CHAPTER 1

INTRODUCTION

Introduction

Energy is a fundamental driver of growth and development around the world, and the use of energy has been steadily expanding along with the world economies. For less developed countries in particular, energy is a key enabler of growth, but also a hindrance to growth if unavailable, or only available, at high prices. Great wealth and prosperity may enhance national security by providing the underpinnings of more peaceful, democratic, and cooperative relations. But they also bring increasing pressure on world energy markets—particularly markets for oil—on which most of the world’s transportation depends, and markets for gas, on which a growing share of the world’s electric power production depends. Greater competition for limited fuel supplies may take the form of higher prices, which curb economic growth of developing economies.

Secure stable energy supplies for reasonable prices have become the major concern of the security policy equally important to military security of every state. The steadily increasing consumption and energy price hikes has become a major factor in the foreign policy decision making of all countries. For decades, most of the countries imported oil and natural gas from the states in the Middle East, which had reached its peak by the energy crisis popularly called ‘Oil Shock’ forcing major oil consuming countries like United States and the European Union to search for other options to ensure energy security through the diversification of sources. The declining share of the Organisation of Petroleum Exporting Countries (OPEC) in the international oil market from 53% in 1974 to 38% in 2002 mainly due to Russian oil output rises shows Russia’s importance in emerging energy politics in the region. India’s recent entry into the complicated Caspian region is another example of the growing importance of energy security in the developing world (International Energy Agency 2005).

"The coming century could be marked by recurrent resource wars, as the great powers struggle for control of the world’s hydrocarbons" (Gary 2005:57). The importance of securing adequate energy especially oil and natural gas has been a major issue, facing all countries. With looming energy shortages, the risk of conflict over energy access and
the wealth fossil fuels generate is certain to go up. Throughout history, competition over
the control of key supplies of vital raw materials has been a source of friction between
major powers, and there is every reason to assume that this will continue to be the case.

Three factors are dramatically affecting international energy markets today: the
rise of China and India as major global economic powers, the continued growth in U.S.
energy demand, and instability in key oil-exporting regions (Brooking institute 2004).
Prospects for stable production are increasingly linked to internal political issues and the
regional ambitions of major suppliers. As energy security is becoming a more important
factor in countries' national security and economic development calculations, these
dynamics will affect the global balance of power.

From Washington to New Delhi, Caracas to Moscow and Beijing, national leaders
and corporate executives are stepping up their efforts to gain control over major sources
of oil and natural gas as the global struggle for energy intensifies. Never has the
competitive pursuit of untapped oil and gas reserves been so acute, and never has so
much money as well as diplomatic and military muscle been deployed in the contest to
win control over major foreign stockpiles of energy. To an unprecedented degree, a
government's success or failure in these endeavours is being treated as headline news, and
provoking public outcry when a rival power is seen as benefiting unfairly from a
particular transaction. With the officials of numerous governments coming under
mounting pressure to satisfy the needs of their individual countries at whatever cost the
battle for energy can only become more inflamed in the years ahead.

This struggle is being driven by the fact that global supply of energy is not
growing fast enough to keep up with skyrocketing demand, especially from the United
States and the developing nations of Asia. According to the U.S. Department of Energy
(DoE), global energy consumption will grow by more than 50% during the first quarter of
the 21st century from an estimated 404 to 623 quadrillion British thermal units (BTUs)
per year. Oil and natural gas will be in particular demand. By 2025, global oil
consumption is projected to rise 57%, from 157 to 245 quadrillion BTUs, while gas
consumption is projected to have a 68% growth rate, from 93 to 157 quads (Energy
Information Administration US 2002). It appears increasingly unlikely, however, that the
world’s energy firms will actually be able to deliver such quantities of oil and gas in the
coming decades, whether for political, economic, or geological reasons. With prices rising all over the world and serious shortages in the offing, every major consuming nation is coming under increasing pressure to maximize its relative share of the available energy supply. Inevitably, these pressures will pit one state against another in the competitive pursuit of oil and natural gas. In the past, such zero-sum contests between major powers over valuable resources have often led to war. Whether that will prove to be true in the case of oil and gas remains to be seen. But the pressure to maximize supplies is already shaping the foreign policy decisions of many states and generating fresh international tensions. Consider, for example, the following recent developments (Klare 2005:35).

A decision by Japan to initiate natural gas production in a disputed area of the East China Sea sparked massive anti-Japanese protests in China on April 16, the worst outpouring of such animosities in over 30 years. Although leaders of both countries sought to diffuse the crisis by promising fresh efforts at reconciliation, neither side has backed off its claims to the offshore territories. While other issues also fed into Chinese popular discontent, notably Japan's reluctance to express regret for atrocities committed by its forces in China during World War II, Tokyo's unilateral move to extract natural gas from the East China Sea was the precipitating factor. At stake potentially is the ownership of a vast undersea gas field in disputed waters lying between China's central coast and Japan's Ryukyu island chain. Because the offshore boundary between China and Japan has not been established, neither side is willing to countenance the extraction of gas by the other in the disputed "national territory." Thus, when Tokyo announced on April 13 that it would allow drilling by Japanese companies in waters claimed by China, Beijing had no compunctions about allowing an unprecedented, weekend-long display of nationalistic fervour (Energy Information Administration US 2006).

During her first visit to India as Secretary of State, Condoleezza Rice called on New Delhi to back away from a plan to import natural gas by pipeline from Iran, claiming that any such endeavor would frustrate U.S. efforts to isolate the hard-line clerical regime in Tehran. "We have communicated to the Indian government our concerns about the gas pipeline cooperation between Iran and India," she said on March 16 after meeting with Indian Foreign Minister Natwar Singh in New Delhi. But the Indians let it be known that their desire for additional energy supplies trumped
Washington's ideological opposition to the Iranian regime. Declaring that the proposed pipeline will be necessary to meet India's soaring energy needs, Singh told reporters, "We have no problem of any kind with Iran." (The Hindu 16 January 2006)

One month after her meetings in New Delhi, Rice flew to Moscow and pressured President Vladimir Putin to open up Russia's energy industry to increased investment by American firms. Noting that Moscow's crackdown on the privately-owned energy giant, Yukos, along with proposed restrictions on foreign investment in Russian energy projects would discourage U.S. companies from collaborating in the development of Russia's vast oil reserves, Rice implored Putin to adopt a more inviting posture. "What Russia can do is to adopt policies in its energy sector in terms of the development of its energy sector that will increase the supply of oil both in the short term... and the long term," she avowed (Klare 2006). But while embracing Rice's call for enhanced U.S.-Russian relations, Putin evinced no inclination to back off from his plans to bolster state control over Russian energy companies and to use this authority to advance Moscow's geopolitical objectives.

On April 2006, President George W. Bush met with Crown Prince Abdullah of Saudi Arabia at his ranch in Crawford, Texas, and exhorted him to substantially expand Saudi petroleum output so as to bring down American gasoline prices. "The Crown Prince understands that it is very important to make sure that the price is reasonable," Bush observed before the meeting. "A high oil price will damage markets, and he knows that." Bush and Abdullah also discussed the Israeli-Palestinian conflict and the continuing threat of terrorism, but it was oil demand that dominated the Crawford summit (Ibid).

