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THE EU’S “GLOBAL GATEWAY” INITIATIVE AND GEORGIA’S TRANSIT FUNCTION: STRATEGY, INVESTMENT AND DEVELOPMENT

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ABSTRACT

Introduction: Modern geopolitical and geoeconomical dynamics are reshaping the significance importance of strategic initiatives in worldwide. The Global Gateway strategy, launched by the European Union in 2021, responds to these shifts by promoting sustainable, secure and interconnected infrastructure in partner countries. This strategy has acquired heightened significance for Georgia, as it advances the country’s political, economic, and diplomatic convergence with the European Union within the framework of the Eastern Partnership, while simultaneously consolidating its position as a pivotal transit nexus connecting Europe, the Caucasus, Central Asia, and the Black Sea energy corridor. Recent developments, particularly the U.S.-mediated agreement between Azerbaijan and Armenia concerning the transfer of the Zangezur Corridor - referred to as the “Trump Road to International Peace and Prosperity” - to the United States on a 99-year lease, are expected to significantly reshape the Caucasus dimension of the Global Gateway strategy. Although it is difficult to anticipate all the details at this stage, it is both possible and necessary to highlight several essential implications, which are also addressed in this article.

Methods: The study applies a qualitative approach based on EU policy documents, international reports, and academic literature, combined with contextual geopolitical analysis of recent regional developments.

Results: The findings indicate that the Global Gateway enhances Georgia’s potential to attract investment, modernize infrastructure, and deepen cooperation with the EU. At the same time, new geopolitical dynamics—most notably the U.S.-mediated agreement on the Zangezur Corridor, pose uncertainties for the Caucasus dimension of the strategy.

Discussion: This article examines the theoretical foundations of the Global Gateway, its sectoral priorities, and Georgia’s role within the framework of the strategy. Special attention

is given to the challenges and opportunities associated with the development of Georgia's transit and energy potential, the deepening of relations with the European Union, and the necessity of strategic choices in a competitive international environment. The study draws on EU and international reports as well as thematic academic literature, providing analytical conclusions and recommendations.

Keywords: Global Gateway, EU–Georgia relations, Infrastructure development, Transit corridor, Energy security, regional integration, Geopolitics, Eastern Partnership

INTRODUCTION

Since the decade of the 21st century, the process of redistribution of international power has been deepening worldwide, fundamentally reshaping the agenda of global geopolitical and geoeconomic relations. Technological progress, ecological crisis, deficit of energetical security and the reassessment of economical and political model based on western values have prompted leading international actors for mobilizing efforts building stable, partnership-based infrastructural networks within their geopolitical sphere. Against this backdrop, the „Global Gateway“, adopted by the European Union in 2021, represents a distinct alternative to China's „One Belt, One Road“ Initiative.

The „Global Gateway“ is not only a financial mechanisms for funding infrastructure projects. First of all it grounded the EU's geopolitical ambitious – the aspiration for restoring and expanding its influence in its strategic ambitious where competition among global power is much more intensive. According to the EU's official position, the strategy aims developing high quality, sustainable, climate-neutral and transparent infrastructure in areas of transport, digital technologies, health and education.

Within Eastern Partnership, where Georgia plays a pivotal role, this strategy has a central position. In the EU's political discourse, the Eastern Partnership region is framed as a “frontline space” in global competition – a place where the expansion of Western standards and values serves less an instrument of power dominance and more as a tool of political influence. In this context Georgia emerges a natural hub connecting the Black Sea with Caspian Sea and Central Asia. In this geostrategic context, its significance transcends a local function and rise to the level of regional and global equilibrium.

The EU vision for Georgia, particularly in the fields of energy and digital connectivity has been clearly articulated through its support for the projects like Black Sea Submarine Cable Project, the Black Sea Digital Connectivity, the development of Green Energy Corridor and investments in clean energy. These initiatives are not only linked to the dynamics of technological advancement but also represents a new stage of Georgia's political integration, closely tied to the country's foreign policy orientation. At the same time this process can't be viewed to be isolated from the broader geopolitical context. Intensifying competition in the Black Sea region – on the one hand through Russia's efforts for maintaining influence and on the other hand through China's expansion of its interest gives the EU's strategy to be renewed significantly. The European Union seeks asserting its vision not through military means but via economic and normative influence, which can be considered as a defining feature of its external policy identity.

