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POLICY PERSPECTIVES ON THE SILK ROAD REGION

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Will the Chinese Dragon Outfly the American Eagle?

Repercussions for the Silk Road Region

Chingiz Mammadov

On 8 January 1918, U.S. President Woodrow Wilson presented to the U.S. Congress his famous “Fourteen Points” for what he had referred to in an earlier landmark speech as “making the world safe for democracy.” At that time, the United States was already the world’s largest economy, accounting for nearly one quarter of global GDP.

More than a century later, in late August and early September 2025, China’s paramount leader Xi Jinping delivered a series of speeches at the annual SCO summit, at a military parade commemorating the eightieth anniversary of the end of

World War II, and at various diplomatic receptions. In these speeches, he outlined China’s vision for a new and more just international order. Interestingly, it happened at a time when China’s economy is surpassing that of the United States.

At first glance, Wilson’s Fourteen Points and Xi’s recent statements appear to belong to entirely different worlds: one was articulated in the aftermath of the First World War, the other amid twenty-first-century geopolitical realignments. Yet a closer comparison reveals striking structural parallels. Both represent not simply neutral visions of co-operation but rather blueprints for

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world order designed to secure a leadership role for their respective nations.

Wilson's Universalism with an American Advantage

Wilson couched his principles in the language of liberal internationalism: open diplomacy, freedom of the seas, free trade, disarmament, national self-determination, and the League of Nations as a universal institution. These ideals promised a peaceful postwar settlement but also positioned the United States to benefit from Europe's weakening and from expanded access to global markets.

Unlike the European powers, the United States had no far-reaching colonial empire to dismantle. It could therefore prosper in a system based on free trade and transparent diplomacy. Rejecting the balance-of-power system established at Vienna in 1814-1815, Wilson advanced the principle of collective security, which, in turn, implied national self-determination

and the establishment of the League of Nations. As Kissinger observed in *Diplomacy* (1994), Wilson "proposed to found peace on the principle of collective security. In his view [...] the security of the world order called for not the defense of the national interest, but of peace as a legal concept."

Yet European realities frustrated the application of these principles, and at home, the U.S. Congress rejected Wilson's entreaty for America to join the League. The contrast between rhetoric and reality proved to be striking. Having suffered far less than Europe or Asia during the war—and having profited enormously from supplying food, goods, and military equipment—the United States entered the post-WWI era stronger than ever. Wilson's Fourteen Points

At first glance, the contrast is stark: Wilson's liberal-democratic ideals versus Xi's sovereignty-centered multipolarity. Yet in both cases, universal conceptions of world order provide legitimacy, while institutional architecture advances national leadership.

and his vision of a world anchored in self-determination and collective security did not secure lasting peace; less than twenty years after Versailles, Europe and the world plunged into an even bloodier conflict. But his program ensured that the United States emerged as

a dominant world power in the interwar years, even without joining the League.

Wilson himself recognized America's leverage. Writing to his close adviser Colonel House in April 1917, just as the U.S. entered WWI, he noted: "When the war is over, we can force them to our way of thinking, because by that time they will, among other things, be financially in our hands."

This was not an expression of cynical manipulation. Wilson sought to use America's growing power to redirect the European powers away from Realpolitik and balance-of-power rivalries toward what he believed would be a more just and durable order. His idealism, however, did little to ensure lasting peace. Paradoxically, the universalism he preached—though conceived as a gift to the world—became the foundation of America's own rise and of the distinctly American century that followed.

Xi's Sovereignty and Multipolarity

Like Wilson at the time, Xi today frames China's initiatives in universalist terms, though with a distinct vocabulary:

sovereignty, non-interference in the domestic affairs of UN member states, multipolarity, shared development, and the promotion of institutions such as the Belt and Road Initiative (BRI), the Shanghai Cooperation Organization, BRICS, and the Asian Infrastructure Investment Bank (AIIB).

