

Pchaladze, Tengiz

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POLICY BRIEF – No. 10/2025

Navigating Geopolitical Realities: The EU's Strategic Positioning in the South Caucasus and Central Asia

By **Tengiz Pkhaladze**, *Senior Fellow, ECIPE*

EXECUTIVE SUMMARY

This policy brief examines the strategic importance of the South Caucasus and its pivotal role in the European Union's evolving engagement with Central Asia. The regional landscape, however, remains highly volatile. Russia's aggression in Ukraine has had direct and indirect repercussions for the South Caucasus. Against the backdrop of the war, Moscow continues its efforts to maintain the region within its sphere of influence – through military presence, disinformation, economic leverage, and political interference. Twenty percent of Georgia's territory remains illegally occupied by Russian forces, while the fragile post-conflict environment following the Second Karabakh War continues to shape relations between Armenia and Azerbaijan. While missions such as EUMM in Georgia and EUMA in Armenia reflect the EU's growing political engagement, they remain limited in scope and capacity, constraining the Union's ability to address the region's evolving risks.

The EU's partnerships with South Caucasus countries are characterised by both strategic opportunity and persistent friction. Azerbaijan has become an important energy supplier to the EU, particularly via the Southern Gas Corridor, and is also involved in early-stage renewable initiatives such as the Black Sea Submarine Cable Project. However, the relationship remains complicated by enduring concerns related to governance, human rights, and democratic norms. Georgia,

despite receiving EU candidate status in 2023, has prompted growing concern among EU institutions and member states over perceived democratic backsliding and increasing political polarisation. The country remains a vital transit hub for the Middle Corridor and a central partner in EU connectivity efforts, but its internal developments have raised questions in Brussels about the sustainability of its European path. At the same time, Georgia continues to be a major target of Russia's hybrid influence operations, which exploit internal divisions and erode trust in Euro-Atlantic institutions. Armenia, disillusioned with Russia's security guarantees, is cautiously deepening its engagement with the West. However, the extent of this shift remains contingent on developments in Georgia – given Armenia's geographic dependence – and on the prospects for a durable peace agreement with Azerbaijan.

This policy brief assesses how the EU is managing the tensions between its strategic objectives and its normative commitments in a region increasingly shaped by Great Power rivalry. It concludes with policy recommendations aimed at strengthening the EU's credibility and effectiveness in both the South Caucasus and Central Asia – advocating for a more coherent, proactive, and principled approach that aligns short-term geopolitical interests with long-term goals for regional stability and integration.

1. INTRODUCTION

The European Union is operating in an increasingly complex geopolitical environment, where securing its strategic interests requires greater involvement in regions beyond its immediate borders. Among the EU's growing priorities are the Black Sea region, the South Caucasus, and Central Asia – areas that have become central to its long-term political, economic, and energy strategies. These regions serve not only as vital links in transcontinental supply chains but also as crucial gateways for the EU's efforts to diversify energy sources and assert strategic autonomy.

The geopolitical significance of these regions has grown substantially in recent years. Their location at the intersection of Europe, Asia, and the Middle East makes them indispensable to any actor seeking to shape global energy flows and trade routes. In this context, the Middle Corridor – a transport route stretching from Central Asia through the Caspian Sea and the South Caucasus to Europe – has emerged as a focal point in the EU's connectivity agenda. Running through Azerbaijan, Georgia, and Türkiye, the corridor presents a practical alternative to traditional routes that are heavily influenced, if not dominated, by Russia.

Beyond its infrastructural promise, the EU's engagement in the region reflects a broader ambition to project influence and shape the geopolitical dynamics that increasingly converge in the South Caucasus and Central Asia. Russia's invasion of Ukraine, China's assertive economic diplomacy, and the global energy transition have all contributed to the region's elevated strategic profile. Over the years, the EU has worked to strengthen its presence in these areas through a mix of trade, energy, and political partnerships. Countries like Georgia and Azerbaijan have become key partners – not only due to their energy resources but also because they provide essential access points to the Caspian Sea and serve as critical nodes in the Middle Corridor. Nevertheless, the realisation of the EU's vision is hampered by persistent political instability and external influence, particularly from Moscow and Beijing.

