The Geopolitics of Energy in the Silk Road Region and
its Implications for Europe*

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[CHECK AGAINST DELIVERY]

The title of these remarks is "the geopolitics of energy in the Silk Road region and its implications for Europe."

Now, some of you may be perplexed by this term: the "Silk Road region." Most of you are accustomed to say "Central" or "Core Eurasia"—or, simply, "Eurasia." Well, I've made my positive case for this term "Silk Road region" in print, and I won't repeat all the details here,[1] although I will say that it's much more than a terminological matter.

Suffice it to say, for present purposes, that a principal advantage of the shorthand "Silk Road region" is that "it does not define [the place] in terms of any external power or national ideology. Instead, it focuses discussion where it should be focused: namely on the character of the region itself; on its distinctive geographical, cultural, political, economic, and historical features; and on the question of whether those features may be the keys to its future."[2]

Now, in terms of geography, my definition is purposefully and constructively ambiguous: the Silk Road region comprises that part of the world that looks west past Anatolia to the warm seas beyond; north across the Caspian towards the Great Steppe; east to the peaks of the Altai and the arid sands of the Taklamakan; and south towards the Hindu Kush and the Indus valley; and then looping around down to the Persian Gulf and back up across the Fertile Crescent and onward to the Black Sea littoral.[3]

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[1] See Damjan Krnjević Mišković, "On Some Conceptual Advantages of the Term 'Silk Road Region': Heralding Geopolitical and Geo-Economic Emancipation," *Baku Dialogues* vol. 6, no. 4 (Summer 2023), pp. 20-27, https://bakudialogues.ada.edu.az/media/2023/07/12/bd-v6-n4_miskovic.pdf.

[2] The quote is from S. Frederick Starr, "In Defense of Greater Central Asia," Policy Paper, Central Asia-Caucasus Institute & Silk Road Studies Program Joint Center, September 2008, p. 6. Starr does not adopt or consider the term "Silk Road region" but he does reject the term "Central Eurasia" in favor of the term "Greater Central Asia," which is a step in the right direction. The quoted text is part of his defense of this term. The quoted passage seems to me to be even more persuasive when put in the service of defending the use of the term "Silk Road region."

[3] The definition was first printed in "Editorial Statement," *Baku Dialogues*, vol. 4, no. 1 (Fall 2020), p. 7, https://bakudialogues.ada.edu.az/editorial-statement.

Of course, in terms of the political map, the *core* of the Silk Road region comprises the countries conventionally called the South Caucasus and Central Asia—eight former Soviet republics that are now sovereign states. Some add Afghanistan to the core list. That said, obviously, there are various other countries that are bound, in whole or in part, to this region. And those ties are genuine, which is why in some real sense these too belong to the Silk Road region; but they certainly don't belong to it in the same way as do its core states.

The Silk Road region thus has finite yet somewhat elastic geopolitical boundaries. Today, "this strategic area interlinks not only the world's two most critically important regions (the Euro-Atlantic and Indo-Pacific basins), but also directly interconnects South Asia, the Middle East, and the Eurasian space with each other. [...] In geostrategic terms, [therefore,] this region is the geopolitical hinge where the North Atlantic Treaty Organization meets the Shanghai Cooperation Organization, and where the Belt and Road Initiative connects with the wider European neighborhood and the European Union itself."[4]

In short, the Silk Road region should be understood as a single geopolitical theater with multiple stages, the exits from which are very purposefully not defined with precision.[5]

And because we're in Budapest—and Hungarians take the question of values seriously, as do most of the others in this room—I think it's useful to close the circle on this brief account of a few of the Silk Road region's main characteristics by saying something about the salience of a twenty-first century version of what in the 1990s was called "Asian values."[6]

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[4] Nikolas K. Gvosdev, "Geopolitical Keystone: Azerbaijan and the Global Position of the Silk Road Region," *Baku Dialogues* vol. 4, no. 1 (Fall 2020), pp. 26, 27, https://bakudialogues.ada.edu.az/media/2020/08/27/bd-1-gvosdev.pdf.

[5] This term thus also has the advantage of being imbued with a Pascalian *esprit de finesse* conforming to the approach of political phenomenology, in contradistinction to what he called an *esprit de géometrie* so characteristic of contemporary social science. For the Pascalian distinction, see *Pensées* L512 (B1).

[6] The "Asian values" concept was developed in practice by the likes of Singapore's Lee Kuan Yew and Malaysia's Mahathir Mohamad and propounded in documents like the Bangkok Declaration (1993), adopted at the Regional Meeting for Asia for the World Conference on Human Rights. The full text of the Bangkok Declaration is available in a UN document identified as A/CONF.157/ASRM/8 and A/CONF.157/PC/59, https://digitallibrary.un.org/record/167021?ln=en#record-files-collapse-header. Article 8 of this document reads, "we recognise that while human rights are universal in nature, they must be considered in the context of a dynamic and evolving process of international norm setting, bearing in mind the significance of national and regional particularities and various historical, cultural, and religious backgrounds." Primers, studies, and reflections on the original Asian values debate are great in number and include: Lee Kuan Yew, "The East Asian Way: Interview with Lee Kuan Yew," *New Perspectives Quarterly* 9, no. 1 (1992), pp. 4-13; Kishore Mahbubani, "The West and the Rest," *The National Interest* no. 28 (1992), pp. 3-13; Bilahari Kausikan, "Asia's Different Standard," *Foreign Policy* no. 92 (Autumn 1993), pp. 24-41; Fareed Zakaria, "Culture is Destiny: A Conversation with Lee Kuan Yew," *Foreign Affairs* vol. 73, no. 2 (March/April 1994), pp. 109-126; Bilahari Kausikan, "An East Asian Approach to Human Rights," *Buffalo Journal of International Law* vol. 2, no. 2 (1996), pp. 263-83; Bilahari Kausikan, "Hong Kong, Singapore, and 'Asian Values:' Governance that Works," *Journal of Democracy* vol. 8, no. 2 (April 1997), pp. 24-34; Nathan Glazer, "Two Cheers for 'Asian Values'," *The National Interest* no. 57 (Fall 1999), pp. 27-34; Michael D. Barr, "Lee Kuan Yew and the 'Asian Values' Debate, *Asian Studies Review* vol. 24, no. 3 (September 2000), pp. 309-334; Michael D. Barr, *Cultural Politics and Asian Values: The Tepid War* (Abingdon, Oxon: Routledge, 2002); Daniel A. Bell, *East Meets West: Human Rights and Democracy in East Asia* (Princeton: Princeton University Press, 2000); Chang-Yau Hoon, "Revisiting the Asian Values Argument Used by Asian Political Leaders and its Validity," *Indonesian Quarterly* vol. 32, no. 2 (2004), pp. 154-174; Bilahari Kausikan, "The Idea of Asia," Address to the Singapore Writers Festival, 1 November 2014, excerpted as "1990s 'Asian values' Advocate Bilahari Explains the Real Reason Behind the 'Asian Values' Debate," *Mothership*, 4 November 2014, https://mothership.sg/2014/11/1990s-asian-values-advocate-bilahari-explains-the-real-reason-behind-the-asian-values-debate/; and Bilahari Kausikan, "The 'Asian Values' Debate, 30 Years On," *The Straits Times*, 16 March 2121. The original "Asian values" debate arose at least in part in thinking through the strategic implications of Samuel Huntington's "clash of civilizations" thesis, itself a response to the worldview contained in Francis Fukuyama's writings on the "end of

