moscow), but also because technical issues were seen as a deal-breaker (mainly the fact that the oil produced in Azerbaijan is of better quality and, as a result, sold for a higher price). It appears that Astana and Baku have now found the political will to overcome this issue quickly.

Even more recently, in December 2022, Turkish President Recep Tayyip Erdoğan observed during his visit in Turkmenistan that the final segment of the Southern Gas Corridor—the Trans Adriatic Pipeline (TAP)—no longer has any excess capacity, after Azerbaijan agreed to provide the EU with more gas than it was contractually obligated to do, as part of its commitment to deepen its strategic energy partnership with Brussels in the latter's time of need. This sort of willingness is another part of the overall case being made to the EU to double the Southern Gas Corridor's capacity by 2027, as per the terms of the July 2022 MoU. But then Erdoğan went further. In his words:

Now our colleagues [at the ministerial level] will work on whether to establish a new pipeline or not, so that steps can be taken accordingly. Of course, we discussed this among ourselves with the Azerbaijan and Turkmenistan presidents. But now we will have taken the step towards the future by discussing the technical infrastructure, cost dimensions, and all of them.

The reference to a “new pipeline” can be interpreted as being either the construction of Southern Gas Corridor 2.0 to run parallel to the existing one (assuming the doubling of the latter's capacity), or to the building of an interconnector from Turkmenistan to the Southern Gas Corridor that would enable that country to supply Türkiye and the European continent with gas for the first time. Or perhaps to both. Either way, the technical and legal issues are real, but not less than the will to succeed.

In autumn 2022, there was talk that Turkmenistan intended to become a member of the Organization of Turkic States (OTS), after having requested (and immediately obtained) observer status in 2021.

More original, and probably more durable, is the “green energy” deal announced in September 2022 and formally signed in December 2022: the sale of electricity produced in Azerbaijan and Georgia from renewable sources (wind and solar from the former; hydro from the latter) to Romania and Hungary (and, as is likely, to other states in Southeast Europe). This, too, is derived from one of the provisions contained in the July 2022 MoU,

as evidenced by the presence of EU Commission President Ursula von der Leyen at the ceremony that took place in Bucharest at the end of last year. The deal revolves around the construction of a 1,100 km, 1,000 MW cable running from Azerbaijan to Romania, with a major part running along the bottom of the Black Sea. In this regard, the comment of Romanian President Klaus Iohannis is crystal clear:

Given the current security context marked by the military aggression against Ukraine, we need to cooperate better and show more solidarity to mitigate common challenges. Our energy cooperation responds to a strategic impetus. It will enhance our energy resilience and ensure the diversification of supply and transport routes. It is market driven, given increased energy demand in Europe.

One could speculate that the scope of the deal could further increase in the event that Azerbaijan opts to develop a nuclear energy capacity.

However that may be, the next point can be made by starting with Hungary, which is both a supporter of Azerbaijan and an (active) observer in the OTS. This organization, which was formally established in 2009 in Nakhchivan, is a cultural and political alliance now being built on a strong regional economic rationale; it also is gaining credibility due to the military alliance between OTS member states Türkiye and Azerbaijan. The original bilateral alliance treaty (2010), the Shusha Declaration (signed in June 2021 and ratified in January 2022), and the appointment of a Turkish general, Bakhtiyar Ersay, as advisor to the Azerbaijani Ministry of Defense in December 2022, all show the vitality of this alliance. As it happens, this is considered in some circles in Kazakhstan (and elsewhere) to be an alternative to Russia. Such a posture may be thought of as pan-Turkism, but what is sure is that any ideological and cultural project becomes incomparably stronger when it has an economic *and* a military basis.

In terms of forecasting, it seems to me that we may be in the nascent stage of a genuine convergence of interests between the OTS and the EU. This is evidently a long-term endeavor. A common denominator is Russia. Here it is useful to think back to the Boris Yeltsin era, when Western governments blindly trusted the Russian president and sought to build a strategic partnership with the successor state to their Cold War adversary. As a result, the West neither protested loudly to the Kremlin's attack against Moldova in 1992 nor to the one perpetrated against Georgia in 1992-1993; the West also did nothing to counter the actions of Russia's proxy Armenia in the First Karabakh War.

