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# **STRATEGIC CONNECTIVITY: THE U.S./CHINA COMPETITION IN THE CASPIAN REGION**

Guest Contribution  
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## Introduction: Strategic Connectivity in the Caspian Region

As the world has become ever more globalized, the concept of connectivity - or the level and quality of interconnectedness between people, institutions, states, and ideas - has taken on an increasingly significant role in shaping the international system. The extent to which a country is connected beyond its borders - whether through physical infrastructure, international trade, and investment flows, multilateral security alliances, or value systems and people-to-people exchanges - plays a major role in shaping the strength or weakness of a state across the economic, security, and political spectrums.

Such forms of connectivity have, in many ways, transformed the previously restrictive paradigm of geography and physical terrain in determining the strength and power of a particular country. Connectivity has facilitated greater frequency and depth of interactions between states and their citizens, with all the opportunities and challenges that entails. The author Parag Khanna has written that the time has come to replace the classic maxim of “Geography is destiny” with the notion that “Connectivity is destiny” [i]. In reality, the former shapes the latter, and vice versa.

While connectivity has typically been associated with the proliferation of national and cross-border transport infrastructure such as roads, railways, ports, and airports, the concept of connectivity has evolved to take on a much deeper and more multifaceted meaning in the modern global system. The technological revolution has facilitated the rise of digital connectivity, with fiber optic cables and data centers enabling high-speed internet access across borders and transforming the global telecommunications space. There is also the field of energy connectivity, with pipelines and sea-borne tankers transporting fossil fuels like oil and natural gas across international borders, just as renewable forms of energy increasingly transform global power generation.

But connectivity is not simply limited to the economic realm. There is also a security dimension of connectivity, whether that comes in the form of formal military alliances or multinational cooperation in areas like counter-terrorism training and cyber security. No less importantly, there is a political dimension to connectivity as well, whether that be on the diplomatic level entailing negotiated agreements, on the institutional level entailing international regulatory harmonization, or even on the socio-political level, including people-to-people flows between states such as educational and cultural exchanges. Connectivity thus entails various forms of connection - from economic to security to political - and the harnessing of all these types of connectivity by a

government or state power to pursue broader strategic objectives and particular foreign policy goals can be thought of as strategic connectivity.

One part of the world that clearly illustrates the importance of strategic connectivity is the Caspian region, which includes the countries of the South Caucasus (Armenia, Azerbaijan, and Georgia) and Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan). The Caspian region is strategically located in the geographic center of the Eurasian continent, sandwiched between Russia to the north, Europe to the west, China to the east, and South Asia and the Middle East to the south. Caspian states are wealthy in resources, from energy to agriculture to minerals, yet they are also landlocked, thus relying heavily on connectivity for their access to the outside world.

This geographic reality has shaped the connectivity strategy of each of the Caspian states, which began to forge their own independent paths following the collapse of the Soviet Union in 1991. While connected almost exclusively with Russia during the Soviet era, these states pursued connectivity with other countries throughout Eurasia and beyond after gaining independence. Azerbaijan, for example, leveraged its strategic location on the Caspian Sea and significant deposits of oil and natural gas to build energy pipeline connections to Turkey and further on to Europe with the help of U.S. and other Western investment and technology. This, in turn, enabled Baku to pursue a multi-vectoral foreign policy and break free from overwhelming dependence on any one external power such as Russia, unlike many of Azerbaijan's neighbors.

The Central Asian states of Kazakhstan, Uzbekistan, and Turkmenistan, meanwhile, have also built up connections beyond Russia. The emergence of China as a major global economic player over the course of the past two decades has presented significant connectivity opportunities for Central Asia, with Beijing's growth being fueled by strengthened connections to the region's vast energy, mineral, and agricultural resources. As with Azerbaijan, states like Kazakhstan and Uzbekistan have pursued a multi-vectoral foreign policy and built connections with other states, even as all of these countries have maintained a certain degree of connectivity with Russia.

These dynamics have made the Caspian region very significant from a connectivity perspective, something that has also been reflected by the great power competition over Caspian connectivity. Both China and the West have sought to further develop their connections via the so-called Middle Corridor route ([LINK](#)) through the Caspian, not only in the economic sphere, but across the security and political dimensions. This has only intensified as a result of Russia's full-scale invasion of Ukraine in Feb 2022, as the United States, the European Union, China, and important regional players like Türkiye and the Gulf states seek to reshape connectivity flows throughout the region for their own strategic benefit.

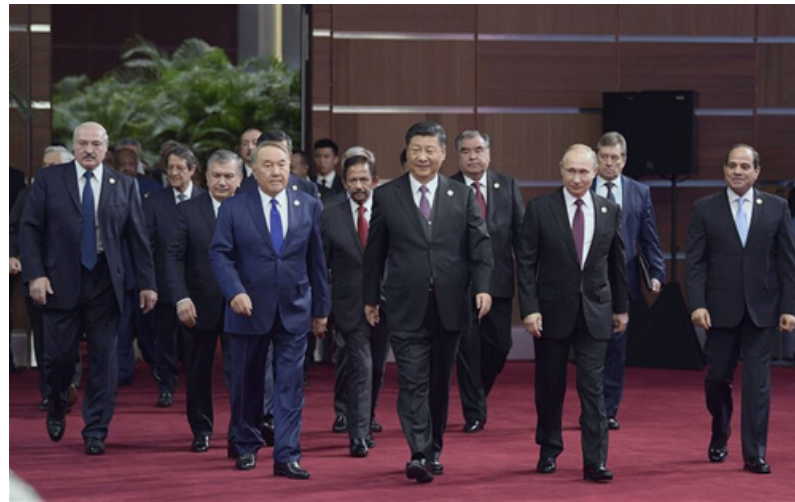
As such, this competition over connectivity will play a major role in shaping the geopolitical trajectory of the Caspian region in the coming years. In order to anticipate how such a connectivity competition could play out in the future and what can be done to influence the outcome of this competition, it is important to examine and compare the broader context behind the strategic connectivity approaches of two key global players: China and the United States.

## China's Strategic Connectivity Approach in the Caspian

Perhaps no other country in the world has pursued strategic connectivity with as much vigor and dedication in recent years as China. Through a global expansion of infrastructure development, exponential growth in trade and investment flows, and an increasingly assertive diplomatic and security footprint around the world, China has skyrocketed in terms of global connectivity over the past decade. The Belt and Road Initiative<sup>[ii]</sup>, launched in the first year of Xi Jinping's presidency in 2013 and cemented in China's constitution in 2017, is perhaps the most clear and visible sign of Beijing's pursuit of strategic connectivity, spanning the economic, security, and political spectrums.