Highlighting the degree to which energy issues had come to overshadow more traditional security concerns, both Secretary of State Condoleezza Rice and national security adviser Stephen Hadley emphasized the importance of boosting world oil output in their comments on the meeting. "Obviously, with the states like China, India, and others coming on line, there is concern about demand and supply," Rice observed. "And these issues have to be addressed" (Bob 2005). Developments like these, and Rice's comments on the Bush-Abdullah meeting, capture the essence of the current energy equation: Demand is rising around the world; supplies are not growing fast enough to satisfy global requirements; and the global struggle to gain control over whatever
supplies are available has become more intense and fractious. Because the first and second of these factors are not likely to abate in the years ahead, the third can only grow more pronounced.

In the light of the importance attributed to energy, the energy rich regions in the world became more and more important especially countries rich in oil and gas. A volatile gulf region, Venezuela in Latin America, some African countries like Nigeria and Sudan, Russian federation and central Asian countries came into the lime light for this reason. The oil rich regions have always attracted the attention of developed and developing countries around the word. Powerful countries tried to influence or install friendly governments in these countries to ensure uninterrupted oil flow to their economies at cheap or moderate prices. In this regard, to understand the global energy security issues, the policies pursued by developed countries and big powers in oil rich regions are important.

Most of the world’s oil reserves are concentrated in the Middle East, and OPEC members control about two-thirds. For centuries, due to the power politics and struggle over the control of resources in the Middle East, various powers have supported numerous controversial regimes. The United States, Britain, France, and others supported dictatorships and monarchies, even overthrowing democracies. To the populations back home the reason often given for this was for “freedom”, “stability”, “containing the Soviet Union” and so on. For the people of the region that had their popular leaders overthrown and replaced with corrupt rulers, this was surely not freedom. Communism was an often-used reason around the world, not just the Middle East, even if it was not the case. As Noam Chomsky details, it was often a convenient excuse, but the underlying threat was often that nations might be able to use their own resources and be an example for others to follow (Chomsky 1993:55).

After the Second World War, with former Imperial Europe weakened, countries around the world had a chance to break free from colonial rule. This struggle for freedom and the Cold War had a geopolitical impact on the Middle East. Control of resources and access to oil became paramount; to the extent that dictators and human rights abusers were supported. The Israeli-Palestinian conflict is perhaps one of the most sensitive issues in West Asia. From the religious backdrops the region being centres of Judaism,
Christianity and Islam to the regional ally for the US that Israel is, the Palestinian people have been denied a right to their land. Recent events have destroyed the “peace” processes and extremist sentiments on both sides are on the rise again. The US mainstream media provides a very biased view of Palestinians. Arab leaders too are criticized for not truly representing their people. The West have heavily armed and backed the mighty Israel. To the West, Israel is an ally only because of the oil interests in the region.

Furthermore, what was going on around the world at the time of the end of the Second World War and the geopolitical changes that resulted are critical to understanding the policies and events in the Middle East. To summarize: With Europe weakened, the majority of the world, which was then under imperial and colonial rule, saw their chance to break free. Nationalist, revolutionary, and independence movements some violent, some peaceful, all started to take hold and Europe had little ability to maintain control. The sole remaining power that was really intact after the Second World War was the United States. Allied with Europe, the U.S. helped them rebuild with a massive injection of capital. The U.S. was also an imperial power for the past few decades, as pointed out by numerous writers such as Mark Twain, Howard Zinn, Noam Chomsky, J.W. Smith, Walden Bello and many others. The U.S. was now the de facto leader of the West. The Soviet Union, on the other hand, having faced the brunt of Hitler's forces, like Europe, had lost heavily and had been decimated; there were 7 to 27 million dead, much industry and infrastructure had been destroyed, substantial agriculture and livestock had been destroyed, and so on. Like most of the world breaking free, it did not have much economic assistance to rebuild, but was still able to recover quickly to partake in a terrible Cold War (Smith 1994:294-295).

Due to its rapid development and power, the Soviet Union additionally threatened to be an example for the other newly free nations that rapid independent development was possible. But this also meant a massive diversion of the traditional resources that had been flowing out of the global South, to those “imperial centres of capital.” To the West, then, the Soviet Union, from the start was seen as “evil” while to the third world, it was perhaps seen as an example that independent development was possible. It may not have necessarily been seen as a direct model to follow as its economic policies were flawed, even without the diversion of the Cold War, as well as the horrors and massacres.
resulting from the paranoia of Stalin, etc, but it was the idea that a nation could develop somewhat successfully, quickly, and without much assistance, that was a real threat to the West's historic source of resources.

The centuries-old view of the South, from the perspective of the West, was now changing. As Chomsky describes, the South was viewed as a service provider, and if possible, that was what had to be maintained, in order to preserve the wealth and balance of power (Chomsky 1993:45). The Middle East, then, has been quite important, geopolitically, due to the resources, and oil in particular. Because this has formed a backbone to the wealth of many nations today, maintaining control of those resources has been paramount. Hence, presence in the Middle East is for “stability” of oil flows: Saudi Arabia remains the cornerstone, producing 50 per cent of the whole world's oil supply. So in order to keep this economic balm flowing, to keep the status quo static and the balance sheets of the major oil companies brimming, the U.S. installed military as a kind of mega police force in the region. An official reason for being there is to ensure “stability,” one of the great buzzwords in the history of business, but this is nothing more than spin—the military is in the Middle East to guarantee that whatever comes out of the ground is exploitable and controlled by American multinationals (Angel 2001:3). In the Middle East, control of natural resources has been centuries-old politics. It had not changed, although the players may have, slightly. The United States therefore participated directly, or indirectly, in many wars and conflicts. In the Middle East, it was no different. In recent years its occupation of Iraq and the plans to attack Iran and Syria to install west/US friendly governments there make the picture clear that the struggle for energy will go on for years to come.

**Increasing global energy demand**

All economies—precisely our civilisation—run on energy. Energy is needed to produce food and manufacture goods, power machines and appliances, transport raw materials and finished products, and provide heat and light. The more energy is available to a society, the better its prospects for sustained growth; when energy supplies dwindle, economies grind to a halt and the affected populations suffer.
Increasing Demand for energy

Global demand for energy

Demand for renewable energy

Supply of fossil fuels
Since World War II, economic growth around the world has been fuelled largely by abundant supplies of hydrocarbons that is, by petroleum and natural gas. Since 1950, worldwide oil consumption has grown eightfold, from approximately 10 to 80 million barrels per day; gas consumption, which began from a smaller base, has grown even more dramatically. Hydrocarbons now satisfy 62% of the world's total energy demand, approximately 250 quadrillion British Thermal Units (BTU) out of a total supply of 404 quads. But no matter how important they may be today, hydrocarbons are sure to prove even more critical in the future. According to the Department of Energy, oil and gas will account for 65% of world energy in 2025, a larger share than at present; and because no other source of energy is currently available to replace them, the future health of the global economy rests on the country’s ability to produce more and more of these hydrocarbons (US Department of Energy 2005).

