CHAPTER-2

CASPIAN SEA REGION: HISTORY AND GEOPOLITICS

Introduction

The world largest inland sea, the Caspian, sits in a region that has been at the confluence of ethnic, national and international interest since the dismantling of the Soviet Union. This chapter tries to understand the diverse political, social and economic forces converging on the Caspian region, Russia's policy in the region, which is broadly, include the five riparian states of Azerbaijan, Kazakhstan, Turkmenistan, Iran and Russia and also the adjacent countries of Caucasuses, Central Asia and outside forces as such United States of America and European Union.

Historical background of the Caspian region

The Caspian Sea is the largest land locked body water in the world. The history of the region rice into prominence dated back to the trades between west and east through silk routes, much before the rush for “black gold” started. The unique geographical position, as a crossing point between Europe and Asia attributed the importance to the region. Control over the land and water routes in the region was vital for the empires of Asia, Europe and Africa. The Caucasus, the mountainous region east of the Caspian Sea, was among the first known producers of oil and petroleum products. The bible contains references to petroleum products in the Baku region, in Azerbaijan. Even Marco Polo alluded to a small 13th century export trade in oil soaked sand. The Turks, Persians and Russians jockeyed with each other for control of the region. Peter the Great actively sought to ship oil from the Caucasus north to Russia. Subsequently, however, Persia regained control and it was only after 1877 and the conclusion of the Russian-Turkish war that Russia was able to exert its hegemony over Persia and Turkey and the various mountain tribes, including the Chechens (Forsynthe 1999).

The presence of oil in the Caucasus and Central Asia is recorded as far back as the thirteenth century. Throughout the twentieth century, Caspian oil has played a key
strategic role in world politics, frequently the source of contention between external superpowers. The notion of the immense value of oil is not a modern one. As early as 2600 years ago, ancient peoples were using the “fire water” for attack and defense. During Alexander the Great siege of Persia in 331 BC, the natives of the Caspian shore, trying to defend their homelands, lit the invaders’ tents on fire with pots of flaming oil. The Ancient Greeks used the flammability of oil to destroy the naval fleets of their enemies. Soon thereafter hot oil was used as a defense mechanism in fortresses to hamper enemy invasions. The first documented evidence of oil extraction dates back to the 7th and 8th centuries, when oil was drawn naturally or through primitive extraction methods in the western shores of the Caspian Sea in what is now the capital of Azerbaijan, Baku.

In the early years of the twentieth century, Russian oil, then meant oil of the Caucasus, was regarded as an international prize. The competition between the British and the Russian empires for the upper hand, including the control over the phrase Great Game has been borrowed from Rudyard Kipling as description of the rivalry between Tsarist Russia, Victorian England and the Ottoman Empire in Central Asia for control of trade routes to India and the region’s vast energy reserves, became known as the "Great Game" (Brysac and Meyer 2006).

Three centuries old diplomatic history of the Caspian region has been almost exclusively shaped by the regional politics and at different points in time throughout these period the contemporary international status of this body of water has been the reflection of the state of the political affairs among the littoral states and of the broader regional balance of power (Ahmadov 1999). Throughout this period a particular regime actually in existence over the Caspian including some times the absence of an overall agreed legal regime, has been an indicator of the extent in which each of the littoral sates has been able to pursue its relevant interest and objects. The power has been both the main pattern of the goals of littoral states and the key important factor influencing the status over the cause of its legal history.

Caspian region consists three main parts: North, Middle, and South Caspian. The northern part is shallow in general and contains only one percent of the sea’s total volume
of water. In this part of the sea water is often less than eight meters deep. The middle part is much deeper than the northern one with depth up to 100 to 150 meters. The southern part is much deeper than the northern one with depths up to 100 to 150 meters. The southern part is the deepest with a maximum depth of 1000 meters. Four major rivers—Volga (from Russia), Terek (from Russia), Rural (from Russia and Kazakhstan), and Kura/Araks (from the Caucasus)—flow into the Caspian Sea. Almost 80 percent of the water that enters the sea comes from the Volga River. (Lee 2004)

