



## “İQTİSADI İSLAHATLAR” elmi-analitik jurnal

### DEVELOPING ECONOMIC CORRIDORS: A DRIVER OF ECONOMIC GROWTH AND REGIONAL INTEGRATION



№ 2(7)-2023  
səh. 36-43

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## Developing economic corridors: a driver of economic growth and regional integration

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### SUMMARY

Economic corridors, arising from seamless integration of infrastructure, trade, and sectors across connected regions, are dynamic projects driving economic growth, connectivity, and regional cooperation. These corridors span geographical boundaries, fostering cooperative initiatives and mutually beneficial economic linkages, thus shaping current regional development landscapes. Economic corridors leverage geographic advantages for economic potential, resource optimization, and smooth movement of goods and services. They not only drive economic progress but also foster social, environmental, and cross-border cooperation benefits. Global economic corridors such as Trans-Caspian East-West-Middle, Almaty-Bishkek, Greater Mekong East-West, and Thailand's Eastern Economic Corridor illustrate diverse and complex initiatives spanning technology, trade, agriculture, and infrastructure. These corridors exemplify balanced, comprehensive development, linking economic nodes within urban hubs that spark trade, innovation, and knowledge exchange. Tailored to specific contexts, economic corridors consider geography, existing infrastructure, and local economic strengths, fostering adaptive regional development strategies.

**Keywords:** *Economic Corridor, the Middle Corridor, Eastern Economic Corridor, Almaty-Bishkek Economic Corridor, Regional Integration*

**JEL kodu:** E22; R42

### INTRODUCTION

Through the seamless integration of infrastructure, trade, and a variety of sectors across physically connected areas, economic corridors have arisen as dynamic development projects intended to stimulate economic growth, foster connectivity, and cultivate regional cooperation (World Bank, 2014). These corridors, which frequently cross several nations, regions, and even continents, operate as conduits for cooperative projects and synergistic economic linkages (World Bank, 2014). These initiatives are crucial in determining the current landscape of regional development because each corridor has its own unique objectives, difficulties, and results. Economic corridors are a concept that goes beyond simple geographic connectedness. They foresee the development of thriving economic ecosystems that cut across political boundaries and have a significant impact on both the local and global scales (ADB, 2021). The main objective of these corridors is to take advantage of geographic advantages to boost economic potential, optimize resource allocation, and ease the movement of people, products, and services (ADB, 2021). These initiatives boost social and environmental achievements in addition to economic growth by encouraging cross-border cooperation and infrastructure development.

Numerous important economic corridors have emerged recently all around the world, demonstrating the potential of these joint initiatives. The Eastern Economic Corridor (EEC) in Thailand is one such instance, where initiatives are made to encourage investment, innovation, and technological breakthroughs (EECO, n.d.). Similar to this, the Greater Mekong Sub region's East-West Economic Corridor (EWEC) aspires to transform from a transportation route into a strong economic hub, promoting connectivity and enabling private sector growth (ADB, 2009). While the Almaty-Bishkek Economic Corridor aims to integrate economic hubs to foster mutual benefits, the Trans-Caspian East-West-Middle Corridor Initiative aims to revitalize traditional trade routes (CAREC, n.d.; Ministry of Foreign Affairs, Turkey, n.d.). These programs serve as



illustrative examples of the economic corridors' multidimensional nature, which spans a variety of industries including trade, agriculture, infrastructure, and technology.

Consequently, economic corridors, which are closely related to the goal of sustainable development, represent the possibility for joint efforts to traverse traditional boundaries and advance political, economic, and social landscapes (World Bank, 2014). The global society is witnessing the power of connectedness and cooperation to generate prosperity on both a local and global scale as these projects continue to gain prominence. Economic corridors represent the ability to transform the future of regions and countries alike through a determined focus on utilizing specific regional advantages, overcoming obstacles, and fostering intergovernmental collaboration.