### Economic connectivity

The clearest example of China's connectivity strategy in the Caspian is in the economic sphere. One of the most important features of the Caspian region is that it is wealthy in natural resources like oil, natural gas, and minerals, the very resources that China has needed to fuel its economic rise in recent decades and which are "necessary both for continued economic growth and, because growth is the cornerstone of China's social stability, for the survival of the Chinese Communist Party"<sup>[viii]</sup>. Beijing has thus made the Caspian, and particularly Central Asia, a critical component of the BRI, both as an import/export market and as a transit zone to further markets in the Middle East and Europe. Indeed, it was during a state visit to Kazakhstan where the land component of the BRI - known initially as the Silk Road Economic Belt (SREB) - was formally announced by Xi Jinping in September 2013<sup>[ix]</sup>.



2. Chinese President Xi Jinping and foreign leaders at the opening ceremony of the Second Belt and Road Forum for International Cooperation in Beijing, April 26, 2019.

As a result, China has invested significantly in Central Asian infrastructure development, and trade flows have increased considerably as a result. Throughout the 1990s, trade turnover between China and Central Asia was well below \$1 billion annually, while by 2019, annual trade had reached over \$46 billion<sup>[x]</sup>. China is also the largest provider of foreign direct investment (FDI) in Central Asia, totaling over \$14 billion in 2019<sup>[xi]</sup>. China has invested more than \$40 billion in Kazakhstan alone since the latter gained independence, and Chinese loans to the country have totaled more than \$50 billion<sup>[xii]</sup>.

China's trade and investment ties into the South Caucasus have been more modest, though this has seen significant growth in recent years. Between 2001 and 2020, trade between China and the three South Caucasus states increased from \$25 million to \$3.7 billion, while China's FDI into the South Caucasus totaled \$700 million per year between 2014 and 2019 ([LINK](#)).

Broadly speaking, China's projects in the Caspian region have focused on three primary types of economic connectivity themes: energy, transport, and digital/communications.

## Energy

When it comes to connectivity, there is perhaps no more strategic economic sphere for Beijing than the energy sector. Energy plays a crucial role in virtually all of China's strategic objectives, from economic growth and political consolidation on the domestic level to the expansion of its regional and global influence on the foreign policy level. Indeed, China's strategy as it relates to energy can be boiled down to a simple equation: "...Energy security = economic growth = political stability = continuation of party rule", a formula which "breaks down without robust global connectivity: inflows and outflows."<sup>[xiii]</sup>

Given China's extraordinary economic growth over the past four decades, increasing both the volumes and diversity of energy inputs (i.e., inflows) has been a primary feature of Beijing's overseas investment (i.e., outflows) strategy. But this pursuit has come with its own challenges, as China's economic and geopolitical rise has made it increasingly at odds with the United States, thus making Beijing more vulnerable to supply chain risks, particularly in the maritime sphere. With much of China's energy imports coming from seaborne sources like oil and liquified natural gas (LNG), China has sought to increase energy inflows via direct pipeline imports from proximate regions like Central Asia, which are less vulnerable to maritime supply and transit risks<sup>[xiv]</sup>.

China's first energy connectivity project in the Caspian came in the form of the Kazakhstan-China oil pipeline. Developed between China National Petroleum Corporation (CNPC) and the Kazakh oil company KazMunayGas, the 2,800km



3. Opening of the Kazakhstan-China gas pipeline in the Almaty region. 07.10.2007

pipeline runs from Atyrau to China's Xinjiang region. The pipeline was first agreed in 1997 and constructed in several stages by 2009, with a maximum capacity of 20 million tons per year. Kazakhstan began expanding oil exports to China, peaking at nearly 12 million tons in 2013 (which equated to around 4.25% of China's total oil imports that year). While the amount of oil exports has fluctuated and the pipeline makes up a small percentage of China's overall oil imports, it has helped China diversify its oil supply options<sup>[xv]</sup> and serves as one of Kazakhstan's largest export products by value to China.

Natural gas has been an increasingly important energy input for China, accounting for 8% of its total energy mix in 2020, up from just 3% in 2009<sup>[xvi]</sup>. This share of natural gas is set to grow further in the coming years as China shifts from coal to cleaner burning fuels, with natural gas set to account for 14% of the country's total consumption by 2030<sup>[xvii]</sup> to alleviate high levels of pollution from coal. While China's long-term plan is to transition to a renewables-dominated energy mix, natural gas is seen as a vital bridge for Beijing over the next two decades, as natural gas is considered to be the most ecologically friendly of all the fossil fuels<sup>[xviii]</sup>.

China's first major investment in a transitional natural gas pipeline project occurred in Central Asia. Dating back to the Soviet era, Central Asia had long been integrated into the energy network of Russia, with a vast pipeline system connecting oil and natural gas fields from Kazakhstan, Uzbekistan, and Turkmenistan northward to Russia. However, following the collapse of the Soviet Union, these newly independent countries took control over the production and supply of their own energy resources, and they sought to expand their export markets outside of the former Soviet space.

China became actively interested in Central Asian natural gas resources early on in the post-Soviet era, especially once the Chinese economy - and accompanying energy consumption - really took off in the early 2000s following Beijing's accession to the WTO. Turkmenistan was particularly attractive to China, given its large volumes of natural gas reserves and its small population, leaving much of its natural gas resources available for export. Russia, as a major producer and exporter of natural gas in its own right, no longer had an interest in importing large volumes of Turkmen gas.

As a result, a framework agreement on long-term natural gas supply was signed between the leadership of China and Turkmenistan in 2006, and what came to be known as the Central Asia-China Gas Pipeline was inaugurated in 2009[xxi]. The pipeline, which has a total length of 1,830 km, traversed from natural gas fields in eastern Turkmenistan through Uzbekistan and Kazakhstan and onto China's northwest region of Xinjiang. The investment project produced the longest

pipeline network in Central Asia, and it became China's flagship investment project in Central Asia, totaling \$20 billion.

The Central Asia-China Gas Pipeline is particularly significant in that it can be seen as an important precursor project to the Belt and Road Initiative. Indeed, during an inauguration ceremony of the Kazakh section of the pipeline in Astana in Dec 2009, then-Chinese President Hu Jintao stated "It's a huge project that will one day restore the ancient Silk Road route." [xxii]

The first leg of the Central Asia-China Gas Pipeline (Line A) contained a capacity of 15 billion cubic meters (bcm), and the second and third legs of the pipeline (Lines B and C) brought the total volume of imports to 55 billion bcm per year by 2014, which represents 20% of China's natural gas consumption [xxiii]. Currently, there are discussions for an expansion of the project to include a fourth leg, known as Line D [xxiv], though the actual materialization of this remains to be seen.



4. Opening of the Kazakhstan-China gas pipeline in the Almaty region. 07.10.2007

## Transport

In addition to energy pipelines, China has also been active in building transport infrastructure connections to the Caspian region. Indeed, Central Asia plays a primary role in two of China's Silk Road Economic Belt (SREB) corridors: The New Eurasia Land Bridge Economic Corridor, which links China to Europe via Kazakhstan and the South Caucasus, as well as the China–Central Asia–West Asia Economic Corridor, which links China via Kyrgyzstan, Tajikistan, Kazakhstan, Uzbekistan and Turkmenistan.