The South Caucasus presents a challenging security environment. Russia's continued military presence in parts of Georgia, coupled with its broader use of hybrid tactics across the region, complicates efforts to build long-term stability. Moreover, unresolved tensions between Azerbaijan and Armenia pose further risks to regional peace. The EU's missions in the region – the European Union Monitoring Mission in Georgia (EUMM) and the recently established European Union Mission in Armenia (EUMA) – symbolise its commitment, but both face operational constraints that limit their effectiveness in promoting peace and stability.

To remain effective, the EU must adapt its approach to the changing dynamics in the region. It is no longer sufficient to rely solely on soft power and economic incentives. Instead, Brussels must balance its push for connectivity and democratic governance with the realities of a competitive geopolitical landscape shaped by rival powers like Russia, China, and Iran. This requires both political resolve and strategic flexibility.

2. THE MIDDLE CORRIDOR: A KEY PILLAR OF EU CONNECTIVITY AND ENERGY STRATEGY

At the centre of the EU's regional engagement lies the Middle Corridor, also known as the Trans-Caspian International Transport Route (TITR). This vital trade route links China and Central Asia with Europe via the Caspian Sea and the South Caucasus. It has become increasingly important as the EU seeks to reduce its reliance on routes controlled by Russia and diversify both its trade and energy supply chains.

Recent developments underscore the growing importance of the Middle Corridor:

- **Significant Cargo Growth:** According to official data from the Kazakhstan Ministry of Transport, cargo transportation along the Trans-Caspian International Transport Route (TITR), also known as the Middle Corridor, increased by 63%, reaching 4.1 million tonnes.¹ Additionally, container transportation grew 2.6 times, totalling 50,500 TEUs. The corridor's annual capacity has expanded to 6 million tonnes, including 100,000 TEUs of container traffic. These developments underscore the corridor's growing significance in global trade. Such growth in TITR freight volumes is driven by infrastructure upgrades and global trade disruptions. Investments in transport systems have enhanced the route's efficiency and appeal.² Meanwhile, instability in maritime routes, particularly attacks on vessels in the Red Sea, has forced shipping companies to divert from the Suez Canal, increasing demand for overland alternatives like the Middle Corridor.^{3 4 5}
- **Boom in Container Traffic:** Containerised cargo surged by 2.6 times over the same period, reaching 50,500 TEUs (twenty-foot equivalent units). This growth underscores the corridor's role in connecting Asian production hubs with European markets.⁶
- **Expanded Transit Capacity:** The corridor's annual capacity has now reached 6 million tonnes, including space for 100,000 TEUs. This expansion is the result of deliberate investments aimed at strengthening the route's ability to handle growing demand.

¹ Kazakhstan Ministry of Transport (2024) Cargo traffic along the TITR increases by 63%. <https://www.gov.kz/memleket/entities/transport/press/news/details/904094?lang=kk>

² World Bank (2023) Middle Corridor Development Report. <https://thedocs.worldbank.org/en/doc/6248f697aed-4be0f770d319dcaa4ca52-0080062023/original/Middle-Trade-and-Transport-Corridor-World-Bank-FINAL.pdf>

³ Reuters (2024) Red Sea Shipping Disruptions Boost Demand for Middle Corridor. <https://www.reuters.com/markets/commodities/red-sea-shipping-diversions-boost-container-sector-emissions-2024-01-17/>

⁴ UNCTAD (2023) Impact of Red Sea Disruptions on Global Trade Logistics. <https://unctad.org/publication/navigating-troubled-waters-impact-global-trade-disruption-shipping-routes-red-sea-black>

⁵ World Bank (2023) Global Logistics Disruptions and Transport Alternatives. <https://www.worldbank.org/en/news/press-release/2023/04/21/world-bank-releases-logistics-performance-index-2023>

⁶ Astana Times (2024) Middle Corridor Sees Surge in Container Traffic and Capacity. <https://astanatimes.com/2024/12/cargo-transport-via-middle-corridor-surges-to-4-1-million-tons-in-11-months/#:~:text=ASTANA%20-%20The%20volume%20of%20cargo,press%20service%20reported%20on%20Dec>