### **COMPONENTS OF ECONOMIC CORRIDORS AS ECONOMIC GROWTH DRIVER**

As crucial conduits for regional development, economic corridors include a variety of vital elements that together promote connectivity, trade, and growth. These corridors are distinguished by an extensive network of institutional and physical infrastructure that connects important economic nodes, such as manufacturing centers, supply and demand regions, and hubs for the creation of goods with added value (ADB, 2009). Economic corridors contain well planned infrastructure that maximizes effectiveness, lowers transaction costs, and promotes smooth regional trade in products, services, and people. This talk explores the typical components of economic corridors, emphasizing how important they are for fostering economic integration and sustainable development. Well-developed transportation networks, such as highways, railroads, and ports, are at the center of economic corridors. Highways act as crucial thoroughfares that enable the transportation of goods and people over enormous geographic distances. Railroads, on the other hand, provide a practical and economical method of moving large quantities of cargo across greater distances, improving the connectedness of production and manufacturing hubs (ADB, 2009). Ports serve as important entry points for international trade and are frequently strategically positioned along coasts or significant waterways. This enables the seamless transfer of commodities between land and sea transit. Moreover, Integrated infrastructure emphasizes the thoroughness of economic corridors even more. Information and communication technology (ICT) systems, energy networks, and urban development programs are all included. Energy infrastructure makes sure that industry and metropolitan areas along the corridor have a consistent and sustainable supply of electricity, which stimulates industrial activity (ADB, 2009). Effective information and data flow is made possible by robust ICT systems, encouraging cooperation and innovation between economic nodes. Urban development initiatives carried out within corridors provide dynamic urban clusters that act as engines for innovation and economic growth, advancing the development agenda (ADB, 2009).

As a result of it, these elements work together seamlessly to achieve a major goal: to establish connections between important economic participants. The flow of raw materials and completed goods is sped up by the connection of manufacturing centers to supply and demand regions through well-planned transportation networks. In addition to lowering transportation costs, effective connectivity between these nodes also improves overall economic performance. By integrating manufacturing facilities for value-added items, industries can benefit from economies of scale, promoting specialization and raising global competitiveness.

### **ECONOMIC CORRIDORS' ROLE IN REGIONAL DEVELOPMENT**

The deep connections that economic corridors create between economic nodes and hubs is a key feature of these networks. Urban environments within these corridors develop become crucial economic hubs, luring and igniting activity through agglomeration economies. According to Yoshida and Flaherty (2017), these urban nodes act as multifunctional centers, attracting a range of businesses, qualified workers, and necessary infrastructure, and fostering an atmosphere that provides innovation, knowledge sharing, and value creation. Dynamic urbanization and clustering boost individual businesses' productivity while promoting thriving



eco-systems that fosters economic growth. Hence, it is noteworthy that the development of economic corridors is inherently context-specific and varies significantly across regions. Factors such as geographical location, existing infrastructure, policy frameworks, and local economic strengths influence the configuration and priorities of each corridor (Yoshida & Flaherty, 2017). Thus, economic corridors are not one-size-fits-all solutions but rather adaptive frameworks that leverage unique regional potentials.

Furthermore, the expansion of economic corridor development strategies has been significantly aided by the Asian Development Bank (ADB). In order to promote corridor projects in various regions, the ADB has provided significant financial support and technical assistance, which has helped to boost connectivity and trade within these areas (ADB, 2009). The institution's investment shows that it recognizes the transformative potential of economic corridors to spur regional growth, create jobs, and alleviate poverty. Agglomeration effects, economies of scale, and innovation clusters thrive in environments created by the integration of transportation networks, energy systems, and urban development plans (ADB, 2009). Because industries may access a variety of resources and markets and profit from effective logistics and low transaction costs, this interaction makes investment corridors more appealing to both domestic and foreign investors.