The future availability of oil and gas also affects another key aspect of the global economic equation: the growing challenge to the older industrialized nations posed by dynamic new economies in East Asia, South Asia, and Latin America. At present, the industrialized countries account for approximately two-thirds of total world energy use. Because these countries, for the most part, possess mature and efficient economies, their demand for energy is expected to increase by a relatively modest 35% between 2001 and 2025, a conceivably manageable rate. But demand in the developing world is soaring. By 2025, developing countries are projected to hold a startling half-share in total world energy consumption. When their demand is combined with that of the industrialized countries, the net world increase jumps by 54% over the same set of years, a far more demanding challenge for the global energy industry (Klare 2005).

The Western nations form a small percentage of the world population but consume far more resources. Problems such as climate change and energy depletion are thus largely caused by these nations. However, as China and India also grow rapidly there is a fear that these countries’ demands for energy and resources will very quickly see the world’s natural resources stripped away even more quickly given their large population sizes. Some fear that already we are close to, or are already exceeding, the planet’s ability to replenish itself at a quick enough rate. Some policies and suggestions therefore point
fingers at China and India that they must address issues such as population growth and be subject to emission reduction targets like the industrialized countries, etc. And also more defensive reaction from industrialized countries, for example, raising often legitimate issues though often by vested interests such as human rights, corruption, threats of jobs, and so on.

On the other hand, most developing countries counter that they have a right to development, and they have not been the ones wastefully pumping greenhouse gases into the atmosphere for as many decades. Which was also agreed to by the rich countries, including the US, for example, when discussing the Kyoto protocol to tackle global warming, accepting common but differentiated responsibilities. Developing countries also promised to pursue a path of development that was less wasteful and inefficient as the already-industrialized nations', one that would be more sustainable.

The competition for hydrocarbon supplies will be particularly intense. According to the Department of Energy, oil consumption by the developing world will increase by 96% between 2001 and 2025, while consumption of natural gas will rise by 103%. For China and India, the rate of growth is even more dramatic: China's oil consumption is projected to jump by 156% over this period and India's by 152%. The struggle these countries, and other developing powerhouses like South Korea and Brazil, face in obtaining additional oil and gas for their growing economies will naturally pit them against the older industrialized countries in the competitive pursuit of energy.

**Decreasing energy Supply**

Many fear that the world is quickly using up the vast but finite amount of fossil fuels. Some fear we may have already peaked in fossil fuel extraction and production. So much of the world relies on oil, for example, that if there has been a peak or if a peak is imminent, or even if a peak is some way off, it is surely environmentally, geopolitically and economically sensible to be efficient in use and invest in alternatives. Some may argue that markets will solve this problem. However, markets are good for making profit and allocating resources efficiently for that purpose, but that does not always mean that is good for the environment or for society or for other societies in other parts of the world.
Furthermore, in reality markets are not perfect, so even if the theory holds, reality sees a mixture of politics, power play and corruption—even in the most advanced countries (Shah 2005)

There has certainly been recognition in recent months and years that energy security is a concern. Even US president George Bush admitted during his 2006 State of the Union speech that, “Keeping America competitive requires affordable energy. And here we have a serious problem: America is addicted to oil, which is often imported from unstable parts of the world. The best way to break this addiction is through technology” (The white house archives 2006). Ignoring for the moment the irony that a major reason that those parts of the world are unstable is because of US foreign policy there, there have been signs—for many years—that some major companies and industries, have been considering alternatives.

The other concern is that whether this drive or need for competitiveness will contribute to more intense rivalry between powerful nations as witnessed at the end of the 1800s and the early 1900s, or whether this time we will learn from history’s lessons. So far, there is little to indicate that we have evolved into peaceful enough societies to not repeat those past disasters as growing inequality, extremism, power, drive for growth and profit, and our collective short memories all interplay. After all, the 20th century has been described as “the century of war”, not peace. At the beginning of the 21st century, the leaders of two countries that hold themselves as high examples of peaceful members of the international community decided to invade Iraq, without global approval or legal justification (Klare 2006).

Some foreign policy decisions in the past years are coming back to haunt advanced nations. For example, in order to destabilize the Soviet Union during the Cold War, the United States successfully encouraged, trained and sustained Islamic extremism and terrorism so that a relentless religiously driven resistance could counter the Soviet Union’s invasion of Afghanistan. However, the kind of extremists that the US helped create included Osama Bin Laden. With these extremists returning back after defeating the Soviet Union, various events since have seen Islamic extremists resort to terrorist acts, alarmed at the military presence of the US in their holiest lands, the influences of western culture which they fear is against Islam, and so on.
As more and more developing countries industrialize, they will naturally want more energy to quench the growth thirst. This will see more involvement in international affairs, and indeed China and India are increasingly active in many regions around the world. Geopolitical issues, new and old, will therefore arise. For example, the Cold War years witnessed both the West and Soviet Union readily supports puppet governments, even overthrowing fledgling democracies, in favour of dictatorships, if needed. This was often justified to the home population as being for the “national interest.” Legitimate stability and supply issues are also of concern. For example, places like Nigeria, Iraq, Iran, etc. all produce oil but present problems of varying degree for oil consuming nations, as concerns range from stable supply, to stable government. Others, such as Venezuela, “threaten” to use oil and its related profits to develop their own country even more (Chomsky 1993:78).

The future could also see continued conflicts for resources. Climate change threatens to endanger many of the world’s ecosystems, raise sea levels, and affect food production possibly leading to resource-scarcity driven instability and conflict. Accommodating the growing Chinese and Indian demand would not be a significant problem if there was confidence that the energy industry is capable of generating the necessary additional amounts. In fact, The US Department of Energy (US DoE) wants us to believe that this is indeed the case. Future oil and gas supplies, DoE claims, will be more than adequate to satisfy anticipated world demand. But many experts dispute this view. World oil and gas supplies, they argue, will never achieve such elevated levels. This is true because much of the world’s known hydrocarbon reserves have already been exhausted and not enough new fields have been discovered in recent years to make up for the depletion of older reservoirs.

In the case of oil, US Department of Energy, predicts that global petroleum output will reach 120.6 million barrels per day in 2025 44 million barrels more than at present and just a tad shy of the anticipated world demand of 121 million barrels per day. For this to occur, however, the major oil firms must discover massive new reserves and substantially increase their output from existing fields (US department of energy 2006). However, few new large fields have been discovered during the past 40 years, and only
one, the Kashagan field in the Caspian Sea, has been found in the past decade. At the same time, many older fields in North America, Russia, and the Middle East have experienced significant declines in daily production. As a result, many geologists now believe not only that the global petroleum industry will not be capable of rising to the 120 million barrel level but will fall far below it.