Now, I don't have the time now to provide a full typology of contemporary Silk Road region values.[7] But five traits can help illustrate this underappreciated phenomenon:

One, they're more compatible with strictly observing universally-recognized international law—including the purposes and principles of the UN Charter, which are assumed to be in the service of "restrain[ing] the exercise of righteous power" and the "avoid[ance] of unbridgeable schisms,"[8] in Kissinger's memorable phrase—rather than with conducting affairs of state in accordance with what is called by its proponents a 'rules-based liberal international order.'[9] In other words, Silk Road values can be understood as being much closer in spirit to recent Chinese formulations, which commits Beijing to "firmly uphold the international system with the United Nations at its core, the international order underpinned

history." For more on this, see Damjan Krnjević Mišković, "Back with a Vengeance: The Return of Rough and Tumble Geopolitics," *Orbis: A Journal of World Affairs* vol. 65, no. 1, (Winter 2021), pp. 118-135. Cf. Xi Jinping, "Deepening Exchanges and Mutual Learning Among Civilizations for an Asian Community with a Shared Future," keynote address of the Conference on Dialogue of Asian Civilizations, Beijing, 15 May 2019, https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/t1663857.shtml.

[7] One notable articulation of something similar to what I am arguing is provided under the moniker "Shanghai spirit" as defined in the Declaration on the Establishment of the Shanghai Cooperation Organization, 15 June 2001, http://eng.sectsco.org/documents. For more on this, see Thomas Ambrosio, "Catching the 'Shanghai Spirit:' How the Shanghai Cooperation Organization Promotes Authoritarian Norms in Central Asia," *Europe-Asia Studies* vol. 60, no. 8 (October 2008), pp. 1321-1344. More broadly, see David Lewis, "Who's Socialising Whom? Regional Organisations and Contested Norms in Central Asia," *Europe-Asia Studies* vol. 64, no. 7 (2012), pp. 1219-1237 and Alexander Lukin, "Eurasian Integration and the Clash of Values," *Survival* vol. 56, no. 3 (2014), pp. 43-60.

[8] Henry Kissinger, *A World Restored: Metternich, Castlereagh and the Problems of Peace, 1812-1822* (London: Weidenfeld and Nicolson, 1957), pp. 206, 193.

[9] For more on one view on this distinction, see Sergei Lavrov, "On Law, Rights and Rules," *Russia in Global Affairs* vol. 19, no. 3 (September 2021), p. 229. Cf. my account of the intellectual genesis of the concept of a 'rules-based liberal international order' and discussed some of its geopolitical implications in Damjan Krnjević Mišković, "Atticism and the Summit for Democracy: A Little Thought Experiment," *Baku Dialogues* vol. 5, no. 2 (Winter 2021-2022), pp. 140-165, https://bakudialogues.ada.edu.az/media/2022/01/26/bd_w21_krnjevic.pdf. The 'liberal international order' has been defined as the combination of practices designed to advance a vision of "open markets, international institutions, cooperative security, democratic community, progressive change, collective problem solving, shared sovereignty, [and] the rule of law." The reference is to John Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order* (Princeton: Princeton University Press, 2011), p. 2. See also Stacie E. Goddard, "Embedded Revisionism: Networks, Institutions, and Challenges to World Order," *International Organization* vol. 72, no. 4 (May 2018), pp. 763-797; Beate Jahn, "Liberal Internationalism: Historical Trajectory and Current Prospects," *International Affairs* vol. 94, no. 1 (January 2018), pp. 43-61; John Ikenberry and Daniel H. Nexon, "Hegemony Studies 3.0: The Dynamics of Hegemonic Orders," *Security Studies* vol. 28, no. 3 (June 2019), pp. 395-421; and Rebecca Adler-Nissen and Ayşe Zarakol, "Struggles for Recognition: The Liberal International Order and the Merger of Its Discontents," *International Organization* vol. 75, no. 2 (Spring 2021), pp. 611-634. Perhaps the clearest articulation of the criticism of the rules-based liberal international order is that it "infuriates rivals, alienates potential friends, and pleases only Western progressives" and was Tweeted by Elbridge Colby on 20 May 2023. It served as a comment to passages from Henry Kissinger's interview with *The Economist* over a two-day period in late April 2023 in which he said, "my impression of talking to Chinese leaders is that what is grating on them is our assumption that we are on the right course, and that if they behave themselves, we will grant them certain privileges. And also when we speak of a world system, a rules-based system, we made all the rules. And they want to participate in whatever new rules emerge. There's another part that thinks that the Americans will never grant us that, so it's foolish to fall for it. […] [To the Chinese,] world order means they are the final judges of their interests. What they want is participation in how the rules are made. Not agreeing on the rules does not mean war, but it is a greater possibility." The transcript of the entire interview may be accessed here: https://www.economist.com/kissinger-transcript. See also Indian External Affairs Minister S. Jaishankar's comments on this in his speech at the General Debate of the seventy-eighth session of the UN General Assembly, 26 September 2023, https://gadebate.un.org/en/78/india, which should be read together with the final paragraph.

by international law, and the basic norms governing international relations based on the purposes and principles of the UN Charter."[10]

Two, Silk Road values are broadly suspicious of outsiders placing soft law-driven limitations on national sovereignty and domestic sources of legitimacy. One example is the narrowing of the scope of the principle of non-intervention in the internal affairs of states.[11] Another example of soft law-driven limitations on national sovereignty is the expanded conception of individual liberty that prioritizes the political dimension of the doctrine of human rights.[12] A third example is being threatened with various penalties and conditionalities for not enforcing sanctions unilaterally adopted by a few states or an alliance of countries, i.e., sanctions that have not been ratified by the UN Security Council.