- **Reduced Transit Times:** One of the most significant improvements has been in transit efficiency. Travel times along the corridor have dropped from 38–53 days to 18–23 days, with further reductions to 14–18 days expected soon.⁷
- **Major Infrastructure Investment:** Kazakhstan has played a leading role in supporting the corridor, investing around \$35 billion in transport and logistics infrastructure over the past 15 years. These investments have helped to modernise routes, streamline logistics, and increase overall reliability.⁸

Thanks to these advances, the Middle Corridor is quickly becoming a viable alternative to established trade routes. For the EU, this development offers not only expanded trade potential but also greater strategic independence. By shifting reliance away from maritime chokepoints like the Suez Canal and overland routes that pass-through Russia, the EU can diversify its logistical networks. This reduces vulnerability to external political pressures and enhances the stability of supply chains, aligning with the EU's long-term goal of strengthening economic security and reducing dependency on politically sensitive corridors.

As the corridor's infrastructure improves and transit times fall, its role in European energy security and commercial policy will likely grow even further. While primarily associated with container and bulk cargo, the Middle Corridor functions as a multimodal network, linking rail, road, and maritime transport across Central Asia and the Caspian Sea. Though pipelines are not formally part of the corridor, parallel infrastructure in the region facilitates the movement of oil and gas toward Europe. Together, these systems enhance the EU's ability to diversify supply routes and reduce dependence on politically sensitive corridors.

Nonetheless, the corridor's full potential hinges on addressing several operational challenges, including border management, customs harmonisation, and intergovernmental coordination. The EU's involvement must go beyond funding and extend into political and technical support to ensure the corridor remains competitive and resilient in the long term.

3. AZERBAIJAN AND ENERGY DIPLOMACY

Azerbaijan plays a significant role in the European Union's strategy for securing its energy future. As a key contributor to the Southern Gas Corridor (SGC), the country supplied over 12 billion cubic metres of natural gas to the EU in 2023, with projections reaching 20 bcm by 2027. This underscores Azerbaijan's growing importance as a non-Russian energy provider, especially as the EU seeks to diversify imports in response to geopolitical tensions stemming from the Russia-Ukraine conflict. Recent developments, such as the 11th Ministerial Meeting of the Southern Gas Corridor Advisory Council and the 3rd Green Energy Advisory Council held in Baku in April 2025,

⁷ Astana Times (2023) Middle Corridor Reduces Transit Times Significantly. <https://astanatimes.com/2023/12/cargo-transportation-along-middle-corridor-soars-88-reaches-2-million-tons-in-2023/>

⁸ Le Monde (2024, August 11) Le Kazakhstan veut devenir le maillon commercial essentiel entre la Chine et l'Europe. https://www.lemonde.fr/international/article/2024/08/11/le-kazakhstan-se-reve-en-hub-du-commerce-entre-la-chine-et-l-europe_6276595_3210.html

reaffirmed both parties' commitment to deepening energy cooperation.⁹ However, despite these positive signals, concerns remain within Brussels. Questions around long-term dependency, financing constraints – particularly related to EU restrictions on fossil fuel investments – and the alignment of this partnership with broader climate and human rights standards continue to shape the dialogue.¹⁰

In addition to fossil fuels, Azerbaijan is also aligning with the EU's broader push toward green energy. A notable example is the Black Sea Submarine Cable Project, a multinational initiative involving Azerbaijan, Georgia, Romania, and Hungary. This project seeks to establish a direct power link between the South Caucasus and the European electricity market, enabling the transmission of renewable energy. Such cooperation not only broadens the energy portfolio of the EU but also positions Azerbaijan as more than just an oil and gas supplier – it's becoming a bridge for future-focused, sustainable energy.

Despite strong energy ties, the EU-Azerbaijan relationship is marked by political complexities. The EU values Azerbaijan's energy contributions, yet persistent concerns about governance, press freedom, and civil liberties continue to strain diplomatic relations. These issues often put Brussels in a difficult position – balancing strategic energy interests with its normative agenda centred on democratic values.