These corridors have entailed the construction of more than 250 BRI projects in Central Asia[xxv], including the development of roads, railways, and tunnels across the region. For example, the Western Europe–Western China intercontinental highway runs through Kazakhstan, giving the country potential access to as much as \$5 billion in transport fees annually. China has also modernized the Kazakhstan rail connection at Alashankou at the Chinese border. Additionally, China Railway Tunnel Group has enhanced the Andijan–Pap–Angren–Tashkent rail segment in Uzbekistan by electrifying the rail tracks and building the 19km-long Kamchik tunnel. This enabled the launching of a rail service between Tashkent and China's Hebei province in Oct 2020[xxvi]. Additionally, China's Eximbank loaned \$195 million to Georgia for the development of a special economic zone in the country's capital known as Hualing Tbilisi Sea New City ([LINK](#)).

China also has plans to construct a railway from Xinjiang to Turkmenistan and Iran through Kyrgyzstan and Uzbekistan. However, the type



5. Kyzylorda province, Kazakhstan, April 29, 2012: Construction of West Europe–West China highway.

of rail gauge has been an issue, with differences between the Chinese and Central Asian gauge sizes, though China has been developing a double-tracking system to address this problem[xxvii]. Thus, the advancement of technology pertaining to China's engineering and construction methods can be expected to further expand transport connectivity between Beijing and the Caspian region.

## Digital/Communications

An increasingly important component of China's connectivity into Central Asia concerns the digital/communications sphere. The Digital Silk Road has emerged as a crucial component of China's BRI in recent years, and Central Asia serves as a prime example of China's growing digital reach. Indeed, advancing up the economic value chain has been a key priority for China, and tech companies and their development of "game-changing technologies"[xxviii] play a crucial role when it comes to connectivity. It must be remembered that "What we call 'tech' companies are very much technology infrastructure companies" and that "telecommunications has leapfrogged all other forms of connectivity."[xxix]





6. Uralsk, Kazakhstan, 15.11.2019: huawei logo and halyk bank,

The Chinese telecoms giant Huawei has been very active in Central Asia in terms of developing information and communications technology (ICT) infrastructure. China has developed 5G networks across the region, and Uzbekistan signed a \$1 billion agreement with Huawei in 2019[xxx] to build a traffic monitoring system. Hikvision, another major Chinese company, has been an important supplier of facial recognition technology in Kazakhstan and Kyrgyzstan. These Chinese tech companies can be expected to become increasingly active in terms of fostering connectivity in the digital sphere between China and Central Asia, though China's tech competition with the United States - which has significantly impacted Huawei's operations ([LINK](#)) - can serve as an inhibiting factor.

## Security Connectivity

In the field of international relations and great power politics, increased economic power and influence usually translates to increased power and influence in the security realm as well. Indeed, this has historically been the case with global powers such as the British Empire and the United States, which first began as commercial empires and

subsequently developed their military might in order to secure their widespread interests and protect the global sea lanes for their conduct of international trade. It should follow, then, that China's growing economic connectivity also translates to increased connectivity in the military and security sphere.

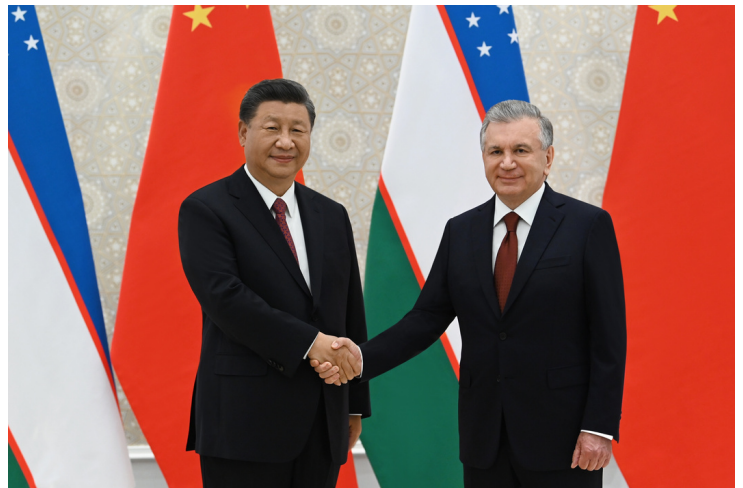
This has indeed been the case, though the form of security connectivity that China has pursued is rather unique compared to Western powers for several reasons. One reason is that, unlike the great power rivalries between European empires of the 19th century and the bipolar rivalry between the US and Soviet Union in the 20th century, the projection of power is far more diffuse in nature in the contemporary era than it was in previous eras. Whereas military might was perhaps the single largest determinant of power in previous centuries, the evolution and advancement of technology has made economic power a key facet of power projection in the 21st century, one which rests on "competition over consumer markets and technological advantages"[xxxii]. Thus, even if China cannot match the conventional military power of the United States or even Russia - though it is quickly catching up to both - China is still widely recognized as a great power due to its economic size and reach.

Another reason is that China has learned lessons from both the United States and Russia that the use of military power in terms of large-scale deployments and sustained invasions abroad can be a significant drain on a nation's resources and prestige even as they often don't accomplish its geopolitical objectives. For example, U.S. wars in Afghanistan and Iraq were immensely costly in terms of manpower and financial resources, and they did not lead to the remaking of these countries in the U.S. image (while they also facilitated the rise of Chinese power over the past two decades

amid U.S. distraction in the Middle East). Similarly, Russian military deployments in countries like Ukraine, Georgia, and Syria have spurred painful sanctions from the West, while Moscow's earlier invasion of Afghanistan was a major element of the downfall of the Soviet Union.

Thus, China has seen the cost of such military deployments and is likely to act far more reluctantly in its own use of military power abroad, given China's "sensitivity to anything that may have an impact on China's ascent."<sup>[xxxiii]</sup> Beijing is also reluctant to enter into formal military alliances, which could obligate China to come to the defense of other countries in a manner similar to Article 5 of NATO. Formal alliance membership could violate China's core principle of non-interference in the domestic affairs of foreign states and could also undermine Beijing's efforts to seek multilateral efforts in a 'win-win' fashion<sup>[xxxiv]</sup>, given their inherently exclusive nature.<sup>[xxxv]</sup>

Instead, China has pursued a more nuanced form of strategic connectivity in the security realm, with Central Asia serving as a very illustrative example. For example, China is a founding member of the Shanghai Cooperation Organization (SCO), which includes Russia and each of the Central Asian countries except Turkmenistan, and recently expanded to include India, Pakistan, and Iran. While the SCO is an international grouping that deals largely with security issues, it is far from a formal military alliance. Rather, it is more of a "discussion and training forum, focusing primarily on counterterrorism, counter-narcotics, and cyber issues."<sup>[xxxvi]</sup> The SCO thus serves as a reflection of China's vital security interests in the region - which includes combating trans-national terrorism,



7. Uzbekistan, Samarkand. 15.09.22 Xi Jinping and Shavkat Mirziyoyev on 22nd meeting of the Council of Heads of State of the Shanghai Cooperation Organization (SCO).

the flow of narcotics, and other unconventional security threats. Furthermore, the inclusion of countries like India, which is hardly an ally of Beijing, indicates the multilateral and collaborative nature of the initiative, but one that falls far short of a formal alliance.

