Türkiye's Economic Connectivity in Geopolitics of the South Caucasus

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ABSTRACT

This research examines Türkiye's economic connectivity in the geopolitics of the South Caucasus, with a focus on the transformative impact of major developmental projects. The research problem centers on how Türkiye leverages its economic and energy infrastructure to reshape regional dynamics and reduce its dependence on global powers. Using a qualitative methodology, the study applies Economic Connectivity Theory to assess Türkiye's linkages with the South Caucasus, Middle East, and Central Asia through trade, investment, energy security, capital flows, and conflict resolution. Key projects analyzed include the BTC oil pipeline, SCP, TANAP, BTK railway, the Middle Corridor, and the Iğdır–Nakhchivan Natural Gas Pipeline (INNGP). The findings reveal that these initiatives have economically integrated the region, enhanced interdependence, and minimized reliance on powers like Russia and the U.S. In conclusion, Türkiye's growing role in regional development and energy diplomacy has strengthened its geostrategic position, establishing it as a pivotal actor in Eurasian connectivity.

Keywords: South Caucasus, economic connectivity, Europe, the Middle Corridor, Türkiye

DOI: https://doi.org/10.62343/cjss.2025.263
Received: March 13, 2025; Received in revised form: May 29, 2025; Accepted: June 16, 2025

INTRODUCTION

This study explores Türkiye's role in fostering economic connectivity in the geopolitics of the South Caucasus – a region encompassing resource-rich Azerbaijan and key transit states Georgia and Armenia (Shaffer, 2008). Türkiye's strategic location enables it to function as a trade and energy hub linking Europe, Central Asia, the Mediterranean, the Black Sea, and the Middle East through vital corridors and pipelines (Köstem, 2019; Aras & Akpınar, 2011; Ismailov & Papava, 2006). Türkiye's engagement is shaped by historical and cultural ties, particularly with Azerbaijan and Georgia (Aras & Akpınar, 2011; Aydin, 2000; Aydin, 2016; Babali, 2010; Usman et al., 2022). Its key interests include energy security, trade routes, transport infrastructure, regional stability, and reducing the region's dependence on external powers (Aydin, 2000; Babali, 2010; Neset et al., 2023). To advance these goals, Türkiye has launched various development projects aimed at deepening integration with the South Caucasus and enhancing regional connectivity with broader surrounding regions.

Among the developmental projects, the most important are the Baku-Tbilisi-Ceyhan (BTC) oil pipeline, the South Caucasus Pipeline (SCP), the Trans-Anatolian Natural Gas Pipeline (TANAP), the Baku-Tbilisi-Kars (BTK) Railway project. The Iğdır-Nakhchivan Natural Gas Pipeline (INNGP). These mega initiatives make Türkiye a trade hub and reshape regional economic connectivity (Veliyev, 2015; Papava, 2005). The Baku-Tbilisi-Ceyhan (BTC) Oil Pipeline was initiated in 2006, provides regional connectivity with Azerbaijan, and provides a direct trade route to the international market via Georgia and Türkiye through the Caspian Sea (Papava, 2005; Alexander, 2013). The South Caucasus Pipeline (SCP) transports gas from Azerbaijan's Shah Deniz field to Türkiye and Europe, complemented by the TANAP and TAP pipelines, which deliver Caspian gas to European markets. These projects reduce Europe's reliance on Russian energy and increase Türkiye's regional influence (Fackrell, 2013; Siddi, 2017). They also offer Armenia a path to lessen its energy dependence on Moscow (Neset et al., 2023). Türkiye has deepened economic and political integration with the South Caucasus through infrastructure projects, such as the Baku-Tbilisi-Kars (BTK) Railway, launched in 2017, which facilitates efficient goods transport between Türkiye, Georgia, and Azerbaijan (Lussac, 2008; Aydin, 2000; Weiss, 2023). The newly launched Iğdır-Nakhchivan Natural Gas Pipeline (INNGP) is strategically significant, and its connection to the proposed Zangezur corridor aims to improve land links between Türkiye and Azerbaijan. Economic corridors such as these enhance regional connectivity and cooperation. Following Russia's invasion of Ukraine, Moscow's geopolitical leverage weakened, especially in the Middle East, opening space for broader regional integration (Khan & Koch, 2024). These projects also help diversify Europe's energy sources (Siccardi, 2024). Beyond energy, Türkiye engages in regional diplomacy, emphasizing conflict resolution, particularly in the Nagorno-Karabakh issue, which affects its strategic interests (Alexander, 2013; Humbatov & Klimas, 2016; Iqbal & Shah, 2015; Papava, 2005). Ankara has participated in trilateral talks with Armenia and Azerbaijan, supporting frameworks such as the Black Sea Economic Cooperation (BSEC) to foster stability and align regional interests (Babali, 2010; Asadov, 2021; Lussac, 2008; Ataman, 2023). Türkiye also maintains commercial and cultural ties with both Central Asia and Europe to strengthen its role in trade and energy networks (Aras & Akpınar, 2011; Tanboğa, 2010).