Trait number three: Silk Road values prioritize an allegiance to a strong state with an economically interventionist government. The logic here is that—at least in that part of the world—a weak state more easily produces a failing state. And a weak state also allows foreign capital to leverage economic decisionmaking, which necessarily limits the scope of governmental power, which can affect state security—industrial policy is understood to be an integral part of national security policy. This also explains the increasing emphasis on *meritocratic governance* pioneered by Singapore over U.S.- or EU-style liberal democracy.[13] The foregoing calls to mind Timothy Frye's formulation "less competitive presidential regime," which I like very much.[14]

Trait number four: Silk Road values generally downplay ethnic and even civic nationalism in favor of what Anatol Lieven calls "state nationalism"—that is, fidelity to the state as embodied by loyalty to its leadership.[15] A preference for the exercise of strong executive

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[10] "Outlook on China's Foreign Policy on Its Neighborhood In the New Era, 24 October 2023, https://www.fmprc.gov.cn/eng/wjdt_665385/2649_665393/202310/t20231024_11167100.html. Tellingly, the next sentence of this document reads, "China upholds open regionalism, practices true multilateralism, and works with neighboring countries to foster *Asian values* centered on peace, cooperation, inclusiveness and integration and promote the unity, development and revitalization of Asia" (emphasis added).

[11] A classic formulation is found in Carlile Aylmer Macartney, *National States and National Minorities* (Oxford: Oxford University Press, 1934), p. 296: "The doctrine of state sovereignty does not admit that the domestic policy of any state—the policy which it follows towards its own citizens—can be any concern of any other state."

[12] A soft law example of the former is the Responsibility to Protect; of the latter, the Universal Declaration of Human Rights.

[13] On the concept of political meritocracy—"the idea that political power should be distributed in accordance with ability and virtue"—including the contrast between the Singaporean and Chinese experiences, see Daniel A. Bell, *The China Model: Political Meritocracy and the Limits of Democracy* (Princeton: Princeton University Press, 2015). The definition quoted in the foregoing sentence is found on p. 6.

[14] Timothy Frye, *Building States and Markets After Communism: The Perils of Polarized Democracy* (Cambridge: Cambridge University Press, 2010), p. 56.

[15] This argument has been made regarding Vladimir Putin in particular, but it holds generally for the leaders of the countries of the Silk Road region, including, critically, for the statesmen presiding over its three keystone states (i.e., Azerbaijan, Kazakhstan, and Uzbekistan). See Anatol Lieven, "National Responsibility," *The Point: A Journal of Ideas*, no. 22 (Summer 2020), https://thepointmag.com/politics/national-responsibility: Putin is "a *Russian state* nationalist—a very important distinction that has escaped many Western commentators. The criterion for membership of the Russian power elites is not ethnic origin but loyalty to the Russian state, as presently embodied in Putin" (emphasis added). Lieven adds that "Putin seems to me to exemplify something John Maynard Keynes once said about George Clemenceau" and goes on to illustrate this with a passage from Keynes, a slightly different selection of which I reproduce here: "He felt about France what Pericles felt of Athens—unique value in her, nothing else mattering; but his theory of politics was Bismarck's. […] His philosophy had […] no place for 'sentimentality' in international relations. Nations are real things, of whom you love one and feel for the rest indifference—or hatred. […] The politics of power are inevitable, and there is nothing very new to learn about this war or the end it was fought for […]. Prudence required some measure of lip service to the 'ideals' of foolish Americans and hypocritical Englishmen; but it would be stupid to believe

power tends to be accompanied by a strong distaste for anarchy and chaos—that is to say, a heightened sensitivity for the need to maintain public support.

Related to this is trait number five: Silk Road values do not entail the sublimation of distinct state identities in the name of institutionalizing cooperation among themselves, much less with outsiders. Hence the rise in championing "norms privileging state security, civilizational diversity, and traditional [social and cultural] values"[16]—as well as understanding, rather commonsensically, that the conduct of diplomacy is most effective when backed by one's own military strength and other instruments of hard power that demonstrate resolve without, of course, taking steps to turn one's country into a garrison state.

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Alright? The Silk Road region, its contours, its strategic importance, and its values.

Now, today, I want to connect some of the geopolitical dots that are relevant to the critical question of the EU's energy security and the indispensable role played by Azerbaijan in this regard, but also this same role the country is playing in the context of East-West connectivity more generally—you know, across the Silk Road region.

And that means starting with Ukraine.

Look, we just wouldn't be having a conversation about the nexus of issues concerning the EU and the geopolitics of energy were it not for that war. More specifically, the strategic deepening the EU's engagement with the Silk Road region is in large part a consequence of the choices the EU made to impose sanctions on Russia and to divest from its dependence on Russian oil and gas.

Now, one manifestation of this deepening engagement is the EU serving as a *facilitator in the peace process* between Armenia and Azerbaijan. And a distinct component of this involves a whole bunch of questions that have to do with Karabakh—this part of Azerbaijan that has an ethnic-Armenian population.

I don't want to get into this further because my time is limited, but I'm obviously happy to answer questions about it later on or direct folks to various publications that have featured my writings on this topic.[17]

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that there is much room in the world, as it really is, for such affairs as the League of Nations […] except as an ingenious formula for rearranging the balance of power in one's own interests." The quote is taken from *The Collected Writings of John Maynard Keynes, Volume II: The Economic Consequences of the Peace*, eds. Austin Robinson and Donald Moggridge (Cambridge: Cambridge University Press, 2013), pp. 20-21. Also, it is important to mention that Ernest Renan first made explicit the distinction between civil nationalism and ethnic nationalism. He identifies the former with the French conception of the nation as a free choice or an "everyday plebiscite" and the latter with the German conception of the nation as a community of language and race. All the relevant texts by Ernest Renan on nationalism have been collected in *Qu'est-ce qu'une nation? Et autres écrits politiques*, ed. Raoul Girardet (Paris: Imprimerie nationale, coll. Acteurs de l'Histoire, 1996). Hans Kohn's principal works on nationalism make much of this distinction. See his *The Idea of Nationalism: A Study in Its Origins and Background* (New York: The Macmillan Company, 1946).

[16] Alexander Cooley, "Countering Democratic Norms," in Christopher Walker, Marc F. Plattner, and Larry Diamond (eds.), *Authoritarianism Goes Global: The Challenge to Democracy* (Baltimore: Johns Hopkins University Press, 2016), p. 118.