It must be remembered that one of China's core geopolitical imperatives is to protect itself from neighbors and external powers, and while a military invasion of China is virtually unthinkable, it is vulnerable to unconventional security threats from neighboring states, especially Central Asia. As such, China also has built other forms of security connectivity to Central Asia beyond the SCO. China has helped Central Asian states like Tajikistan construct border security facilities along its long and porous border with Afghanistan, and China has even reportedly built military facilities inside of Tajikistan, just across its own border and near the border with Afghanistan. Such security facilities should not be seen as a sign of looming large-scale troop deployments by China within these countries, but rather as a reflection of Beijing's concern of a spillover of militancy from these states. Such concerns have only grown since the withdrawal of U.S. forces from Afghanistan, with China willing and able to work with the Taliban government as long as it confronts transnational militant groups like Al-Qaeda, the Islamic State, and the East Turkestan Islamic Movement.<sup>[xxxvii]</sup>



8. NEW YORK, USA - Sep 28, 2015: President of the People's Republic of China Xi Jinping at the opening of the 70th session of the General Assembly of the United Nations Organization in New York

China has also used its ICT companies to develop ‘Safe City Projects’ within several Central Asian states that make use of facial recognition technology, surveillance, and biometric registries to develop comprehensive and data-driven security systems[xxxviii]. Companies like China National Electronics Import and Export Corporation are active throughout the region and operate within the Digital Silk Road framework[xxxix]. This shows the multidimensional nature of China’s connectivity strategy, with Beijing’s primary interest being the maintenance of political and security stability in these countries as a means to safeguard and enhance its economic connections.

### Political connectivity

In addition to economic and security connectivity, the political realm is another key area in which China has increased its connections in Central Asia. As in the security

sphere, China has avoided any formal alliances in the political sphere.

Nevertheless, China has formed a number of bilateral partnership agreements with Central Asian states. For example, there is the Treaty on China-Kazakhstan Good-Neighborly and Friendly Cooperation, and in 2016, China upgraded its relationship with Uzbekistan to a comprehensive strategic partnership. In May 2023, Chinese President Xi Jinping held an inaugural head-of-state summit with his Central Asian counterparts in the Chinese city of Xian, showing the increased level of Beijing’s diplomatic engagement with the region.

Beyond political agreements and diplomacy, China has also pursued connectivity with Central Asia on a social level, with the element of people-to-people exchange serving as one of Beijing’s stated goals under BRI[xl]. One such form of exchange has come in the sphere of education, and the amount of students from Central Asia studying abroad in China has increased

significantly in recent years. From the period of 2005 to 2015, the number of students in China from Kazakhstan alone jumped from 781 to 13,198[xli], and anecdotal evidence from the author's visits to Central Asian countries like Kazakhstan and Uzbekistan has suggested many more students eager and willing to study abroad in China.

This is an important development, as the concept of soft power which originated from U.S. academic Joseph Nye, "has been enthusiastically embraced in China"[xlii]. Soft power, which can entail everything from Chinese language to media and entertainment to other forms of culture and values, plays into China's preferred method of spreading influence around the world, entailing less risks compared to hard military power, while potentially offering substantial benefits in the long term. And the Caspian region, due to its geographic proximity and close cultural connections to China, is particularly well-suited for Beijing's softer power pursuits.

### Connectivity Challenges

The Caspian thus serves as the convergence of many of China's strategic interests, with Beijing's strategic connectivity in the region playing out in many different forms. However, the increase of China's connectivity into the Caspian region has also been met with some key constraints and has created new challenges for Beijing.

One significant constraint comes from the political environment within the Caspian region itself. While governments in the region have

embraced stronger economic ties with China and all of the trade, investment, and infrastructure development this has entailed, Beijing's presence and influence has not always been met positively by the citizens of the region. Indeed, there have been protests over China's economic projects in countries like Kazakhstan and Kyrgyzstan, which have ranged from corruption to environmental issues to perceived territorial transfers. Chinese bitcoin miners have even led to power shortages in Kazakhstan, which is both politically sensitive and somewhat ironic, considering that Kazakhstan is a major energy provider to China.

There have also been lingering demonstrations within Caspian states related to China's treatment of Uyghurs in Xinjiang, as well as allegations of China using forced labor camps to co-opt the sizable minorities of ethnic Kazakh, Kyrgyz, and Uzbekistan who live in the region. While such protests have been largely small and manageable for governments in the Caspian region, they could potentially grow in the future if Beijing's role and influence in the region continues to rise. This is especially the case as the Xinjiang labor camp issue has become internationalized by Western countries[xliii].

China's connectivity strategy in Central Asia has also made it increasingly exposed to other external players that are active in the region, ranging from Russia to the United States to the EU to Türkiye. Each of these players has its own respective connectivity strategy in Central Asia, creating a phenomenon that can be termed "competitive connectivity," or a strategic competition in which "the most connected power wins." [xliv] After all, one of China's primary geopolitical imperatives is to spread its influence regionally and globally, and this imperative can naturally collide with similar efforts by these other powers to spread their own influence beyond their borders.

The player that China is presumably most likely to collide with is Russia ([LINK](#)), which has long been the most active and influential external power in Central Asia. Russia not only has long and deep historical connections to Central Asia - holding formal control over the region during the 19th and 20th centuries as part of the Russian Empire to the Soviet Union - but Moscow also has retained a military presence in several Central Asian states. Russia is also the leader of its own regional integration blocs, such as the Eurasian Economic Union and Collective Security Treaty Organization, which count many of the Central Asian countries as its members.

However, Russia may actually be the least of China's worries when it comes to the external players in Central Asia, given that the strategic interests of the two are largely complementary. Both Russia and China have an interest in preserving political stability in the region and in preventing trans-national militancy. And while China has surpassed Russia in regional trade, investment, and infrastructure development, this is not Moscow's primary focus. Indeed, Russia is itself a commodity exporter with no need for Central Asia's oil, natural gas, and minerals, so Moscow and Beijing have actually been able to work out a division-of-labor of sorts in the region. This may change in the future, but for now, Russia and China overlap in Central Asia largely cooperatively.