This study investigates the geopolitical and strategic implications of major regional infrastructure projects in the South Caucasus: the Baku-Tbilisi-Ceyhan (BTC) Oil Pipeline, the South Caucasus Pipeline (SCP), the Trans-Anatolian Natural Gas Pipeline (TANAP), the Baku-Tbilisi-Kars (BTK) Railway, and the Middle Corridor. It holds both theoretical and practical significance. Theoretically, it contributes to the existing literature on regional integration and economic connectivity. In practice, the study offers policymakers valuable insights by clarifying Türkiye's strategic vision and evolving role in the region. The research aims to assess Türkiye's ambition to become a regional hub for trade, energy, and political influence, as well as its efforts to reduce reliance on external powers and limit the intervention of global superpowers in South Caucasus affairs. Additionally, the study explores the broader implications of Türkiye's infrastructure-led regional strategy, including the potential to supply energy to Europe, the Middle East, and Central Asia. Finally, the findings emphasize Türkiye's strengthening economic position and its relevance to fostering regional stability and contributing to the peaceful resolution of conflicts in the South Caucasus.

METHODS

The research employed a systematic, logical methodology to address the central research questions, incorporating the research design, data sources, analytical methods, and ethical considerations (Marczyk et al., 2010; Ali et al., 2023; Taylor et al., 2015). A thematic analysis approach was used to evaluate relevant secondary data across five key themes: the Baku-Tbilisi-Ceyhan (BTC) Oil Pipeline, the South Caucasus Pipeline (SCP), the Trans-Anatolian Natural Gas Pipeline (TANAP), the Baku-Tbilisi-Kars (BTK) Railway, and the Middle Corridor. Only literature meeting rigorous academic standards was considered, including peer-reviewed articles and policy reports (Ebidor & Ikhide, 2024; Paré & Kitsiou, 2017). Each theme was addressed through targeted literature searches using specific keywords such as "Türkiye's economic connectivity," "South Caucasus," "BTC pipeline," "TANAP," and "Middle Corridor." From an initial pool of approximately 100 sources, 84 papers were selected based on their relevance and methodological soundness. These were categorized into two groups: those meeting the inclusion criteria and those excluded according to predetermined criteria. This process followed the principles of a systematic literature review – ensuring objectivity, transparency, and thematic coherence. The selected literature was then synthesized to extract key findings and insights, organized under the identified themes, and used to address the research objectives through integrative analysis.

Turkey's Vision Towards Economic Connectivity in the South Caucasus Region

The concept of economic connectivity, introduced in the 1975 Helsinki Final Act, emphasizes the strategic importance of cooperation in trade, infrastructure, science, and technology to support geopolitical stability (Abeldinova & Kemp, 2016; Hall, 2019). It goes beyond commerce to include integration in education, welfare, culture, and diplomacy – what scholars call the "integration of integrations" (Eldem, 2020; Özdal et al., 2013). These informal economic links serve as a foundation for wider political and strategic alignment, particularly in geopolitically sensitive areas. Leveraging its key geographic position, Türkiye has emerged

as a central player in promoting economic connectivity across the South Caucasus, Middle East, and Central Asia, using infrastructure and trade projects to enhance interdependence, foster stability, and limit the sway of external powers (Albarracín, 2012; Aras & Fidan, 2009).

The Russia-Ukraine war has disrupted traditional energy routes, creating opportunities for new regional alignments. In response, Türkiye has pursued projects to reinforce energy and transport links in the South Caucasus. At the same time, broader initiatives such as the India-Middle East-Europe Economic Corridor (IMEC) reflect a shift toward diversifying trade and transit networks linking the Indian Ocean, the Middle East, and Europe (Khan et al., 2024). Central to Türkiye's strategy is the Baku-Tbilisi-Ceyhan (BTC) pipeline, which delivers Caspian oil to global markets via Georgia and Türkiye, bypassing Russia (Inan & Yayloyan, 2018; Akram, 2010). This enhances Türkiye's strategic role, broadens Azerbaijan's export options, and reduces regional energy vulnerabilities (Alipour, 2015).TANAP and the BTK Railway are key pillars of Türkiye's regional connectivity agenda, facilitating Azerbaijani gas exports to Europe and linking transport networks across Azerbaijan, Georgia, and Türkiye. Alongside the South Caucasus Pipeline (SCP), TANAP supports Europe's energy diversification, while the BTK Railway boosts regional trade and integration. Türkiye is also deepening economic ties with Georgia and Azerbaijan through bilateral agreements and joint initiatives across sectors such as energy, agriculture, and manufacturing. This connectivity strategy includes infrastructure development, security partnerships, and diplomatic engagement – such as support for peaceful conflict resolution in Nagorno-Karabakh (Aras & Akpınar, 2011) – as well as joint military exercises and border cooperation. Nonetheless, regional integration continues to face challenges from historical grievances, geopolitical competition, and unresolved disputes (Neset et al., 2023). Beyond the South Caucasus, Türkiye engages in broader connectivity efforts such as the International North-South Transport Corridor (INSTC) and the India-Middle East-Europe Economic Corridor (IMEEC), reflecting expanding regional ambitions (Khan et al., 2023; Bastanifar et al., 2024).

