

From Vision to Viability: The Trans-Caspian Transport Corridor and Sustainable Development Challenges

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Source : *The Time of Central Asia*

In a time characterized by swift geopolitical changes and a heightened emphasis on sustainable development, the Trans-Caspian Transport Corridor stands out as a key element of the European Union's Global Gateway strategy. This bold plan seeks to not just enhance connectivity between the dynamic regions of Europe and Central Asia, but also to actively address the urgent need for alternative trade pathways. With the ongoing conflict between Russia and Ukraine and the global supply chain challenges exacerbated by the coronavirus pandemic, the importance of the Trans-Caspian Corridor goes beyond simple economic considerations, offering a symbol of stability and forward movement.

Strategically positioned to bridge the vast regions between Asia and Europe, the corridor aims to transform regional trade dynamics, providing a shorter, more reliable route than those caught up in geopolitical conflicts and sanctions. Its development promises significant economic growth, enhanced trade flows, and access to new markets for over 80 million

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people along its path.² However, the Trans-Caspian Transport Corridor extends beyond economic and connectivity gains, it also encompasses a range of social, environmental, and geopolitical challenges that require a thoughtful and thorough approach. As it connects diverse regions, the corridor must balance fast economic growth with environmental sustainability and social equity, and its potential to alter regional power dynamics necessitates careful diplomatic and strategic planning.

This commentary argues that the corridor should not only serve as a means for economic expansion but also as a paradigm for responsible infrastructure development. The European Union and its Central Asian allies must integrate sustainable practices, protect labor rights, and genuinely engage with local communities to ensure that the corridor neither exacerbates regional disputes nor harms the environment. In subsequent sections, the geopolitical stakes, environmental issues, and social implications of developing this corridor will be explored. Each part of this commentary will critically evaluate how well the corridor's implementation reflects the EU's dedication to human rights and environmental care, and discuss methods to guarantee that these ambitious infrastructure projects yield long-lasting benefits that surpass basic economic interests.

Background on the EU's Global Gateway Strategy and the Trans-Caspian Corridor

The concept of the Trans-Caspian Transport Corridor has significantly evolved since its initial discussions in the mid-2010s. During this period, countries along the proposed route, including Turkey, Georgia, Azerbaijan, Kazakhstan, and Turkmenistan, recognized the strategic benefits of a more direct transportation link between Europe and Asia.³ This route, offering an alternative to paths dominated by geopolitical rivals or through unstable regions, has each participating country playing a critical role in moving goods across the Caspian Sea and through Central Asia to Europe.

² Ualikhanova, Aruzhan. 2024. "EU-CA Investors Forum Announces €10 Bln Commitment for Development of Trans-Caspian Transport Corridor." *The Astana Times*. January 29, 2024. <https://astanatimes.com/2024/01/eu-ca-transport-forum-kicks-off-in-brussels-eib-global-allocates-over-1-6-bln/>.

³ Kemelova, Fatima. 2024. "Trans-Caspian Transport Route Development Vital for Kazakhstan's Economic Growth, Says Executive." *The Astana Times*. March 11, 2024. <https://astanatimes.com/2024/03/trans-caspian-transport-route-development-vital-for-kazakhstans-economic-growth-says-executive/>.

THE GLOBAL GATEWAY

Connecting goods, people and services around the world in a sustainable way



Image source: *EU-Asia Strategic Partnership 2022*

The European Union's escalated involvement with this corridor was marked by the initiation of the EU's Global Gateway strategy in December 2021.⁴ Using the Trans-Caspian Transport Corridor as an operational framework, the EU demonstrates its commitment to global connectivity. To counter initiatives such as China's Belt and Road Initiative and Russia's maneuvers in Central Asia, it aims to be ethical and transparent.⁵ The Global Gateway aims to forge resilient, value-driven connections, enhancing digital, energy, and transport infrastructures while ostensibly promoting sustainability, exemplary governance, and adherence to international labor and environmental standards. However, the question remains: will these standards truly be maintained?

⁴ European Commission. 2024b. "Global Gateway: €10 Billion Commitment to Invest in Trans Caspian Transport Corridor Connecting Europe and Central Asia Announced at Investors Forum." European Commission PRESS RELEASE. January 29, 2024. https://ec.europa.eu/commission/presscorner/detail/en/ip_24_501.

⁵ European Commission. 2024b. "Global Gateway: €10 Billion Commitment to Invest in Trans Caspian Transport Corridor Connecting Europe and Central Asia Announced at Investors Forum." European Commission PRESS RELEASE. January 29, 2024. https://ec.europa.eu/commission/presscorner/detail/en/ip_24_501.

