



Energy geopolitics in Caspian Sea basin: A case study from Russia's perspective

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Abstract

This article deals with the geopolitical and geo-economic importance of Caspian Sea Basin, how the geopolitical indispensability and economic viability of this region giving birth to geopolitical rivalry. Cupidity among different nations to exploit the rich energy resources has created a complex web of international politics in Caspian Sea region. It focuses particularly on Russian policies towards Caspian basin geopolitics. The role and importance of other players, position and interest will be dealt with in the changing geopolitical environment of the region.

Keywords: geopolitics, central Asia, Caspian basin, energy politics

Introduction

The current Geopolitical situation in the Caspian region revived the old memories of 'Great Game' played by two imperialist power of that time i.e. Russia and Great Britain across the region extending from the Balkans to Afghanistan (Kuniholm 2000) ^[1]. According to some scholars it was British East India's Company officer Arther Conolly who first called this hustle of power as 'Great game'. This 19th century quest of power between Russia and Great Britain were projected in different ways by scholars. Some had argued that it was the ambitious project of Britain to secure its position in Central Asian region. But many academicians had pointed that the Britain plan was not to secure Central Asia but to secure and safeguard its much wealthier colony India from Russian southward expansion. Russian move towards south of Central Asia was guided by economic regions. Russia wanted to create a market for its good and to take advantage of the cotton production region. The 'Old Great Game' has evolved through three different phases (Hopkirk 2002) ^[2]; the first phase began in late 18th century and early 19th century with the expansion of Russian empire in the Caucasus and Central Asia. This phase saw a diplomatic trend i.e. sending and appointing a diplomat in the region by both the side, no military aggressions were seen. Second phase started in 1907 and lasted for ten years and ended in 1917 during Bolshevik revolution. Third phase started after Bolshevik revolution (1917), both sides were busy to secure their position and to maintain power equation; methods adopted were same as in first and second phase.

After the old version of 'Old Great Game', new 'Great Game' emerged with the end of World War second and beginning of Cold War. During this period power balance sifted towards USA. The 'New Great Game' emerged in this region as a result of competition for power, influence, hegemony, and especially to harvest the energy resources. It is important to note that Caspian hydrocarbon is a focal point of power rivalry in the region. Caspian energy resources have gained significant importance from neighboring countries as well as from

outside countries. In order to get share of these resources, major international companies are involved in the region, making Caspian region as political 'Hot Bed' in the world (Edward 2003) ^[3]. It is important to note that the old version of Great game and new version of Great Games are different in many ways. The older one was imperial in nature, the main motive of Russia and Great Britain was to expand their territory in order to secure their area of dominance. In the old Great Game there were only two countries involved i.e. Russia and Britain. But in the newer version of Great Game more than two powers (countries) are involved with varying objectives i.e. to gain economic benefits and strategic advantage.

Ambitions and the Strategies of the Great powers in the Regional context

"With the billions of dollars and crucial strategic influence at stake, the struggle for control over the vast oil resources in the Caucasus and Central Asia is a tale of political intrigue, fierce commercial competition, geo-strategic rivalries, ethnic feuding and elusive independence"(Shams-ud-din 2000) ^[5]. The Caspian Region is located between the crossroad of Europe and Asia, connecting European Christianity to Asian Islamic region. Apart from this positional advantage, this region has a great amount of energy reserves which makes this region geo-politically and geo-economically important. The Caspian basin is presuming to be the world's third largest source of natural gas and oil after the Persian Gulf and Russia. The United States energy information administration has estimated that the Caspian oil potential is more than 30 billion tons, which is very similar to the potential of Saudi Arabia (Rasizade 2004) ^[8]. But due to the lack of knowledge and unclear information about the energy resources in the Caspian, it's very difficult to give an accurate data about the Caspian's energy potential. According to the British petroleum statistical review of world energy, the Caspian oil potential (excluding Iran and Russia) represents about 3% of world total oil production and 5% of the gas potential of the world production (BPSR 2011). EIA has