Despite growing energy cooperation, the EU-Azerbaijan relationship remains politically sensitive. While Brussels recognises Azerbaijan's role as a significant energy partner, some within the EU have raised ongoing concerns about democratic governance, media freedom, civil society conditions and human rights – factors that, in their view, complicate closer diplomatic engagement. Regional dynamics add another layer of complexity: Baku's relationship with Moscow has attracted close attention, especially amid tensions in the South Caucasus. The EU Monitoring Mission in Armenia, established in 2023 to support border stability, was interpreted by some policymakers and analysts as an indication of broader anxieties about shifting alliances and regional security.¹¹ In the aftermath of the Second Karabakh War, a number of EU member states and parliamentarians expressed unease over the humanitarian consequences, with some accusing Azerbaijan of disproportionate use of force and contributing to the displacement of ethnic Armenians. Although Baku has denied these allegations, such debates continue to influence EU discourse and complicate efforts to balance strategic priorities with normative principles.¹²

From Azerbaijan's viewpoint, the EU's criticisms are often perceived as intrusive. Baku maintains that domestic governance matters fall under national sovereignty and that Western commentary tends to overlook Azerbaijan's unique geopolitical challenges. These include its war and border issues, a complex security environment, especially in relation to Armenia, and the need to maintain internal stability while advancing national interests.

⁹ European Commission (2025) Commissioner Jørgensen in Azerbaijan to Reinforce Energy Cooperation. https://energy.ec.europa.eu/news/commissioner-jorgensen-azerbaijan-reinforce-energy-cooperation-2025-04-03_en

¹⁰ Reuters (2025) Azerbaijan Urges EU to Reassess Finance Restrictions on Gas Corridor Expansion. <https://www.reuters.com/business/energy/azerbaijan-urges-eu-reassess-finance-restrictions-gas-corridor-expansion-2025-04-09/>

¹¹ European External Action Service (2023) EU Monitoring Mission in Armenia – Background and Objectives. https://www.eeas.europa.eu/euma/about-european-union-mission-armenia_en?s=410283&utm_source=chatgpt.com

¹² European Parliament (2023) Debate on the Humanitarian Situation in Nagorno-Karabakh. https://www.europarl.europa.eu/doceo/document/TA-9-2023-0356_EN.html

Tensions surrounding the Armenia-Azerbaijan conflict, particularly after the Second Karabakh War, have further complicated Azerbaijan's ties with certain EU countries, notably France. France's vocal backing of Armenia and its criticism of Azerbaijan's military actions have led to diplomatic friction. Baku interprets such positions as biased and dismissive of its legitimate territorial claims, fuelling mistrust and limiting the scope of deeper cooperation.

Efforts to broker peace between Armenia and Azerbaijan have also tested the EU's diplomatic influence. While Brussels has taken an active role in encouraging dialogue and conflict resolution, Azerbaijan remains wary of what it sees as uneven mediation. EU involvement is often viewed through the lens of domestic political pressure within Europe, including lobbying by Armenian diaspora communities, which Baku believes skews the narrative.

In conclusion, while Azerbaijan contributes to the EU's efforts to diversify energy sources, particularly through pipeline gas, its current share of overall EU imports remains limited. In 2024, Azerbaijan's gas exports to Europe were projected to average around 12.5 billion cubic metres (bcm), accounting for roughly 3% of the EU's total gas imports.¹³ This positions Azerbaijan as a relevant, though still modest, contributor to Europe's energy diversification strategy.

Renewable energy cooperation, though promising, remains largely at a developmental stage. The bilateral relationship holds strategic potential, but it is also shaped by political sensitivities, regional dynamics, and differing perceptions of governance standards. For now, Brussels appears to favour a gradual approach, seeking to advance shared interests in energy and regional stability without rushing into deeper commitments amid unresolved political and normative concerns.

Yet, the broader EU-Azerbaijan relationship remains entangled in political sensitivities, regional disputes, and differing interpretations of democratic standards. For both sides, the challenge lies in advancing mutual interests in energy and regional stability without allowing political disagreements to overshadow the strategic partnership.