If Wilson's moment coincided with the decline of the colonial order and self-determination was the "coin of the time," Xi addresses a world of sovereign states often troubled by disputes among neighbors, cross-border ethnic tensions, and external interventions. In this context, China's emphasis on sovereignty and non-interference resonates, especially among small and medium-sized states wary of outside pressure.

China has advanced three global initiatives—the Global Development Initiative (GDI), the Global Security Initiative (GSI), and the Global Civilization Initiative (GCI)—outlining a vision for a more inclusive, multipolar world. The GDI, launched in 2021, focuses on development, poverty alleviation, health, green energy, and South-South cooperation. The GSI, announced in 2022, emphasizes cooperative and sustainable security while respecting sovereignty and opposing

unilateralism. The GCI, proposed in 2023, promotes dialogue among civilizations, mutual learning, and cultural exchange.

Together, these initiatives signal China's effort to provide global public goods, shape international norms, and enhance its influence as a responsible global actor. As Xi has emphasized, countries should "uphold the principles of equality, mutual learning, dialogue and inclusiveness among civilizations."

Here, again, we see a parallel with Wilson: his vision did not guarantee a just and peaceful world but ensured U.S. strategic influence and, ultimately, primacy (for a time). Whether China's initiatives will secure long-term dominance is uncertain, yet the intentions are clear and resemble the U.S. approach after Versailles. Just as the U.S. rejected the European balance-of-power system established after the Congress of Vienna, China subtly critiques the post-Cold War security and institutional order, emphasizing sovereignty and equality of states while rejecting hegemony.

With this spirit, China declined U.S. proposals to share global leadership in a G2 format, recognizing it could not outpace Washington by following existing rules. Instead, it has established its own frameworks,

stressing adherence to an UN-centered order while opposing unilateralism, power politics, and a normative approach to the conduct of external relations. Leveraging its permanent seat on the UN Security Council reinforces China's legitimacy while allowing rhetorical critique of the system—a stance appealing to leaders like Türkiye's Recep Tayyip Erdoğan, who famously said, "the world is bigger than five," highlighting dissatisfaction with Western-dominated decisionmaking.

Xi calls for a "new type of international relations" and a "community of common destiny for mankind," placing the interests of sovereign states above international hierarchy. Through initiatives such as the GDI, GSI, and GCI, China elevates the interests of sovereign countries, appealing to the majority of UN member states without permanent representation in the Security Council. This strategy channels competition with the U.S. into economic and technological realms, where China increasingly appears to hold a comparative advantage.

The rhetoric emphasizes resistance to hegemonism and "win-win" cooperation, yet the underlying strategy is clear: to position China at the center of emerging economic and

institutional networks. Sovereignty language shields Beijing from criticism of its internal affairs, while multipolar institutions dilute Western dominance and produce arenas in which China assumes the convening role.

Different Vocabularies, Shared Logic

At first glance, the contrast is stark: Wilson's liberal-democratic ideals versus Xi's sovereignty-centered multipolarity. Yet in both cases, universal conceptions of world order provide legitimacy, while institutional architecture advances national leadership. Wilson's formula of 'self-determination plus the League of Nations' and Xi's package of 'Global development, security, and civilization initiatives, reinforced by sovereignty through SCO and BRICS,' serve a parallel function: turning systemic transitions into opportunities for global influence.

Regional Institutions: A Historical Parallel

Another striking similarity emerges in the realm of international organizations. Though Wilson proposed the League of

Nations, the U.S. never joined, with the U.S. Congress seeing it as a potential burden and entanglement in Europe's endless quarrels. Instead, Washington consolidated influence through regional and parallel institutions, where it could lead:

- *The Pan-American Union* (founded in 1890, expanded in the 1920s-1930s, and transformed in 1948 into the Organization of American States), reinforcing U.S. dominance in the Western Hemisphere.
- *Washington Naval Conference* (1921-1922), setting rules for Pacific security outside League structures.
- *Kellogg-Briand Pact* (1928), an international treaty outlawing war, signed by 63 states but again independent of the League.

The U.S. also reaped tremendous benefits in the financial sphere, as Britain and France repaid war debts using German reparations. New York rose as a rival to London in finance, and while the British pound remained dominant, the U.S. dollar was steadily gaining ground.