Predictions that global oil output will peak between now and 2025, far short of the DoE's projections, are highly controversial. Saudi Arabia, the world's leading supplier and the most likely prospect for higher production in the future. According to the DoE, Saudi Arabian oil output will more than double between 2001 and 2025, jumping from 10.2 to 22.5 million barrels per day. If Saudi Arabia could, in fact, raise its output by this amount total world supplies could satisfy anticipated demand even at the end of this period. But there are growing indications that Saudi Arabia is not capable of coming anywhere close to that figure. Business analyst Jeff Gerth reported that oil executives and government officials in the United States and Saudi Arabia... say capacity will probably stall near current levels, potentially creating a significant gap in the global energy supply" (Klare 2005).

In response to Jeff Gerth's assertions, Saudi officials insisted that their country is fully capable of boosting daily production by a sufficient amount to satisfy anticipated world requirements. "Should [higher world demand] actually materialize... we're going to be ready to meet it," Saudi Oil Minister Ali I. Al-Naimi declared in February 2004. In particular, "we have looked at scenarios of 12 million [barrels per day] capacity, we have looked at 15 million capacities, and those are all feasible." Such pronouncements have provided some relief to those alarmed by Gerth's report. But note that Al-Naimi spoke only of "scenarios" for reaching 12 to 15 million barrels per day hardly an ironclad guaranty and even an increase of that size would fall far short of the 22.5 million barrels projected by the Department of Energy (US Department of Energy 2005). Many energy analysts have suggested, moreover, that any drive by Saudi Arabia to boost its daily output above 10 million barrels for any length of time will cause irreparable harm to its fields and result in an inevitable long-term drop in production. As noted by one senior Saudi oil executive, an attempt to reach 12 million barrels per day would "wreak havoc within a decade."
The question of Saudi Arabia's future oil output is terribly important to this discussion because it is highly unlikely that any other supplier, or combination of suppliers, can make up the difference between Saudi Arabia's sustainable yield of 10-12 million barrels per day and the US DoE's 22.5 million-barrel goal for Saudi output in 2025. Other big suppliers Iran, Iraq, Kuwait, Nigeria, Russia, and Venezuela are expected to have a hard enough time maintaining their own output at current levels, let alone filling in for the "missing" Saudi oil. This being the case, it appears highly unlikely that the global oil industry will be capable of satisfying anticipated world demand in the years ahead; instead, we should expect chronic petroleum shortages, higher prices, and persistent economic hardship (Faiola and Genova 2005:155).

Precisely because of this prospect, many national leaders are now placing greater emphasis on the acquisition of increased natural gas supplies. Because gas was developed later in the industrial cycle than oil, its principal sources of supply have not yet been fully exhausted, and new fields such as those in Iran and the East China Sea await full-scale development. Like oil, natural gas will eventually reach a global peak in output, but this is not likely to occur for a decade or so after oil has peaked. As petroleum output declines, therefore, natural gas is expected to take up some of the slack but only some, because there is not enough gas in the world to fully replace petroleum in all its myriad uses. And it is for this reason that many governments seek to gain control over or access to major gas reserves now, before they are locked up by someone else.

What would be the outcome of this intensifying struggle over valuable energy resources? Certainly, national leaders are placing ever greater emphasis on the competitive pursuit of energy as Condoleezza Rice made clear in her recent jaunts around the world. Whether in India, Russia, or Latin America, she has raised the energy issue at every turn, pressing America's allies and business partners both to supply it with more oil and to ignore the appeal of "rogue" producers like Iran and Venezuela. Other world leaders like Vladimir Putin of Russia and Junichiro Koizumi of Japan have behaved in a similar fashion. Striking, in fact, is the degree to which the quest for energy has been elevated into the realm of national security, on an equal plane with efforts to combat nuclear proliferation and international terrorism. Thus, it was the President's adviser for
national security affairs, Stephen Hadley, who briefed reporters on the outcome of the Crawford summit between Bush and Abdullah. "The news that came out of the meeting today ought to be good news for the [energy] markets," he declared on April 25—not good news in the war against terror or in the drive to promote peace between Israel and the Palestinians (New York Times 27 October 2006).

Secretary of State Rice, however, offered the most telling observations after the April 25 meeting. The problems arising from insufficient supply to meet rising world oil demand. Anyone familiar with the Bush administration lexicon cannot help but be troubled by this call for a "strategic plan" to obtain additional energy, redolent as it is of the administration's bellicose, pre-emptive strategy for dealing with terrorism, "rogue states," and weapons of mass destruction. Just exactly what Rice means is not yet entirely clear, but it certainly suggests that energy issues will be paramount in U.S. foreign and military policy in a Bush second term.

And what is true for the United States is also likely to prove the case for other major oil-importing countries. Warning that China has outperformed India in the pursuit of new oil and gas reserves, Indian Prime Minister Manmohan Singh declared in January that New Delhi would have to accelerate its efforts in this area. "I find China ahead of us in planning for the future in the field of energy security," he told a convention of Indian oil and gas executives. "We can no longer be complacent and must learn to think strategically, to think ahead, and to act swiftly and decisively" (Business line 17 January 2005).

Japanese leaders, too, have stressed the need for decisive action. Energy-poor Tokyo's decision to proceed with drilling in contested areas of the East China Sea is just one indication of this outlook. Equally striking is Japan's effort to convince the Russians to extend a new Siberian oil pipeline to Nakhodka on the Sea of Japan. Originally, Moscow had expected to terminate the pipeline at Daquing in China as part of a plan to strengthen Sino-Russian energy cooperation. But after Prime Minister Koizumi flew to Moscow and offered billions of dollars in additional aid and technology to Russia, President Putin indicated a preference for the Nakhodka route, which will, of course,
facilitate oil deliveries to Japan. This has not deterred Chinese leaders from seeking a reversal of this decision, claiming that the "strategic partnership" between Moscow and Beijing outweighs the purely mercantile interests of Japan.

So far, none of these efforts has led to more than verbal sparring—"jawboning," to use Rice's term along with high-stakes bidding wars and the occasional outbreak of street protests, as in Shanghai and Beijing (Juhasz 2006:322). But if history is any guide, such friction when combined with other sources of animosity like China's smoldering resentments over Japanese atrocities during World War II can lead to more violent forms of competition. This is certainly the case in the East China Sea, where Chinese and Japanese planes and gunboats have already made threatening passes at one another.

Tensions are sure to rise, moreover, if Japan actually commences drilling in waters claimed by China. "If real exploration starts, we cannot totally exclude the possibility of Japanese private company ships having to face Chinese military ships," Junichi Abe, an analyst at the Kazankai Foundation in Tokyo, told a reporter for the New York Times. And if this were to occur, the Japanese government would come under enormous political pressure to protect those private vessels with planes and warships of its own, thereby setting the stage for an armed confrontation with China, whether intended or not (New York Times 12 May 2004).