During the Soviet period two Caspian coastal states, the Soviet Union and Iran, governed the sea without confrontation. The Soviet-Iranian treaties of 1921, 1935 and 1940 regulated all activities such as navigation and fishing in the sea. Yet, after the collapse of the Soviet Union, the legal regime of the Caspian Sea began to be contested among the five Caspian littoral states. Azerbaijan started to undermine the Soviet-Iranian treaties. It argued that the treaties lost validity after the disintegration of the Soviet Union. Baku took unilateral actions in the Caspian Sea by developing hydrocarbon resources here. In response, Russia, at any rate its Foreign Ministry challenged the legitimacy of Baku’s actions. The Ministry asserted that the Soviet-Iranian treaties were still valid and therefore any unilateral actions in the sea were illegal. Hence, the Caspian dispute began. Three other Caspian littoral states and external power, especially the United States, later joined this dispute.
Map: 3: Caspian Region Political

Source: Caspian Studies Program, Harvard University
The Caspian Legal Regime before the collapse of the Soviet Union

The Russian empire reached the northern shore of the Caspian Sea following the conquest of Kazan in 1552 and Astrakhan in 1556 (Dekmejian and Simione 2001). Then, approximately 170 years later the Russian empire reached the southern shore of the sea, facing imminent threats from Afghan and Turkish invaders, Persia signed the Treaty of Alliance with the Russian empire in 1723. In accordance with the treaty Persia ceded provinces along the Caspian shore to the Russian empire. As a result, the Caspian virtually became the Russian body of water. From 1723 onward, Persia sought to regain from the Russian empire, slowly, some measure of sovereignty over the provinces along the Caspian coast through numerous treaties such as the Treaty of Rasht (1729) and the Treaty of Peace (1732) (Ahmirahammadi 2000).

All these treaties, however, did not contain a provision on the Caspian Sea itself. It was only in the early 19th century that the Russian empire and Persia began to define the legal regime of the Caspian Sea. Two treaties; the Golestan Treaty of 1813 and the Turkomanchai of 1828 governed the Caspian Sea for decades. Since these two treaties were signed after the Russian empire defeated Persia, the treaties favored the former (Lee, 2004) both the Russian empire and Persia, to be sure, retained their right of commercial navigation. But only the Russian government had the exclusive right to have its warships in the Caspian Sea. As such, the treaties in effect allowed the Russian Empire to have complete control over the sea.

This situation has drastically changed after the Bolshevik revolution. The Soviet government (Russian Soviet Federated Socialist Republic) has moved towards cooperation with Persia, in the region, was a significant change from the hostile relations existed during the Tsarist regime. Both signed the Treaty of friendship with in 1921. The treaty consisted of twenty six articles, three relating directly to the Caspian Sea. It declared void all treaties, agreements and concessions concluded between the Russian empire and Persia, which degraded the rights of the Persian people. For instance, “As Article 11 of the present treaty abrogates the treaty signed by the high contracting parties in February 1828, including Article 8 of the treaty, which deprived Iran of maintaining as naval force in the Caspian Sea, the high contracting parties hereby declare that henceforth
both parties will have equal rights to free shipping under their own flags in the Caspian Sea" (Mehdiyoun2000:132). The Soviet-Persian treaty of 1921 did not cover specific issues of the Caspian legal regime except for the restoration of Persia’s equal right of both commercial and military navigation.

It was only in the 1930s that increased navigation and fishing in the Caspian Sea led to the establishment of the legal framework for such activities through a number of agreements. The first agreement was the Treaty of Establishment, Commerce and Navigation between the Soviet Union and Iran in 1935. This treaty reiterated freedom of navigation on the Caspian Sea and established a 10-mile fishing zone. Under the treaty each party reserve to vessels flying its own flag to fish in its coastal waters up to a limit of ten nautical miles

The 1935 treaty was later replaced by a similar one, the Treaty of Commerce and Navigation in 1940, the treaty of 1940 reiterated “the freedom of navigation and fishing rights of the 1935 treaty (Croissant and Aras 1999:56). The principle of both treaties was that the Caspian Sea belonged to exclusively to the Soviet Union and Iran. Thus, for example, only two coastal states, the Soviet Union and Iran, had freedom of both commercial and military navigation. The sea was closed to all third states and their nationals. To be more exact, the commercial and military vessels of all third party states were not allowed and their nationals were prohibited from working on vessels of port installations.

