Hope, peace, and prosperity

by Nurlan Agayev

Bitter enemies normalising their relationship and, eventually, becoming trusting partners? History shows that it is, indeed, possible. However, it also reminds us that it doesn't necessarily have to be an overnight process. In the case of two Caucasian nations, Azerbaijan and Armenia, it might take many years before the region reaches the cooperation level of the Baltic Sea countries or Benelux. The paradox of war is that it ends the illusionary silence. Sadly, it also brings bloodshed but makes nations understand that sustainable peace and prosperity is the only way forward. Trade has brought foes together earlier. Will Azerbaijan and Armenia follow suit?

The devastating war from 27 September to 9 November 2020 between Azerbaijan on the one side and Armenia and Armenian separatists in Azerbaijan on the other ended with a truce mediated by Russia. The 44-day struggle, called the Second Nagorno-Karabakh War, ended in a bloodbath with thousands of deaths on both lines. Azerbaijan succeeded in regaining control of around 70% of the lands occupied by Armenia since the 1990s. The remaining part of Karabakh is under the control of Russian peacekeepers.

The unblocking

As a result of the First Nagorno-Karabakh War (1988-1994), all road and rail connections between the two countries have been blocked. In solidarity with Azerbaijan and the occupation of its territories, Turkey decided to close its borders with Armenia. Consequently, Armenians saw their borders shut tight across the entire east and west length of the country. The state was left with a tiny functioning corridor to Iran and an important border with Georgia. Being a landlocked country already, the closed borders with the biggest nation in the Caucasus (Azerbaijan) and a considerable regional power (Turkey) have brought Armenia to the edge of an economic abyss. Almost all Soviet-time factories and industries have seized to exist, infrastructure has been left to lie fallow, and no notable investment has been made ever since. While Armenia won the clash, it ultimately lost by isolating itself from almost all regional projects. At the same time, Azerbaijan and Georgia were in the middle of local investments, though both lost wars and territories in the 1990s.

One of the terms of the 2020 truce between Azerbaijan and Armenia was – remarkably – the unblocking of transport corridors. Article 9 of the truce agreement states: "All economic and transport connections in the region shall be unblocked. The Republic of Armenia shall guarantee the security of transport connections between the western regions of the Republic of Azerbaijan and the Nakhchivan Autonomous Republic in order to arrange unobstructed movement of persons, vehicles and cargo in both directions. The Border Guard Service of the Russian Federal Security Service shall be responsible for overseeing the transport connections. As agreed by the Parties, new transport links shall be built to connect the Nakhchivan Autonomous Republic and the western regions of Azerbaijan." Later adjustments made it crystal clear that the transport corridor concerns both rail and road connections. Furthermore, passenger flights over the corridor became a fact.

A new (logistics) hand

The corridor in question – called Zangezur, Syunik, or Meghri – can very well be the start of normalising relations between the to-date antagonised nations. Some heavy investments have to be made in the Armenian part of the corridor to restore transport activity, but it will pay off relatively quickly. On the Azerbaijani side, huge rail, road, and port investments have been made, including a modern seaport in Alat (Baku). Additionally, an airport has already been built in the liberated city of Fuzuli. Two more are planned for construction in the liberated Kalbajar and Zengilan. The latter is expected to become a regional hub for Azerbaijan, Iran, and Armenia as it is located in a 'triangle' close to Azerbaijan's neighbours (and close to Turkey). It should become a regional analogue of the Dutch Venlo, a multimodal inland hub that serves domestic and international cargo flows.

Logistics-wise, Azerbaijan and Armenia depend on Georgia, Iran, and Russia. Zangezur minimises the role of Iran; Azerbaijan can now bypass the state, while it used the country as a corridor for connecting with its exclave Nakhchivan; Armenia



Photo: Canva

can have access to the east and west via Azerbaijan, respectively Turkey. Thanks to the unblocking, Nakhchivan's role as a corridor towards Turkey and farther to and from Europe will grow.

Armenia currently mainly uses the Upper Lars checkpoint via Georgia for the supply from and export to Russia. It is a mountainous road with many stoppages, especially in the winter months. Whereas it is a relatively short distance of a few hundred kilometres, it sometimes takes days before the vehicles can cross the Russian-Georgian border due to landslides and avalanches. Armenia should, by all means, benefit from having an alternative.

Azerbaijan too heavily depends on Georgia for Europe-bound road and rail transports. The country has, therefore, invested in not only its infrastructure but also that of Georgia's. Zangezur won't and probably shouldn't bypass Georgia, but it will create a shorter, more practical alternative as transport through the corridor is reduced by hundreds of kilometres.

Two better than one

Also called the Middle Corridor, the Trans-Caspian International Transport Route should become a vital part of the New Silk Road. It is a rail-sea corridor connecting Europe and China via Turkey, Azerbaijan, and Kazakhstan, including a link over the Caspian Sea. The corridor gets around Russia and Iran, two countries Europe might want to leave outside the transport equation (at least for the time being). It can make Azerbaijan a crucial international trade transit hub; Armenia can also take advantage of it.

While the traditional maritime transit time from China to western Europe takes 30-40 days, and the land option from Europe to China via Russia tots up to around 20 days, the Middle Corridor is only 12 days. The more compact timetable can be advantageous to traders and bring more competition to the transport industry. In times of uncertainty – with events like the Suez Canal jamming, endless port call queues, but also piracy off Somalian and Yemeni waters, and environmental pollution (think container ships going ablaze) – the Middle Corridor's offer seems viable. Its combination with Zangezur can create additional synergies.

Dare to dare

Introducing new trade lanes, establishing transport & logistics companies, and laying modern point and line infrastructure will provide fertile ground for business. There can be so much activity that the Caucasian nations might invest more money in infrastructure than in arms. Azerbaijan and Armenia will have many joint economic projects, thus common interest, two things they lack now. The resulting increase in prosperity will pave the way to the notion that they will have too much to lose by waging another war.


Nurlan Agayev is a Netherlands-based maritime lawyer

We have witnessed similar breakthroughs in Europe. The Third Reich flattened Rotterdam some 80 years ago. Nowadays, the Dutch seaport, alongside other European ports, including from the southern EU, handles a significant portion of Germany's trade. Yet, nobody in Berlin thinks about "remedying" this situation with the use of force. Economic integration has succeeded in immunising Europe against such calamity.

Hopefully, trade and transport will also lead to a more open-minded, trusting Caucasus region. And trust is the basis of sustainable peace, a legacy that should be transferred onto the next generation by taking bold, even daring, practical steps now. ■