Similar escalation could occur in other cases of disputed energy claims. In the Caspian Sea, for example, Iran seeks control over offshore oil and gas fields also claimed by Azerbaijan, an ally of the United States. In July 2001, an Iranian gunboat steamed into the contested area and chased off an oil-company exploration vessel operating there under Azerbaijan's auspices. In response, the United States has pledged to help Azerbaijan build a small Caspian navy, to better protect its offshore energy claims. On April 11, John J. Fialka of the Wall Street Journal revealed that the U.S. Department of Defense will spend $100 million over the next few years to establish the "Caspian Guard," a network of police forces and special-operations units "that can respond to various emergencies, including attacks on oil facilities" (Klare 2005). Russia is also expanding its Caspian Fleet, as it too presses its claims to offshore fields in the region.
Under such circumstances, it is all too easy to imagine how a minor confrontation could erupt into something much more serious, involving the U.S., Russia, Iran, and other countries.

Territorial disputes of this sort with significant energy dimensions can be found in the Red Sea, the South China Sea, the Persian Gulf, the Gulf of Guinea, and the Bakassi Peninsula (a narrow stretch of land claimed by both Nigeria and Cameroon) among other regions. In each of these areas, opposing claimants have employed military force on occasion to assert their control or to drive off the forces of a challenger. None of these incidents has led to a full-scale conflict, but lives have been lost and the risk of renewed fighting persists. As the global struggle for energy intensifies, therefore, the danger of escalation will grow.

It is important to recognize that energy-related pressures are bound to increase as global demand continues its upward course and the supply of oil and natural gas fails to keep pace. The Bush administration, in particular, is aware of these pressures, having analyzed the global energy equation in its May 2001 report on U.S. energy requirements. While administration officials have repeatedly denied that oil played any role in the 2003 decision to invade Iraq, they clearly believed that control of the country would provide the United States with enormous advantages in any coming struggle with competitors like China over Persian Gulf energy.

Indeed, once a problem like energy security has been tagged as a matter of national security, it passes from the realm of economics and statecraft into that of military policy. Then, the generals and strategists get into the act and begin their ceaseless planning for endless "contingencies" and "emergencies." In such an environment, small incidents evolve into crises, and crises into wars. Expect a hot couple of decades ahead.

Energy and Environment

Scientists have been warning that global climate change and dwindling natural resources are combining to increase the likelihood of violent conflict over land, water and energy. Climate change will make scarce resources, clean water, and viable agricultural land even
scarcer. This shift is due in part to the growing weight of evidence pointing to a significant human role in altering the planet's basic climate systems. Recent studies showing the rapid shrinkage of the polar ice caps, the accelerated melting of North American glaciers, the increased frequency of severe hurricanes and a number of other such effects all suggest that dramatic and potentially harmful changes to the global climate have begun to occur. More importantly, they conclude that human behaviour most importantly, the burning of fossil fuels in factories, power plants, and motor vehicles is the most likely cause of these changes. This assessment may not have yet penetrated the White House and other bastions of head-in-the-sand thinking, but it is clearly gaining ground among scientists and thoughtful analysts around the world (Byrne and Rich 1993:233).

For the most part, discussion of global climate change has tended to describe its effects as an environmental problem as a threat to safe water, arable soil, temperate forests, and certain species and so on. Climate change is a potent threat to the environment; in fact, the greatest threat imaginable. However, viewing climate change as an environmental problem fails to do justice to the magnitude of the peril it poses. The greatest danger posed by global climate change is not the degradation of ecosystems per se, but rather the disintegration of entire human societies, producing wholesale starvation, mass migrations and recurring conflict over resources. As famine, disease, and weather-related disasters strike due to abrupt climate change," the Pentagon report notes, "many countries' needs will exceed their carrying capacity" that is, their ability to provide the minimum requirements for human survival. This "will create a sense of desperation, which is likely to lead to offensive aggression" against countries with a greater stock of vital resources. "Imagine eastern European countries, struggling to feed their populations with a falling supply of food, water, and energy, eyeing Russia, whose population is already in decline, for access to its grain, minerals, and energy supply" (New York Times, 2006). Similar scenarios will be replicated all across the planet, as those without the means to survival invade or migrate to those with greater abundance producing endless struggles between resource "haves" and "have-nots" (Klare 2006).
Carbon Dioxide Emissions from Energy Activites, 2004

- U.S.: 22%
- Japan: 5%
- FSU: 9%
- Europe: 17%
- China: 17%
- Rest of World: 30%

Total Emissions
- China: 4.7 billion metric tons
- World: 27 billion metric tons

Source: EIA International Energy Annual
Analysts have expressed concern over the inadequate capacity of poor and unstable countries to cope with the effects of climate change, and the resulting risk of state collapse, civil war and mass migration. "More than 300 million people in Africa currently lack access to safe water," he observed, and "climate change will worsen this dire situation" provoking more wars like Darfur. In addition, even if these social disasters will occur primarily in the developing world, the wealthier countries will be caught up in them, whether by participating in peacekeeping and humanitarian aid operations, by fending off unwanted migrants or by fighting for access to overseas supplies of food, oil, and minerals. A Pentagon report predicted, "Nuclear arms proliferation is inevitable." As oil and natural gas disappears, more and more countries will rely on nuclear power to meet their energy needs and this "will accelerate nuclear proliferation as countries develop enrichment and reprocessing capabilities to ensure their national security" (ieagas.org, 2006). Although speculative, these reports make one thing clear: when thinking about the calamitous effects of global climate change, we must emphasize its social and political consequences as much as its purely environmental effects. Drought, flooding and storms can kill us, and surely will but so will wars among the survivors of these catastrophes over what remains of food, water and shelter. Scientist's predictions indicate, no society, however affluent, will escape involvement in these forms of conflict.

The importance of the study of the Caspian Sea region

For centuries Caspian Sea region was a strategic crossroads for many empires of Europe, Asia and Africa. Control of vital land and water routes, particularly for trade in spices, assured great power and wealth. As technology developed in transportation and communication the importance of this routes diminished, the region's rich hydrocarbon recourses has become the focus of international business, political and strategic interests. During cold war, this area remained an important geo-strategic location in the crossfire of different interest and fault line of east west struggle for prominence. However, as most of the region was under soviet control, there was hardly any scope for any strategic competition: The region was unilaterally managed by Soviet Union.
The disintegration of Soviet Union in 1991 led to drastic changes in the region. A power vacuum was created, where lines of control were contested. Besides Russia and Iran three new states, which were part of USSR earlier, Azerbaijan, Kazakhstan and Turkmenistan emerged as independent states in the region. Though Russia lost its superpower status, it remains as potentially most influential country in the region. With lot of energy reserves and pipelines, the region has once again become a strategic frontier where energy interests are going to compete, conflict and clash. Powers that sense a loss of control in the area, those who want to protect newly acquired interest and power, and those who want to gain foothold and expand their interest in the region jostle for power and influence. Besides these state actors, non-state actors like multinational oil companies and other financial corporations stepped into the region. Recent developments in the international oil market; a rocketing crude oil price and instabilities in Middle Eastern region also attributed to the growing importance of Caspian Sea area as an alternative oil source.