estimated that the Caspian region has world largest undiscovered reservoir of energy resources. According to the world energy outlook the production of oil in the Caspian region will grow from 2.9mb/day in 2009 to 5.4mb/day by 2025-30, whereas the Caspian gas production is likely to increase from 159 bcm in 2009 to 260- 70 bcm in 2025 and 310 bcm in 2030. The benefits of developing and exploiting the Caspian region's oil and gas are clear. First, there is a huge gap in the production and demand of oil in the world. It is expected that in future consumption level is likely to grow faster than the production. In order to fill this gap Caspian energy can provide an alternative option to the oil and gas importing nation. It is important to throw light on the fact that the Caspian Sea and its hinterland fall within the strategic orbit of several powers of different size, capability and ambition. Some powers had already exploited the energy resources of the region for their economic gain. Others newly independent countries i.e. Azerbaijan, Turkmenistan and Kazakhstan are engaging themselves in this region to capture the energy resources through the help of external countries as they are landlocked. So in order to step-up into the world markets these countries are bound to depend on countries that have Sea coast.

The main players in the Caspian energy scramble

The powerful and dominant states and multinational companies are always in search of new oil and gas fields. The Caspian hydrocarbons reserves have become a source for international political and economic competition for following reasons:

- The former Soviet states in the region had faced a continuous negligence under the Soviet rule which led to their technological paralysis. So, for the technological reasons it was crucial for these nations to get outside help for enhancing capital to exploit their ample energy resources. Thus the external involvement was necessary for the success of different energy projects in the region.
- Geographical location of these former Soviet states poses major crisis as they are landlocked and dependent on neighboring countries for the export of their oil and gas in the global market. The only possible way to advance in the global market is to build up pipelines or shipping facilities for export. The only pipelines running during Soviet dissolution went from Baku to Russian port of Novorossiysk, Central Asian gas pipeline runs through Turkmenistan-Uzbekistan-Kazakhstan to Russia and Northern Russian pipelines. The up gradation of these pipelines was major priority for local and outside actors and also making new ones was a top priority but it will require a lot of capital and political stability in the region which is messed up with violence.
- The countries of Caspian region got their independence as a surprise which made them politically and economically weaker countries. Therefore the region seeks help from outside for its survival, which makes it as an instrument to be used for political rivalries by major Actors such as Russia, China and United States. As these countries are politically and economically dependent on the major

powers, therefore, it becomes easy for such powers to manipulate them for their own benefits. Thus, these are used as objects for geopolitical competition. But with the passage of time, the region is becoming independent politically and now it has started its own geopolitical course.

In order to achieve a comprehensive understanding of Caspian geopolitics, it is necessary to analyze the dynamic forces within the five littoral states and those outside forces which are involved in the region, their national interests, which form the basis of their interaction with one another and with the outside world. The coast of the Caspian Sea is shared by five states i.e. Russia, Azerbaijan, Iran, Kazakhstan and Turkmenistan. All the littoral states except Iran are the part of former Soviet Republics. As Iran struggles with internal and external conflicts, other states except Russia are engaged in the process of state building, political and economic transition from Soviet rule. Consequently these five littoral states suffer from various degree of political uncertainty, which has had a direct impact on the geopolitics of the Caspian (Dekmejian and Simonian 2001) [6].

Russian objectives: Maintain Dominance

Russia is one of the key players in the Caspian region. Its presence in the region for over one and half century and close historical and cultural ties with newly independent states have determined its leading position in the region. Besides historical-cultural factors, Russia possesses relatively strong military potential being the strongest among the littoral states. After the disintegration of the Soviet Union, Russia emerged as a largest successor state of the Soviet Union. *“Moscow initially was intent on charting a course of Westernization and approached most of the region with what Most of the transit routes were under the Russian control that means the “economic lifeline” of the newly independent states was dependent on Russia. It is important to note that during initial years of independence Caspian oil and gas deposits did not gain any political significance rather production of oil declined regularly till 1995. Due to its ethnic and cultural proximity Kazakhstan remained on Russian policymaker’s concern more than other former Soviet states. During mid 1990s Russian foreign policy direction changed drastically which neglected the “westernization” ideology and adopted the so called “near abroad” approach. This “near abroad” or “Monroe ski Doctrine” asserted special rights for Russia in the post-Soviet space. This “near abroad” approach took various forms:*