Withing the framework of Global Gateway, Georgia is no longer merely perceived as a geographic bridge – it is becoming a decision-making actor, which needs adopting active political stance for engaging in global processes. The new stage of EU-Georgia partnership is thus based not only on mutual interests but also on the idea of sharing responsibility for global stability, positioning Georgia as an active participant in the western infrastructural space.

„Global Gateway“ as an Value-Based Geopolitical and Geoeconomic Integration Model

In the context of XXI century's global competition and multipolarity, the Global Gateway initiative has become of the most strategic instrument of European Union's geoeconomic policy, whos goal is not merely engancing infrastructural connectivity, but expanding EU's influence through value-based approach. This initiative enables the European Union simoltaneously responding the pradaoxical processes of globalization and deglobalization, where competition extends beyond economic resources for encompasses normative values[Ian Manners, 2002 pg. 235-258]. At the same time, the main task of European Union is to become a major actor of global politics, which is limited in regulating internal market, but actively participates in formating global order and influences in infrastructural and energy architecture.

In this context, some scholars view the Global Gateway as an continuation of the EU's previous experience, particularly in relation to its neighbourhood policy and enlargement strategies, as it follows the same normative logic – extending the EU's order to neighboring and partner countries. Others argue that the Global Gateway is more ambitious and transcends the scope of the neighborhood policy and it oriented toward a global scale and aims competing with actors such as China, India and the United States. Through this initiative, the European Union seeks presenting itself not merely as a provider of financial resources, but as a value-driven partner investing in long-term stability, rather than short-term politican gain[Mark Leonard: 2022 pg. 90-91]. Consequently, the EU's objective is not only increasing its economic influence, but also actively participating in transforming the international order, that makes the Global Gateway a geoeconomic strategy aiming at consolidating power and shaping the rules of international games and thereby reducing dependency on critical infrastrucuture and technolgies[Natali Tocci, 20211 pg. 3-5].

The Global Gateway strategy is particularly significant in infrastructure and economic dimensions, where the EU's goal is to support sustainable, transperent and high-quality projects in partner countries. Thus infrastrucuture development is not merely an instrument of economic progress – it represents a tool of geopolitical positioning, that defines the EU's strategic autonomy on a global scale.

The infrastrucutral dimension of the Global Gateway represents one of its most tangible and visible elements. Its essense lies in developing high quality, sustainable and transperent infrastructural connections that serve both the EU and the long-term socio-economic development of partner countries. The EU aims developing international logistic hubs, which will on the one hand, strength regional connectivity and on the other hand reduce the costs and time of Euro-Asian transit. By creating strategic alternatives to China's „One Belt, One Road“ initiative, the EU seeks preserving its global competetiveness.

Energy infrastructure represents another important aspect of Global Gateway and is directly linked to European Union's ecological transformation. The European Union attaches particular attention to promoting clean and renewable energy development, ensuring energy security and its diversification. Strategic energy projects enhancing not only energy stability in partner countries, but also EU's global autonomy[Natalie Tocci, 2021; pg. 3-5].

In the same context, we have to discuss digital connectivity and digitalization, because the play a huge role in the structure of Global Gateway. The EU invests in developing high quality internet connections, data security systems and in developing education and research infrastructure, which enabling partner countries in integrating into global competition[European Commmission 2021: pg. 5].

The economic and financial dimension of Global Gateway represents one of the main key strategic instuments, combining direct investments with economic and institutional supports. It's objective is creating a stable credit environment, foostering the sustainable

development of local economics and promoting innovative business models. This model facilitates long-term economic benefits while strengthening European Union influence in partner countries. Investments are directed toward development of technological and scientific infrastructure, enabling the training of high skilled workforce and the growth of digital economy. Ultimately this leads the modernization of labor market and enhancing global competitiveness.

The financial architecture of the Global Gateway represents one of its most complex mechanisms, integrating public and private sector resources for ensuring project sustainability and long-term efficiency. It includes credit guarantees, public-private partnerships and international investment funds [European Commission 2021:pg. 15-17]. These financial instruments increase transparency and accountability and reducing corruption risks. At the same time, this architecture reflects the EU's long-term vision – strengthening economic interdependence and strategic autonomy. From this point of view, the Global Gateway is no longer a financial initiative – it has become the core element of EU's geo-economic strategy, integrating economic, infrastructural and value-based dimensions within a unified global framework.