This dynamic has only increased as a result of Russia's ongoing war in Ukraine. Russia's full-scale invasion of Ukraine in Feb 2022 has functionally brought Russia and China closer

together in the economic, security, and diplomatic spheres, with Moscow increasingly serving as a force-multiplier for China's strategic connectivity efforts in the Caspian region. This dynamic has thus further reshaped connectivity flows throughout the Caspian region.

However, the war has also demonstrated the challenges and vulnerabilities associated with connectivity, particularly as Caspian states are vulnerable to U.S. and EU sanctions against Russia and the weaponization of connectivity. China's overall economic slowdown ([LINK](#)) and its growing competition with the U.S. over everything from Taiwan to technology ([LINK](#)) are further challenges for Beijing from a strategic connectivity perspective, both in the Caspian and beyond.

## The U.S. Approach to Strategic Connectivity in the Caspian

Unlike China, the United States does not have one centralized connectivity approach to the Caspian region. In part, that is a function of the different political systems of the two countries - China is an authoritarian state that can mobilize resources and execute strategic planning across government, business, media, academia, and broader society around the policy objectives of the state. In contrast, the U.S. government can develop strategies and policies when it comes to the Caspian region, but it cannot mandate sectors outside of government to abide by this approach. Thus, while the United States is also engaged in the Caspian region across government, business, and other spheres, this occurs in a much more decentralized - and sometimes disconnected - manner.



9. U.S. President Biden meets with the leaders of the five Central Asian States. September 19, 2023

Another factor shaping Washington's approach to connectivity in the Caspian region is the fact that the United States is far more removed geographically from the region. China directly borders Kazakhstan, Kyrgyzstan, and Tajikistan, and it is reliant on resources from the region - including minerals, agriculture, and energy (via direct pipeline connections) - to fuel its own economy. The United States is thousands of miles away from the Caspian, and it is not dependent on such resources to a significant degree. Nevertheless, the Caspian is of strategic interest to the United States for several interrelated reasons.

The first relates to economic and energy issues. While the Caspian region is not a major energy provider for the United States (with the latter serving as an important energy exporter in its own right), the Caspian is an important energy source for America's allies in Europe. This drove U.S. investment into the energy sectors of countries like Azerbaijan and Kazakhstan in the early post-Soviet period, and Russia's war in

Ukraine and use of energy as a political tool has driven home the importance of finding alternative energy supplies for Europe. The Caspian states are one such alternative source, with Azerbaijan increasing its natural gas supplies to Europe since the war began, while Turkmenistan has recently indicated greater interest in the Trans-Caspian natural gas pipeline. Caspian states can also serve as important sources of renewable energy in the future, with the EU signing a strategic partnership with Kazakhstan on green hydrogen ([LINK](#)).

The second reason relates to security issues. Central Asia has a long and porous border with Afghanistan, which has been a source of both cross-border militancy and narcotics flows into the region. The re-emergence of the Taliban government in Aug 2021 has only strengthened such risks, as the United States also wants to prevent instability within the country from posing a transnational threat, including spilling over into and potentially destabilizing Central Asia. The Caspian region has also been the site of homegrown political and security instability, including multiple revolutions in Kyrgyzstan, the

ongoing conflict between Armenia and Azerbaijan over Nagorno Karabakh, and the attempted uprising in Kazakhstan in Jan 2022. The United States wants to make sure that such insecurity does not impact its own interests in the region, whether that be power vacuums that can be exploited by militant groups or efforts to promote democracy and human rights in the Caspian.

The third reason concerns the great power competition in the Caspian region. As discussed, Russia and China have been highly active in this region, and the United States wants to prevent these countries from establishing an even firmer foothold in the Caspian. As many Central Asian countries have expanded their economic and security ties with China in recent years, the United States has an interest in slowing or countering those ties to the extent possible. And, despite Russia's full-scale invasion of Ukraine, this region has not meaningfully distanced itself from Moscow in light of the war. These three broader elements have shaped the below U.S. connectivity approach to the Caspian region, which has spanned the economic, security, and political spectrums.

### **Economic connectivity**

Unlike China's Belt and Road Initiative, the United States has not had a long-standing and overarching mechanism to drive its economic connectivity efforts in the Caspian region. This, in part, reflects the smaller volumes of trade and investment that the United States has had into the region in comparison with China. The U.S. falls outside of the top 5 trading partners for most Caspian states ([LINK](#)), and it is only in the top 5 in terms of FDI for Georgia and Kazakhstan ([LINK](#))

By contrast, China's economic connectivity in the region has been much more substantial via the BRI, which the United States has tried to counter. This has included efforts to criticize and undermine the BRI over issues such as opacity, in which U.S. officials have claimed that China's "data is scarce and the process of lending is not transparent," as well as allegations by leading officials that Beijing is pursuing "debt trap diplomacy." However, the United States has also worked to adapt its own approach to global infrastructure finance in order to more directly compete with the BRI.

Initially, such efforts began with a reorganization of development finance institutions at the federal level. For example, in 2018, the BUILD Act was introduced in Congress and authorized by the Trump Administration as a means to create a new federal government agency known as the United States International Development Finance Corporation (DFC). The DFC consolidated the Overseas Private Investment Corporation (OPIC) with the Development Credit Authority (DCA), as well as smaller agencies, in order to streamline investment in development projects in low and middle-income countries. The primary impetus for the DFC was to promote private investment as a supplement to government-funded aid projects and to provide an alternative to "state-directed investments by authoritarian governments," a thinly veiled reference to China and the BRI. The DFC was given a \$60 billion investment cap and prioritized projects with an "adherence to high standards" in low and middle-income countries.

The following year, the United States leveraged the DFC to work within a multilateral format as a means to bring different allies and partner countries to collaborate in competing with China's BRI. Correspondingly, the Blue Dot Network was launched by the U.S. Under Secretary of

State Keith Krach, along with his Australian and Japanese counterparts at the Indo-Pacific Business Forum in Nov 2019. This format was then incorporated into dialogues with India and Taiwan, with Taipei joining the Blue Dot Network in Nov 2020. The Blue Dot Network concept was also promoted in Central and Eastern Europe at the Three Seas initiative the same year, with a pledge of \$1 billion investment in “trusted clean infrastructure”, including roads, ports, railways, energy projects, and 5G.

Subsequently, another global infrastructure initiative was launched from the principles and progress of the Blue Dot Network the following year. The Biden Administration announced the Build Back Better World (B3W) initiative at the G7 in June 2021, emphasizing the “values-driven, high-standard, and transparent infrastructure partnership led by major democracies.” The Biden Administration emphasized a whole-of-government approach to the initiative, indicating the strategic nature of B3W. This included the involvement of the National Security Council and State Department in playing leading roles in planning and executing B3W, while there are also supporting roles played by the Departments of Energy, Commerce, and Treasury, as well as the U.S. International Development Finance Corp, the Millennium Challenge Corporation, USAID, Eximbank, U.S. Trade and Development Agency, and Transaction Advisory Fund.