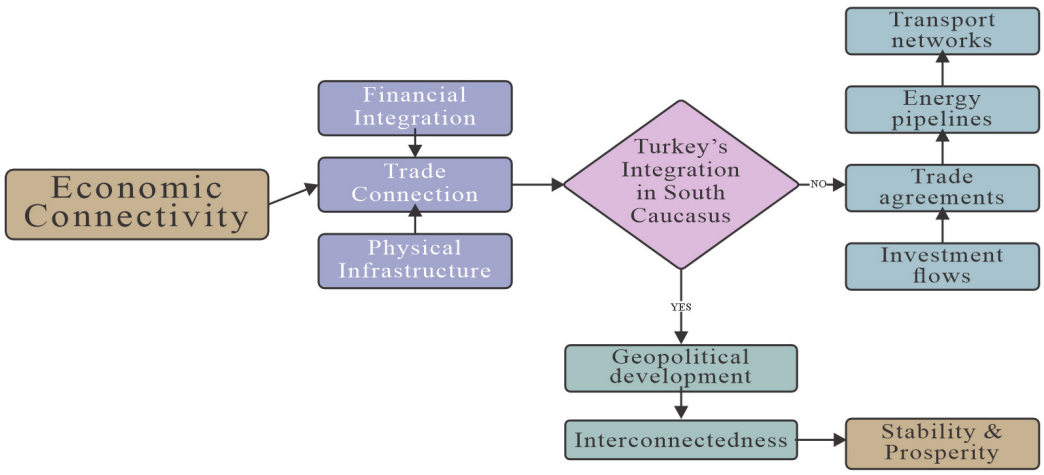

Figure 1. *Turkey Interconnection Economic Connectivity with the South Caucasus*

Source: Self-Development

Geopolitical Implications of the Baku-Tbilisi-Ceyhan (BTC) Oil Pipeline in the South Caucasus

The Baku-Tbilisi-Ceyhan (BTC) oil pipeline has significantly influenced Azerbaijan, Georgia, and Türkiye, with broad geopolitical implications for the South Caucasus (Huseynov, 2017). For Azerbaijan, it offers a vital export route that reduces dependence on Russia for energy transit (Papava, 2005; Iqbal & Shah, 2015). As a key transit country, Türkiye boosts its strategic role as a significant energy corridor, while also strengthening commercial ties with Georgia and Azerbaijan and diminishing Russia's dominance over Caspian energy exports (Iqbal & Shah, 2015). The pipeline provides direct access to Caspian oil for European markets, supporting EU energy diversification and reducing reliance on Russian supplies (Papava, 2005; Cornell et al., 2005). Covering 1,760 km, including 248 km through Georgia near Tbilisi, the project was preceded by detailed social and environmental impact assessments during both the construction and operation phases (Starr & Cornell, 2005).

Figure 2. *The Baku–Tbilisi–Ceyhan pipeline (BTC Pipeline)*

Source: Research Gate

The Baku-Tbilisi-Ceyhan (BTC) pipeline carries significant geopolitical and economic value for Georgia, capitalizing on its strategic location along the shortest corridor between Europe and Asia. Through initiatives such as TRACECA and INOGATE, Georgia has revived the historic Silk Road to promote regional integration (Papava, 2005). By bypassing Russia and Iran, the BTC pipeline reshapes regional energy flows and enhances Georgia's strategic importance (Shaffer, 2008). The project also prioritizes local development – BTC Co.

has invested in agriculture, social infrastructure, and community support (Peachey, 2011). Economically, Georgia benefits from increased oil transit tariffs (rising from $0.89 to $1.86 per tonne) and job creation, with about 2,500 jobs generated (Starr & Cornell, 2005). The Georgian section attracted over $514 million in investment, covering land compensation, materials, and construction. Broader economic effects include a 33% drop in unemployment, along with measurable gains in employment (7.3%), self-employment (7.0%), household income and spending (7.1%), and GDP (6.6%) (Papava, 2005). Georgia's pro-Western foreign policy post-independence closely aligned with Türkiye and Azerbaijan to advance the BTC pipeline, with strong U.S. backing, while deliberately excluding Russian and Iranian routes (Neset et al., 2023).

South Caucasus Pipeline (SCP) and Geopolitical Impacts on South Caucasus

The South Caucasus Pipeline (SCP) and Baku-Tbilisi-Ceyhan (BTC) pipeline link Azerbaijan's Caspian oil Pipelines, transporting Azerbaijan's gas resources via Georgia and Türkiye, have significantly reshaped the region's geopolitical landscape (Papava, 2005). By providing alternative export routes, they reduce Azerbaijan's reliance on Russian transit, while the broader Southern Gas Corridor (SGC) enhances Europe's energy security and diversification. The inclusion of TANAP and the Trans-Adriatic Pipeline (TAP) further diminishes Europe's dependency on Russian gas (Shokri et al., 2021). Consequently, Azerbaijan is becoming a key energy supplier to Europe, increasing its geopolitical leverage, diplomatic engagement, and economic integration with European markets (Sovacool, 2012; Yilmaz-Bozkuş, 2019).