The Global Gateway is not limited with infrastructural and financial measures. One of its central dimension is value based and normative. The European Union seeks strengthening its normative influence in international stage, by promoting democracy, human rights, environmental protection, and transparency in partner countries. This approach aligns with the concept of *strategic autonomy*, according to which the EU strives preserving its freedom in political and economic decision-making while maintaining its influence on international politics — reinforcing its identity as a normative power. A key aspect of normative dimension is establishing development policy and cooperation standards. A Global Gateway ensures that implemented projects in partner countries comply with European environmental, socio-economic and civil standards. This not only increases the effectiveness of these projects, but also strengthening normative authority of European Union.

The „Global Gateway“ also encompasses organizational and institutional aspects, enabling the EU actively participate in decision-making process across various regions. It serves as a diplomatic mechanisms reflecting the European Union's efforts maintaining stability, democracy and rule of law in partner countries. Normative goals extend beyond cooperation: the European Union employs institutional engagement as a mechanism for reinforcing standards of public administration and accountability in partner countries. This fosters the development of local democratic institutions, the rule of law and the sustainability projects.

Moreover, the Global Gateway is oriented supporting social and cultural development mechanisms, which gives the opportunity to European Union disseminating its values in those countries, where its political influence is limited. Investments in education and healthcare promotes developing human capital, which in long-term enhancing regional sustainability and competitiveness. Researches have shown that normative component of the Global Gateway significantly strengthens the EU's role as a new type of Global actor – one that relies not only power and economics, but also on values and institutional engagement for ensuring the sustainability of global order. This normative approach reinforces the infrastructural and financial components, creates systemic balance and ensures long-term partnerships on political, economic and social level.

The Role of Georgia in Global Gateway: Economical, Infrastructural and Value-Based Aspects

The Global Gateway initiative represents one of the most significant strategic opportunities and challenges for Georgia, encompassing both infrastructural-economic and

value-normative dimensions. The European Union views Georgia as a regional partner whose geostrategic position within the Caucasus region grants its special importance in the Eurasian transport and energy networks. Accordingly within the framework of the Global Gateway, Georgia's role involves not only the modernization of material infrastructure, but also the implementation of normative standards, which ensures the country's deeper integration into the European economic and institutional space.

The infrastructural dimension constitutes one of the main pillars of the Global Gateway. The European Union perceives cooperation with Georgia as a means of strengthening transport and energy network, that secure transit stability, energy security and economic integration with European market. Georgia's transformation into transport hub entails the modernization of roads, railways, ports and logistical nodes – reducing transit time and enhancing competitiveness across Eurasian corridor. In parallel, EU investments are directed toward the renewable energy sector, supporting policies of energy diversification and ensuring long-term energy stability for the country.

The development of digital infrastructure is another strategic direction of EU enlargement in Georgia. Investments in high-speed internet networks, data security and digital education strengthen Georgia's technological capacity and lay the foundation for the development of a digital economy. The economic dimension encompasses both public investment and encouragement of private sector participations. EU funded projects in Georgia are often based on Public-Private-Partnership (PPP) model which ensures the sustainability of initiatives and mitigates economic risks.

In Georgian context, the Global Gateway does not solely imply economic or infrastructural support. One of its central components is the value-based and normative dimension aimed at reinforcing democracy, the rule of law, human rights and principles of transparency. The European Union is striving aligning its economic and institutional assistance with the values that defines its normative autonomy. For Georgia, this means not only the financial support, but also strengthening of institutional stability, the enhancement of government transparency and advancement of public accountability.

The European Union's normative engagement in Georgia operates on multiple level: on the one hand, it promotes the development of local democratic institutions and the empowerment of civil society and on the other hand it facilitates the institutional consolidation of legal and economic reforms. Consequently, the Global Gateway emerges not only merely a mechanism for infrastructural development, but also an instrument for political stability and value-based transformation.

Within the Global Gateway investments in education and healthcare sectors is aiming enhancing human capital, promoting knowledge transfer and ensuring social stability. As a result, the EU's normative objective is closely intertwined with its economic and infrastructural policies, creating a systematic equilibrium in which development, security and values become interdependent elements.

Thus, for Georgia, Global Gateway constitutes not only a source of economic benefit, but also a strategic platform, that strengthens the country's political agency, economic resilience and European integration. Investments in infrastructure, energy and digital development are synchronized with value-oriented framework, ultimately positioning Georgia as a model partner in the implementation of EU's global strategy.