4. GEORGIA AND THE EU: REALIGNMENT OR RECALIBRATION?

Georgia's candidate status, granted by the European Council in December 2023, marked more than a symbolic gesture – it was a geopolitical acknowledgment of Georgia's growing importance in the European security and connectivity landscape. The decision signalled that the EU now regards Georgia not as a fringe actor but as a strategic partner whose direction and stability have direct implications for the region and beyond.

Situated between the Black Sea and the Caspian Basin, Georgia serves as a vital link between Europe, the South Caucasus, and Central Asia. Its location makes it indispensable to the development of new transit and energy corridors – particularly as Europe seeks alternatives to routes influenced or controlled by Russia. The so-called Middle Corridor, which cuts through

¹³ Reuters (2024) Azerbaijan says OPEC+ Might Consider Oil Cuts Rollover at Dec. 1 Meeting. <https://www.reuters.com/markets/commodities/azerbaijan-says-opec-might-consider-oil-cuts-rollover-dec-1-meeting-2024-11-25/>

Georgia, has gained new relevance amid the reconfiguration of global supply chains triggered by Russia's war in Ukraine. In this context, Georgia has received renewed attention for Europe's efforts to enhance connectivity and resilience.

Yet Georgia's strategic position also comes with vulnerabilities. The legacy of the 2008 war with Russia remains unresolved, with roughly one-fifth of Georgian territory still under Russian control. The country continues to endure a form of frozen conflict, facing regular hybrid threats ranging from disinformation campaigns to economic coercion. While the EU Monitoring Mission (EUMM) has maintained a stabilising presence since the end of hostilities, its restricted access to the occupied territories and limited mandate underscores the EU's difficulty in addressing hard security challenges in the region. Nevertheless, the mission serves as a tangible expression of the EU's commitment to Georgia's sovereignty.

Following its EU candidacy, Georgia has experienced both deeper integration and growing friction with Brussels. Domestically, controversial legislative moves – including the revival of the “foreign agents” law and restrictions on civil society – have drawn criticism from European institutions. These initiatives are part of a broader narrative within Georgia, one that pits national sovereignty against perceived foreign interference. The EU, meanwhile, insists that adherence to democratic principles, an independent judiciary, and respect for fundamental freedoms are not optional, but core to the accession process.

The political stakes escalated dramatically with the Georgian government's 2024 announcement to pause its EU membership bid until at least 2028. This unexpected move, seen by many as a strategic pivot rather than a temporary delay, triggered large-scale public protests and raised alarms in Brussels. In response, some EU member states have taken unilateral action – imposing travel bans and freezing cooperation with officials associated with the controversial laws. Portions of EU financial aid have been suspended, and broader consequences remain on the table.

Georgia now stands at a crossroads. A failure to sustain momentum could result in more than just a temporary pause; it could lead to a lasting rupture in the country's European trajectory. And the fallout wouldn't be limited to Georgia alone. Armenia, which has cautiously increased its engagement with the EU, depends on Georgia as a land bridge to Europe. Any shift in Georgia's orientation or stability could close off Armenia's western vector, leaving Yerevan with fewer strategic options as it rethinks its reliance on Russia.

What happens in Georgia will shape the EU's future role in the South Caucasus. If Georgia continues aligning with European norms and deepens integration, it could anchor a broader regional shift toward the EU. But if the current divergence hardens, Europe risks losing its foothold in a region increasingly contested by rival powers. The EU must therefore approach Georgia not merely as a compliance issue but as a strategic partner facing serious external and internal pressures. Patience, consistency, and a clear understanding of the geopolitical stakes will be critical.

This is not a theoretical debate. It's about the EU's credibility in shaping its eastern neighbourhood, the future of enlargement, and the long-term balance of influence between democratic and

authoritarian models in the region. Georgia's path forward will echo well beyond Tbilisi – in Brussels, Yerevan, and the wider geopolitical landscape.