[17] For instance, Damjan Krnjević Miškovič, "Will Armenia Accept the Peace Dividend on Offer? Never Closer…But Close Enough?," *Baku Dialogues* vol. 6, no. 1 (Fall 2022), pp. 138-161, https://bakudialogues.ada.edu.az/media/2022/10/19/bd-v6-n1-fall-2022_krnjevi.pdf.

All I'll say now about the peace process is that Azerbaijan's president teaches a longstanding masterclass in statecraft, and that his classroom is located in one of the world's toughest, most unforgiving neighborhoods.

I can't help adding that in observing this masterclass being taught, I have often thought of Kurt Riezler's description of a "real statesman" from nearly 80 years ago: "he knows his ends, he has a goal, a hierarchy of purposes, long-term and short-term; he subordinates one to the other; he has a vision of both the possible and the desirable and looks at the one under the aspect of the other; he thinks the possibilities through to their end; [the real statesman, Riezler continues,] follows up his actions, keeping ready a possible answer for whatever their foreseeable consequence—trying to keep his hand on the events and their interaction, flexible at short range, rigid at long range, passionately reasonable, a knower of human nature, suspicious even of his own love and hate and of the many passions that blind the children of man. His eyes are cold and hard yet the flame burns in [the real statesman's] heart as he opposes his specific virtue to the [inter]play that necessity and chance play with each other."[18]

To this brilliant passage by Riezler I would only add that when a country's vital interests are at stake, a real statesman never bluffs, and he always keeps his word. This applies particularly to his public pronouncements.

Ok?

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Now, remember where we were. I had said that one manifestation of the EU's deepening engagement with the Silk Road region was the effort to serve as a *facilitator in the peace process*. Well, another manifestation of this is *connectivity*—so, you know, energy and transport and so on. And that's what I want to focus on for the remainder of my remarks.

A distinction here is in order: connectivity has two interdependent aspects. The first is energy—oil, gas, renewables—and I'll say more about this in a few moments.

The second is everything that has to do with providing a safe, efficient, secure, reliable, bottleneck-free, and procedurally harmonized, land-based transportation and *economic* corridor between the EU and Asia—you know, Global Gateway, Middle Corridor, TRACECA, TITR, the Belt and Road Initiative. These not the same, but they're similar in enough ways that we can treat them as being effectually the same for present purposes because, well, they all focus quite a bit of their strategic attention on the Silk Road region.

Also, I should mention that when you trace the routes as they are or will become when completed—the road and rail links, and fiberoptic cables, and all that—well, it turns out that the Middle Corridor is shorter by about 2,000 kilometers than the Northern Corridor. But it

[18] Kurt Riezler, "The Philosopher of History and the Modern Statesman," *Social Research* vol. 13, no. 3 (September 1946), p. 375. Cf. Daniel J. Mahoney, *The Statesman as Thinker: Portraits of Greatness, Courage, and Moderation* (New York: Encounter Books, 2022); Henry Kissinger, *Leadership: Six Studies in World Strategy* (New York: Penguin Press, 2022); and Robert K. Faulkner, *The Case for Greatness: Honorable Ambition and the Critics* (New Haven: Yale University Press, 2007)—and, of course, some works by Cicero (e.g., *On Duties* and *Republic*) and Aristotle (e.g., *Nicomachean Ethics*), Plutarch's *Parallel Lives*, Xenophon's *Cyropaedia*, Burke's *Reflections on the Revolution in France* and the lesser read *An Appeal From the New to the Old Whigs*, and so on—for (slightly) different approaches to identifying the virtues of real statesmen. Sadly, none of the contemporary studies mention Riezler.

has more borders to cross, more choke points to deal with, more tariff and customs regimes to manage, more intermodal transfers to get done, more load capacity limitations to navigate, and so on. So, we're talking about technical and bureaucratic and logistical challenges that impede the seamless flow of cargo.

But this does not amount to evidence in favor of the "end of history" hypothesis, characterized by what Frank Fukuyama famously called the "*endless* solving of technical problems [and] environmental concerns."[19] Obviously, significant optimization is still needed—and, of course, lots of cash and political will. But this is going to get done; it won't be an *endless* process.

But the groundwork has already been laid. There was a 22 June 2023 agreement between Kazakhstan, Georgia, and Azerbaijan that amounts to a logistics and regulatory union. This and previous agreements mean that, basically, the cargo delivery time along the Middle Corridor will be halved—from between 25-30 days to 18 days, and then with some additional optimization, to 10-15 days. This is projected to happen in 2024 or, on the outside, 2025. The northern route just won't be able to match this.

One good reason I'm bullish on this endeavor is because the potential for growth is huge. *Really huge*. In 2022, the Middle Corridor carried around 70,000 twenty-foot equivalent units, or TEUs; the Russian-controlled Northern Corridor carried some 1.4 *million* TEUs.

Let me repeat those figures: 70,000 TEUs versus 1.4 million TEUs. One route goes through the Silk Road region; the other goes through sanctioned Russia.

Just wait until the Russian railway system gets added to the Western list—like trucks and ships have been already. My guess is this will happen only when the Middle Corridor is ready for prime time.

Another reason I'm bullish is because the World Bank and the EBRD and other international or regional financial institutions—not to mention the EU's Global Gateway ambitions, which are increasingly assuming more concrete form—all seem to be on board with this endeavor. And the time-horizon for implementation is years, not decades. So, none of this is a pie-in-the-sky, Clintonian "I'd like to do that" sort of thing.

Clear?

So, let's just wrap up this part: in a non-energy context, connectivity encompasses digital infrastructure, pieces of security architecture, food supplies, access to critical raw materials, road and rail links, and so on.

And tomorrow morning, Balász Orbán is going to get into all of this from the Hungarian perspective. Let me just say that he wrote an excellent article in the latest edition of the journal I edit, *Baku Dialogues*.[20] And there, he makes the case for the importance of Hungary's deepening connectivity engagement with the Turkic world in general, and Azerbaijan in particular. It's very much worth reading.

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[19] Francis Fukuyama, "The End of History?," *The National Interest* no. 16 (Summer 1989), p. 17, emphasis added.

[20] Balász Orbán, "A Model for Connectivity: Hungary's Strong Bond with the Turkic World," *Baku Dialogues* vol. 6, no. 4 (Summer 2023), pp. 6-17, https://bakudialogues.ada.edu.az/media/2023/07/12/bd-v6-n4_orban.pdf.

Now, I want to argue that, in the context of the Silk Road region—with respect to both energy and other aspects of connectivity—Azerbaijan is *indispensable* to the advancement of EU strategic ambitions.