“Trump's Road” and Georgia: Geopolitical and Economic Implications

Recent developments, particularly the agreement reached between Azerbaijan and Armenia under the mediation of U.S. President Donald Trump regarding the transfer of the so-called *Zangezur Corridor* - hereinafter referred to as “*Trump's Road for International*

Peace and Prosperity”-to the United States on a 99-year lease for operational management, are expected to introduce substantial adjustments to the Caucasian dimension of the *Global Gateway* strategy. Although it is premature to predict all details, several essential aspects deserve closer examination.[**Federal Register.2025**].

Immediately following the announcement of the agreement, debates emerged within Georgian expert circles. The dominant tone of these discussions was marked by caution and scepticism rather than optimism. Many analysts emphasised that the new corridor represents a serious alternative route that may reduce Georgia’s strategic transit importance and lead to potential losses in transport-related revenues. Conversely, some commentators argue that the international transport routes passing through Georgia and the proposed *Trump’s Road* should be viewed as complementary rather than mutually exclusive.

In our assessment, these two perspectives need not contradict one another. In practice, the existing and forthcoming transit projects across the Caucasus may simultaneously assume both substitutive and complementary roles, depending on the specific nature of cargo, the economic objectives of cargo owners, and the evolving geopolitical context. This diversification of routes is likely to enhance regional cargo turnover, strengthen competition, improve service quality, and ultimately contribute to the broader economic advancement of the region.

However, when a country becomes the exclusive owner of a critical transit artery or another high-value asset, certain economic and institutional risks emerge - particularly in political environments where democratic institutions are fragile, judicial independence is uncertain, and economic populism prevails. In such cases, the abundance of unearned income from exclusive access to strategic assets can foster what scholars Hazem El Beblawi and Giacomo Luciani conceptualised as a *Rentier State* mentality[**Beblawi, Luciani. 1987**].

This phenomenon implies that instead of promoting economic diversification and institutional reform, easy and continuous revenue inflows may entrench inefficiency, reduce incentives for innovation, and reinforce authoritarian tendencies. Rentier dynamics thus risk deepening existing governance problems rather than resolving them, as unearned rents tend to obscure the shortcomings of populist economic policies and postpone necessary structural reforms.

In this regard, the launch of the *Trump’s Road* may not entirely eliminate such vulnerabilities. On the contrary, the sharp increase in transit-related income could, under certain circumstances, encourage greater economic populism and political centralisation within all three South Caucasus countries.

Nonetheless, this scenario also presents a potential opportunity. The increased financial inflows could, if managed wisely, serve as a foundation for diversifying national economies, investing in human capital and innovation, and accelerating the adoption of renewable energy technologies. Whether these positive outcomes materialise will depend on the political will of regional leaders and the broader societal determination to pursue sustainable and inclusive development paths.

Ultimately, the *Trump’s Road*- if implemented transparently and aligned with regional cooperation mechanisms - may contribute to enhancing the overall transport capacity of the Caucasus and promote a more interconnected, competitive, and economically resilient regional system. Its success will depend not merely on infrastructure construction but on governance quality, regional coordination, and the ability of the involved states to transform short-term transit advantages into long-term developmental gains.

CONCLUSIONS

For Georgia, the Global Gateway represents a critical strategic opportunity that simultaneously advances regional integration, economic development, infrastructural modernization, and the consolidation of normative and institutional frameworks. As a flagship initiative of the European Union, it offers not only transport and economic advantages but also reinforces the institutional capacities necessary for democratic governance, the rule of law, and transparent public administration. Through its multidimensional structure, the initiative situates Georgia within a broader geopolitical, infrastructural, and normative architecture that strengthens its position both regionally and globally.

The infrastructure component of the Global Gateway, encompassing roads, railway networks, logistical hubs, maritime ports, and energy systems, positions Georgia as a pivotal logistical node within major Eurasian transit routes. Enhanced connectivity between Europe and Asia increases the competitiveness of Georgian transit corridors and contributes to the expansion of domestic economic activity by supporting local enterprises and enabling their deeper integration into regional and international value chains. The infrastructural transformation therefore becomes not only a technical modernization effort but also a catalyst for long-term national development, fostering greater economic resilience and strategic relevance.