Caspian Sea energy resources

The Caspian Sea littoral states include Russia, Iran, Azerbaijan, Kazakhstan and Turkmenistan. While most of the oil producing regions in the world are heavily explored, the Caspian sea region yet remains to be fully explored. According to some surveys, the Caspian Sea region ranks third in the world in terms of hydrocarbon resources and second in terms of undiscovered oil. Another survey estimates there are about 850 million tons of oil and 8.7 trillion cubic meter of natural gas in the region. Yet another study the United States energy department as recently as in 2002 says that proven oil reserves of the Caspian region is 10 billion and the possible reserve are 234 billion barrels. It also mentions that there are 170.4 trillion cubic feet of proven natural gas resources and 293 trillion cubic feet of possible natural gas reserves. Since much of the northern Caspian remains unexplored it is more likely that the estimates of reserve base will increase rather than decrease. For the Russian federation, whose economic condition remains unstable, they hope to recover their economy through oil and gas trade, and so the control over Caspian energy resources is vital.

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At the same period, the newly independent states in the Caspian region started to extract oil and gas on a commercial basis. The western countries, especially United States, have shown great enthusiasm in the Caspian region through the expansion of military alliance like NATO provide economic assistance to the newly independent states due to the immense natural resources and Geo-political importance of the region. New states in the region; Turkmenistan, Kazakhstan and Azerbaijan which were badly in need of investments and technological assistance have been attracted to the west. The Russian federation, due to the economic crisis and volatile political situation throughout 1990’s, unable to pay attention to the growing influence of external power in the region. However the ascendancy of Vladimir Putin in 2000 has changed the scenario dramatically. Putin’s ‘restoring the glory of Russia policy’ started aggressively engaging in the Caspian Sea region as a result, in what scholars refer to a ‘new great game’.

Russia’s share of Caspian shore reserves estimated as 1 billion tones is very small compared to the reserves of other countries in the region. Russian interest concentrates on the control over oil pipelines routes and the sharing of Caspian resources with other littoral states. If Russia can regain its control over the region, which has been considerably weakened due to the policies of 1990’s by then President Boris Yeltsin, it has the potential to make Russia an oil giant. Moreover it will help Russia recover from its economic crisis in a short span of time. The policies of the US in the Caucasian region and Middle East with an eye on absolute control over oil producing regions of the world compels Russia to take adequate steps to counter growing influence of US in the region. Apart from US policies towards the region regional players like Turkey, a close ally of US, also active to gain foothold in the oil rich region.

Disputes on the status and ownership of Caspian Sea

Is the Caspian a sea or a lake? That’s seems to be the crux of the legal dispute, which has been going on for more than a decade now. If it is a sea as Russia argues and upholds, then only a small part along its coastline will be given to each country; if it is a lake then all parts of Caspian Sea will have to be divided among the littoral states. The only treaty on rights of countries over Caspian Sea which has been in existence is the soviet-Iranian treaty of 1940. The treaty had agreed the exclusive rights of each party in fishing in its coastal waters to a limit of 10 nautical miles as per the law of sea.
No comprehensive treaty has been signed between all riparian states regarding the position and the division of resources so far. If the law of the sea is applied to the Caspian region, full maritime boundaries of five littoral states bordering Caspian Sea would be established upon an equidistant division of the sea and undersea resources into national sectors. If it cannot be applied, a division referred to as condominium approach would be developed in the Caspian and its resources held jointly. Though Russia favours this condominium approach, it cannot substantiate this in an international court of law. In the later part of the 1990’s Russian position began to change in favour of partition. In November 1993, however, Russian fuel and energy minister Yuri Shafranik signed an agreement with Azerbaijan that recognised an Azerbaijani sector in the Caspian Sea. At the end of the 1996, Russia proposed that the coastal zone also be divided and the underground resources developed. All the littoral states except Russia agreed with the plan put forth by Kazakhstan in 1998, which suggest the division of the Caspian Sea into national sectors bounded by equidistant lines from shares of the bordering states.

Russia’s share of oil in the Caspian region is estimated as 1 Billion Tons (BT) which comes to around 7.3% of total reserves, against 3 BT of Kazakhstan and 2.5 BT of Azerbaijan. This shows that Russia does not have much petroleum resources at stake in the Caspian region. Sectoral division of the Caspian Sea, thus, leaves Russia with not much of the black gold, so is its insistence on joint development called the condominium approach. A working group of representatives from each country was created to draw up a joint declaration on the new legal status of the Caspian Sea, but the group failed to make progress on settling differences. After the Working Group’s second meeting in December 1998, subsequent meetings were cancelled. Although the working group helped states bring their position closer to final agreement, it is still far from actual situation. There is now a general agreement between Russia, Azerbaijan and Kazakhstan on both the “principle and method” of dividing rights of the seabed and the wealth beneath it, but Turkmenistan only agrees on the principle of dividing the sea and its resources. In fact, Iran’s continued insistence on equal division of the sea resources is now the biggest obstacle to a formal agreement.
Geopolitics of Pipelines

The Caspian Sea region is more known to the outside world due to its pipeline politics and less due to its oil and gas. The differences between Multi National Companies (MNCs) coming from the same countries blur even in spite of their highly competitive negotiations for acquiring stakes in the pipeline construction and drilling of the Caspian Sea region. MNCs often act as the agents of the policies of the state and sometimes, interestingly, vice versa. Besides the ownership of natural resources, Russia’s energy policy focused on the pipeline routes. Almost all existing pipelines, constructed during soviet period, are running through Russia territories that are owned by state. In the face of Russia’s stiff opposition the US and the British oil companies trying to make new pipeline routes that bypass Russia, many such projects had to be redrawn due to Russian pressure, but the Baku-Cheyhan pipeline project, which is bypassing Russian territory, has been a setback to Russia in the region.

Hooshang Amirahmadi, one of the most acclaimed Caspian experts speak about five pipeline options; Northern Southern, Western, Eastern and South-eastern routes. For its part, Russia has proposed multiple pipeline routes that utilise Russian export pipelines that transport oil to new export outlets being developed on the Baltic and Mediterranean Seas. Russia has completed its Baltic Sea port at Primorsk and the country is working with Croatia to connect the Adria pipeline and trying it to the southern Druzhba pipeline. Reversing the flows in the Adria pipeline and trying it to the southern Druzhba route would allow oil exports from the Caspian to run via Russia’s pipeline system, across Ukraine and Hungary, and then terminate at the Croatian deep-sea Adriatic port of Omisaj (Amirahmadi 2000).

Russian Policies towards Caspian Region

USSR was a major exporter of oil and gas. Large amount of this oil and gas were extracted from the Siberian region, which still produces 70% of Russian oil and gas. During the Soviet period, Caspian Sea resources were not heavily extracted due to environmental problems it could create in the region. The oil production had declined in Russia in the aftermath of the disintegration of the state in early 1990s. Russia stated to
gain its position in the energy map by late 1990s through a policy, which had given more attention to the energy sector. The middle of 1990’s witnessed a massive rivatisation of state assets. As a result a new class of super rich group, who grabbed control of country’s most profitable industries, called oligarchs came into existence. This group became so powerful that they could influence Russia’s domestic and foreign policies.