The corridor is central to the EU's strategy, serving not just as a logistic route but as a key to strengthening ties with Central Asia, diversifying Europe's energy supplies, and establishing a secure supply chain away from the geopolitical instabilities of traditional routes through Russia and Iran. Seen as a safer and more reliable option, it is designed to mitigate the effects of regional conflicts and international sanctions that have historically affected northern and southern routes.⁶

Economically, the EU in January has committed approximately €10 billion to develop this corridor, expected to trigger further financial investments for crucial projects like modernizing railways and ports and integrating advanced digital technologies.⁷ Project co-financing agreements worth €1.47 billion showcase strong financial and institutional support, with an additional €3 billion projected to support sustainable transport projects, which emphasizes a commitment to align infrastructure development with environmental sustainability goals.⁸

Amid ongoing global shifts, including the prolonged Russia-Ukraine conflict, the Trans-Caspian Corridor emerges as a key strategic asset for the EU's goals to diversify and secure its relationships. As the top investor in Central Asia, holding over 42% of the region's FDI, the EU is boosting trade through infrastructure that not only spurs economic growth across connected regions but also encourages economic integration.⁹ Moreover, the corridor enhances inter-regional cooperation, serving as a critical link between Europe and Asia, improving dialogue and opening new trade avenues that allow European and Central Asian markets to connect more directly.¹⁰

However, this commentary finds that the development of the corridor also poses a series of complex challenges that require careful scrutiny. The pursuit of economic opportunities needs to be judiciously balanced with commitments to environmental conservation and social inclusiveness. The extensive infrastructure projects associated with the corridor require a comprehensive approach that ensures economic growth is balanced with environmental sustainability and social justice, prioritizing equitable benefits, community empowerment, and workers' rights.

⁶ Guliyeva, by Shamsiyeva. n.d. "Connectivity Along The Trans-Caspian Corridor." Unescap.org. Accessed April 18, 2024.

⁷ Kemelova, Fatima. 2024. "Trans-Caspian Transport Route Development Vital for Kazakhstan's Economic Growth." The Astana Times, March 11.

⁸ Ualikhanova, Aruzhan. 2024. "EU-CA Investors Forum Announces €10 Bln Commitment." The Astana Times, January 29.

⁹ Ibid

¹⁰ European Commission. 2024. "Global Gateway: €10 Billion Commitment to Invest in Trans Caspian Transport Corridor Connecting Europe and Central Asia Announced at Investors Forum." European Commission PRESS RELEASE. January 29, 2024. https://ec.europa.eu/commission/presscorner/detail/en/ip_24_501.



Image source: Dawn.com

Social Justice and Labor Rights

Firstly, the promise of job creation and infrastructure improvements is often highlighted in project proposals, yet it is hard to not feel like these benefits sometimes appear more as procedural checkboxes than as forces for real, transformative change. True community engagement, meaning where local populations are involved in meaningful decision-making processes right from the start, is vital for aligning projects with local needs and aspirations. Regrettably, we know that this engagement is often only superficial or consultative, lacking genuine influence over the outcomes. This token involvement can leave communities feeling exploited and marginalized, which starkly contrasts with the empowerment and inclusivity that should hallmark projects supported by institutions like the EU.¹¹

On the labor front, ensuring fair labor practices poses significant challenges. The Trans-Caspian Transport Corridor, like any large-scale infrastructure projects, depends on a large workforce, which often includes subcontracted and temporary workers.¹² It is hard to ignore that these employment practices, while economically practical, complicate the enforcement of labor rights. The layers of subcontracting can obscure accountability for fair wages, safe working conditions, and so on, leading to poorly monitored and addressed labor abuses, leaving workers vulnerable. Additionally, despite formal commitments from project leaders,

¹¹ Climate Action Network Europe. 2023. "EU's Bilateral Partnerships on Climate and Energy: New Impulses at COP28?" Climate Action Network Europe. December 5, 2023. <https://caneurope.org/eu-partnerships-new-impulses-at-cop28/>.

¹² Guliyeva, by Shamsiyya. n.d. "CONNECTIVITY ALONG THE TRANS-CASPIAN CORRIDOR." Unescap.org. Accessed April 18, 2024.

it becomes particularly difficult to maintain international standards in regions where labor laws are weaker or less consistently enforced, as we have seen with the World Cup. At this stage, we do not know how those challenges will be addressed by the EU, but it is imperative that effective oversight mechanisms and transparent reporting processes are implemented.



Image source: Caspian Policy Center

Environmental Sustainability

Another pressing issue is the environmental sustainability of the Trans-Caspian Transport Corridor. While the corridor's development strategy ambitiously includes comprehensive environmental impact assessments (EIAs) and promotes sustainable transport and energy solutions like electrification and renewable energy integration, the practical implementation of these initiatives is complex and burdened with challenges.¹³

EIAs, designed to forecast and mitigate environmental impacts before projects start, can vary greatly in effectiveness due to inadequate data, limited scope, or pressure to speed up development. The dynamic and complex nature of environmental systems also makes it difficult to predict long-term impacts, particularly under changing climatic conditions. These

¹³ Ibid

concerns cast doubt on the corridor's sustainability, especially when development is rushed to meet economic objectives.¹⁴

Furthermore, the rapid pace and large scale of the corridor's development place immense pressure on maintaining stringent environmental safeguards. Deadlines and budget constraints often lead to prioritizing short-term economic gains over long-term ecological health, risking significant environmental damage. This is particularly concerning in ecologically sensitive areas where the corridor could disrupt biodiversity, water resources, and local ecosystems, with rushed or inadequate mitigation and restoration efforts leading to lasting harm.¹⁵