Complementing the physical infrastructure dimension is the initiative's economic and financial architecture, which ensures the sustainability and feasibility of large-scale projects. This includes mechanisms such as blended financing, public-private partnerships, credit instruments, and investment guarantees. By stimulating private sector participation and attracting diversified capital flows, the Global Gateway strengthens Georgia's long-term investment environment. Sustainable financing is especially crucial for a country where regional stability, fiscal resilience, and development prospects depend on continuous and predictable economic support.

Equally significant is the initiative's value-based and normative dimension. The European Union actively promotes principles related to democratic governance, human rights protection, transparency in public administration, and environmental sustainability. The adoption and institutionalization of these standards enhance Georgia's internal stability and reinforce the country's regulatory framework, contributing to a more predictable and credible institutional environment. This normative convergence not only strengthens Georgia's alignment with European governance models but also improves its international standing by demonstrating commitment to shared democratic values.

The Global Gateway should therefore be viewed not merely as a collection of technical or financial projects but as a strategic instrument for expanding the European Union's geopolitical presence. For Georgia, this translates into new opportunities to participate actively in regional political dynamics, economic initiatives, and transcontinental connectivity processes. By being embedded in the EU's connectivity vision, Georgia gains increased agency within international systems, enhancing its ability to shape regional development agendas.

Deriving from these dynamics, Georgia's strategic engagement with the Global Gateway requires the strengthening of institutional capacities to ensure effective project implementation, monitoring, and coordination. Enhancing administrative efficiency will support the timely realization of large-scale infrastructure initiatives and increase Georgia's credibility as a reliable partner. Furthermore, the integration of multimodal infrastructure - linking road, rail, maritime, and energy systems - should be prioritized to fully leverage the country's logistical potential. Developing digital logistics platforms and ensuring interoperability across sectors would significantly enhance the competitiveness of Georgian transit routes.

In parallel, the strengthening of the public-private partnership framework is essential to attract high-quality investments and ensure balanced risk-sharing. A more robust regulatory environment for PPPs would accelerate major infrastructure projects and stimulate private sector involvement. Aligning domestic legislation with EU normative standards, particularly in areas such as transparency, environmental safeguards, competition policy, and public governance, would further consolidate Georgia’s institutional compatibility with European structures. This harmonization would also improve investor confidence and reinforce the sustainability of economic cooperation.

To safeguard the long-term feasibility of strategic projects, Georgia must diversify its financial instruments and explore blended financing models that reduce fiscal pressure while supporting large-scale investments. Collaboration with international development banks and European financial institutions will be critical in this regard. Additionally, enhanced regional diplomacy is essential for optimizing cross-border connectivity. Georgia’s transit potential increases substantially when supported by a stable and cooperative regional environment, making diplomatic engagement a necessary complement to infrastructural development.

Ensuring that domestic enterprises benefit from the new infrastructure is also vital. Policies aimed at supporting small and medium-sized businesses, developing industrial zones, and promoting digital trade platforms would enable deeper national economic integration with emerging regional corridors. Strengthening environmental impact assessment systems and transparency mechanisms will align Georgia with EU requirements while increasing public trust and international legitimacy. Finally, adopting a clear strategic communication framework would help articulate Georgia’s role as a reliable, democratic, and secure partner in European and Eurasian connectivity networks, further enhancing its geopolitical relevance.

At the same time, recent geopolitical shifts—including intensified competition over regional corridors, the emergence of alternative transit routes, and evolving security risks—highlight the fragility of Georgia’s transit-dependent growth model. Initiatives such as the Middle Corridor, the Green Energy Corridor, and the proposed Trump’s Road illustrate that Georgia faces both heightened opportunities and new competitive pressures. These dynamics underscore the necessity for Georgia to pursue a diversified and adaptive transit strategy: one that does not rely solely on its existing corridor advantages but proactively upgrades infrastructure, strengthens institutional capacity, and enhances multimodal competitiveness.

Ultimately, the Global Gateway initiative provides Georgia with a strategic path toward deeper integration into European and international infrastructural, economic, and normative landscapes. It enhances national resilience, strengthens security, supports sustainable economic growth, and expands the country’s influence in global affairs. More than a series of infrastructural or economic projects, the Global Gateway constitutes a long-term, value-based developmental opportunity for Georgia—one that elevates its regional importance and reinforces its strategic role within the broader international system.

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