In short, the U.S. rejected multilateral institutions it could not control but promoted parallel initiatives that preserved and expanded its leadership.

China's approach today mirrors this logic, pursuing global leadership not by relying solely on Western-led frameworks such as the UN or WTO, but by developing complementary institutions—a parallel strategic architecture—that enhance its influence and autonomy.

- *Shanghai Cooperation Organization (SCO)*: advancing Eurasian security and cooperation.
- *BRICS/BRICS+*: uniting emerging economies that often question Western dominance.
- *The Belt and Road Initiative (BRI)*: promoting global connectivity through infrastructure and trade.
- *The Asian Infrastructure Investment Bank (AIIB)*: offering a financial alternative to the IMF and World Bank.

Unlike the United States a century ago, China does not withdraw from global institutions—doing so would be unwise in today's interdependent system. Instead, it reinforces its position by supplementing them with parallel frameworks that extend its strategic reach and gradually reshape global governance norms.

Beyond the Old Horizon

As we look beyond the old horizon of U.S.-dominated unipolarity, it is clear that China is emerging as a new pole in global

politics, challenging three decades of U.S.-led dominance and pushing the world toward a new configuration of power. The key question is whether this system will become unipolar, with China rapidly surpassing the United States; bipolar, with the U.S. and China as the two dominant powers for a sustained period reminiscent of the Cold War; or multipolar, with several strong centers of influence shaping global affairs.

A look at the numbers offers perspective. The United States currently accounts for roughly 25-26 percent of global GDP, while China contributes about 17 percent. The European Union accounts for 16-17 percent of the world economy but lacks unified military capacity—neither its member states nor the EU as a whole can project comparable military strength. Russia, meanwhile, despite maintaining one of the world's most powerful militaries, is only the tenth-largest economy, accounting for less than 2 percent of global GDP. India, at about 7 percent, and Brazil, around 2 percent, are significant emerging players, yet neither matches the economic weight of the U.S. or China (nor even Russia's military might).

These figures suggest that the world is moving toward a new form of bipolarity, in some respects reminiscent of the Cold

War era when the U.S. and the USSR dominated global politics—but with crucial differences. Unlike that earlier confrontation, today's emerging bipolarity is shaped by deep economic interdependence, intricate global supply chains, and intense technological competition, which together make direct confrontation costly while creating incentives for selective cooperation.

Examining these similarities and differences helps clarify the contours of the new equilibrium, which is gradually taking shape. One thing is clear: the pace of change may be faster today, driven by economic integration, technological rivalry, and competing models of governance.

How—and how quickly—lesser powers and regional actors (including keystone states) respond to this evolving landscape will be crucial, not only for their own futures but also for the broader balance of power between Washington and Beijing.

This dynamic also makes both the U.S. and China, to varying

Today's emerging bipolarity is shaped by deep economic interdependence, intricate global supply chains, and intense technological competition, which together make direct confrontation costly while creating incentives for selective cooperation.

degrees, dependent on the choices of other players navigating this shifting horizon. In turn, these developments will shape not only the balance between the two great powers but also grant middle powers and regional actors greater flexibility—

and, consequently, a stronger sense of sovereignty.

From Mountains to Drifting Ice

During the Cold War, the world resembled two formidable mountains: the United States dominating the 'West' and the Soviet Union dominating the 'East.' Washington led North America and Western Europe, while Moscow controlled Eastern Europe and parts of Southeast Asia. The competition extended to South America, Africa, and other regions of Asia. Smaller states had little room to maneuver—the superpowers largely dictated their politics. The system was rigid, with very few exceptions—such as Yugoslavia, which remained in the Soviet camp

but showed some ‘disobedience’ by maintaining economic ties with the West and allowing limited private property.

Today’s emerging bipolarity between the U.S. and China looks different. It is less like two rigid mountains and more like two gigantic ice masses drifting in an unstable ocean. Around them float other large ice pieces: Europe, India, Russia, Brazil, key-stone states, and alliances. Many smaller pieces—lesser powers, smaller countries—also move fluidly: sometimes drifting closer to one pole, sometimes toward the other, and sometimes remaining in between.