## EXAMPLES OF ECONOMIC CORRIDORS

### **Eastern Economic Corridor (EEC) in Thailand**

Thailand's Eastern Economic Corridor (EEC) is a revolutionary project that represents the country's hopes for economic growth, innovation, and technical advancement. The EEC administered by Thailand's Eastern Economic Corridor Office (EECO) is a strategic plan intended to launch the nation into a new era of sustainable growth and prosperity. The EEC promises an integrative approach to development through its comprehensive goal that incorporates economic growth, social progress, and environmental protection while encouraging cooperative relationships between public and private institutions (Eastern Economic Corridor Office of Thailand – EECO, n.d.). Thus, the key goals of the EEC's core mission define the organization's purpose and target outcomes. The most important of these is the focus on utilizing the potential of new technologies, which results in a dynamic synergy that not only promotes economic growth but also improves inhabitants' quality of life in general. The EEC aims to open up new channels for revenue production and improve the general well-being of its people by incorporating cutting-edge innovations and solutions.

The EEC's success is largely a result of its continuous dedication to successful public-private cooperation. The EEC seeks to guarantee that its development trajectory remains coordinated and timely by establishing strong partnerships at the national, regional, and provincial levels, successfully managing obstacles and exploiting opportunities. This collaborative spirit is a reflection of the understanding that sustained growth requires a team effort in which various stakeholders unite to support a common vision of prosperity. In addition to it, aligned with the broader national agenda, the EEC ambitiously sets out to implement its comprehensive development plan, thus solidifying its role as a strategic driver of Thailand's growth trajectory. Central to this plan is the development of an integrated infrastructure system that is not only efficient and reliable but also accessible to all citizens. Furthermore, the EEC envisages optimal land use strategies, aligning land allocation with the region's potential and sustainable development principles, thereby mitigating potential environmental impacts.

In this regard, the path is a dynamic interplay of ambition, creativity, and adaptability as Thailand advances with its EEC goal. Even if the corridor's enormous potential is still clear, realizing it requires striking a careful balance between economic development and environmental sustainability, which is strengthened by active participation from all relevant parties. The Eastern Economic Corridor is a testament to Thailand's resolve to establish a comprehensive development strategy that improves not only the country's economy but also its people's quality of life while preserving the environment for future generations.



## **The Trans-Caspian East-West-Middle Corridor**

The Trans-Caspian East-West-Middle Corridor, often known as "The Middle Corridor," is a revolutionary initiative that joins Turkey, the Caucasus, Central Asia, and China to create a contemporary commerce route that aims to revive the historic Silk Road. This corridor includes a multimodal transportation network that combines rail and road links and makes use of important ports in several different countries. With shorter travel times and more affordable transit options than current routes, the initiative's main goal is to open up new economic opportunities and promote trade between Europe and Asia (Albayrak and Çelik, 2022). In this sense, the ports that are crucial to the Middle Corridor include Turkmenbashi, Aktau/Kuryk, and Baku/Alat. These ports serve as crucial multimodal transport hubs, enabling the effective transportation of commodities via a combination of land, air, and sea routes. These ports streamline the flow of goods across international borders, reducing delays and improving the entire trading experience thanks to the integration of diverse means of transportation. Hence, a significant aspect of the Middle Corridor's impact is the potential it holds for Central Asian countries to harness economic benefits through heightened China-Europe trade. As the corridor facilitates faster and more cost-effective transit, it stands to provide these landlocked nations with unprecedented access to international markets. This increased connectivity presents opportunities for the region to enhance its economic prospects, reduce trade-related costs, and stimulate economic growth through expanded trade volumes.

The Middle Corridor's success hinges on strong collaboration among the participating regional countries. To simplify cross-border logistics, facilitate customs procedures, and streamline regulatory frameworks, agreements and initiatives are crucial. The corridor's function as a conduit for seamless trade is reinforced by these cooperative efforts, demonstrating the corridor's importance beyond only infrastructural development. Due to its advantageous geographic position, Azerbaijan is crucial to the development of the Middle Corridor. Meanwhile, because of its crucial location on the Caspian Sea, the nation facilitates marine access to important markets by acting as a vital link between the Caucasus and Central Asia. An important project in this regard is the Baku-Tbilisi-Kars Railway, which demonstrates Azerbaijan's dedication to boosting connectivity and trade capacity. The railway improves economic possibilities for both Azerbaijan and its neighbors by providing a direct connection between the landlocked region of Central Asia and global markets (Bocuoglu, 2022).