But it’s even more important than that, because Azerbaijan plays a similar role regarding American strategic ambitions in the Silk Road region; and those of Turkey, too. I’d say this is the case with China—and even Russia, but it’s a less straightforward argument, and some of it involves talking about Iran and India, and getting into a discussion about what’s called the International North–South Transport Corridor, or INSTC. That’s why I’m skipping it.

So, if you forget everything else I’ll say this afternoon, remember this: *in terms of energy and transport and connectivity and all the rest of it, Azerbaijan has become an indispensable country for the advancement of Western and Turkish strategic ambitions in the Silk Road region.* Of this there can be no serious doubt.

And grasping this indispensability argument does not require a degree in rocket science: all you have to do is look at the map. If you want to get from Europe to Asia or vice versa by land, well, try as you might, you just can’t go around Azerbaijan, unless you want to risk incurring the wrath of Western policymakers. Because to Azerbaijan’s north is Russia, and to its south is Iran. And just like the United States, the EU is committed to its sanctions and export restrictions regime in both of these places.

Now, that seems very unlikely to change for quite a while. And this means that nothing resembling a normal, predictable economic relationship between the West, on the one hand, and Russia and Iran, on the other, is in the cards for the foreseeable future.

Ok?

Now look, two days ago (19 September 2023), Joe Biden became the first U.S. president to actually attend something called a C5+1 meeting of Central Asian and American senior officials. Since this format was established in 2015, these sessions had taken place at the level of foreign ministers or, sometimes, at an even lower level.

Anyway, this C5+1 meeting with Biden happened on the margins of the General Debate of the UN General Assembly in New York. The readouts were boilerplate, but they do seem to suggest a greater political and perhaps even economic commitment on America’s part.

And that’s all well and good. And Germany’s chancellor, Olaf Scholz, will host a similar event in Berlin at the end of the month (29 September 2023), because Berlin wanted to get in on the action. The EU, apparently, will be doing something similar later this year. Again, that’s all well and good.

But what got a lot less play outside the Silk Road region was something that happened less than a week earlier (14 September 2023), which is when the Central Asia Five presidents had their own annual summit. And for the first time, they invited Azerbaijan. Six presidents sitting around a table reasoning together. And this, it seems to me, is much more strategically significant.

Why is that?

Well, because in the past six years, the Central Asia Five have been taking steps towards institutionalizing regional economic connectivity and cooperation. The scale and scope of the plans now being laid call to mind older arrangements in other geographies: ASEAN, the Nordic Council, the Gulf Cooperation Council, and the original European *Economic* Community.

Each of those took a long time to achieve their potential, and so will this.

So, well, you could ask: why is this really important?

Well, because we're now more or less at the point at which the Central Asian Five are moving ahead with a formal treaty text of institutionalized cooperation, titled "Treaty on Friendship, Good Neighborliness, and Cooperation for the Development of Central Asia in the Twenty-First Century."

And this is going to become an even bigger deal because I think everyone now understands that Azerbaijan needs to get involved to take it to the next level.

This again speaks to my indispensability argument.

And it also speaks to a larger and even more important point, namely that the Silk Road region's leaders continue to move cogently in the direction of establishing sturdier contours of a fledgling regional order by building upon classical balance-of-power principles applied toward major outside powers. This has gone a long way to ensure that outside rivalries are kept at bay—or at least in check.

The best way I know how to put this succinctly is to say that regionally-driven economic connectivity priorities is on the way in; outside power agenda-setting is on the way out. And some outsiders are seeing their relative power decline whilst others are seeing an increase. But in the aggregate, the power of outsiders is being reduced overall.

And this, in turn, suggests that the Silk Road region might very well achieve its goal of never again being merely an *object* of great power competition—a geography to be won and lost by others; I think it stands a chance—I think it's on the cusp—of becoming a distinct, autonomous, and emancipated *subject* of international order.

Undoubtedly, an important prerequisite for the development of such a regional order is the existence of a number of states of substantially equal strength, which can enable the Silk Road region to maintain and possibly deepen its own balance of power system.

And I think all this is well on its way to being successfully executed, for at least five reasons.

First, the unique complexities involved in realizing the potential of connectivity—of transporting hydrocarbons and other natural resources to market, as well as the infrastructure provisions necessary to facilitate trade—require a region-specific type of cooperation and compromise.

That's why it's right to say that the *Middle Corridor is the backbone of the Silk Road region*.

Second, no state belonging to the region is strong enough to dominate the others, economically or otherwise, which encourages equilibrium.

Third, no state in the region is weak enough to succumb to crude attempts at all-out domination without others in the region aligning to significantly limit the depth and scope of said attempt.

Fourth, no major outside power truly behaves hegemonically, notwithstanding latent (or not so latent) desires or ambitions.

The fifth reason is perhaps the most interesting: the burgeoning set of arrangements characterizing the Silk Road region appear on their way to being anchored by what Giovanni Botero was the first to call "middle powers" a few centuries ago, or what contemporary thinkers like Nikolas Gvosdev have called "keystone states"—in this case, by three of them: Azerbaijan, Kazakhstan, and Uzbekistan.[21]

Botero defined these types of states as having "sufficient force [or strength, *forze*] and authority to stand on [their] own without the need of help [or rescue, *soccorso*] from others."[22] In Botero's telling, leaders of middle powers tend to be acutely aware of the dexterity required to maintain security and project influence in a prudential manner beyond their immediate borders; and, *because* of that, middle powers are apt to have facility in promoting trade and connectivity with their neighbors and their neighbors' neighbors.

Similarly, a keystone state "gives coherence to a regional order—or, if it is itself destabilized, contributes to the insecurity of its neighbors. Such countries are important because they are located at the seams of the global system and serve as critical mediators between different major powers, acting as gateways between different blocs of states, regional associations, and civilizational groupings. A keystone state, even if it's 'small,' […] may nevertheless be important to regional or global security beyond what its own domestic capabilities may merit.[23]

I am told—by the way—that in a forthcoming book, Balász Orbán will make the case for Hungary as the keystone state of Central Europe, and I think his main argument is going to focus on Hungary's strategic potential in facilitating connectivity.

Now, there's no time to get further into any of this. So, let's leave it at that for the moment.

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With my remaining time, I want to turn directly to energy. My starting point here is the EU's interest in diversifying its energy supplies and strengthening its economy, which is predicated on the reliable and predictably-priced supply of energy.

And here, too, Azerbaijan is a strategic prize for the EU. Because the record is clear: effectually, *there is no more reliable non-Western pipelined oil and gas supplier to the EU than Azerbaijan*.