The South Caucasus Pipeline (SCP) plays a key role in reducing Russian influence over Caspian energy and reinforcing ties among Georgia, Türkiye, and Azerbaijan (Abilov, 2012). By challenging Moscow's dominance, it weakens Russia's position in the South Caucasus and Central Asia, while also impacting Iran's strategy amid competition with Türkiye and Azerbaijan in the natural gas market (Oral, 2022). The South Caucasus Pipeline (SCP) carries natural gas from Azerbaijan's Sangachal Terminal to the Georgian-Turkish border, running parallel to the BTC oil pipeline through Azerbaijan and Georgia before integrating into Türkiye's gas network (Kanet & Homarac, 2007). Construction began in 2004 and was completed by 2006. Spanning 690 km with a 42-inch diameter, the pipeline has an annual capacity of 7 billion cubic meters (bcm). It began gas deliveries to Türkiye in September 2006, and by 2010, its average daily flow reached 73,500 barrels of oil equivalent, roughly 12.5 million cubic meters of gas. (See Fig. 3).

The South Caucasus Pipeline (SCP) connects to Türkiye's transmission system in Erzurum, with its Azerbaijani and Georgian sections marked in red. The pipeline is owned by the South Caucasus Pipeline Company (SCPC), a consortium led by BP Exploration (Azerbaijan) Limited and Statoil, with shareholders including BP, Statoil, Lukoil, Total S.A., SOCAR, Naftiran Intertrade Co., and TPAO. BP serves as the technical operator, and Statoil serves as the commercial operator. Accordingly, the SCPX business has prepared the ESIA, applying BP's operational standards where relevant.

Figure 3. High-Level Regional Overview Map of BP in Azerbaijan, Georgia, and Turkey

Source: Google.

RESULTS

Geopolitical Implications of the Trans-Anatolian Natural Gas Pipeline (TANAP) in the Region

The Trans-Anatolian Natural Gas Pipeline (TANAP) is the most prominent initiative highlighting the Caspian Basin's strategic importance for the European Union (EU). Its relevance also reflects the evolving nature of Türkiye–EU relations, as Ankara gains leverage amid the EU's energy supply vulnerabilities (Winrow, 2009). Turkish officials often frame TANAP as a geopolitical instrument aligned with EU foreign policy goals. As a critical infrastructure project, TANAP connects Azerbaijan's Shah Deniz gas field directly to European markets, contributing to energy diversification and enhancing supply security for both Türkiye and the EU (Ibrayeva et al., 2018).

The Trans-Anatolian Natural Gas Pipeline (TANAP) strengthens Türkiye's strategic position as an energy bridge between East and West, offering both economic and geopolitical benefits (Boas, 2012; Veliyev, 2015). As a key route for transporting Caspian hydrocarbons to Europe, it boosts Türkiye's role in regional and global energy dynamics. Simultaneously, TANAP elevates Azerbaijan as a reliable energy partner, advancing its energy diplomacy and deepening ties with both Türkiye and EU member states (Yilmaz-Bozkuş, 2019; Huseynov, 2017). TANAP undermines Russia's dominance over European gas flows, thereby reducing its leverage over transit states and the EU energy market (Naghiyev, 2023; Aras, 2014). By diversifying supply sources and transit routes, TANAP enhances European

energy security and mitigates risks of disruption. Its development also fosters deeper political and economic cooperation among Türkiye, Azerbaijan, and European stakeholders under the Southern Gas Corridor framework (Sevim, 2013; Suleymanov et al., 2016).

Figure 4. *The Trans Anatolian Natural Gas Pipeline and Trans Adriatic Pipeline projects are part of the Southern Gas Corridor Source: Nuran Erkul Kaya, 21.11.2018 - Update: 22.11.2018. Türkiye Economy*

The TANAP project is crucial for advancing regional energy cooperation and strengthening Türkiye's energy security. By enabling the transport of Caspian gas, particularly from Azerbaijan's Shah Deniz 2 field, to Türkiye and Europe, TANAP forms a key part of the Southern Gas Corridor, alongside the Trans-Adriatic and South Caucasus pipelines (Ibrahim, 2018). This route reduces Türkiye's dependence on major suppliers, such as Russia and Iran, while offering more affordable alternatives, especially from Azerbaijan (Yildirim et al., 2017; Novikau & Muhasilović, 2023). Lower natural gas prices can boost industrial productivity and spur economic growth in energy-importing countries, such as Türkiye (Hao et al., 2020). Given the challenges posed by energy price volatility, TANAP's role in stabilizing prices underscores its strategic importance (Kilian & Zhou, 2022; André et al., 2023). The project also strengthens Türkiye's position as a European energy hub, expanding its geopolitical influence and supporting sustainable energy strategies (Ibrahimov, 2015). Overall, TANAP enhances both economic resilience and regional energy security. The Baku-Tbilisi-Kars (BTK) Railway Project Influences the Geopolitics of the South Caucasus. The Baku-Tbilisi-Kars (BTK) Railway enhances transport and economic ties among Azerbaijan, Georgia, and Türkiye, serving as a key east-west corridor in the South Caucasus (Lussac, 2008; Shahbazov, 2017). By bypassing Russia and Iran, it strengthens regional trade autonomy and reduces geopolitical risk (Vardomsky, 2023). Supporting the flow of energy, agricultural, and industrial goods, it deepens integration among the three countries (Alexander, 2013; Asadov,