Intentions and aspirations aside, a result of this Western passivity and misplaced trust was the rise of Vladimir Putin's geopolitical ambitions: the West's passivity to the war against Georgia in 2008 is not the least cause of the conflict over Ukraine. It appears that at least the European Union has learned its lesson by making it clear that it will not want to depend on Russian hydrocarbons in future. And Brussels seems to be determined to avoid the pitfalls of a quick "reset" in relations—at least judging by the unambiguous tenor of von der Leyen's 14 September 2022 statement: "the sanctions are here to stay."

It can thus even be argued that the increasing contribution of Azerbaijan to the energy needs of EU member states Bulgaria, Greece, and Romania and, most relevantly in this context, Hungary—coupled with Budapest’s deepening relationship with the OTS—will be of political benefit to the European Union, as well.

A Corridor for Cargo, Too

Like for any major connectivity hub, the ambitions of the Port of Baku can be summarized in three words: importing, re-exporting, and improving. In December 2022, this flagship Azerbaijani project—the linchpin of its Middle Corridor strategy, one could say—achieved a record handling capacity of 15 million tons. On its website, the port’s objective is clearly expressed: “Our vision is to become the major intermodal logistics hub at the heart of Eurasia. Our mission is to contribute directly to the sustainable growth and diversification of Azerbaijan’s economy by developing a world-class port.” This echoes the words of Port of Baku’s Director-General, Taleh Ziyadov, published in the Fall 2020 edition of *Baku Dialogues*: “Port of Baku [...] aims to become [...] a keystone five-star hub of the Silk Road region—a dynamic center of distribution and added value in the heart of Eurasia. [...] The goal being not to just buy and sell, but to add value, innovate, and develop the [...] economy and society [of Azerbaijan and the entire neighborhood].”

Not unlike energy, the position of Baku to serve as a strategic hub for freight and all other aspects of transportation and other forms of connectivity has quickly improved due to the conflict over Ukraine and the will of the Central Asian states to reduce their dependency on Russia. For instance, on 28 December 2022, Uzbekistan’s ambassador to Azerbaijan and Georgia announced on Twitter: “First Uzbekistan-Europe Container block train reached Baku. The container train will move along the route Uzbekistan-Turkmenistan-Azerbaijan-Georgia-Bulgaria/Europe with a length of 4,000 km. This freight train delivers copper concentrate to the Bulgarian port of Burgas.” As far as manufacturing is concerned, a project to build a factory producing pasta has been already announced, and this is surely one case among many in recent times. The rise of Turkish industry since the 1980s offers an obvious example to follow—and Türkiye can become a key partner in this regard.

For the moment, most of the freight originating in or flowing through Azerbaijan to points westward passes through Georgia. Thus, the Baku-Tbilisi-Kars (BTK) railroad, finished in October 2017 (838 km) is and will remain essential. A MoU signed on 14 September 2022 between China, Kyrgyzstan, and Uzbekistan on the margins of the Shanghai Cooperation Organization should pave the way for a more direct railway connection between not only those countries but, ultimately, all destinations in Europe via BTK without having to enter Russian territory. The strategic aim is to reduce the Beijing-London trip to 12 or 15 days—with the to-be-completed railway network also benefiting producers all along the envisioned route, including those based in Central Asia.

This, however, is not the only aspect of the Middle Corridor that interests Baku in the wake of its victory in the Second Karabakh War. As President Ilham Aliyev announced on 14 December 2022: “40 percent of the works on the railway line and 70 percent [of the works] on the highway have been completed in the sections of the Zangezur Corridor on the territory of Azerbaijan. All works are expected to be completed in 2024, leading to the establishment of a new transport corridor.”