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[21] Nikolas K. Gvosdev, "Keystone States: A New Category of Power," *Horizons* 5 (Autumn 2015), pp. 104-120, https://shorturl.at/qOSZ3; Gvosdev, "Geopolitical Keystone," pp. 26-39; Damjan Krnjević Mišković, "From Grand Chessboard to Card Table: The Great Powers, Keystone States, and the Emerging Order in the Silk Road Region, Ludovika Scholar Public Lecture, University of Public Service-Ludovika, Budapest, 29 Mar 2023, https://www.ada.edu.az/frq-content/Articles/Krnjevic_Ludovika_LECTURE_290323.pdf.

[22] Giovanni Botero, *Della Ragion di Stato* I:2 (my translation). Cf. Carlsten Holbraad, *Middle Powers in International Politics* (London: Macmillan Press, 1984), pp. 10-44; see also Gabriele Abbondanza, "Middle Powers and Great Powers through History: The Concept from Ancient Times to the Present Day." *History of Political Thought* vol. 41, no. 3 (2020), pp. 397-418.

[23] Gvosdev, "Keystone States," pp. 104-105.

That's why the EU keeps deepening its strategic partnership with Azerbaijan—we're talking about a *predicable, stable, secure, and friendly partnership* that goes back to the 1990s.

I don't have time to get into the history very much. Let me just say that everything started when the Contract of the Century was signed in 1994—the first contract from the former Soviet Union that supplied oil to the West without going through Russian territory, you know, without using Soviet-era pipelines.

The Contract of the Century was worth $7.4 billion, in 1994 dollars. And it enabled Azerbaijan to gradually become an important exporter of crude to the European Union.

Today, the country supplies around 5 percent of the EU's oil imports, almost exclusively via the Baku-Tbilisi-Ceyhan pipeline. Of the top five importers of Azerbaijani crude, we have three EU member states: Italy, Spain, and the Czech Republic.

Now, with the discovery of the Shah Deniz offshore natural gas field in 1999, Azerbaijan gradually transformed itself into a strategic gas supplier to the EU, too.

The launch of the first phase of the Shah Deniz field in 2006 allowed the country to cover its domestic demand and export natural gas to Georgia and Turkey. That already made Azerbaijan a contributor to regional energy security. The second stage of the Shah Deniz field, which began production in 2018, eventually added a further 16 bcm of natural gas production capacity per year to the 10 or 11 bcm resulting from the first stage of the project.

Ok? And these became the source-base for natural gas supplies to the European Union via a chain of pipelines collectively known as the Southern Gas Corridor.

Now, this gas mega-project project followed Azerbaijan's oil supply pattern. Both hydrocarbon types are extracted from the Caspian, and both go through pipeline networks that bypass Russia completely.

In other words, Azerbaijan became part of the solution before much of the West even realized it had a problem.

So, here's what you need to know: the SGC's route from Azerbaijan to EU markets consists of three parts of a single mega pipeline project.

The first part is the South Caucasus Pipeline (SCP) and its expansion (SCPX), which moves natural gas from the Shah Deniz field to the Georgia-Turkey border.

This leads into the second part, which is called the Trans-Anatolian Natural Gas Pipeline (TANAP) and runs across Turkey.

And, lastly, we have the Trans Adriatic Pipeline (TAP), which starts at the Turkey-Greece border, transverses Greece and Albania, drops down into the Adriatic Sea, and then comes back ashore in southern Italy to connect to the Italian natural gas network.

So, with the completion of TAP, Azerbaijan began *direct* commercial gas supplies to the EU—so, without the pipeline terminating in Georgia or Turkey. And this started in December 2020. Crossing six countries and stretching across 3,500 kilometers, the $33 billion Southern Gas Corridor has become one of the most complex gas value chains ever developed.

Now, most of the Azerbaijani gas to the EU is supplied on the basis of long-term, ship-or-pay contracts—they're in place for 25 years. Most of it goes to Italy, and most of the rest goes to Greece and Bulgaria and, as of this year, a bit of this is going to Romania.

So, while the initially planned volume of 10 bcm into the EU via TAP might not sound considerable, the strategic importance of SGC is hard to overestimate—due both to the new supply source and the route it provides.

In addition, all three pipelines within the SGC mega project can be expanded So, for example, SCPX—which is already an expansion of SCP—can go from its current 24 bcm to 34 bcm. The other two pipelines—TANAP and TAP—can double their respective capacities. TAP, for example, can go from 10 bcm up to 20 bcm within 45 to 65 months. And I'll say more about that in a few minutes.

Now, if this happens—and some version of an expansion is likely, but it will probably fall a bit short of a literal doubling of capacity—then this suggests that Azerbaijan's share of supplying in Europe's gas market will hit double digits.

Last year, Azerbaijan already supplied something like 6 percent of Europe's gas needs—and the numbers have been increasing since the onset of the Ukraine crisis, sometimes dramatically so. For instance, in 2022, the amount of Azerbaijani gas deliveries to Italy—TAP's terminal point—increased by 41.2 percent compared to 2021.

That's just one reason why we can have some confidence that double digits by 2027 is a quite a realistic possibility.

In terms of quantities, 11.4 bcm was delivered to EU member states in 2022. By the end of 2023, that figure will rise some more—to 12 bcm or maybe even 12.5 bcm. So, by 2027, we're talking at least 20 bcm—maybe even a bit more—if some of the gas that is delivered to Turkey through TANAP ends up exported onwards to the EU market. And having again recently checked with the folks who run the various fields from where this extra gas will come, I can say with confidence that there will be quite enough Azerbaijani gas to deliver 20 bcm per year to the EU.

To be clear, the year 2027 is important because that's the target that was agreed by the EU and Azerbaijan in an MoU they signed in July 2022—the document that deepened their strategic energy partnership. And 2027 is also the year the EU says it will fully divest itself of Russian gas.

And because of the way the global gas market is structured—if you take Russia out of the equation, in the EU context—well, then, without this Azerbaijani gas, the EU just won't have enough reliable supply, which includes a predictable pricing structure, because other players worldwide are locking in new longer-term contracts with non-Russian suppliers, as well as with Russia, of course, which means there will be less gas left for the EU to buy in the spot market and so, all other things being equal, the price will go up.

Certainly, the EU just won't have enough without driving up spot market prices, which will certainly not help the EU's economy and its ability to stay the course with its Ukraine policy. And even then—all other things being equal—it would be tougher to achieve without having recourse to more Azerbaijani gas.

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Let me come back to this July 2022 MoU between Azerbaijan and the EU. It speaks to the point that Azerbaijan is understood today by all relevant actors to be *and* to remain an integral part of the EU's energy equation—not just in the short term, but for many years to come. This is evidenced by the fact that the MoU I just mentioned commits the EU to support what the document calls "long-term, predictable, and stable contracts."

