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After implementing a number of trans-Eurasian energy and logistics mega-projects, such as the Baku–Tbilisi–Ceyhan oil pipeline, Southern Gas Corridor and Trans-Caspian International Transportation Route, Azerbaijan has also strategically committed itself to policies designed to turn the South Caucasus country into a regional digital hub (see [EDM](#), May 26, 2020). This initiative has already secured buy in from several countries and major companies in the IT space. Notably, this past April, Italy’s largest internet service provider and one of the world’s leading operators, Sparkle, and Azerbaijan’s top wholesale telecommunications operator, AzerTelecom, signed a memorandum of understanding on cooperation within the framework of the Digital Silk Way project (not to be confused with China’s Digital Silk Road), aimed at creating a digital telecommunications corridor connecting Europe and Asia via Azerbaijan ([Azertelecom.az](#), April 21). Previously, the main telecommunications operators of Azerbaijan, Kazakhstan, Kyrgyzstan and Uzbekistan signed two memorandums of understanding regarding cooperation on the Trans-Caspian Fiber-Optic Cable Line project ([Azertelecom.az](#), October 12, 2021).

In addition to building up trans-border IT infrastructure, Azerbaijan is fostering digitalization reforms intended to improve the general domestic digital ecosystem, advance economic welfare, as well as contribute to the goal of the country becoming a digital hub for the broader region. Many of those reforms pertain to public administration. Thus, over the past decade, Baku has already launched the State Control Information System, Azerbaijan Digital Trade Hub, Electronic Agricultural Information System, an electronic procurement platform, an e-court system, e-health care, e-education, e-social services, e-property and land cadaster systems, and other initiatives ([Vergiler.az](#), May 31). Owing to its objectives associated with the Digital Trade Hub project (officially launched in 2017), Azerbaijan became the first country in the world to offer interested international entrepreneurs mobile residency (m-Residency) and the second, after Estonia, to offer electronic residency (e-Residency) ([Ereferoms.gov.az](#), February 22, 2017). The former involves a special SIM card that provides the individual with a government-verified electronic identity for online authorization and electronic signatures, while the latter offers the same but with a digital token. Additionally, Azerbaijan is applying a completely new management approach toward the liberated territories in and around Karabakh, with the entire systemic architecture in these regions designed around the concepts of the “smart city” or “smart village,” which rely on the “use of modern telecommunications, sensors, Big Data and other digital and artificial intelligence technologies, as well as innovation and knowledge” ([E-qanun.az](#), April 19, 2021).

Furthermore, to strengthen Azerbaijan’s position in the new economy, on January 6, 2021, the government established by special presidential decree the Analysis and Coordination Center for the Fourth Industrial Revolution ([President.az](#), January 6,

2021). This public entity, the first of its kind in the Commonwealth of Independent States (CIS) countries, is tasked with implementing certain functions of the Davos World Economic Forum ([Bbn.az](#), April 2, 2021). Additionally, on April 27, 2021, the president directed the relevant government ministries in Baku to develop a digital transformation concept and to restructure the activities of Azerbaijan's major telecommunications companies ([President.az](#), April 27, 2021). The concept of the digital transformation of Azerbaijan has already been developed and is now under discussion by the government ([Azertag.az](#), December 8, 2021). Thus, with this document, digital transformation was declared one of the main priorities for Azerbaijan for the next ten years.

Along with domestic digitalization reforms, Azerbaijan is implementing strategic trans-regional digital mega projects. One of these is the aforementioned Digital Silk Way, under development since 2018. This initiative aims to construct a modern fiber-optic network connecting Europe through Georgia and Azerbaijan to Central and South Asian markets. The Digital Silk Way will build the region's digital ecosystem in accordance with the world's most advanced standards, reduce dependence on foreign internet providers, and improve access to various digital services for the 1.8 billion people living in the associated countries. The project, which falls within the wider framework of the "Azerbaijan Digital Hub" program, envisages the construction of fiber-optic cables between Azerbaijan and Central Asia along the bottom of the Caspian Sea. In general, the Digital Silk Way consists of two branches: Azerbaijan–Kazakhstan and Azerbaijan–Turkmenistan. AzerTelecom on the Azerbaijani side and TransTeleCom and KazTransCom on the Kazakhstani side together established a consortium to lay the 380–400-kilometer-long northern branch of the Trans-Caspian fiber-optic cable. Additionally, the two sides set up a joint working group as well as signed a construction contract and an interstate agreement for the implementation of the project ([Azvision.az](#), April 14, 2020; [Neqsolholding.com](#), accessed June 23, 2022).

On November 28, 2019, Azerbaijan and Turkmenistan signed an interstate agreement on the construction of the southern fiber-optic line along the bottom of the Caspian Sea ([azertag.az](#), 28 November 2019). This 300 km cable, between Siyazan (Azerbaijan) and Turkmenbashi (Turkmenistan), will form the main backbone of the Digital Silk Way linking Frankfurt (Germany) and Mumbai (India), via Azerbaijan, Turkmenistan, Uzbekistan, Afghanistan and Pakistan ([Adh.az](#), November 15, 2021).

By providing advanced digital services to the Caucasus, the Middle East, and Central and South Asia, as well as other surrounding regions, Baku hopes that its Digital Silk Way project will contribute to Azerbaijan's aspirations to link into the trans-Eurasian telecommunication corridor under China's Belt and Road Initiative. Therefore, it is of strategic importance for Azerbaijan ([Fed.az](#), April 10, 2019).

It is worth pointing out that Azerbaijan's pursuit of becoming a Digital Hub and link between Europe and Asia is occurring in parallel with Baku's longer-running strategic objectives to become a transit and energy hub. The Russo-Ukrainian war, perhaps the biggest geopolitical and geo-economic shockwave to the European continent since the end of the Second World War, gives an additional impetus to each of these Azerbaijani initiatives (see EDM, [April 19, 20](#), [May 4, 19](#)). Yet Azerbaijan's development of diversified transport, energy and digital corridors between Europe and Asia has implications far beyond Baku. These efforts are also creating new opportunities—as well as responsibilities—for Georgia, Kazakhstan and other Central Asian countries. But the time for each of them to act is now.