The Soviet-Iranian treaties covered only the issue of fishing and navigation. Thus, they did not mention anything about the exploitation of Caspian hydrocarbon resources. This was not surprising given the fact that the legal concept of exploitation of the continental shelf came into being in 1944(Lee 2004). Moreover, the treaties never set up any borderlines in the Caspian Sea. Diplomatic notes accompanying the treaties merely indicated that the Caspian was both Soviet and Iranian Sea. Also, the Astara Gasan Kuli line established by a secret order from Genrikh Iagoda, people’s Commissar for the interior in 1935, in effect served as borderline, Nevertheless that was never officially delineated (Merzliakov 1999:35).
It is noteworthy that despite of the principle of equality provisions in the Soviet-Iranian treaties, the Soviet Union enjoyed “de facto control of much greater part of the sea and complete naval dominance.” (Ahmadov 2002). For instance, in 1949 the Soviet Union began to carry out exploration in the Caspian, especially in an area off Azerbaijan which extended beyond 10 miles from shore. Hitherto there is no record that Moscow ever consulted Tehran on its Caspian oil development. Moscow never paid or offered a half share of the proceeds to Iran. In response, Tehran never protested Moscow’s moves or demanded a share of the proceeds from these moves. Iran’s acquaintance in the unilateral Soviet move, which in the Iranian view violated the common sea principle of the 1940 treaty, most probably due to the fact that Tehran’s reluctance to antagonize its powerful neighbor by lodging a diplomatic protest. Moreover, in the 1950s Tehran began to carry out its own oil development in the sector of the seabed and subsoil close to Iran.

The Caspian Legal Dispute after the Collapse of the Soviet Union

After the collapse of the Soviet Union all five Caspian coastal states recognized the need for establishing a new legal regime of the Caspian Sea. These states advocated varying approaches to the legal regime of the sea in order to suit their interests. As a result, it is still in dispute. Several analysts mistakenly described the legal dispute of the Caspian Sea, especially at its early stage, as a debate over whether the Caspian should be defined as lake or a sea (Roberts 2001). According to these analysts, if the Caspian was identified as a lake, it should be shared by the littoral states. On the other hand, if the Caspian was defined as a sea, the 1982 UN convention on the Law of the Sea would apply to it. This implies certain distributional arrangements, including the establishment of an exclusive economic zone for each littoral state. The analysts then claimed that the Caspian dispute especially between Russia and Azerbaijan took this form of defining the Caspian as a lake or a sea. Russia, at any rate its Foreign Ministry, argued that the Caspian was a lake and thus subject to joint sovereignty, whereas Azerbaijan asserted that the Caspian was a sea and therefore should be divided into national sectors (Croissant and Croissant 1999).
However, a close evaluation of the Caspian dispute provides a rather different picture. For instance, Russia’s Foreign Ministry did say that the Caspian was lake and thus the Law of the Sea did not apply to it. But the ministry did not assert that the Caspian was automatically subject to joint control because the Caspian was a lake. Likewise, Azerbaijan maintained that the Caspian was lake (Lee 2004). This confusion regarding the Caspian dispute appeared to arise primarily from the misconception that the resolution of the dispute depended in the legal designation of the Caspian as a lake or a sea. For example, speaking of the difficulty of resolving the Caspian dispute, Bernard H. Oxman pointed out that “Attempting to determine the rights and duties of the states concerned by a process of deductive reasoning based on the status of the Caspian Sea as a sea or a lake is largely, if not entirely, a pointless endeavor (Oxman 1996:8).

As a matter of fact, if we define the Caspian as a lake, the question of its legal status remains unresolved. This is so because the legal regimes of lakes differ greatly and are based on specific agreements. Thane Gustafson et al. are right in pointing out that “Under typical practice in international law, lakes and internal seas are not normally considered subject to joint sovereignty, unless specified by a clear treaty (Akhmadov 2000). Indeed, there are many precedents for demarcating lakes between two or more states. Examples include the Great Lakes of North America (between Canada and United States), Lake Chad (between Nigeria, Niger and Chad), Lake Constance (between Austria, Germany, and Switzerland), Lake Geneva (between France and Switzerland), Lake Malawi (between Malawi and Mozambique) and Lake Victoria (between Kenya, Tanzania and Uganda). (Croissant and Croissant 1999).

In contrast, only one major example of joint control over an enclosed body of water exists: the sharing of the Gulf of Fonseca among El Salvador, Honduras, and Nicaragua. Even though a regime of joint control is often established by agreement between the concerned parties, the International Court of Justice decided the fate of the Gulf of Fonseca. One primary reason for this was that the gulf previously belonged to a single state, Spain, and was treated as a unified body of water. In these conditions, the court saw no merit in disrupting the unity after the emergence of three independent states. This case of the Gulf of Fonseca is similar to that of the Caspian Sea with the emergence
of four new independent states to the former Soviet Union (Lee 2004). However, the former differs from the latter in that the Caspian Sea did not belong to a single state during the Soviet period.