By the way, this clause constitutes one of two policy reversals by the EU, because for the past several years the EU has had a policy in place that prevented its member states from signing new contracts of such length. This work-around is that signing a new contract will not be signing a new contract—it'll be signing an extension or an annex, or something.

The second EU policy reversal found in this MoU has to do with financing the deal. It looks like the regional financial institutions under the EU's control may help finance it: the EBRD and perhaps the European Investment Bank, too. They should find a way to participate. And for the past several years such institutions have had a policy not to finance new hydrocarbon deals. The work-around looks like will be that these new deals will not be new deals; rather, they'll be seen as the expansion of an existing deal. And this looks like it will be combined—I'll get back to this in a moment—with an argument that references what's called the "EU Taxonomy." In layman's terms, this signifies that the EU considers natural gas to be a green source of energy, which in turn means that the banks under the EU's control *can* channel funds to the gas industry. That's the most obvious way to qualify for the kosher certificate—if I can put it that way.

Now, it needs to be said that this "taxonomy" is a temporary regulation, but geopolitical realities and strategic ambitions tend to, well, inform the interpretation of the length of "temporary."

My point is this: Brussels says that gas is vital to moving towards the total green transition that's a declared political goal of the EU—this is what the European Green Deal is all about. And the details and nuances are not necessary to get into. What does concern us is the big picture, strategic takeaway—namely, that gas supplied by Azerbaijan represents one of the biggest energy security blankets for the European Union.

Also—and this is really important—something like doubling the capacity of the SGC by 2027 would be especially crucial for the markets of Central and Southeast Europe, which have long been called the Achilles Heel or the soft underbelly of Europe's gas infrastructure because of their reliance on Russian gas supplies.

Now this is not just the EU we're talking about here; it's the non-EU Western Balkan states. The strategic benefits of the expanded Southern Gas Corridor will be extended to that part of the world. That's one way the EBRD can get to finance the deal, by the way. Shoring up the energy security of the Western Balkans through increase the diversity of sources and suppliers is one of its political priorities, as is making sure this region—along with the EU itself, of course—that it can achieve "climate neutrality" by 2050.

And in the Western Balkans, this will require decommissioning a bunch of coal power plants. So, gas will need to play an important and perhaps integral transition role. There's no way to do this without gas—not just with gas, but without gas it's effectually impossible. And provisions will need to be made regarding future-proofing infrastructure that can be switched to hydrogen, which is, as it happens, something that the July 2022 MoU between Azerbaijan and the EU foresees.

Anyway, that's the path to get the EBRD involved.

Let me stay in the weeds for just a moment longer, by mentioning what Azerbaijan has been doing with Hungary in this context. In June 2023, Azerbaijan's SOCAR signed a deal with MVM CEEnergy for 100 mmcm of Azerbaijani gas to be supplied to Hungary by the end of 2023. On 20 August 2023, the President of Azerbaijan and the Prime Minister of Hungary concluded a political agreement for an additional 1 bcm of Azerbaijani gas to be supplied to Hungary. If this agreement turns into a contract—which would either go through Turkstream via a swap or necessitate building an interconnector from Romania, likely secured through EBRD financing or solidarity funds or something similar, and thus an EU regulatory green light—then Azerbaijan would be able to fill somewhere between one quarter and one third of Hungarian needs. This would, of course, reduce Hungary's dependence on Russian gas, which currently flows into the country through Druzhba and TurkStream and so on.

It's also very important, in this context, for me to mention a not-so-well-known MoU that was signed in Sofia on 25 April 2023 at the ministerial level to bind Azerbaijan's SOCAR, Bulgaria's Bulgartransgaz, Romania's Transgaz, Hungary's FGSZ, and Slovakia's Eustream, into something called the Solidarity Ring. Now, in principle, this gas corridor project has been blessed by the EU Commission, and the idea is to upgrade and develop cross-border pipeline infrastructure between four EU member states, in order to increase gas supplies from Azerbaijan to the EU.

In other words, the Solidarity Ring is about expanding the capacity of a pipeline route involving Bulgaria, Romania, Hungary, and Slovakia to between 5 and 9.5 bcm, depending on demand projections. The cost estimate is €730 million, and the deal is for work to be completed by the end of 2026. Some existing infrastructure would be used, new interconnectors would need to be built, and so on. The most serious work—and largest investment—would need to be undertaken in Hungary, along the south-north axis, but it may also require the reactivation of plans to build stage two of the BRUA pipeline project, which was shelved in 2020, the same year the first stage of BRUA was completed. Now, the old plan was to expand the pipeline's capacity from its initial 1.75 bcm to 4.4 bcm, which would have been wonderful had it happened. BRUA, by the way, stands for Bulgaria-Romania-Hungary-Austria—the third stage would have expanded to route to, you guessed it, Austria.

Anyway, for the Solidarity Ring to work, the Turks would need to get involved, too, since the gas would enter Bulgaria from that country.

I can also mention that in the Eastern Balkans, the recent completion of the 3 bcm/year Interconnector Greece-Bulgaria (IGB) paves the way for the delivery of Azerbaijani gas northward to Bulgaria—the capacity of this piece of infrastructure can and probably will increase to 5 bcm/year. Also, an interconnector between Bulgaria and Serbia should become operational by late 2023. Austria will probably get in on this, too, whether in the context of reviving BRUA's expansion plans or some other way. There is also the proposed Ionian Adriatic Pipeline (IAP), which could connect TAP in Albania with Montenegro, Bosnia and Herzegovina, and Croatia.

So, lots of moving parts and plans and ideas involving more Azerbaijani gas entering the EU gas market.

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Let me say something more about green energy to wrap up, because this is an integral part of policymaking in the European Union, as it seeks to make its energy security sustainable and achieve its goal of becoming "climate neutral" by 2050.

Here the big news is the quadripartite agreement that was signed in December 2022 in Bucharest on the supply of green electricity from Azerbaijan and Georgia to Romania and Hungary, and probably some other countries in Southeast Europe. The EU Commission has given its blessing to this strategic deal, which was foretold in the central section of the July 2022 MoU that I mentioned earlier.

Here's what it's about: in Azerbaijan, generate electricity from solar and wind, both onshore and especially offshore; and in Georgia, generate hydro power. And then feed this into a submarine transmission cable across the bottom of the Black Sea, and then enters into the grid in Romania and goes into Hungary, and then elsewhere.