The breakup of the Union, however, left Russia with a set of new and theoretically independent states in its backyard, forming a cordon around it, and China, Turkey and broader Islamic world. According to Rosemarie Forsythe, two contradictory schools of thought characterise Russia’s current policy towards oil in the region. Yevgeny Primakov, the former Russian Prime Minister, and other officials who interpret Russian Policy within the traditional balance of power framework have espoused the first. They argue that Russia should maintain its “sphere of influence” in the region. His group views oil as a central instrument in maintaining that influence. The Russian press and those substantiating to this view warn against new western joint ventures in the on-Russian parts of the former USSR. They see substantial involvement of Turkey, the JS and UK. Victor Chernomyrdin and other oil industry officials have supported the second school. They welcome western participation in the development of Caspian oil, as a means of ensuring access to capital and advanced technology.

In fact, the politics in the Caspian Sea region resolves around Russia. The fundamental dilemma that the countries in the region face is whether to let Russia have its natural influence or not. If Russia is allowed to be what it is capable of, it can go on to become an unstoppable hegemon in the region, which, the newly independent and military fragile countries of the region are scared of. In the course of the Great Game, Russia gained control of both the Caucasus and Central Asia. This control was maintained and reinforced during the Soviet period.

Observing Russian policies in the Caspian Sea region in particular and Central Asia in general, one would conclude that Russian policies in the region have certain basic characteristics. Russia demanded from its neighbours that their oil and gas should be
exported through Russian pipelines, or, if they are using other pipelines ensures that Russia has a stake in them. It expects to gain a place in the multinational energy consortia of the region. Russia has also been claiming that Central Asia and Caspian states owed debts to Russia and demands paybacks in the form of shares in various oil ventures. Russia continues to be there because of the Russian fear of losing control over the political developments in the region.

Such genuine fears of losing grips with the region makes Russia demand the right to base troops and station border guards throughout the region. Moscow also expects the Caspian states to participate in a Russia-dominated Commonwealth of Independent States (CIS). All this is not without a natural Russian pre-eminence in the region. For example, soviet central planning meant that roads, rails, electricity and pipelines ran from Russia to the outlying Republics, almost all of which is still in place. This makes other Republics dependent on Russia even to this day. It is also alleged that Russia keeps Abkhazia's ethnic conflict burning, closed off Kazakhstan's pipeline, attempted to topple Azeri President Heider Aliyev, and provided economic and military support for secessionist Karabakh Armenians. There are obvious signs, to show that the Central Asian and Caspian countries are trying all means at their disposal to deter Russia from becoming the regional hegemon. Their involvement with NATO, inviting companies to their region are clear signs of such a thinking gaining around the region. Despite the statement of former Russian Foreign Minister Primakov about Russia's "Multi-vectorial and multifaceted policy", its great power status, the "objective process of integration" remains in place. The southern newly independent states are looking toward the powers outside the region to break their dependency on Russian post imperialist policies.

Russian policy in the Caspian region under Vladimir Putin

Vladimir Putin's appointment as president in 1999 has resulted in a clear cut policy on the Caspian region. Putin's policies in the Caspian Sea region reflected his intention to claim Russia's position in international politics and his aspiration to create a Multipolar world. To regain the lost glory of Russia the resurgence of the economy is vital for Russian and the main source to stabilize the economy is oil and gas and control
over the energy supplies in the Caspian region and central Asia. As a result of this assertive policies the debate of ‘Geo Politics’, which is according to many experts went out of date with the demise of cold war and the development in information technologies, once again come to the fore of international politics. It is followed by the US plan to deploy a missile shield in east Europe on the guise of protecting Europe and US from rouge states; but there are enough reasons to believe this was targeted at Russia.

Soon after Putin had been elected as president, Russia’s National Security Council declared that the Caspian Sea region would be the focal area of their foreign policy interests. It intends to regain “Russia’s great power status”. Putin started to take tough measures in the Chechnian region which is important for Russian energy security. Most of the existing pipelines go through this region to the Black Sea ports. Spiralling conflicts in the region compelled Moscow to find alternative routes through Russian provinces of Dagestan, Astrakhan, and Kalmykiia. Many experts including Alec Rasizade suggests that Russian president Vladimir Putin is pushing ahead with an aggressive policy designed to recover Moscow’s regional hegemony. Putin was determined to rein in powerful pro-western oligarchs. The arrest of oil giant Yukos chief Michael Khodorkovsky and auction of Yukos assets is significant in this regard (Lo 2003).

Objectives of the study

The thesis titled “Russia’s Energy security Policy in the Caspian region: 1991-2004”, try to understand different aspects of Russian policy towards Caspian region. The study is roughly divided into two periods; first Russian policy towards Caspian Region during 1991 to 1999, during this period Boris Yeltsin was the Russian president. This period witnessed dramatic fall in power of Russia in every aspect. This study tries to understand the influence of economic policies and Russia’s internal politics over determining its Caspian policies. During this period the Geo politics, which has been discarded by the IR experts for long, come into force again.

The second period begins in year 2000 with the ascendance of Vladimir Putin as Russian president, which witnessed a dramatic break from Russia’s policies towards Caspian region. The study tries to understand the policies of Putin, towards Caspian
region, during this period. Though Putin’s rule lasted till 2008 the study covers a period till 2004, mainly due to the foundation of Putin’s policies laid during these years. Furthermore the study tries to examine the impact of geopolitics and Multipolar world view on Putin’s Caspian policies.

Chapterisation

Chapter 1: Introduction

The first chapter gives a brief account of energy security issues, importance of energy security in international politics and relevance of the study of Russian energy security policy in the Caspian region.

Chapter 2: Caspian Sea Region Caspian Sea Region: History and Geopolitics

This chapter divided into two parts. First looks into the history of Caspian region; the region during Tsarist Russia, Soviet union and then after the disintegration of the USSR and the disputes over the ownership of Caspian Sea and its resources. The second part argues the importance of geopolitics in the study of Russian policy towards Caspian region.

Chapter 3: Energy Recourses of the Caspian Sea region

The chapter gives the estimates of the energy resources in the Caspian region

Chapter 4: Impact of Internal and External Factors on shaping Russia’s energy security policy

This chapter looks into the influence of economy, foreign policy domestic politics etc., on the of energy security policies of Russian federation

Chapter 5: Russia’s Energy security policy in the Caspian region: 1991-2000

This chapter gives a brief account of Russia’s energy security policy during 1991-2000 under president Yeltsin.

Chapter 6: Russia’s Energy security policy in the Caspian region: 2000- 2004

This chapter gives a detailed account of the different aspect of president Putin’s foreign policy.
Review of Literature

The book titled "Energy and Environment in Transition" (West View Press, Boulder, 2000) written by William, Chandler, observes the developments in the energy sector and its impacts on environment in East Europe, Russia and Central Asia. In the 4th chapter "Petroleum Economics" author try to explain the 'Geo Economics' of the Caspian region, political and economic interests of Russia, the US and other regional players and the hazardous impact on environment that may take place due heavy oil extraction in the region.