During the Cold War, countries like Poland had virtually no independent voice in their relations with Moscow; in turn, Western Europe’s key states, like Germany, rarely deviated from Washington’s line. Today, however, Poland plays a more active role in shaping its relationship with the U.S. than it did in its former relations with the USSR. In turn, Germany, though acting cautiously, is increasingly asserting an

independent voice in international affairs.

This fluidity creates opportunities for other states—both large and small, more and less powerful, more and less influential—to advance their own interests while forcing the U.S. and China to account for them.

Today’s emerging bipolarity between the U.S. and China is less like two rigid mountains and more like two gigantic ice masses drifting in an unstable ocean.

India illustrates this dynamic: it leaned toward the U.S. for decades, but after Washington imposed tariffs over Russian oil imports, New Delhi moved closer to Beijing—a shift that could

reverse again if political calculations change. Another example is Azerbaijan—far smaller than both the U.S. and China in territory, economy, and military power—yet able, through careful maneuvering, to protect its own interests in relations with both. The

The Battlegrounds of Competition

The rivalry between Washington and Beijing spans many areas—ideology, economics, military balance and alliances, new frontiers such as space, the Arctic, and advanced

technologies, as well as culture. Many of these arenas echo Cold War patterns, but they also differ in fundamental ways. Six then-vs.-now elements will be compared.

First, *ideology*. Unlike the Cold War, there are no longer fierce ideological battles. The Soviet Union and its socialist-communist appeal are gone. The United States, which, after 1991, enjoyed three decades of unrivaled dominance and sought to shape the world in its own liberal-democratic image, had to scale back these ambitions.

Two factors explain this retreat. First, U.S. economic strength has weakened, limiting its ability to influence other countries. Second, liberal democracy no longer appears as irresistible as it did in the early 1990s, when it triumphed over Soviet communism. China's experience has shown that alternative models of governance and development—including mixed systems, like its own, rooted in meritocratic governance—can succeed.

As a result, ideology plays a much lesser role in today's rivalry. China's emphasis on sovereignty and non-interference appeals to many states weary of external pressure. Even more strikingly, elements of current U.S. politics—such as Donald Trump's America First

posture—resemble Beijing's long-standing focus on self-interest, centralized governance, and internal priorities. In this sense, China appears to be winning the less visible ideological contest.

Second, *the economy*. As ideology has faded, economics has become a primary battlefield. Half a century ago, the U.S. produced over 40 percent of global GDP, while China accounted for just 4 percent. Today, as noted above, America's share has fallen to around 25 percent, while China's has risen to more than 17 percent. By purchasing power parity (PPP), China surpassed the U.S. as early as 2014-2015. By nominal GDP, it could overtake the U.S. within the next five to six years if current trends continue. Even with growth slowing to around 5 percent last year, the sheer size of China's economy ensures that its annual expansion remains substantial, reinforcing Beijing's leverage in global trade, technology, and investment—the key arenas of U.S.-China strategic competition. China also holds foreign currency reserves and gold reserves four times as large as those of the U.S. In turn, U.S. foreign debt is six times higher than China's. China is equally successful in trade. For example, in 2002, the U.S. was the largest trade partner

of all South American countries, except Cuba. In 2024, China was the biggest trade partner of all South American countries except for Colombia.

Moreover, the nature of economic relations has changed significantly since the end of the Cold War. Back then, ideology acted as a barrier between the two ‘mountains.’ Now, with that barrier thinning or even disappearing, the world economy has become highly interdependent. There may be something to all the talk of deglobalization or bifurcation, but only when compared to the very peak of globalization in the 1990s and 2000s (and even then, it’s not that great a difference).

Unlike during the Cold War, when U.S.-Soviet economic ties were insignificant, U.S.-China competition cuts directly through the same global economy. The two remain deeply interdependent: they trade daily in massive amounts, even as they impose tariffs and sanctions on each other. This makes economics and technology—semiconductors, artificial intelligence, green energy, space—the main battlegrounds of their rivalry.