2021). Launched on November 21, 2007, after a trilateral agreement, the 826 km line was designed to carry 6.5 million tons of freight and 1 million passengers, with future capacity exceeding 15 million tons and 3 million passengers. The $600 million project involved new construction between Kars and Akhalkalaki, as well as upgrades in Georgia (Akhalzashvili, 2008; Lussac, 2008, p. 213). President Saakashvili hailed it as a "political revolution," reinforcing the East-West corridor.

Türkiye gains by strengthening its role as a Europe–Asia transit hub, while Armenia's exclusion highlights ongoing regional tensions and limits its connectivity (Lussac, 2008; Saha et al., 2018). The BTK also reflects broader Türkiye–Russia rivalry and deepens Armenia's marginalization, revealing the complex ties between infrastructure and geopolitics (Neset et al., 2023; Papava, 2005).

Figure 5. *Baku-Tbilisi-Kars (BTK) Railway Under Construction*

Source: National Geographic Magazine

According to Lussac (2008, p. 214), trade among Türkiye, Georgia, and Azerbaijan has grown steadily since the early 2000s: Georgia-Türkiye trade rose from $241 million (2002) to $830 million (2007); Azerbaijan-Türkiye trade from $296 million (2003) to $1.2 billion (2007); and Azerbaijan-Georgia trade from $76 million (2000) to $411 million (2006). This economic growth supports the Baku-Tbilisi-Kars (BTK) Railway as a vital step in regional integration. During a 2007 visit to Azerbaijan, Turkish President Abdullah Gül proposed a special economic zone among the three countries (Lussac, 2008), while Azerbaijan provided a $220 million loan to Georgia to advance the BTK project (Socor, 2009; Lussac, 2008).

Azerbaijan's decision to exclude Armenia – particularly Nagorno-Karabakh – from pipeline routes gave Georgia a key transit role, enabling it to impose high customs fees on Armenia, worsening Yerevan's economic isolation (Ohanyan, 2007; Abrahamyan, 2008). Georgia has maintained this position by opposing the reopening of the Kars-Gyumri-Tbilisi railway (Shahbazov, 2017; Özdemirkiran-Embel, 2023). Despite occasional hesitations (Rukhadze,

2016), Azerbaijan pursued alternatives, such as the Baku-Novorossiysk pipeline, especially after the 2008 war. Meanwhile, Türkiye aims to boost trade with Azerbaijan and reinforce its role as a bridge to Central Asia (Turkish Transport Minister, 2008).

The BTK railway fosters the emergence of an AGT (Azerbaijan–Georgia–Türkiye) bloc, reducing dependence on Russia and Iran and improving east-west connectivity (Lussac, 2008). It also benefits Central Asia, as Kazakhstan plans to export over 5 million metric tons of grain to Europe via BTK (Oliphant, 2013; Abashin, 2014). This expanding corridor aligns AGT countries with Western-backed initiatives, while Armenia, Russia, and Iran form a rival axis. The U.S. supports AGT integration, reinforcing geopolitical divisions, further reflected in Georgia's NATO aspirations, Türkiye's membership, and Armenia and Russia's CSTO ties (Lussac, 2008).

The Middle Corridors of Türkiye and Geopolitical Connectivity with the South Caucasus

The Middle Corridor connects China to Europe via Central Asia, the Caspian Sea, the South Caucasus (through Azerbaijan and Georgia), and Türkiye, following the historic Silk Road route (Kenderdine & Bucsky, 2021). It integrates rail and road networks across Kazakhstan, Turkmenistan, Uzbekistan, and Kyrgyzstan (Christian, 2000; Çelikok & Talih, 2023). Compared to the Northern Corridor through Russia, it offers a shorter, faster, and more cost-efficient option, cutting up to 15 days and 2,000 km. Promoted through China's BRI, it is strategically important for both Türkiye and China. Although 96% of China-Europe freight still moves by sea and only 4% by rail (mainly via the Trans-Siberian Railway) (Hussain, 2021), the Middle Corridor is emerging as a competitive alternative in Eurasian trade. The Middle Corridor offers significant potential to boost cargo traffic across Asia, linking East Asia, the Middle East, and the Mediterranean via Türkiye. As part of China's Belt and Road Initiative (BRI), it reflects a long-term vision for improved East Asia–Europe connectivity, backed by Türkiye, Central Asian states, and the South Caucasus (Chang, 2024). Key countries – Azerbaijan, China, Georgia, Kazakhstan, and Türkiye – are prioritizing this route to bypass Russia amid regional instability (Çelikok & Talih, 2023). Economically, it enables Central Asia to benefit from the $600 billion in trade between China and Europe (Nunez et al., 2023). See Fig. 6.