"The Caspian Region at Crossroads" edited by Hooshang Amir Ahmadis, analyses important aspects of the Caspian region: population, economic development, environment, pipeline routes, oil and gas reserves, interstate rivalries and the legal regimes of the Caspian Sea. Book offers original comprehensive objectives and balanced analysis on the issues.

"The New Geopolitics of Energy" by John Mitchell, Peter Beck and Micael Grubb attempts to define a new international dimension to energy policy that takes account of the dramatic political changes since the oil crises of the 1970s. The authors argue that this new geo politics of energy is creative rather than defensive and aligned to market oriented development rather than state management. It stresses the need for governments' role in promoting stable international conditions for trade and investment in energy which in turn contribute wider political stability.

"Transatlantic Energy Security and the Caspian Basin: Moving Towards a Common Agenda" by Adam N. Stulberg and Hendrik Cosijn, observes, once considered an impediment to stable development and a catalyst for a new "Great Game", Caspian energy may play a stabilising role in world markets and geopolitics after all. With the West's growing dependence on hydrocarbon imports, growing tensions in the Middle East, and Moscow's emergence as a major player in the 21st century energy politics, the Caspian region is poised to become a focal point for cooperation between the United States, Europe and Russia. Policy makers in Washington, Brussels, and Moscow share a common interest in preventing the turning of Caspian Basin into another Persian Gulf,
where windfalls in oil revenues have fuelled instability and extremism. It also recognises that efforts to extract and export Caspian energy must advance regional development and stability.

"America's Caspian Policy Under the Bush Administration" by Dough Blum, (March 2001), says that conservative policy agenda will likely be pursued, and major overtures avoided (with the possible exception of lifting sanctions against Iran). Thus, it appears likely that the Caspian region will remain a distinctly secondary concern for American policy makers, one whose significance is determined largely by the role of the two strategically important regional actors (Russia and Iran), as well as by prevailing perceptions of national energy security. While it is possible to detect shifts in nuance, a close reading of statements made by figures within or near to the new administration suggests that the key goals of US policy will remain essentially intact: 1) energy diversification; 2) increasing economic opportunities for US firms; 3) containing Russian and Iranian influence; and 4) promoting the independence, democracy, and development of the Newly Independent States (NIS).

Energy in the Caspian Region: Present and Future, edited by Yelena Kalyuzhnova, Amy Myers Jaffe, Dov Lynch, and Robin C. Sickles (Palgrave Macmillan), asserts that of all the unfulfilled promises that independence from the Soviet Union ushered in, perhaps few may be as glaring as the hopes attached to the oil and gas resources of the Caspian Sea. Seen as the scissors that would cut Central Asia's last ties to Moscow, oil and gas were also viewed as the levers that would lift Kazakhstan, Turkmenistan, Uzbekistan, and Azerbaijan out of poverty and into a prosperous and secure sovereignty. More than a decade after the Soviet Union's demise, the experience of the Central Asian republics and the Caucasus—outlined in exhaustive detail in Troubled Waters: The Geopolitics of the Caspian Region and more incisively in Energy in the Caspian Region: Present and Future—call those presumptions into question.

The region's main interest for the outside world lies underground, in its geological blessings. In the West, those gas and oil fields were largely forgotten after World War II. Interest began to surface timidly in the late 1980s during Gorbachev's last, gasping efforts at reform. By the mid-1990s, though, timidity had been forgotten and its place was the grandiose talk was of a new "Great Game" and "deals of the century."
"Cooperative Energy Security in the Caspian Region: A New Paradigm for Sustainable Development" by Robert M. Cutler, published in http://www.robertcutler.org explains the importance of co-operative energy security. The three necessary component of cooperative energy security are an investment-friendly financial climate, guarantees of secure transport, and political stability. This concept is a progressive development of recent research into the sources of effective international environmental protection. It provides an entry-point for a rapprochement of the International environmental agenda with the international energy agenda. It has resonances with the study of multilateralism and learning in international affairs, and these are made explicit.

"Russian Interest in the Caspian Region and Turkey" by Mehemet Bardacki primarily aims to investigate the interest and policies of Russia in the Caspian region and Turkey’s position in the area following the dissolution of Soviet Union.

Troubled Waters: The Geopolitics of the Caspian Region R. Hrair Dekmejian and Hovann H. Simonian. I. B. Tauris, (2003) present the game as truly great. They attempt to study the geopolitics of the Caspian region within the framework of a combination of international relations theories and four levels of analysis, presented as concentric rings that range from the republics (the local level) in the inner circle to the extra-regional powers (oil companies, mafias, NGOs, etc.) in the periphery.

After stating that “none of the dominant paradigms of international relations proved capable of predicting” the Soviet demise, the authors say that no dominant theory has emerged to cope with new realities (or, restated, none to their satisfaction, one assumes). Hence, Dekmejian and Simonian declare that a region as complex as the Caspian calls for an “eclectic” conceptual framework that includes “theories of geopolitics, balance of power, neorealism, interdependence and culture conflict, as these function within a globalized milieu.” This is an ambitious aim. It involves analyzing issues ranging from Azerbaijan’s domestic politics to the role of multinational corporations and making sense of all that within a single conceptual framework. The authors do this with dedication. They present a vast array of information and lead the reader through the many interwoven threads of politics, economics, and ethnic strife in the Caspian region.
Yet one is left with the feeling that they have attempted to cram too much into a brittle analytical framework. They describe developments in such detail that their descriptions were probably rendered irrelevant within weeks or months. In the process, key questions go largely unaddressed (for example, corruption in Kazakhstan fuelling the opposition and the growth of Islamic parties?), while significant sociological factors (the surge in the young, urban and underemployed male population) are shrunk to unduly small proportions. The authors of Troubled Waters roll into the Great Game field but get bogged down in the little games going on in different places and arrive exhausted at the end, without much to offer in the way of an overarching conclusion that helps explain the interplay between republics, oil corporations, and mafias. Unlike other books with chapters written by many authors, Energy in the Caspian Region is not a mere collection of essays loosely tied together for the sake of publication. Seamless editing makes for a fluent read, even in those pages mostly covered by economic data and tables.

The book is organized into three parts: “The Caspian Region in the 21st Century,” “Pipelines, Transit Routes and Processing Plants,” and “National Interests in the Caspian Basin.” The first part of the book offers a detailed geological survey of the Caspian region, which constitutes something of a novelty in existing literature, where in-depth scientific analyses of the basin and political-economic studies do not usually appear in the same volume. Andrei Belopolsky and Manik Talwani demonstrate that “Kazakhstan contains the largest amount of proven oil” (22 billion barrels, by the American standard) and may have the greatest undiscovered fields. Azerbaijan has the second-largest reserves in the Caspian, but the authors warn that onshore exploration “is at a mature stage and new discoveries are not likely to be large.” For their part, Turkmenistan and Uzbekistan have small oil reserves (less than a billion barrels each) but have tremendous gas reserves (101 and 66.2 trillion cubic feet).