If we define the Caspian as a sea, the question of its legal status remain unsettled. To be sure, the 1982 UN convention on the Law of the Sea can help to clarify the nature of littoral state’s rights. But the law by itself cannot help to determine how to divide the Caspian. Even though delimitation effected by agreement in accordance with equitable principles gained general acceptance, there is no single and generally recognized method of delimitation (Wouters 2000). Moreover, the Convention on the Law of the Sea applies only to its members. Until now states such as Azerbaijan, Kazakhstan, and Turkmenistan have not accepted this formula.

Thus, as several experts suggested, the legal designation of the Caspian does not facilitate the resolution of the Caspian dispute. For instance, some experts pointed out that whether sea of lake, it is up to the five Caspian littoral states to negotiate their respective boundaries on the water. Likewise, it is up to Caspian states to decide which legal regime the Caspian should have. Customary international law can supplement any agreement they might enter into but by itself not enough to reconcile the conflicting interests of the Caspian states and ensure the sustainable development of regional resources (Lee 2004).

The fiercest Caspian legal dispute took place between Russia and Azerbaijan. These two parties employed not only the legal designation of the Caspian but also historical precedents to substantiate and justify their position. For instance, Russia, at any rate its Foreign Ministry, put forward the argument that the Caspian was a lake because it was landlocked and unconnected to the world oceans. Thus, the ministry maintained that the Law of the Sea was not applicable to the Caspian. Aleksandar Khodakov, Director of the ministry’s Legal Department, mentioned that the Caspian was “not a sea, but an inland lake” and thus the Law of the Sea was not applicable to it. Likewise, in an interview, Deputy Foreign Ministry Albert Chernyshev said that the Caspian was a lake and thus much depended on how the five littoral states resolved their differences (Lee 2004:74).
Moreover, Russia's Foreign Ministry asserted that the Soviet-Iranian treaties, especially 1921 and 1940 treaties should be the basis for the new legal status of the Caspian Sea. The rationale for this was that Azerbaijan, Kazakhstan, and Turkmenistan signed the Alma Ata (Almaty) declaration of December 1991 that led to the creation of the Commonwealth of Independent States (CIS). The declaration entailed a provision recognizing the validity of all treaties and agreements signed by Soviet Union. Moreover, in accordance with the declaration, Russia became the legal heir of the Soviet Union. As a result, Russia became a permanent member of the UN Security Council and a party to all international treaties involving the Soviet Union. Thus, Russia's Foreign Ministry maintained that the Soviet-Iranian treaties remained in force. Since the treaties provided that both the Soviet Union and Iran had joint sovereignty over the Caspian Sea except the 10-mile national zone, the ministry also asserted that the Caspian should be governed jointly. For instance, Andrei Kozyrev, Russian Foreign Minister, states that "all new Caspian states are legal successors of the Soviet Union. This means that all of us must implement the Soviet Iranian agreements. It is inadmissible to take decisions on the Caspian Sea unilaterally. The decision should be joint (Hill 1997).

In contrast, Azerbaijan adamantly argued that the Caspian Sea should be divided into national sectors. In the first place, unlike Russia's Foreign Ministry, Baku provided a different interpretation of the legal designation of the Caspian as lake. Baku held that the Caspian was a lake and international norms regarding lakes suggested the national partition. For instance, Azerbaijan's Foreign Minister Hasan Hasanov suggested that the Caspian should be divided by stating that "The Caspian is a lake and the international conventions say nothing about the status of the lakes. The talk can be only about the practice and Azerbaijan keeps just to this practice. Azerbaijan's president Heydar Aliyev was more specific in his book Azerbaijan Oil in the World policy. He wrote that, The Caspian Sea falls under the definition of international frontier lake as a water basin without natural connection to the work ocean and surrounded by land territory of two or more states. In this connection the norms of international law, the norms of international ordinary law and local international agreement practice can be put as a base of approach to determine the Caspian Sea status. International frontiers on lake are set up as a rule on
medial line. The principle is applied to a majority of international lakes in particular Great Lakes (USA and Canada), Tanganyika and Chad (Nigeria, Chad, Niger, and Cameroon), Geneva Lake (Switzerland and France).