The Middle Corridor saw significant growth in 2023, with cargo volume reaching 1.9 million tons in the first nine months – an 89% increase from the same period in 2022. Although its annual capacity of 5.8 million tons is still lower than that of the Northern Corridor, its potential can be enhanced through better digital infrastructure, port efficiency, and trade policy reforms.The Ukraine war has further increased its appeal as a shorter, safer alternative (Urciuolo, 2024). However, challenges remain. Transit between the EU and China via the Middle Corridor underperformed in 2022, with only 33,000 TEUs moved – well below the 50,000 projected. High transport costs (USD 6,000–7,000) and a 10–14-day transit time still limit its competitiveness compared to the Northern Corridor via Russia. Nevertheless, its geopolitical relevance continues to grow (Urciuolo, 2024).

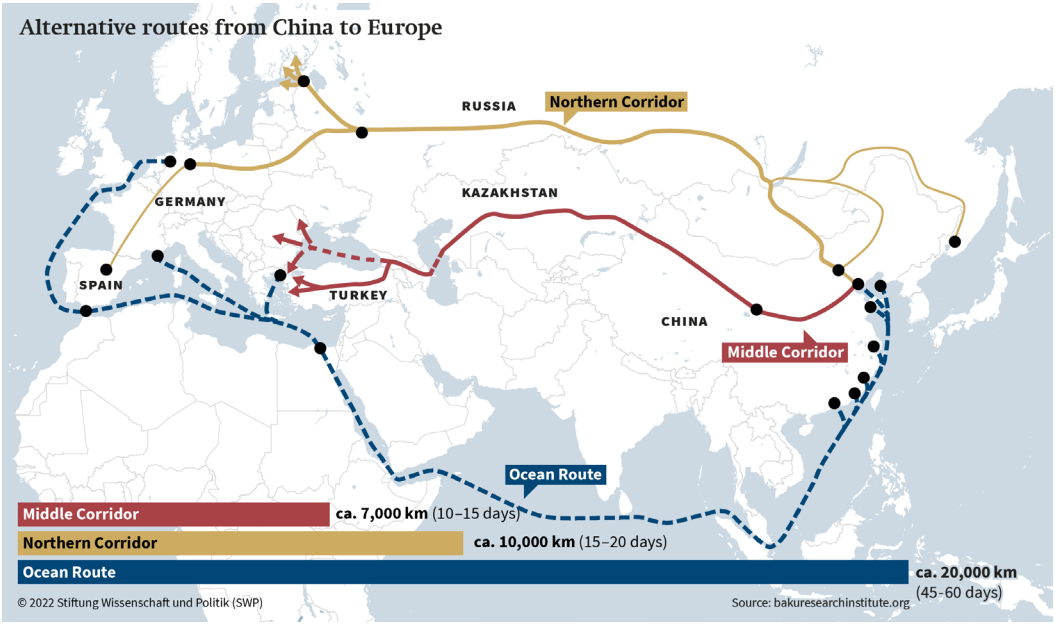

Figure 6. *The Middle Corridor-Alternative Route from China to Europe*

Source: Stiftung Wissenschaft und Politik

Other routes also influence regional transit. For example, corridors linking China, India, and Türkiye to Europe via the Caucasus are gaining significance (Chang, 2024). The Red Sea crisis spiked sea freight costs from USD 800–900 in 2023 to around USD 5,400 in 2024, yet maritime transport remains cheaper than the Middle Corridor. Meanwhile, the International North-South Transport Corridor (INSTC), supported by Iran and Russia, offers a cost-effective option for connecting India, Iran, Russia, and Europe, with freight volume expected to triple to 11 million tons (Urciuolo, 2024). The Caspian Sea also remains a critical hub for energy transit, linking Caspian oil and gas producers with Western markets (Moghani & Maleki, 2024). See Fig. 7.

In 2022, container transit via the Middle Corridor grew by 33%, highlighting its emergence as a viable trade route (IISS, 2023). Positioned between Russia and Iran, both under sanctions, it offers Europe essential access to the Caspian and Central Asia. Shipment volumes rose from 350,000 tons in 2020 to 530,000 tons in 2021 (Nifti, 2024). For China, the corridor's value lies in its independence from Russian control and resistance to U.S. interdiction. As Dupuy (2024) notes, its institutional autonomy enables it to reshape the economies of Central Asia, the Caucasus, and Türkiye.