China also seems to enjoy structural advantages. With a population 4.5 times larger than the U.S., two

points stand out. First, it will take much longer for Chinese labor costs to reach developed-country levels, ensuring that foreign investment continues to flow into China for longer than it did into the U.S. during its rise. Second, the size of China’s internal market, with growing purchasing power, helps the country absorb external shocks—such as the 2007-2008 housing crisis—much better than the United States.

Third, *military power and alliances*. The United States still possesses the world’s most advanced military. In the early twentieth century, rapid economic growth turned America into the world’s largest economy and, within decades, a leading military power. Similarly, China today—with a GDP approaching that of the United States—is already translating its economic might into military strength. Yet, as current events show, the pace of change has accelerated, and gaps in military capability can close faster than they did a century ago. The conflict over Ukraine, for example, drains U.S. and European resources, indirectly strengthening China’s strategic position. Back then, two world wars enabled Washington to surpass Britain in a relatively short time, particularly in military capability.

Much like the United States in the first half of the twentieth century, Beijing now seeks to avoid direct confrontation, focusing on peaceful competition while building economic and technological strength. Washington, by contrast, has incentives to entangle China in conflicts that would sap its strength—much as two devastating wars blunted Germany’s potential. Conscious of these risks, China remains cautious about wars that might undermine its development.

Flashpoints already exist—in the South China Sea, around Taiwan, and across the Indo-Pacific. Proxy wars, sanctions, and economic tools dominate, but the risk of escalation remains. Thus, not only military strength but also alliances will be decisive. The U.S. is building up a circle of partners around China, including Japan, South Korea, the Philippines, Thailand, Australia, India, and others. China, in turn, through the Shanghai Cooperation Organization (SCO), is developing its own security networks and maintaining friendly relations with states at odds with the U.S., such as Iran, Venezuela, and Russia, while also managing tensions within that circle through diplomacy rather than confrontation, as shown by its engagement with India at the recent SCO meeting after the U.S. imposed tariffs on India for buying Russian oil.

It remains unclear to what extent Beijing anticipated or influenced Russia’s invasion of Ukraine. But three points are evident: the war benefits China by diverting U.S. attention and resources; it also allows Beijing to buy Russian energy and materials at below-market prices; and it occurred immediately after Russia’s withdrawal from Kazakhstan following unrest there, and immediately after the Beijing Olympics. Taken together, these suggest that China was at least aware of Moscow’s intentions, if not encouraging of them.

Trump understands the strategic opportunity of splitting Russia from China and, therefore, invited Putin to Alaska. But the price Putin demanded was too high, and Trump could not deliver it at the time. But he also understands that the longer the conflict over Ukraine goes on, the more likely it is that Russia becomes China’s Belarus.

We may thus see future U.S. attempts to involve China in conflicts with its neighbors allied to Washington. Yet two factors give Beijing an advantage and may help avoid war. First, its centralized system enables it to scan the environment more effectively and take preventive measures without rushing into conflict. Second, what we may call its “Sovereignty

First” foreign policy (coupled with its economic might and trading advantages) makes it harder for Washington to mobilize others against China.

During the Cold War, the U.S. and USSR managed to avoid direct military confrontation. The most serious threat—the Cuban Missile Crisis in 1962—was resolved through statecraft, the reaching of accommodations, and mutual compromise by the leaders of both superpowers. The open question is whether the present-day leaders of the U.S. and China will be able to demonstrate the same level of accountability in the face of direct confrontation, for example, over Taiwan.

Fourth, *technology and the new frontiers*. Over the past five years, 1.5 times as many patents have been filed in China as in the United States, underscoring Beijing’s determination to outpace Washington in technological innovation. Backed by vast financial reserves, Beijing can lure global talent with compensation packages that equal or exceed those of Silicon Valley, turning the tables on one of America’s longstanding advantages. What once was a country restricting the mobility of its own citizens has now become a hub, confident in both retaining its

brightest minds and attracting foreign expertise. This transformation illustrates not just China’s capacity for catching up, but its ambition to set new global standards in science and technology.