Baku also argued that the Soviet-Iranian treaties of 1921 and 1940 lost their validity. In the first place, the treaties regulated only navigation and fishing and did not touch such issues as the exploitation of seabed mineral resources. For example, in his meeting with Iran's Deputy Foreign Minsiter Mahmud Va'eezi, Azerbaijan Foreign Minister Hasnov mentioned that the Soviet-Iranian treaty from 1940 did not say a word on mineral resources in the Caspian Sea (Ascher 2000). Likewise, Aliyev also noted that in the Soviet-Iranian treaties there was no provision which indicated that the sea resources should be owned jointly by both the Soviet Union and Iran. Baku also pointed out precedents set by Moscow before the collapse of the Soviet Union, which provided for the division of the Caspian Sea. For instance, Aliyev noted that in 1949 the Soviet Union began to develop mineral resources in the Caspian Sea “without participation of Iran, consultations with it and protest from its side in addition, in his meeting with Kozyrev, Aliyev pointed out that by 1970 the Soviet Ministry of the Oil and Gas industry divided the Caspian Sea into four sectors.

Russia's Foreign Ministry countered this claim by Baku by noting it had no legal basis. For example, Khodakov, Director of the Ministry's Legal Department, stated that "It (the division in 1970) was done for the purposes of the economic development of the sea. But the division lines were not borders between Soviet republics and, hence, did not have the status of administrative borders. The act of the Ministry of the already, non-existent state cannot be legally binding (Croissant and Aras 1999:78). In sum, the difficulty of resolving the Caspian legal dispute arose from the fact that , There are almost no treaties specifying which international legal regime has applied to that body of water; and those few that exist are riddled by omissions are or are plainly obsolete. Local custom is vague and extremely inconsistent (Lee 2004). In these circumstances, parties to the Caspian dispute employed various legal concepts and historical precedents in order to substantiate and strengthen their position.
In April 2002, the first summit of the five littoral Caspian states took place in Ashgabat. The presidents at the time of all five countries agreed that such a meeting at the highest executive level should become annual, with the next meeting held in Teheran. However, it took more than five years for the Teheran summit to occur. The principal cause of the delay was a deadlock in negotiations on a convention for the legal status of the Caspian Sea. No agreement transpired on the matter during the summit in Teheran held on October 16. Leaders of the five states managed only to accept the Final Declaration of the summit—an intermediate document containing only the most general rules about the Caspian Sea.

This legal controversy evolved from a largely Russian-Azerbaijani dispute to a debate involving other Caspian littoral states and external powers, especially the United States (Croissant and Croissant 1999). The Caspian dispute began to show a sign of its resolution in 1998. In July of the year Russia and Kazakhstan signed an agreement on dividing the Caspian seabed while leaving the sea’s surface under joint control. In January 2001 Russia and Azerbaijan issued a joint statement that proposed to demarcate the Caspian seabed only. Therefore, at least three out of the five Caspian littoral states made agreements on how to divide the sea by 2001.

The summit held in Ashgabat, Kazakhstan in 2002, to reach a consensus on sharing of Caspian resources. In the Final Declaration, the parties only mention unobjectionable positions on the future status of the Caspian Sea. The positions on which the heads of state disagreed are not included and become subjects for their future discussions. The countries are on record as stating that the Caspian Sea is a region exclusively under their jurisdiction and that they are committed to work for its prosperity and peace. “We spoke very frankly, in detail and in an interested fashion. We did not reach agreement all the time on everything, but it is very clear that we desire to find a consensual arrangement,” Russian President Vladimir Putin said at the joint press conference following the summit (Croissant and Croissant 1999).

Kazakh President Nursultan Nazarbayev reminded that, while the first five-country Caspian regional summit was the Ashgabat session in 2002, the first meeting of
heads of state on this issue was actually held in 1994 in Moscow and “ended with nothing.” Nazarbayev continued: “Although negotiations were carried on in a friendly atmosphere, we failed to arrive at understanding on a wide range of issues. It seemed that we would never reach any agreements.” In his opinion, the present summit “for the first time finally pushed forward a process on the status of Caspian Sea from a dead point.” (Ascher 2000:67). He also hopes that a final document about the status of the Caspian Sea will take place at the summit in Baku in 2008.

Although there is still no overarching agreement between the five Caspian littoral states on the division of the Sea’s resources, in August 2006 the states signed an agreement to collectively begin efforts to reverse the environmental damage that energy development has imposed on the Sea. Russia, Azerbaijan, and Kazakhstan came to a trilateral agreement on sub-surface boundaries and collective administration of the Sea’s waters in 2003 that divides the northern 64 percent of the Caspian Sea into three unequal parts using a median line principle, giving Kazakhstan 27 percent, Russia 19 percent, and Azerbaijan 18 percent.