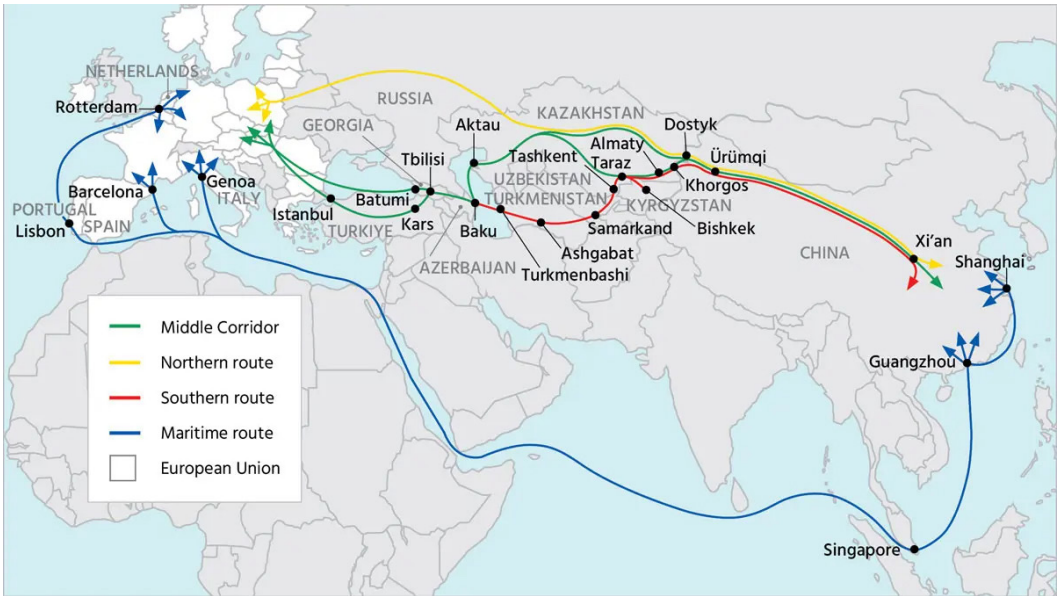

Figure 7. *Major East and West Transportation Routes*

Source: World Bank (2023). Middle Trade and Transportation Corridor: Policies and Investments to Triple Freight Volume and Halve Travel Time by 2030; Washington, DC: World Bank

The Iğdır-Nakhchivan Natural Gas Pipeline (INNGP) is also part of this broader regional shift.

Türkiye's state gas operator BOTAŞ has launched a tender for the long-delayed Iğdır–Nakhchivan pipeline, an 80 km project with a two bcm annual capacity – over four times Nakhchivan's current demand. Strategically designed to bypass Iranian gas, the pipeline aims to reduce Tehran's influence and boost Turkey-Azerbaijan energy cooperation, aligning with Ankara's ambitions to become a regional energy hub and strengthen ties with Western allies, particularly the U.S. Originally agreed upon in 2010, the project was revived in February 2025 after renewed commitment from Presidents Erdoğan and Aliyev, reflecting heightened urgency for energy diversification in the South Caucasus (BOTAŞ Tender Announcement, 2025). Inaugurated on March 5, 2025, the pipeline has a daily capacity of 2 million cubic meters and is expected to supply 500 million cubic meters annually to Nakhchivan for 30 years (Anadolu Agency, 2025). Beyond meeting local needs, it enhances regional energy security, reduces dependence on Iranian transit, and diversifies Türkiye's energy routes. Economically, it is projected to attract investment and generate jobs in Türkiye's eastern provinces (NTV, 2025). Strategically, the pipeline strengthens Turkey-Azerbaijan relations, promotes regional integration, and reinforces Türkiye's role as a geopolitical energy hub (Anadolu Agency, 2025; NTV, 2025). However, it also impacts Georgia and Armenia. For Georgia, long a central East–West energy corridor, the new route bypasses its territory, potentially diminishing its strategic importance. Armenia, already marginalized due to its conflict with Azerbaijan, may view the project as deepening its regional isolation.

By linking Azerbaijan and Türkiye without involving Georgia or Armenia, the pipeline reflects a realignment in regional connectivity, likely prompting both countries to reassess their energy diplomacy in the evolving South Caucasus context.

DISCUSSION

Türkiye as a Strategic Transit and Energy Corridor

Türkiye's geographical location places it at the intersection of Europe, the Middle East, and Central Asia. This strategic advantage has been capitalized on through the creation and expansion of infrastructure projects, including the BTC pipeline, SCP, TANAP, and the BTK railway. The results show that Türkiye is not merely a transit country but has evolved into a regional hub for energy security and trade.

The BTC pipeline has altered regional power dynamics by providing Azerbaijan with a direct link to European markets, bypassing Russia and Iran, thus lowering geopolitical risk and enhancing supply chain stability. Similarly, the SCP and TANAP pipelines strengthen the Southern Gas Corridor, supporting the EU's push to diversify energy sources and reduce reliance on Russian gas – a top priority after the Russia-Ukraine war. Türkiye's role in energy diplomacy is further evident through its involvement in the Trans-Caspian and Middle Corridors. As transport and energy flows converge, Türkiye has emerged as a multi-vector transit hub between the Caspian Basin and Europe.