5. CHINA, RUSSIA, AND EMERGING SECURITY PRESSURES

The South Caucasus remains a contested space, where local fragility intersects with the strategic ambitions of major powers. Among the key external actors in the region, Russia and China are expanding their presence – politically, economically, and militarily – while the European Union's influence continues to be constrained by limited hard power and fragmented engagement.

Russia has long viewed the region as within its traditional sphere of influence. Its military entrenchment in Georgia's occupied regions of Abkhazia and Tskhinvali following the 2008 war remains a central feature of its regional strategy. But Russia's ambitions go far beyond military occupation. Moscow employs a broad toolkit of hybrid tactics – including propaganda, financial leverage, and cyber interference – to erode pro-Western sentiment and disrupt democratic processes in both Georgia and Armenia. These operations are designed not only to maintain influence but also to deter deeper Euro-Atlantic integration by fostering instability and political fatigue.

Georgia is particularly critical to Russia's strategic calculus. As the only country in the region offering an overland route between Europe and Central Asia that is outside Russian control, Georgia represents a geopolitical chokepoint. Its Black Sea access and transport infrastructure make it indispensable to Europe's connectivity ambitions, including energy transit. For the Kremlin, a Western-aligned, democratic Georgia is not just inconvenient – it's a direct threat to its narrative of dominance in the post-Soviet space.

Consequently, Russia continues to invest in strategies that prevent Georgia from becoming a stable and successful example of Euro-Atlantic alignment. By stoking polarisation, promoting anti-Western narratives, and supporting political forces aligned with its interests, Moscow seeks to sow discord and delay integration.

Russia's influence in Armenia, while still significant, has come under increasing scrutiny. The collapse of Armenian positions in Karabakh in 2023 and the perceived failure of Russian peacekeepers to prevent renewed conflict have undermined Moscow's image as a reliable security guarantor. Still, the Kremlin maintains leverage by presenting itself as a necessary – even if flawed – mediator, and by positioning instability as the cost of drifting away from Russian protection.

Meanwhile, China has expanded its presence through economic means rather than political coercion. Beijing's Belt and Road Initiative (BRI) has made inroads across the South Caucasus, with Georgia becoming a key node in China's infrastructure network. Investments in logistics, digital connectivity, and port development signal a long-term interest in the region's strategic geography. Yet China's approach often runs parallel to EU goals, lacking transparency and

offering little alignment with European values or regulatory standards. This divergence introduces further complexity to an already crowded geopolitical environment.

In response, the EU has maintained a mostly civilian and symbolic footprint. The EUMM in Georgia and the more recent EUMA in Armenia offer political visibility and a form of deterrence, but they lack the mandate or military backing to shift the balance of power. These missions are valuable in their own right – providing real-time assessments and contributing to local confidence-building – but they fall short of responding to the region's full spectrum of challenges.

This gap between rhetoric and capability is increasingly problematic. While the EU champions democracy, sovereignty, and connectivity, its reliance on soft power and conditionality has limited traction in a region where rivals are willing to use harder tools of influence. The result is a strategic imbalance: the EU offers presence, but Russia and China offer pressure and resources – sometimes without conditions.

Ultimately, the South Caucasus is no longer a passive transit zone. It is a geopolitical frontier where the EU must decide whether it wants to remain a serious actor or cede influence to others. To maintain relevance, Europe must evolve its posture from one of monitoring to one of strategic engagement – backed by tools that match the stakes.

The region's trajectory will not be shaped by declarations alone but by credible commitments, consistent support, and a willingness to counter destabilising influences. Without this shift, the EU risks losing not only its leverage in the South Caucasus but also its ability to shape the broader neighbourhood that lies between Brussels and Beijing.

6. STILL IN PLAY: THE FUTURE OF EUROPE'S EASTERN NEIGHBOURHOOD

The South Caucasus and Central Asia remain pivotal in shaping the European Union's strategic outlook, not only due to their geographic positioning but also because of their growing significance as energy suppliers and trade connectors. At the heart of this dynamic lies the Middle Corridor – a transit route that bridges Central Asia, the Caspian Sea, and Europe – offering the EU a viable alternative to traditional pathways dominated by Russian influence. As infrastructure improves and cargo traffic increases along this corridor, the EU's economic and geopolitical interests in the region are growing stronger. Yet, turning strategic ambition into sustained influence remains a challenge.