**Theoretical understanding of the Caspian region**

Caught in the throes of the restructuring of global power relation after the disintegration of Soviet Union, the Caspian has emerged as a focus of world attention, reminiscent of nineteenth century’s ‘Great Game’ between the clashing imperial ambitions of Great Britain and Russia.

( Dekmejian and Simonian 2001:5 ) However new Great Game, over the Caspian is far more complicated than the old in its scope, determination and implications. Different theories of
In the view of the interplay of the many dynamics and constant factors in the politics of the oil rich Caspian region, a set of theories has been used to understand the Russian energy security policy to the region. Grand strategist and theorist of international relations were caught unprepared by the soviet demise and cold war's sudden end (Akiner2004:240). Significantly, none of the dominant paradigms of international relations proved capable of predicting those events. In the post cold war era, the field of international relations has remained in flux and no dominant theory has emerged to cope with the new realities. More over the task of new theory building has been complicated by the proliferation of ethnic conflicts, the clash of cultures, the growing role of regional associations, and the impact of globalization, and communications revolutions, with growing role of non state actors in international politics. As a consequence, major and minor external actors- the United States western European states, regional powers, oil companies international financial institutions, militant national and religious movements, were involved in the Caspian basin rivalries and disputes. In the context of multiplicity of the contests and interest operating in the Caspian, any framework of analysis should necessarily include theories of geopolitics, balance of power, globalization and neorealism.

Globalisation

As an analytical construct globalization can be conceptualized along four interacting dimensions mostly activated by the epicentric role of United States and other industrial powers (Dekeijman and Simonian 2001:5). Therefore political globalization involves the projection of American power worldwide, as a consequence of the emergence of United States as the sole superpower in terms of military power and unparalleled political clout in international affairs. The united state s and its allies sought to project their influence in the Caspian power vacuum in order to stabilize the region as a means to sustain their political and economic interest. After the fall of Soviet Union the Caucuses and Central Asian region has witnessed a pro western tilt in its economic policies. Russian political economical scenario was not different, under the privatization policies of President Boris Yeltsin, a large chunk public sector companies went into the hands of oligarchs, who are singing to the tunes of west. The kind of notion there is no alternative to the current form of globalization often led these countries to adopt economic liberalization policies envisaged by western industrialized nations.
Geo-politics

Geo-political importance of the Caspian is seen as a factor which has been tremendously influencing global powers and regional players alike toward Caspian region. Geo-politics in the region, especially US pro-active strategies in the region have led to regional polarization; increased conflicts; regime changes; repressive regimes and rise of Islamist opposition (Chenoy 2005). Since the appearance of the writings of Friederitz Ratzel (1844-1904) and Rudolf Kjellan (1864-1922), the importance of the geopolitics has fluctuated in response to changing global forces and circumstances. As a sub field of political science and geography, geopolitics focuses on the relationship between territory and power, particularly the influence of geography on state behavior.

The fundamental concern of the geo politics during the time of colonial or imperial period war was the struggle between sea and land power, as exemplified by the great power rivalries by Britain and Germany and Russia and Britain. The US admiral Alfred Thayer Mahan believed the superiority of sea power over land power, while the British geographer Halford Mackinder believed the land power as crucial to determining the outcome of struggle (Dekeijman and Simoniam 2001). Mackinder's geopolitical thought is particularly relevant to understand the history and evolution of Caspian and Central Asian region. Caspian region constituted as the main theme of Mackinder’s ‘Heart Land’ theory, he defined the heart land as the core of the Eurasian land mass, unassailable by the sea, and considered it as a pivotal area of world politics. Around the heart land was’ Inner Crescent’ consisting of China, India, Turkey, and Germany, which was circumscribed by the ‘Outer Crescent’ of Britain, Japan and Southern Africa.