Additionally, Congress was designated to play an important role in shaping development finance legislation in a support role of B3W. While still in its early phases, the type of funding for the B3W was set to be a

combination of private-sector capital, government-led development finance, and cooperation with international financial institutions for infrastructure investment. This is likely to incorporate existing projects through USAID and the World Bank Group as part of a broader umbrella program. Such plans were followed by the launch of the Partnership for Global Infrastructure and Investment (PGII), which was announced by Biden and the leaders of the G7 in Jul 2022 ([LINK](#)).

Like the BRI, there are several components to the strategic rationale of the B3W and PGII that go beyond infrastructure and economic considerations. There is a major diplomatic component to the B3W by differentiating it from the BRI and showing U.S advantages in global infrastructure development in the four particular areas: climate, health, digital technology, and gender equity/equality. There is also a significant domestic political and economic calculus to the B3W. The Biden Administration wants B3W to be seen as complementing domestic infrastructure investments and job creation and thus help the Democrats compete with Republicans in elections.

When it comes to the Caspian region specifically, there has been an increased focus by the United States on enhancing regional connectivity. This includes expanding energy and transport infrastructure between the Central Asian states, as a means to “stand firm in the face of malign influence,” according to Assistant Secretary of State for South and Central Asia Donald Lu in a testimony to Congress in Mar 2023. There are also several programs that the United States has pursued in order to help fuel regional economic development.



One of these is the Economic Resilience in Central Asia Initiative (ERICEN), which was launched by the Biden Administration in Sep 2022. ERICEN has a wide agenda, including training and education, boosting private sector capacity, and enhancing Trans-Caspian infrastructure. However, this program was allotted a budget of only \$50 million for 2022 and 2023, which has been seen by some within the U.S. government and within Central Asian countries as too modest.

On energy cooperation, there are existing U.S. programs that have encouraged Central Asian states to transition to renewable forms of energy. However, fossil fuels like oil and natural gas are likely to be a mainstay for economies in the Caspian for the foreseeable future, and investment into emerging sectors has been complicated by restrictions and red tape. And due to China's penetration in the renewable energy sector of Central Asia and the

increasingly active role played by other players like the Gulf states – including large-scale investments from Saudi and UAE-based companies in solar power plants in Kazakhstan and Uzbekistan - the energy sphere has been a crowded and increasingly competitive playing field for the United States.

## Security Connectivity

On security matters, the United States has been involved in the Caspian region in numerous formats. The strongest partner for the United States from a security connectivity perspective is Georgia, which is the only country in the Caspian region that is overtly pro-Western in its orientation and formally aspires to NATO membership. The United States has frequently conducted military exercises with Georgia, and the country has training and military-level exchanges with the United States and its NATO allies.



10. U.S. Secretary Blinken arrives in Kazakhstan on February 28 for the C5+1 Summit.

The United States is also involved in security cooperation with the other Caspian states. This includes counter-terrorism and counter-narcotics training, as well as cooperation via the National Guard's State Partnership Program (SPP). Most recently, soldiers from Virginia National Guard Soldiers conducted a mountain warfare exchange in cooperation with troops from Tajikistan in Jul 2023.

Broadly speaking, the United States has been at a disadvantage in the Caspian from a security connectivity perspective. Georgia is arguably no closer to joining NATO than since its war with Russia in 2008. The attempted uprising in Kazakhstan in Jan 2022, meanwhile, revealed that Russia was still the primary security power in the country, as the deployment of military forces from the Russian-led Collective Security Treaty Organization (CSTO) played a crucial role in helping Kazakhstan's own security forces in putting down the uprising. While the CSTO deployment was temporary in nature, it solidified the rule of Kazakh President Kassym-Jomart Tokayev against opposition forces (including those allied with former Kazakh president Nursultan Nazarbayev). It also solidified Russia's role as the main security guarantor of the region, especially for the member states of the CSTO (with Belarus serving to subsequently host Russian troops for the invasion of Ukraine in Feb 2022). This has shown that, despite its challenges in Ukraine, Russia still remains the leading external military force in the region.

Additionally, the United States has experienced setbacks in terms of its broader regional strategy when it comes to Afghanistan. With the re-emergence of the Taliban and the

withdrawal of U.S. troops, Washington's efforts to promote connectivity between Central Asian states and Afghanistan have been hampered, if not stopped completely. This is both a reputational and operational concern for the United States from a security perspective.

## Political Connectivity

The United States has working diplomatic relations with each of the states in the Caspian region. However, the strength of Washington's political ties with these countries has been constrained by U.S. efforts to promote democracy and human rights, which has fostered tensions with many Caspian states. This is in contrast with China's official policy of 'non-interference in domestic affairs,' which has facilitated Beijing's own economic penetration into the region.

Nevertheless, the United States has pursued political connectivity in the region through numerous formats. One such format is the C5+1, which is designed to coordinate U.S. relations and policies with the five Central Asian countries. This format does not replace U.S. bilateral relations with each of the Central Asian states, which are run through its individual embassies and have programs related to military, humanitarian aid, educational exchanges, and economic support that are not tied specifically to C5+1. Rather, the C5+1 integrates particular activities across a regional setting and is intended to complement the policies of the United States toward each of the individual countries in Central Asia.

There is no equivalent diplomatic format for U.S. engagement with the South Caucasus region. Until now, U.S. policy on Georgia has been

conducted primarily from the prism of the 2008 Russia-Georgia war and concerned primarily with Georgia's relationship with NATO and the EU. This has occurred through political support for Georgia's reforms and Western integration efforts, security/military support for Georgia (joint training with US/NATO forces, weapons sales), and sanctions against Russia for its occupation of Abkhazia and South Ossetia.

When it comes to Armenia and Azerbaijan, the United States has been politically involved in trying to resolve the Nagorno-Karabakh conflict through a peaceful and diplomatically negotiated settlement, strengthen the domestic institutions of Armenia and Azerbaijan (via reforms and anti-corruption measures) to promote democracy and a free market economy, and strengthen the cooperation of Armenia and Azerbaijan with the West and weaken Russia's political and economic influence in these countries. However, the United States still has a way to go in meeting each of these objectives.

### Connectivity challenges

The biggest challenge to the United States has been that it does not have the resources to match China, nor the direct geographic proximity that both China and Russia have to the region, which has facilitated their economic, security, and political connectivity in the Caspian. Because of its focus on other global hotspots like Ukraine and the Indo-Pacific theater, the United States has had limited bandwidth to devote resources or attention to the Caspian. The problem for the United States is that, while the Caspian region may not be a primary focus now, it could rise in importance in the future. The challenge for the United States is to be less reactive and more proactive from a connectivity perspective.