The South Caucasus as a Pivot of Economic Interconnectivity

The study highlights Georgia, Azerbaijan, and Türkiye as central to the South Caucasus connectivity vision. Initiatives like the BTK Railway and BTC pipeline demonstrate their mutual interdependence, with BTK offering a strategic alternative to routes through Russia or Armenia. These projects have reshaped regional dynamics by excluding Armenia – mainly due to the Nagorno-Karabakh conflict – which has intensified its economic isolation while reinforcing trilateral cooperation. The BTK also boosts the economic leverage of Georgia and Azerbaijan, facilitating Central Asia–Europe trade via Türkiye and supporting Türkiye's broader Middle Corridor strategy.

The Middle Corridor, part of China's BRI, and the Trans-Caspian Corridor (TCC) are central to Türkiye's economic strategy, offering alternatives to the Northern Corridor, now weakened by sanctions and war-related disruptions. The TCC relies on Türkiye's infrastructure, such as the Marmaray tunnel and the BTK Railway, to support container trade between East Asia and Europe. Türkiye's stability and infrastructure investment boost its logistical capacity. An 89% increase in freight along the Middle Corridor in 2023 signals its rising importance. However, to compete with the Northern Corridor, Türkiye must improve cost efficiency, infrastructure standards, and pursue digital and policy coordination.

Political Stability and Security as Catalysts for re-connectivity

The study emphasizes that Türkiye's political initiatives reinforce its economic strategies. Its involvement in conflict resolution, including trilateral talks with Armenia and Azerbai-

jan, reflects a soft-power approach aimed at regional stability. These efforts support Türkiye's goal to limit Russian and Western influence while fostering a self-reliant regional identity based on interdependence and economic cooperation. Türkiye's engagement in regional organizations such as BSEC and ECO provides institutional backing for infrastructure harmonization and joint investment. The research stresses that such diplomacy is crucial, not peripheral, to Türkiye's connectivity agenda. Empirical data on employment, GDP, and trade volume confirm the economic returns of Türkiye's infrastructure investments. The BTC pipeline, for instance, significantly benefited Georgia's economy, creating over 2,500 jobs and contributing to a 6.6% increase in regional GDP. Beyond economics, Türkiye's control of energy and transport corridors provides diplomatic leverage, enhancing its ability to shape regional decisions and secure favorable multilateral partnerships.

Infrastructure projects like the BTC and South Caucasus Pipeline (SCP) have significantly reshaped South Caucasus geopolitics, reducing reliance on Russia and Iran and improving Azerbaijan's access to Western markets (Abilov, 2012; Neset et al., 2023). These initiatives also bolster Türkiye's role in regional conflict resolution, notably in the Nagorno-Karabakh context (Aras & Akpınar, 2011). While Georgia benefits from closer integration, Armenia faces growing regional isolation (Lussac, 2008). Türkiye's multivector foreign policy maintains a strategic balance in its ties with Azerbaijan, Georgia, and other regional actors. Europe, and Iran (Babali, 2010), positioning it as a key player in regional stability and connectivity (Huseynov, 2017)

CONCLUSION

The strategic landscape of the South Caucasus is being reshaped by the Russia–Ukraine war, U.S.–China tensions, instability in the Middle East, and internal regional conflicts. In response, Türkiye has launched several major development projects to address the emerging power vacuum and promote regional integration across the South Caucasus, Europe, the Middle East, and Central Asia. Key initiatives include the BTC oil pipeline, the SCP, TANAP, and the BTK railway, all designed to enhance economic connectivity, reduce external power influence, and establish alternative trade and energy routes. Amid disruptions in global energy supply caused by the Russia–Ukraine conflict, Türkiye has positioned itself as a crucial transit state, channeling energy from the South Caucasus and Central Asia to Europe. This strategy not only strengthens Türkiye's geopolitical role but also deepens its economic ties with European partners. Türkiye's strategic location and evolving geopolitical dynamics – particularly in the South Caucasus, Middle East, and Europe – enhance its role in fostering economic connectivity. This is achieved through expanded energy cooperation with the South Caucasus to diversify routes, ensure energy security, and deepen economic interdependence with regional and European states. Türkiye also engages with regional organizations like the BSEC and ECO to manage conflicts and promote cooperation. Despite a history of both cooperation and rivalry, Türkiye and Iran maintain pragmatic energy relations. Even under sanctions, Türkiye has engaged in trade agreements with Iran for mutual gain. A notable development is the Iğdır–Nakhchivan gas pipeline, which reduces Nakhchivan's dependence on Iranian gas, shifting regional influence toward Türkiye

and Azerbaijan. For Türkiye, the project supports its ambition to become a regional energy hub, linking the Caspian, Caucasus, and Europe, while also strengthening ties with Western partners through enhanced energy security and diversification. More broadly, it signals a strategic realignment in Eurasia, as emerging energy routes bypass traditional corridors dominated by Russia and Iran.

Ethics Approval and Conflict of Interest

This study was conducted in accordance with relevant ethical standards. The authors declare that there are no financial, personal, professional, or institutional conflicts of interest that could have influenced the design, conduct, interpretation, or publication of this work.

Financing

The research was carried out without financial support.

Declaration of competing interest

The authors declare that they have no known competing financial interests or personal relationships that could have influenced the work reported in this paper**.**

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