And here starts the most sensitive aspect of the issue. Despite the personal interest of Armenian Prime Minister Nikol Pashinyan in signing a peace deal with Azerbaijan (if only so as not to enter history primarily as the leader who lost the war against Baku); despite excellent personal relations between Aliyev and the President of the EU Council Charles Michel (and his counterpart in the EU Commission); and despite all the EU’s efforts to bring Baku and Yerevan together in peace, the Zangezur Corridor is not yet open. One can rightfully invoke the absence of Pashinyan’s statesmanship, but a much more important reason explaining Armenian opposition is likely to involve examining the Kremlin’s policy. To get into all the details and nuances is beyond the scope of this analysis. What follows is an indicative sketch.

It is hard to imagine that the appointment in November 2022 of Ruben Vardanyan—a Russian oligarch who has been sanctioned by Ukraine for his role in supporting the Kremlin in the war—as “Minister of State of Artsakh” did not take place without Moscow’s approval; in fact, it is likely that this provocative move was in fact instigated by the Kremlin. Yet, this “Minister of State” immediately became a *bête noire* for Baku, especially because of his intransigent line. He constantly speaks about “self-determination” and “independence,” never about negotiations to reintegrate the areas of Karabakh that fall within the Russian peacekeeping zone (Khankendi and surrounding areas) into Azerbaijan. Judging by his public statements, Vardanyan seems rather shortsightedly unwilling to face the fact that the Russian military presence is limited in time: on 10 January 2023, Aliyev was unambiguous on this point: “in 2025, Russia’s peacekeeping mission ends.”

Another piece of evidence of the Kremlin’s involvement in Armenian resistance to the opening of the Zangezur Corridor is the fact that the commander of the Russian peacekeeping force has not once come out to meet the Azerbaijani eco-activists that have been demonstrating along the Lachin Corridor for more than a month against the illegal and polluting exploitation of mineral resources near Khankendi. This is to be contrasted to his continued engagement with the secessionist “Artsakh authorities.”

The unofficial voices in Moscow are even more aggressive. Mikhail Alexandrov, a key member of the Center for Military-Political Studies at the Moscow State Institute of International Relations (MGIMO), stated the following on television on 13 December 2022: “attack Baku, bomb the Baku oil industry completely, destroy the Azerbaijani energy system with missile strikes. The West will suffer greatly from this. [...] This

will immediately greatly increase oil.” It is *very* important to underline that after official protests from various quarters in Baku, the offending individual was fired several days later.

Still, the damage had been done: his words reinforce the perception that there is an unsavory closeness between Armenian maximalists and Russian opinionmakers (Vladimir Zhirinovskiy, deceased last year, was another example in this regard). Alexandrov’s threats were, of course, empty. But they did serve to remind both the government and citizens of Azerbaijan of the Armenian missile strikes that landed precariously close to the Southern Gas Corridor’s pipeline infrastructure in the runup to the start of the Second Karabakh War. They also drove home the clear and present danger represented by the planting of thousands of landmines perpetrated by Armenian forces subsequent to the end of the Second Karabakh War. Many of these planting operations originated from the Russian peacekeeping zone—with the mines having entered the area via the Lachin Corridor.

New attempts to plant even more mines were made as late as September 2022—a precipitating cause of the clashes along the non-delineated border between Armenia and Azerbaijan during this period. This is evidently a serious issue: landmines have not only taken lives and endanger still others; they are also both costly and time-consuming to find and destroy.

Also—this should almost go without saying—it seems highly unlikely that the Russian peacekeepers allowed the import of mines to take place under their noses without some sort of guidance from their superiors.

Relatedly, Yerevan faces insistent demands from the Kremlin to join the Belarus-Russia “union state,” which was formally established through a treaty signed by Minsk and Moscow in December 1999, which began to be implemented in earnest starting in November 2021 through an agreement providing for common policies on taxation, banking, industry, agriculture, and energy—this and other agreements also contain provisions for the establishment of a common military doctrine. The Kremlin’s demands have been rejected by Yerevan—for the moment—mainly because Russia has not provided sufficient political and military support to Armenia (in the latter’s opinion) in recent months; but it may very well be that Moscow’s refusal was due less to a lack of will than to a lack of capacity to actually act.