In addition to it, the role of Azerbaijan alongside with its partners collaborated in the Organization of Turkic States such as Türkiye, Kazakhstan, Uzbekistan and Turkmenistan has been evolving in the light of the development of the Middle Corridor. The recent geopolitical and geoeconomic conditions have revealed new reality called the Zangezur Corridor (Kirenci, 2023). The Zangezur region, which was historically a part of Azerbaijan, was annexed by Armenia by the Soviet Union in the 1920s, breaking Azerbaijan's direct connection to its landlocked Nakhchivan autonomous territory. After the Second Karabakh War ended in 2020, a trilateral peace agreement made it possible to create rail and road routes that would pass through Armenia, which gave the corridor's growth pace. The corridor's connection to Turkey is particularly significant since it highlights the role it plays in fostering relations between the two Turkic countries and improving regional connectivity. The Zangezur Corridor's ability to increase connectivity between Turkey and Azerbaijan by extending it from Baku to Kars is one of its primary features. It has the potential to create a direct link between the Caspian and Mediterranean basins and Europe, in addition to simplifying travel between Nakhchivan and the rest of Azerbaijan. The corridor establishes a vast network of economic and diplomatic contacts and extends beyond bilateral relations to include other Turkic nations including Kazakhstan, Kyrgyzstan, Uzbekistan, and Turkmenistan (Kirenci, 2023).

The Trans-Caspian East-West-Middle Corridor, sometimes known as "The Middle Corridor," is an innovative project that has the potential to revive old trade routes. This multimodal corridor aims to promote economic prospects, particularly for Central Asian countries, and South



Caucasus and is supported by cooperation among regional nations and strategically located ports. The Middle Corridor's importance as a driver for economic growth and regional integration is further reinforced by Azerbaijan's key role in ensuring essential sea access and boosting connectivity.

### **Almaty-Bishkek Economic Corridor (ABEC)**

The visionary project known as the Almaty-Bishkek Economic Corridor (ABEC) aims to unify the economies of Kazakhstan and the Kyrgyz Republic by linking them. This corridor anticipates the efficient and seamless movement of goods, people, and cutting-edge ideas. The foundation of ABEC is the cooperation of two important cities, Bishkek and Almaty, who draw on each other's individual advantages to forge an effective economic force. Through the promotion of specialized, competitive, and varied businesses, this integration seeks to increase economic opportunities (CAREC, 2023). Moreover, the primary goal of ABEC is to foster a transnational agglomeration, or a strategic coming together of companies that strive to be the best in their respective industries. This agglomeration provides a favorable environment for enterprises to flourish, which boosts the local economy. The commitment of Kazakhstan and the Kyrgyz Republic, motivated by a shared goal to enable effective and barrier-free interactions that go beyond geographical limits, is the cornerstone of the corridor. The implementation plan for the corridor calls for the formation of sectoral working groups that will concentrate on important industries like agriculture, tourism, health, education, and transportation. These working groups play a crucial role in bringing the ABEC vision to life by guiding each sector toward development and cooperation. Through these collaborative efforts, ABEC aims to tap into the latent potential of the region and provide a conducive environment for businesses to flourish. (CAREC, 2023).

It is also important to highlight the potential linkage of the economic corridors including ABEC and the Middle Corridor. While ABEC focuses on uniting economic centers within Kazakhstan and the Kyrgyz Republic, the Middle Corridor encompasses a broader geographical scope, linking Turkey, the Caucasus, Central Asia, and China. These corridors share the common goal of enhancing connectivity and trade between regions by facilitating the movement of goods, people, and ideas. ABEC's emphasis on cross-border agglomeration and specialized businesses aligns with the Middle Corridor's vision of creating a revitalized Silk Road by integrating rail and road routes across multiple countries. Both corridors stand as prime examples of how cooperation and strategic planning can stimulate economic growth, foster international collaboration, and strengthen ties among countries within the interconnected Eurasian region.