Washington, for its part, strives to maintain leadership by deepening technological cooperation with allies. Trump’s recent visit to the U.K., which produced a \$360 billion high-tech agreement and meetings with CEOs of major U.S. AI and communications companies, underscores the centrality of technology in the ongoing U.S.-China strategic competition.

Until recently, China was often seen primarily as copying and stealing Western technology—a view that still persists in many analyses. However, copying is frequently the first stage in industrial competition. Some countries never progress beyond it, while others eventually innovate. China has now moved decisively into that second phase. Its advances in AI, biology, chemistry, nanotechnology, digital and military technologies—combined with the scale and breadth of its innovation system—demonstrate that it is no longer merely catching up but beginning to drive innovation. This trajectory suggests that it is likely to succeed in these fields as well.

Consider that, in 2024, 34 percent of first-year Chinese university students studied engineering, compared with just 5-6 percent in the United States. It is widely recognized that technical specialists, rather than humanitarian ones, are the primary drivers of national progress.

Relatedly, space, the Arctic, and Antarctica are emerging as new frontiers of strategic competition. Trump's remarks on Greenland and Canada highlighted not only U.S. ambitions but also an awareness of their geostrategic importance. China, in turn, relies on cooperation with Russia to secure advantages in the Arctic. Competition in space is also set to intensify, and the concept of "colonies" on the Moon may soon become a realistic prospect.

Fifth, *culture and soft power*. The U.S. benefited greatly from the fact that its main rival and predecessor as global hegemon—the UK—spoke the same language. The simplicity of the English language and script helped its global rise. Schools, universities, and scientific publications worldwide continue to use English. Without it, advances in science, culture, business, and finance would be much more difficult.

China is a different story. Mandarin has a complex script and is not widely studied outside the Sinosphere, so China must develop a new system of soft power. Should it continue to use English, or attempt to promote Mandarin as a global language? Will Chinese films rival Hollywood worldwide? Will Chinese universities attract tens of thousands of foreign students, as is currently the case in the U.S. and the rest of the Anglosphere? Will universities outside China massively offer courses of study in Mandarin, as is the case with English in many universities around the world today? These and many other questions likely remain open for China's leadership and intellectuals.

Sixth, *internal strength vs. internal division*. In a world of drifting ice masses, the country that maintains internal stability (a consistent internal temperature, which prevents melting) gains an edge. On this score, China projects unity and stability through long-term strategies, centralized governance, and fewer visible divisions.

The United States, by contrast, suffers from polarization. Its democratic openness is both a strength and a weakness. When Trump claims that the war in Ukraine began due to a flawed Biden Administration foreign policy, he

is not merely attacking his predecessor and his team—he is undermining America’s global credibility.

Lobbying delivers another blow to U.S. integrity and image. The influence of powerful groups—especially the pro-Israel lobby—shapes Washington’s Middle East policy in ways that generate resentment not only in Muslim countries but also in many non-Muslim ones. These dynamics work to China’s advantage, as Beijing emphasizes sovereignty, avoids entanglement in ideological disputes abroad, and presents a more balanced position, less influenced by internal lobbies promoting external interests.

Another difference lies in speed. China’s centralized decisionmaking system allows it to adapt more quickly to shifting circumstances. By contrast, the U.S., with its pluralistic and divided politics, often reacts more slowly. This agility gives Beijing an advantage in today’s dynamic international environment.

The Silk Road Region as a Lens on Emerging Bipolarity

Recent developments in the South Caucasus and Central Asia vividly illustrate how global bipolarity plays out in the Silk

Road region. Keystone states and smaller countries alike increasingly navigate between Washington and Beijing, seeking tactical gains while testing the limits of Moscow’s influence.