One of the EU's key tests involves managing its complex relationships with Georgia and Azerbaijan – two countries central to both the security and functionality of the Middle Corridor. Georgia, once considered a frontrunner in EU integration, has seen its trajectory stall following the suspension of its candidate status in 2023. Meanwhile, Azerbaijan, while strategically important due to its energy exports, presents political complications rooted in governance issues and human rights concerns. Maintaining productive relations with both countries, without compromising on core EU values, will require a careful and credible diplomatic balancing act.

Security instability in the region represents a second major obstacle to the EU's deeper engagement. The occupation of Georgian territory by Russia and the unresolved tensions between Armenia and Azerbaijan continue to generate friction that undermines regional development and investor confidence. The EU's security presence through missions like the EUMM in Georgia and EUMA in Armenia, while symbolically significant, have been limited in both scope and effectiveness. Restricted access to conflict zones and a narrow operational mandate prevents these missions from meaningfully influencing outcomes. If the EU seeks to play a serious role in conflict prevention and resolution, it must reconsider how it projects stability and supports peace processes in contested areas.

Energy security stands as another crucial front. The EU's gradual decoupling from Russian energy has magnified the importance of Azerbaijan's natural gas and oil exports, primarily through the Southern Gas Corridor. However, political tensions between Baku and Brussels over democratic standards and governance practices threaten to complicate this energy partnership. While diversifying energy sources remains vital for the EU, it must also support political and economic reforms that enhance long-term sustainability and reliability in its energy relationships.

Given these interconnected challenges, the EU must rethink how it engages the South Caucasus and Central Asia. This means more than committing to long-term infrastructure projects or political declarations. It calls for a strategy that integrates diplomacy, security assistance, and economic cooperation in a way that is flexible yet principled. Strengthening ties with Georgia and Azerbaijan, securing the Middle Corridor as a sustainable route, and enhancing the EU's role in regional peace efforts must all be part of a broader, coordinated approach.

As competition with Russia and China intensifies, and as internal dynamics within partner states continue to shift, the EU will need to adapt. Its influence will depend not only on its resources but also on its willingness to act strategically and credibly. The future of Europe's eastern neighbourhood is still very much in play – and the decisions the EU makes now will determine whether it emerges as a lasting force in the region or cedes ground to others better prepared to seize the moment.

The South Caucasus remains a region of pronounced political complexity, unresolved conflicts, democratic challenges, and intensifying geopolitical competition – factors that contribute to its persistent fragility. For the European Union, this instability is not a distant issue but a pressing concern in its immediate neighbourhood. If left unengaged, the region risks falling more firmly under the influence of external powers – particularly Russia and China – whose strategic agendas often diverge markedly from those of the EU. Such a shift would weaken Europe's ability to shape regional developments, erode the resilience of EU partner and candidate countries like Georgia, and heighten security and economic vulnerabilities along the EU's eastern periphery. Without a cooperative and engaged South Caucasus, meaningful engagement with Central Asia – whether economic, political, or security-related – becomes considerably more difficult. In effect, losing strategic traction in the South Caucasus would amount to forfeiting the EU's gateway to Central Asia.

In this context, the EU cannot afford a posture of strategic detachment. While some in Brussels may view the South Caucasus and Central Asia region's current energy and trade flows as modest, and others voice concerns about democratic backsliding in some regional countries, the long-term stakes for the EU are geopolitical, not merely transactional. Disengagement would risk ceding influence to actors less committed to transparency, accountability, or stability. A more effective approach lies in sustained, principled engagement – one that safeguards EU strategic interests while keeping the door open, and hope alive, for societies in the region striving for democracy and pluralism, even amid difficult conditions. Upholding these aspirations through inclusive engagement, rather than retreat or conditionality alone, is not only a normative responsibility but a strategic necessity. Active involvement strengthens the EU's connectivity goals and helps anchor the South Caucasus within a broader framework of cooperative security and regional order.