Mackinder’s hypothesis of, “who rules east Europe commands heart land, who rules heartland commands worlds island(Eurasia), who rules worlds island commands world” (Mackinder 1904:125) has gained considerable importance during the Second World War and the cold war. Germans and soviets try to control the world heartland followed by the US containment policy towards the USSR. Later on Mackinder argued North Atlantic Treaty Organisation could effectively control soviet land power.
While these early proponents of Geopolitics introduced important geographic considerations into strategic studies, their approach provided the foundation for policy aberrations by Nazi Germany, and also polarized academic debates in their time. It was Nicholas Spykman who introduced modifications into the school of thought by de-emphasizing the importance of the heartland, and by arguing that, “who controls the rimland rules Eurasia, who rules Eurasia controls the destinies of the world. (Spykman 1944: 244) Spykman referred to the rimland as an area roughly covering Western Europe, the Middle East, and South and East Asia. If one of the primary tasks of strategic analysis is forecasting, then Spykman’s analysis has proved to be remarkably accurate. Without necessarily concluding that Spykman’s work constituted “a central theoretical foundation of George F. Kennan’s famous postwar proposal for a ‘policy of containment’ of the Soviet Union,” he can be credited for predicting at least two developments after the Second World War: Russia’s and China’s roles in the balance of power, and U.S. protective policy towards Japan.

**Caspian geopolitics in the post cold war**

The importance of geopolitical approaches in a post-Cold War, era of rapid technological developments, digital communications, and globalized economies and polities, has been drastically changed. Given the changes occurred globally as mentioned above, the distinctions between the heartland, the rimland, and the World Island have become analytically inaccurate. The empirical manifestations of this inaccuracy are manifold: globalization, intercontinental ballistic missiles, and weapons of mass destruction, globally operating terrorist networks, Islamic fundamentalism, and transnational organized crime. These phenomena render any notion of territorial control functionally meaningless, regardless of military power.

A more apt description of recent developments in the rimland and the heartland would outline preventive and repressive crisis management for regional stabilization and influence, or a “muddling through.” But has Mackinder’s heartland theory indeed become obsolete? Not necessarily. NATO’s intervention in Afghanistan and the protracted engagement by coalition forces in Iraq confirm rather than undermine the value of
conventional military capabilities, albeit in the form of lighter and more flexible infantry forces supported by strategic airlift. In addition, the conventional wisdom in the current foreign and security policy debate forecasts a Central Asia that will become once again entangled in a new Great Game between powers struggling to gain a foothold and resources in the heartland, much along the same lines as during the times of tsarist Russia and colonial Britain (Kleveman 2003).

To understand the importance of geopolitical approach to study the Russian interest in the Caspian and Central Asia, it is necessary to have evaluated the region's current and projected importance in the context of the foreign policy interests of the United States, Russia, China, Turkey, and Iran, and also the regional and international security considerations. Since the break-up of the Soviet Union's heartland domination, Geopolitics has even experienced – paradoxically – a veritable renaissance in both academic and policy circles. Al-Qaeda-organized and sponsored terrorist attacks have only intensified an already existing belief that the heartland bestows a geopolitical advantage to the power that controls it (Hess 2004:3).

This revival of a geopolitical approach towards Central Asia is based on inaccurate perceptions of and assumptions about the region, and exaggerated, deterministic reductions of foreign policies to competitive energy imperialism. Central Asia would only under a specific set of conditions become the platform for a new Great Game, but the parameters for these conditions are unlikely to emerge in the foreseeable future. The geopolitically driven ambitions of the most important actors in the region are both ephemeral and ambiguous: ephemeral because of a lack of resources, coordination, and an honest interest in long-term sustainable development of Central Asia; ambiguous because of the difficulties encountered in the reconciliation of divergent challenges. The most prominent challenges include but are not limited to the current political order in the region, the rise of Islamism, radicalization in the absence of other alternative and viable forms of political expression, the absence of a larger vision of regionalism on the part of both Central Asian states and external powers, and the complexity of preventive and sustainable anti-terrorist measures in an environment that is marginal, fragile, and economically disadvantage.
Rise of Caspian to the centre of global geopolitics

Any study of Caspian geopolitics without covering Central Asia, which is an inseparable part since ‘Great Game’, will be incomplete. Caspian and central Asian region has gained significant global attention for primarily two reasons: the region’s role as a buffer zone and as a platform for strategic projection in the war on terror and the exploitation of energy reserves in the Caspian Sea area. The global campaign against terrorism led to an intensification of diplomatic efforts and a foreign military presence in the region comparable in intensity to the economically motivated initiatives that took place in the 1990s after the collapse of the Soviet Union¹. During the first ten years of post-Soviet independence, Central Asian states looked beyond Moscow primarily for capital and technology to boost their oil drilling and the exploitation of natural gas reserves. With every Al-Qaeda terrorist incident, however, it became tragically clear that the delicate balance between economic and security interests had been mismanaged by both national authorities and foreign interests. Retrospectively, the decisive factor in this miscalculation did not rest with the extraction of resources, but with their safe transportation from landlocked production sites to distant markets.