On 8 August 2025, Azerbaijani President Ilham Aliyev and Armenian Prime Minister Nikol Pashinyan traveled to Washington, where, under Donald Trump’s auspices, they signed a Memorandum on the Trump Route for International Peace and Prosperity (TRIPP), establishing a framework for opening the Zangezur corridor. Yet only weeks later, both leaders attended the SCO summit and the military parade in Beijing marking the eightieth anniversary of the end of World War II—signaling openness to China’s parallel institutions. Both countries have also applied for SCO membership.

The contrasts in their behavior further illustrate the region’s balancing game, akin to icebergs of different sizes floating in the ocean. Pashinyan also appeared at Moscow’s Victory Day commemoration, while Aliyev demonstratively stayed away, signaling Azerbaijan’s discontent with unresolved issues stemming from its downed passenger plane. An accommodation was reached a few months later, but relations

worsened further before they got better: Azerbaijan successfully resisted Russia's attempt to steer the country away from its independent course. Armenia's Pashinyan may have attended the 9 May parade. Still, he has firmly refused to participate in CSTO meetings, seeing little utility in the organization, and has hosted joint trainings with U.S. forces in Armenia. Such calibrated maneuvering is likely to continue, as regional leaders seek to maximize gains while avoiding overdependence on any single great power.

These moves highlight a broader pattern: Russia still exerts influence but lacks the levers to impose outcomes even in its immediate neighborhood. Its failure to implement the 10 November 2020 Moscow-brokered ceasefire provisions on reopening transit between mainland Azerbaijan and its Nakhchivan exclave exposed both political weakness and waning soft power. Washington's success in advancing TRIPP further underlined Moscow's diminished role, showing that the Kremlin is losing ground not only in Eastern Europe or the Middle East but also in the South Caucasus (and other parts of the Silk Road region, including those geographically closer to China). Looking ahead, Moscow's influence may continue to contract unless it reinvents its regional role.

China, by contrast, steadily expands its economic and political presence. Chinese goods already transit westward via Azerbaijan, Georgia, and Türkiye at rapidly rising rates, making Baku an important BRI hub.

At the October 2025 Valdai Club meeting, Putin stated that roughly 25 percent of the uranium used in U.S. nuclear power plants is sourced from Russia—this resulted in over \$800 million in export revenue for the first eight months alone—and accused Washington of hypocrisy for pressuring allies to cut imports of Russian hydrocarbons while maintaining its own uranium purchases. Keen to avoid such charges, Washington is looking to Kazakhstan and Uzbekistan, two major uranium producers, for an alternative supply.

Here again, Azerbaijan becomes a pivotal transit hub, since the West sanctions land routes through Russia and Iran. In the medium term, this dynamic raises the Silk Road region's strategic importance for both Washington and Beijing, while creating opportunities for Central Asian exporters. Notably, four out of five states along the Middle Corridor—Azerbaijan, Kazakhstan, Türkiye, and Uzbekistan—are members of the Organization of Turkic States (OTS), with Georgia maintaining

strong strategic ties to both Ankara and Baku.

This increases Azerbaijan's leverage. While Baku is eager to see the Zangezur corridor open, it insists on unimpeded transit under its own conditions. Unlike under previous U.S. administrations, Washington now appears less inclined to pressure Azerbaijan and Türkiye to accept Armenia's terms, as publicly available information about TRIPP suggests. With functioning routes through Georgia and with Chinese trade already flowing across its territory, Baku can afford to wait until its expectations are met. If TRIPP is fully realized, Azerbaijan could emerge not only as a transport hub but also as a geopolitical broker, mediating between rival corridors and spheres of influence—a role with long-term implications for regional stability. Armenia, too, stands to benefit if it carefully weighs the pros and cons of participation.

Taken together, these dynamics demonstrate how the Silk Road region has become a testing ground for the new bipolarity. The U.S. and China are the dominant

poles, while Russia struggles to hold ground, and keystone states seek to convert great-power rivalry into opportunity. Over the next decade, whether through TRIPP, energy corridors, or Chinese transit routes, the region's choices will shape not only its own trajectory but also the broader strategic balance between Washington and Beijing.