Plus, despite the ambitious goals of integrating renewable energy and electrifying transport, which align with global sustainability objectives, realizing these on a significant scale demands not only major investments but also a strong commitment to addressing technical and logistical hurdles. Careful planning is essential to ensure renewable projects do not disrupt the environment themselves. Integrating these green technologies into the corridor's infrastructure needs to be a priority, demanding continual oversight and adaptation to keep pace with advances in environmental science and technology.¹⁶



Picture by Caspian News

¹⁴ Ibid

¹⁵ Climate Action Network Europe. 2023. "EU's Bilateral Partnerships on Climate and Energy: New Impulses at COP28?" Climate Action Network Europe. December 5, 2023. <https://caneurope.org/eu-partnerships-new-impulses-at-cop28/>.

¹⁶ Ibid.

Geopolitical and Strategic Considerations

Lastly, the geopolitical ramifications of the Trans-Caspian Transport Corridor are deep and multifaceted, representing another challenge to address. As the European Union intensifies its connectivity efforts with Central Asia through this initiative, we need to critically assess the significant strategic considerations this entails, especially considering the potential for regional upheaval and shifts in power dynamics.

Initially, the strategic purpose of the corridor is to offer an alternative route that bypasses traditional paths through Russia and Iran. Yet, this carries the potential to unsettle the current geopolitical balance, which is worth keeping in mind. This redirection of trade flows could be viewed as a direct challenge to the dominance of these significant powers in the region. Russia, with its deep historical and political ties to Central Asia, and Iran, geographically pivotal for East-West trade, may perceive this new route as undermining their economic and strategic interests. Such moves by the EU might be seen as an effort to reduce their geopolitical influence, potentially prompting retaliatory actions or heightened political pressure on the Central Asian countries involved.¹⁷

Furthermore, the development of the corridor grants considerable strategic and economic influence upon Central Asian states. This shift could transform the regional balance of power, creating new dependencies that could complicate the political landscape. For example, nations like Kazakhstan and Azerbaijan could find themselves in enhanced positions of influence, managing critical segments of this new logistical pathway. While this could elevate their status and potential benefits, it also introduces a new set of responsibilities and exposure to external pressures, both economic and political.

The rising prominence of these Central Asian countries may not sit well with all regional players. As these nations control more significant trade flows, it could lead to envy or concern among neighbors, creating a competitive and distrustful atmosphere. This tension could easily escalate into conflict in a region already marked by complex alliances and occasional strains. The corridor could unintentionally trigger new conflicts or worsen existing ones if the economic benefits appear unfairly distributed or inclined towards Western interests, undermining local or regional unity.¹⁸

These strategic shifts, intended to diversify and secure the EU's trade routes, must therefore be managed with considerable diplomatic skill and strategic foresight. The EU and its Central Asian partners need to maintain ongoing dialogue with all regional stakeholders, including Russia and Iran, to mitigate any perception of exclusion or strategic encirclement. Transparency in the development and operational phases of the corridor, coupled with

¹⁷ Palu, Riina, and Olli-Pekka Hilmola. 2023. "Future Potential of Trans-Caspian Corridor: Review." *Logistics* 7 (3): 39. <https://doi.org/10.3390/logistics7030039>.

¹⁸ SpecialEurasia. 2024. "Geopolitics of EU Strategy in Central Asia." SpecialEurasia. January 2, 2024. <https://www.specialeurasia.com/2024/01/02/eu-strategy-central-asia/>.

inclusive economic planning that takes into account the interests of a wider array of regional actors, could be instrumental in easing tensions.

Conclusion

Throughout this discussion, we've seen that the Trans-Caspian Transport Corridor is more than just infrastructure; it's a strategic asset crucial to the European Union's Global Gateway strategy, enhancing Europe's connectivity with Central Asia. This corridor marks a significant shift in the geopolitical landscape by offering an alternative route that reduces the influence of traditional powers and diversifies energy and trade routes between continents. The importance of this initiative by the EU to invest in this corridor goes beyond economic gains; it has significant geopolitical ramifications that could transform regional dynamics and global power structures. By providing a more direct and controlled transit route, the EU not only boosts its own security and supply chain resilience but could also boost the strategic position of Central Asian countries, making them key players in global trade.

Yet, developing the corridor comes with big challenges, like needing strong environmental safeguards to protect fragile ecosystems and ensuring that all stakeholders benefit fairly. This means constantly watching out, collaborating, and innovating to balance economic growth with environmental care and social equity. Looking ahead, it's crucial for everyone involved—governments, businesses, and community groups—to keep the conversation going and tackle these challenges together. Ongoing research is vital to keep tabs on the corridor's effects on local economies and environments, making sure everything stays on track with global sustainability goals. Policymakers also need to craft strategies that consider the needs of local communities and environmental protection while pushing economic goals. The corridor's success will be judged not just on commerce but on promoting sustainable and fair growth, paving the way for future international infrastructure endeavors.