## **CONCLUSION**

As a result of the integration of infrastructure and trade across physically related areas, economic corridors have arisen as dynamic developmental efforts meant to encourage economic growth, connectivity, and regional collaboration. These corridors cross geographical boundaries and act as conduits for cooperative initiatives and mutually beneficial economic connections, significantly influencing the current regional development landscape. Economic corridors play a critical role in leveraging geographic advantages to increase economic potential, optimize resource allocation, and ease the flow of people, commodities, and services. By encouraging cross-border cooperation and infrastructural development, these efforts promote social and environmental gains in addition to economic progress.

Numerous big initiatives taking place all around the world serve as proof of the effectiveness of economic corridors. Examples of these initiatives' diversity and complexity include the Trans-Caspian East-West-Middle Corridor Initiative, the Almaty-Bishkek Economic Corridor (ABEC), the Greater Mekong East-West Economic Corridor (EWEC), and the Eastern Economic Corridor (EEC) in Thailand. These corridors cover a diverse variety of sectors, from infrastructure and technology to trade and agriculture, demonstrating their ability to promote all-encompassing and balanced development. All things considered, by establishing interconnected economic nodes and hubs within metropolitan environments, economic corridors also play a significant role in promoting regional development. These metropolitan hubs serve as catalysts for trade,



invention, and information transfer, fostering the development of dynamic ecosystems. Economic corridors are context-specific and are influenced by elements including geography, pre-existing infrastructure, and local economic strengths.

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## İQTİSADI DƏHLİZLƏRİN İNKİŞAFI: İQTİSADI ARTIM VƏ REGIONAL İNTEQRASIYA DRAYVERİ

Ayhan SATICI

### XÜLASƏ

İnfrastrukturun, ticarətin və sektorların bir-birinə bağlı olan regionlar arasında fasiləsiz inteqrasiyasından yaranan iqtisadi dəhlizlər iqtisadi artımı, əlaqəni və regional əməkdaşlığa təkan verən dinamik təşəbbüslər olaraq nəzərdə tutulur. Bu dəhlizlər coğrafi sərhədləri əhatə etməklə yanaşı, əməkdaşlıq təşəbbüslərinin və qarşılıqlı faydalı iqtisadi əlaqələrin inkişaf etdirilməsinə təkan verir. Beləliklə, mövcud olan regional inkişaf tendensiyalarının daha da formalaşmasında drayver rolu oynayır. İqtisadi dəhlizlər iqtisadi potensial, resursların optimallaşdırılması, mal və xidmətlərin rahat hərəkəti üçün coğrafi fürsətləri lokomotiv olaraq istifadə edir. İqtisadi dəhlizlər təkcə iqtisadi tərəqqi deyil, həm də sosial, ekoloji və transsərhəd əməkdaşlığın faydalarını artırır. Transxəzər Beynəlxalq Şərq-Qərb Orta Dəhlizi, Almatı-Bişkek, Böyük Məkonq Şərq-Qərb və Tailandın Şərq İqtisadi Dəhlizi kimi qlobal iqtisadi dəhlizlər texnologiya, ticarət, kənd təsərrüfatı və infrastrukturunu əhatə edən müxtəlif və mürəkkəb təşəbbüslərin implementasiyasını təzahür edir. Bu dəhlizlər ticarət, innovasiya və bilik mübadiləsinə təkan verən şəhər mərkəzləri daxilində iqtisadi qovşaqları birləşdirən balanslaşdırılmış, hərtərəfli inkişafı nümunə göstərir. Xüsusi kontekstlərə uyğunlaşdırılmış iqtisadi dəhlizlər coğrafiya, mövcud infrastruktur və yerli iqtisadi gücləri nəzərə alaraq, adaptiv regional inkişaf strategiyalarını təşviq edir.

**Açar sözlər:** *İqtisadi Dəhliz, Orta Dəhliz, Şərq İqtisadi Dəhlizi, Almatı-Bişkek İqtisadi Dəhlizi, Regional İnteqrasiya*

Məqalə redaksiyaya daxil olub: 17.06.2023

Təkrar işlənməyə göndərilib: 30.06.2023

Çapa qəbul olunub: 31.07.2023