- Russian support to Abkhazia against Georgia and providing assistance to Karabakh Armenians.
- Supporting the coup action against Azerbaijan’s pro-western president Abulfaz Elchibey.
- Putting pressure on Kazakhstan president Nursultan Nazarbaev to grant dual citizenship and other rights to ethnic Russian.
- Limiting the Kazakh oil transport which flows through Russian route blaming that Kazakh oil was too sulfuric to be transported.
- Controlling Turkmenistan gas supply by not allowing it to sell gas to Europe at low price.

The reasons for this drastic shift in Russian policy were many as described by international and domestic political observers. Among these reasons which stands strong i.e. Russia's fear of losing its control in the region which was previously part of Russian dominance or influence. This Russian fear was not baseless and ungrounded. The CIS through which, Russia had tried to maintain its position and influence in the region is becoming week day by day.

Russia's policy under Putin

After assuming power in 2000, Putin advocated more aggressive foreign policy citing that CIS would be "our absolute priority". Improved Russian economic condition provided Moscow an opportunity to regain its former Super power status. Putin appointed former energy minister Viktor Kaluzhny as a president special representative to Caspian issue and he himself visited several Caspian states to maintain strong relation with these countries through energy development projects. Under the Putin presidency the new direction towards Caspian regions are as follow:

- By rejecting the idea that CIS republics are sovereign states, independent nations and not under the control of Russian sphere anymore. Russia is showing its influence on such republics which are moving away to fulfill its interests.
- Russia is using the trick of creating separatist tensions in these republics, in order to keep these republics aloof from the west. For example giving sponsorship to the quasi-states of Abkhazia and South Ossetia. These were separated from Georgia in 1992-93. Moreover, in Azerbaijan, it is not putting pressure on Armenia to leave its territories of Nagorno-Karabakh.
- By bribing and entrusting local administrations in the north Caucasian Republics to suppress the nationalist feeling among the locals over there.
- In the economic sphere, Russia tries to encourage its companies to penetrate key sphere of economic activity, through the exertion of heavy handed pressure on trade partners. It influences in the whole domain of energy deliveries and pricing, pipeline routes and electric grid.

Thus, it is visible that Russia, attempted a targeted and diplomatic approach towards Caspian region to grasp its energy resources and keeping the region away from western interest. But, the Caspian region get closer to west and Azerbaijan thanking western investment in the region so that the republics can now be free from the pressure of Russia and could no longer be bullied by Russia anymore. The kind of policy Russia adopted was sometimes fruitful and sometimes not. It was in both way, gain and loss. Moreover, Russia to have beneficial future relations with these republics should follow cooperating policies and should start considering these nations as independent nations and, therefore, no more use of power and pressure.

Conclusion

The Caspian region is witnessing intense geopolitical rivalry because of the large amounts of oil and gas reserves in the region. This rivalry is currently focused on the control over extraction and transportation of oil

and gas from the region. The crucial issues are: the large reserves of oil and gas, claims of ownership over these resources by various countries, multiple route options for pipelines, environmental concerns, social and political conflicts and the growing militarization of the region. The struggle over pipeline routes for transportation of oil and gas from the region is a key indicator of the intense geopolitical rivalry in the region. Due to successor state of Soviet Union, Russia holds an important role in the region. It is the single largest trading partner of the newly independent states. Most of the newly independent countries during its initial phase of independence heavily depended on Russia for their economic and political development. Russian policy of "westernization" forced these nations to adopt multi-vector foreign policy in order to enhance their economic and political development.

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