To come back to the main thread: the Middle Corridor mega-project continues to gain traction across the Silk Road region and in EU circles. It is now seen as *the* viable alternative to the Russian connectivity route (i.e., the Northern Corridor)—in terms of energy, cargo transport, and much else besides. And like Singapore in an altogether other context, Azerbaijan is the key to its viability and success. In this context, it does not appear to be in the Kremlin’s interest for Armenia to be able to find its place within the Middle Corridor.

Similarly, an unprecedented level of tension between Azerbaijan and Iran reached its peak in autumn 2022. This involved military exercises near the border, the delivery of Iranian-made drones to Armenia, the discovery of a network of Iranian spies and saboteurs in Baku, and so on. Under such conditions, plans to establish an alternative to the Zangezur Corridor through Iranian territory—as envisioned in a Memorandum of Understanding between Baku and Tehran signed in March 2022—have come to be seen in a much less favorable light. One could even speculate that these are effectually impossible for as long as the present regime remains in power in Iran. Yet, nobody knows how long they will still hang on.

What Next?

Baku is understandably fearful that Yerevan is on the cusp of returning to its interwar policy of purposeful delay: conducting itself in such a manner as to avoid coming to an agreement with Baku on the terms of peace. But the situation today is vastly different from what it was in the 1994-2020 period. This is due not only to the consequences of Azerbaijan’s military victory in the Second Karabakh War and the serious warning that the September 2022 clashes represents (Azerbaijan can destroy in two days what it took Armenia two years to purchase), but also because the Russian peacekeeping mandate is not indefinite. Thus, the negotiations between the two states cannot be endlessly postponed.

The most likely alternative to Pashinyan is former president Robert Kocharyan (and, perhaps, now Vardanyan), whose policy would border on the subjugation, if not the actual annexation, of Armenia by Russia. In May 2022, the blog of the vehemently pro-Putin review *Europe & Orient*, led by former Ramkavar leader Varoujan Sirapian, actually called for the formal annexation of both Armenia and the areas of Karabakh that fall within the Russian peacekeeping zone. As late as 30 October 2022, Russians flags were featured prominently during a rally of ethnic-Armenians in Khankendi. The same month, all the blocs of the “Artsakh parliament” invoked the case of the Donbass’ annexation as a precedent to justify their call for a Russian military intervention.

When all is said and done, the only alternatives for Armenia are: *one*, forging peace with its Turkic neighbors; *two*, annexation by Russia; or *three*, complete marginalization in the event that Azerbaijan recovers the areas of Karabakh that fall within the Russian peacekeeping zone after their departure (in 2025, or at the very latest, 2030) without a peace treaty being signed with Azerbaijan (and Türkiye) in the interim.

It would thus seem to follow that it is in the common interest of Armenia, Azerbaijan, the EU (and the U.S.), and Türkiye to work in concert to unblock the peace negotiations suddenly interrupted in autumn 2022. Whether such a joint effort could actually be successful is uncertain—it is, after all, a truism that the future is unpredictable. But, at this stage, some fundamental observations can be made.

First, Aliyev’s personal relationship with both Ursula von der Leyen and Charles Michel is an incontrovertible achievement, but this has already proven to be insufficient, as illustrated by the slanderous resolutions adopted recently without real discussion by the EU Parliament.

Second, and relatedly, disinformation needs to be better countered. For instance, the corruption scandal engulfing that institution—near the center of this disgrace stands a pro-Iran, anti-Azerbaijani figure named Eldar Mamedov, who was suspended less than a month ago from his duties as a political adviser to the center-left Socialists & Democrats group in the EU Parliament—could catalyze a genuine re-thinking of its posture towards the South Caucasus.

Third, Baku’s bilateral outreach to countries like Italy and Hungary is another important achievement, but it has had no significant impact on the opening of the Zangezur Corridor and will not likely have any in the future.

Fourth, the end of misunderstandings with France is a crucial component in breaking the peace logjam—if for no other reason than that all other alternatives have already been tried. This last point will be treated in detail in my forthcoming essay in the Winter 2022/2023 edition of *Baku Dialogues*.