Navigating the Times Ahead

The world is steadily moving toward a new bipolarity. However, the new bipolar world will not replicate the one that existed during the Cold War. It will be less about rigid blocks and more about constant maneuvering. The new bipolarity leaves room for countries that know what they're doing to thrive by embracing a posture of what the Co-Editor of *Baku*

Dialogues, Damjan Krnjević Mišković, calls “strategic transactionalism.” Such states will shift positions depending on circumstances, sometimes leaning toward Washington, sometimes toward Beijing, and often keeping their options open. This

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makes the competition more unpredictable and more challenging to manage for both Beijing and Washington.

The United States now faces structural limits: internal polarization, economic challenges, and a reduced ideological appeal. China, meanwhile, plays the long game, betting that domestic cohesion and strategic patience will eventually tilt the balance in its favor. Potential challenges include whether, while playing this “long game,” it can also sustain harmony with the market-oriented approach of the Communist Party’s monopoly on power and the country’s long-term centralized system of competitive governance.

A universal truism reminds us that nothing is for sure. As mentioned earlier, Germany had the opportunity at the beginning of the twentieth century to become one of the world’s leading countries. However, due to both its own mistakes and its rivals’ actions, it lost this opportunity. China clearly possesses such a capacity. The question is whether it will be able to realize this potential.

Besides internal issues, external factors also may play a role. Lacking a strong ideological counterweight and struggling to contain China’s economic rise, Washington’s remaining tool is indirect

confrontation—encouraging proxy conflicts that might slow Beijing’s ascent without triggering direct war. A direct conflict between two nuclear superpowers would be catastrophic for both and for the world.

The trajectory of relations will also depend on whether China can assert itself without making the U.S. feel embarrassed or humiliated—and, conversely, on how tolerantly the U.S. responds to the emergence of a peer (or near peer) power in the international arena.

The foregoing suggests, therefore, that the struggle between the eagle and the dragon is not about who first strikes the final decisive blow, but about who can better adapt to a fluid, shifting environment—and who can endure and remain steady while the temperature in and around them rises and falls dramatically over time.

A Harbinger Call?

As this edition of *Baku Dialogues* was going to press in late November 2025, a phone call between Xi and Trump took place. A harbinger of what’s to come may be the Chinese readout of that conversation, which one of the most astute observers of the Sino-American relationship, Arnaud Bertrand, assessed as follows: “China is attempting the

most significant reframing of U.S.-China foundational narrative in fifty years.”

The Chinese readout of the call asserted that “Taiwan’s return to China is an important component of the post-war international order,” but the broader context was an affirmation that China and the United States must work “jointly” to “maintain” the WWII victory fruits” over “fascism and militarism.”

Bertrand believes the foregoing is an indication that Beijing has re-framed the

foundational narrative of U.S.-China relations from post-Nixon to post-WWII, which would change the very nature of the relationship, from pragmatic accommodation between adversaries to historical allies with shared responsibility.

If Bertrand is correct, then the Xi-Trump call might come to be seen in retrospect as the moment when China accepted the G2 idea, which was initially put forward by the United States at the highest level during the Obama Administration and revived explicitly by Trump one month before his call with Xi.

In other words, the eagle and the dragon, as the G2, might seem to

be heading toward a strategic accommodation to shape and oversee world order. This would be entirely compatible with something Kissinger said in 2011: “The future of the world depends on the relationship between China and America. China and the U.S. should further seek common interests for the world’s peace and security.”

I conclude with a final observation: Trump will host Xi at the White House for an official state visit next year—only the fifth such visit of a Chinese leader since the restoration of bilateral ties between the two giants more than five decades ago (it will also be the first in 11 years, and the first ever for Xi). The Chinese leader will also host his American counterpart in China in 2026. They may meet in person two (or more) additional times over the next 12 months at the margins of multilateral summits. This strongly suggests that they will have plenty of opportunities to talk things through—to set up a “new type of great power relations” on non-ideological grounds.

In so doing, they may end up burying for good any hope for the “rules-based liberal international order” that some in the West and a few in the non-West still believe can (and should) define an equilibrious world order in the twenty-first century. BD