11. Trade port, Baku, Azerbaijan-January 30, 2018.

Additionally, U.S. policy towards the Caspian has not been comprehensive in nature, but rather subject to piecemeal programs. For example, the United States does have programs such as educational exchanges with the Caspian states, but these are not at the volume of a country like China, nor are they strategically integrated into the broader strategic objectives of the United States. And, while initiatives like the C5+1 have fostered greater regional and inter-departmental coordination, this has primarily been focused on Central Asia without tying into issues related to the South Caucasus.

This misses the fact that the Caspian region is highly interconnected between the Caucasus and Central Asia. There are obvious economic connections across the Caspian Sea, including trade and energy flows, which are being increasingly pursued via the Middle Corridor route. But there are also security issues that bind the two sub-regions together, from militancy to the potential spread of violent unrest to the growing regional security influence of states like China, Russia, and Turkey. Until now, the United States has largely approached the Caspian region as two distinct and separate sub-regions of the Caucasus and Central Asia rather than as a comprehensive whole, which has limited its connectivity potential and played into the advantage of China.

## Looking ahead - regional challenges and opportunities

Moving forward, the Caspian is likely to be an increasingly dynamic region. Russia's war in Ukraine has exposed the vulnerabilities of the region to geopolitical turbulence, even as the region contends with its own local issues that could be exacerbated or exploited by external powers. As such, there are several scenarios that should be considered in the Caspian region.

One is the prospect of mass protests and an internal breakdown, similar to what occurred in Kazakhstan at the beginning of 2022. Tajikistan is especially important in this regard, as it is the final country in Central Asia that has yet to go through a leadership transition from its long-serving leader of Emomali Rakhmon, and there are pockets of opposition and armed resistance in the eastern part of the country that could become more active in the event of an unstable transition. It cannot be ruled out that the country can return to a civil war scenario, which could bring in the involvement of other actors, including Russia, China, and Afghanistan.

Another scenario is the possibility of interstate conflict. This includes reverberations from Azerbaijan's defeat of Armenia in the Nagorno-Karabakh conflict, ongoing tensions between Georgia and Russia, and border disputes between Central Asian states. Additionally, there is the potential for militancy in the region, which could come in the form of

homegrown actors or transnational groups like the Islamic State. All of these issues could be exacerbated by the global challenge of climate change, which could put even greater pressure on resources like food, water, and energy, and drive migration within and outside of the Caspian region.

Yet another scenario is the potential for a Russian military intervention in the region. Just over the past two years, Russia has deployed military forces to Nagorno Karabakh and (via the CSTO) Kazakhstan. While such deployments occurred in coordination with Armenia, Azerbaijan, and Kazakhstan, respectively, Russia's full-scale invasion of Ukraine has shown that such military interventions are not always requested by the host country. Thus, if one of the Caspian countries were to be seen by Moscow as going too far in its engagement with the West (or potentially even with China), this could make it vulnerable to Russian military action.

But there are also positive scenarios to consider moving forward. Russia's war in Ukraine has created new opportunities in terms of the expansion of the Middle Corridor and Trans-Caspian economic and energy projects. As the EU seeks to diversify from Russian energy supplies and the United States works with its European partners to do so, this could fuel greater investment and economic growth in the region. This, in turn, could be a force for stabilization and potentially even a driver of political reforms for some countries in the region.

In the meantime, the Caspian region could be an important bellwether for the broader connectivity competition between China and the United States. As discussed, China has faced growing competition in the global infrastructure

development space from the United States and its partners in the EU and G7, which have built up their own connectivity projects in an attempt to rival the BRI. The B3W and PGII are merely the latest versions of U.S. and G7 efforts to compete with China in this field, and they are both only beginning to get off the ground. As such, it remains to be seen whether such initiatives will truly rival China's economic model in the global infrastructure realm, or whether they are largely diplomatic and PR efforts to dress up existing programs by Washington and Brussels. This raises several questions.

The first question is: how much money will actually be invested in the U.S. and PGII initiatives? The B3W and PGII are both, to a certain extent, successors to, or even patchworks of, previous initiatives, so the funds they have designated will not necessarily entail new money. The reliance on private equity to fund these infrastructure projects may instill market elements in them more efficiently and effectively, but they will still face difficulties in competing with the financial resources that can be leveraged in a centralized fashion by Beijing.

Another question is: to what extent will the United States and the EU coordinate their respective infrastructure initiatives? Among the G7 countries involved in the B3W initiative are 3 EU countries - Germany, France, and Italy - which could potentially create tensions with Brussels if there is an overlap in target areas from the Global Gateway initiatives. Furthermore, France has had its own issues with the United States over the AUKUS deal, another multilateral initiative designed to address the China challenge. This shows how

the complex and overlapping nature of these multilateral initiatives can produce their own difficulties and diplomatic challenges.

Furthermore, the United States and the EU have different attitudes towards multilateralism as a whole. While the EU as an institution has multilateralism baked into its DNA, the United States has more of a mixed record, depending on the geopolitical context and particular administration. Whereas the US has shown a tendency toward cooperation and multilateralism in some issues, it has also shown a strong penchant toward economic self-interest in others.

For example, the U.S. attitude towards the WTO under the Trump Administration effectively wound down the Appellate Body into nonexistence due to perceived bias against the United States in its rulings. And as the United States has tried to strategically push back against China's rise, it has found itself in the awkward position of having to subsidize products from European firms like Nokia to fight against the likes of Huawei. In this context, European countries may think twice about what kinds of quid pro quo arrangements they would be willing to make to support U.S. investment in global infrastructure and vice versa.

A final question is: how sustainable will these initiatives be? The United States and the EU are both democratic systems, prone to relatively frequent changes in power and policies. As discussed, the Biden Administration wants B3W to be seen as complementing its domestic agenda, which raises the question of whether such an initiative would last beyond the current administration. This makes long-term commitment to such infrastructure development initiatives more difficult to sustain in the United States and the EU than in China, which is uniquely able to

utilize geoeconomic tools to promote and defend its national interests, while planning and implementing projects over years or decades. And despite criticism from the West, surveys indicate that publics in emerging markets “largely have a positive view of China’s economic stature” and the BRI still has a relatively high favorability among the recipients themselves, indicating that it is not likely to go away anytime soon, even with U.S. and EU involvement.