Originally, the talks did not involve Azerbaijan. It was just Georgia plus the Europeans. But when Azerbaijan got involved, the project got much bigger. That's the main reason this green transmission cable will be built to carry much, much more electricity than the initial contracts are likely to indicate. And unlike the expansion of the Southern Gas Corridor, Azerbaijan is willing to carry more of the financing burden directly.

Obviously, this is a long term project, but the crucial point is that Azerbaijan has a rich potential of about 135,000 MW of onshore renewable capacity; Azerbaijan also has enormous offshore wind potential: the country's Ministry of Energy and a World Bank report indicate that the figure is 157,000 MW (35,000 MW in shallow water and 122,000 MW in deeper water)[24]—now, just the offshore potential is about 20 times *more* than all of Azerbaijan's current installed energy capacity, *including* all its hydrocarbon production. In fact, it appears that the Caspian Sea basin ranks second in the world for its offshore wind energy potential—and a lot of it is located in Azerbaijani waters.

Now, of course, we all know that some generated power is lost in the transmission process—especially over long distances. But technological innovation means that this loss is much less than it used to be one or two decades ago.

Ok? The point here is that the potential is just tremendous.

I can get into the details later; but I'm looking at the clock, so let me just say that the market tests will not be completed before the end of 2023. And my guess is that the numbers will not be spectacular. Break even or thereabouts. But my forecast is that this will not be a major impediment to making it happen—basically, for both geopolitical and pro-green reasons, but also because over time, the technological costs for making this a profitable enterprise will come down while the price of electricity probably won't. So that's a commercial win-win, as our Chinese friends like to say.

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[24] Ayse Yasemin Orucu, Sean Whittaker, and Mark Thomas Leybourne, *Offshore Wind Roadmap for Azerbaijan* (Washington, D.C.: The World Bank Group, 2022), https://shorturl.at/ltzCE; Ministry of Energy of Azerbaijan, "The Use of Renewable Energy Resources in Azerbaijan," 14 June 2023, https://minenergy.gov.az/en/alternativ-ve-berpa-olunan-enerji/azerbaycanda-berpa-olunan-enerji-menbelerinden-istifade.

Now, audience, think back to the map of the Silk Road region, and then connect the dots you've heard me lay out: you know, the indispensability argument, and so on.

And you know what this means to me?

It means that the EU needs to make itself more attractive to Azerbaijan—more so than the other way around. That's what happens when you choose to get into a geopolitical game taking place in the midst of a global transformation of the international system.

And how does the EU do this? Well, part of it requires the EU to understand Azerbaijan as it understands itself—to see the country as it is and not as Brussels or Berlin or Paris would like it to be.

Now, just like you don't need a degree in rocket science to look at the map, you don't need a rocket science degree to understand that Azerbaijan simply doesn't see itself as belonging to the West. And because it doesn't see itself as belonging to the West, it has no interest whatsoever in joining the West's two leading interstate organizations: NATO and the EU.

Let me put it this way: one, Azerbaijan is perfectly comfortable living in the Silk Road region's "jungle"; two, Azerbaijan has no desire to walk over into the West's "garden"; and three, Azerbaijan sure doesn't think that the gardeners have a right to mosey on into the jungle and tell the animals what they can or can't do. Now, for those of you who didn't catch the reference, look up Josep Borrell's speech at the College of Europe in Bruges in October 2022.[25] Take it from a former speechwriter, it's quite something.

Well, now why is all this so important? Because the carrot of eventual membership is—at the same time—the stick that is used to get EU and NATO hopefuls to fall in line. You know, if you do what we ask, then you get closer to the finish line—or at least that's the idea, if the goalposts didn't keep moving.

But I'm not being cynical here, because there's really nothing wrong with the Brussels posture: I'm not making some anti-imperialist argument. That's what joining *any* club is like: there's never any real back and forth between an aspirant and the membership committee.

Look, it's a lot like taking your car for a mandatory inspection before you're allowed to register it. There's no room for any real bargaining in that situation. You don't negotiate with the man or woman doing the inspection. You don't say, give me a pass on the bad brakes, or the busted taillight, because, on my word as a jungle-dwelling animal, I'll get it fixed next week. Your car has to fulfill the criteria and if it doesn't, well, then it fails the inspection. Until you choose to get it fixed.

Now, the EU folks in Brussels don't really know how to negotiate in a real and substantive manner with a country like Azerbaijan. They're used to being the car inspectors and the gardeners.

But what do you do when that's not enough—when the power dynamics are not disbalanced in your favor?

[25] Josep Borrell, Address to the College of Europe on the Opening of the Pilot Programme of the EU Diplomatic Academy, Bruges, 13 October 2022, https://www.eeas.europa.eu/eeas/european-diplomatic-academy-opening-remarks-high-representative-josep-borrell-inauguration_en.

Well, if you're Brussels, you should be digging deep and performing a very clinical examination of what *cannot* be achieved as much as of what *can* be. You drop the carrot/stick approach. You re-learn the art of compromise and diplomacy. You negotiate as at least *sort-of* equals.

And if you're the EU, you should accept the very real consequences of the fact that like America—which more than doubled its LNG exports to the EU last year, from 22 bcm in 2021 to 56 bcm in 2022—Azerbaijan has benefited from the choices you made to impose sanctions on Russia and divest from its dependence on Russian oil and gas since the onset of the present stage in the conflict over Ukraine.

But you should also think through what Azerbaijan had to do—the geopolitical risks it chose to take, notwithstanding the conduct of one or two of its neighbors—to increase its oil and gas deliveries when you picked up the phone to call Baku. And if you're the EU, you should think through the sort of precautions Azerbaijan is willing to take to increase them further still.

And you should remember that Azerbaijan really is a predictable, stable, and reliable supplier of natural gas. And that in order to keep giving you more of what you genuinely need from them, you'll have to carry more of the financing burden to expand the Southern Gas Corridor—unlike when it was first built, when Azerbaijan had to secure quite a bit of the financing.

But that's a very small price to pay, and I'll tell you why: if the EU fails to anchor its attractiveness to Azerbaijan, its strategic foothold in the Silk Road region just can't become a sustainable reality. It would, for example, close off opportunities to receive oil from Kazakhstan and gas from Turkmenistan—unless, of course, the EU wishes to do so via Russia or Iran. Of course, this case is even easier to make once we factor in the non-energy aspects of connectivity—once we factor in the geopolitical and geoeconomics logic of the Middle Corridor, the ambitions of Global Gateway, and all the rest of it.

And, so, well, my conclusion is that the EU's failure to anchor its attractiveness to Azerbaijan would surely constitute a missed opportunity. One could even say it could amount to geopolitical and geoeconomic malpractice.

Thank you very much for your kind attention.