### Policy Recommendations - A Refined U.S. Strategic Connectivity Approach

Taking all of the above into consideration, there is one major question that U.S. policymakers must consider: how can the U.S. enhance its connectivity strategy in the Caspian region to better compete with China and Russia, while also advancing the economic, political, and security development of the Caspian states themselves? This report provides three broader policy areas on which the United States can focus in order to refine its strategic connectivity approach in the Caspian:

1. Enhance constructive engagement with the region while removing unnecessary punitive measures

On the economic front, the United States should offer the Caspian states a tangible alternative, or at least a supplement, to China’s Belt and Road Initiative. The United States should move beyond criticizing China or pursuing punitive measures like sanctions and instead focus on what it can offer in a concrete

form that aids in the economic development of the Caspian states. It is unlikely that the United States will ever invest in the Caspian region to the scale that China has - and certainly not from a state-driven perspective - because the United States does not have the same need for Caspian energy resources that China has. Instead, the United States should focus on niche areas in which it can compete with China in the region, including high-tech projects, digitalization, and building institutional resilience. The United States should support projects along the Trans-Caspian and Middle Corridor routes.

Given the growing alignment between China and Russia since the launch of the war in Ukraine, the United States should also take advantage of the economic strains that that war has placed between Russia and the Central Asian states. It should do so in a way that is not overwhelmingly punitive for Central Asian countries, given that the region has faced significant economic pressure and that Russia will remain an important destination for migrant workers from Central Asia. Rather, the US should offer means to help Central Asian states diversify away from their trade ties with Russia through economic projects and not just sanctions or other restrictive measures.



12. Baku, Azerbaijan

There could also be progress made toward the repealing of the Jackson-Vanik amendment, which has undermined normal U.S. trade relations with Kazakhstan, Uzbekistan, Turkmenistan, and Tajikistan. The Biden administration has supported repealing this amendment for these countries (with the exception of Turkmenistan), though the ultimate decision would be dependent on new legislation that would need to be passed in the U.S. Congress. The Biden Administration should coordinate with members of Congress that support this measure ([LINK](#)).

In the security sphere, the United States should distinguish itself from the large-scale military presence of Russia in the region and China's growing security penetration by offering light and cooperative forms of security assistance, as it is currently doing through the National Guard's State Partnership Program. The United States should continue to help the Central Asian states meet their challenges from a counter-terrorism and counter-narcotics perspective, offering to collaborate with Russia and China on this issue when it comes to their shared interests of mitigation and prevention.

On the political front, the United States should help to contribute to the institutional resilience of the governments in the region, particularly those that have pursued political reforms such as Kazakhstan. The United States should move beyond public criticism of the Central Asian governments in terms of their record on human rights and democracy, and instead deliver such messages using private channels. This would help it offer an alternative to China's approach of non-interference, without being seen as overtly

hostile to the governments themselves.

Overall, the United States should integrate these economic, security, and political measures into a comprehensive approach. China's greatest advantage when it comes to Central Asia has been that it has a whole-of-government approach that coordinates the government's efforts across all sectors. By nature of its political system, the United States will not be as centralized in its approach as will China, but that does not mean that the United States cannot be more strategic in its approach and long-term in its planning. Doing so will allow the United States to not only better compete with China, Russia, and others, but also advance economic opportunities for Central Asian states themselves and contribute to the political development and security stabilization of these countries.

**2. Build on existing cooperation mechanisms with Caspian states and incorporate those into a broader strategy**

As already discussed, the United States has developed several mechanisms for cooperating with the Caspian region across the economic, security, and political spectrums. These include the C5+1 with Central Asia and the B3W and PGII global infrastructure development programs, with sub-program points of focus like the Economic Resilience in Central Asia Initiative. However, these should be revised and expanded to incorporate the connections between the South Caucasus and Central Asia regions. Whether formally or informally, there should be a cooperation mechanism of the C5+1 that incorporates the countries across the Caspian, particularly Azerbaijan, but also the South Caucasus more broadly. The C5+1 heads of state summit in New York on Sep 19 (the first of its kind with participation from U.S. President Joe Biden) offers a significant opportunity to expand and refine such a cross-Caspian cooperation mechanism.

Concurrently, the US Strategy for Central Asia ([LINK](#)), which was released by the State Department in 2020 until the period of 2025, needs to be updated. This strategy needs to take into account the political change in Afghanistan, as well as Russia's war in Ukraine and its impacts on the region. This updated strategy should build upon the regional connectivity element that was previously outlined to more directly link the South Caucasus states with Central Asia.

### 3. Coordinate connectivity efforts with allies, non-aligned countries, and (when applicable) with competitors

One critical component for the US to develop a more comprehensive connectivity mechanism for engagement with the Caspian region relates to collaboration with other states engaged in the region. This includes cooperation with traditional allies like the EU to integrate and coordinate their approaches in order to limit redundancies and create a more effective division of labor. This can make initiatives such as the B3W and PGII more efficient while presenting a more effective alternative to competing state-driven initiatives like China's BRI.

Such coordination efforts should be extended beyond U.S. allies and also include non-aligned countries that are engaged in the region. For example, Turkey has been actively building economic and security ties with Azerbaijan and across Central Asia, while the Gulf states have been increasing their engagement in the region's energy sphere. Collaborating with such countries,

even on a limited basis, could strengthen the U.S. position, while also recognizing the multi-vectoral foreign policy approach preferred by states like Azerbaijan and Kazakhstan.

U.S. engagement in the Caspian can even include coordination with adversaries like China and Russia. While tensions between Washington, Beijing, and Moscow are likely to remain high for the foreseeable future over a range of issues – from Ukraine to Taiwan to export controls – there are areas where these competitors could have a shared interest in coordination. One such area is climate change, which impacts all of humanity, and requires cooperation between all countries in order to meet joint climate goals. Another area is counter-terrorism, with all three countries having an interest in limiting the proliferation of trans-national militant groups. After all, connectivity does not only have to be competitive, and it certainly doesn't have to be zero-sum.



## Conclusion

The concept of strategic connectivity concerns not only the combination of the various forms of connectivity, but also involves a concerted strategy by a state in mobilizing and linking all of these elements together towards particular goals. This is undoubtedly the case for China, which has a centralized political system that is uniquely able to develop a long-term connectivity strategy and implement it over the course of several years or even decades. In many ways, this has put China at an advantage over countries with democratic systems such as the United States, which are prone to relatively short election cycles and more frequent personnel and policy changes.

As this study has shown, China - increasingly in cooperation with Russia - has vaulted ahead of the United States and the EU on the connectivity front in the Caspian. Moving forward, the United States should learn from China's strategy connectivity approach in the Caspian and adapt this approach in order to better compete with Beijing in the region. To be clear, this does not mean simply copying China's methods - the United States has neither the ability nor the resources to match Beijing's levels of state-driven investment or security penetration into the region. Rather, the United States can adapt the best practices of China's strategic connectivity approach and play into its own strengths.

As the Caspian region is likely to factor in more heavily across the Eurasian supercontinent in the coming years, the time is ripe for the United States to be forward-looking in its approach to the Caspian. Russia's war in Ukraine, China's own economic challenges, and the potential for economic, political, and security development throughout the Caspian presents the United States with a tremendous opportunity in the region. The US needs a strategic connectivity approach to seize that opportunity, both to advance its interests and also to benefit the Caspian states themselves.

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