¹In October 2003, Russia opened the Kant air force base outside of Bishkek. 500 Russian troops will be based permanently at Kant, Russia’s first new military installation on foreign soil since the breakup of the Soviet Union. The troops are part of a rapid-reaction force based on the Collective Security Treaty signed by non-GUUAM CIS member-states in Dushanbe in April 2003. Kyrgyzstan is a rare case where both American and Russian bases are located. The Manas base, however, which was set up by the United States after September 11 for airlift needs in Afghanistan, is in the process of being reduced to 1,100 men, down from 2,000, two-thirds of which are American (see *The Economist*, November 1, 2003, 60). The United States maintains a second, less significant base in Uzbekistan.
While a pipeline that would bring fuels through Iran was impracticable, given the stalemate of U.S.-Iranian relations, Afghanistan presented itself as a convenient transit alternative. When the Taliban came to power in 1996, they found widespread financial and political support as perceived harbingers of authoritarian stability and the predictability so fundamentally important for capital investors. Al-Qaeda's militancy, with its obvious links to the Taliban regime, threw the miscalculation into sharp relief. Thus Operation Enduring Freedom, thus the seeming strategic renaissance of the rimland bordering Central Asia, fuelled by unprecedented high-level diplomatic activities and an upsurge of bilateral and multilateral assistance programs.

The reasons for the sudden renaissance of the region is mainly due to various reasons: September 11 and the uninterrupted record of terrorist incidents, the structural weaknesses of state authority, the lack of legitimate (let alone democratic) institutions, protracted economic difficulties, widespread poverty, porous borders, ethnic tensions, and religious extremism would have done little to recommend Central Asia for a central role in the geostrategic spotlight (Hess 2004). The reactive mode of the attention focused on the region underlines both the need for and the shortcomings of negatively motivated preventive security measures: stopping the operations and growth of terrorist networks; stopping the illicit narcotics trade, which targets Western markets, and Narcoterrorism Stopping the numerous regional conflicts from developing into major ones; and preventing the interruption of unhampered access to the region's energy resources (Gakhokidze 2001). The ostensibly renewed interest in the region by the United States, Russia, China, Turkey, and Iran finds expression in short-term tactical and Improvised policies rather than any long-term strategic planning.

**Geopolitical Interest of United States in the region**

It is necessary to have an idea of United States policy in the region, since the disintegration of Soviet Union, to understand the Russia's geopolitical interest in the Caspian region. While there are signs that the United States has been turning military and diplomatic resources away from Central Asia and the Caucasus towards Iraq and the Middle East in order to avoid the problems associated with strategic overextension, even
a reduced U.S. presence in Central Asia will have lasting effects. Geopolitical considerations have led the United States to establish a small quasi-permanent presence in its attempt to root out the conditions that breed terrorism on the one hand, and to maintain access to Central Asia’s oil and gas reserves as an alternative to Middle Eastern reserves that are subject to greater political volatility on the other.

The much-reduced military presence indicates, however, that U.S. policy towards Central Asia and the Caspian region remains tactical in nature and therefore uncertain. With the successful ousting of the Taliban regime, the need for high-level engagements seems to have disappeared, even given the residual instability in Afghanistan. The U.S. military presence will therefore continue to be maintained at a modest level in Central Asia as long as Al-Qaeda operations continue, and as long as the Taliban have a small chance to return to power. With regard to energy reserves, it is clear that Russian (Siberian) and West African oil has become significantly more important for ensuring stable, diverse supplies than the Caspian basin (Chufrin 2003). The completion of the Baku-Ceyhan pipeline is more likely to reduce rather than increase the American presence in the Caspian region, as already evidenced by a decline in economic assistance programs.

The rapid U.S. operational engagement in 2001 and 2002 in Central Asia, followed by a scaled disengagement in 200, is indeed symptomatic of the absence of a visionary application of any long-term strategy in the region (Maynes 2003). The engagement has been devoid of a broader sustainable and regional dimension beyond the ousting of Al-Qaeda leaders and the Taliban regime. The uncertain nature of the U.S. presence is an important element of the region’s chronic instability. At the same time, the United States’ Central Asia engagements have attracted widespread attention to the obstacles and opportunities presented by economic and cautious political reforms. Furthermore, the technical assistance programs in border management and law enforcement may in the medium term have a positive impact on regional stability, as radicalized movements encounter not only more difficult conditions for recruitment and maneuver, but also more professional and better-equipped security forces. In short, geopolitical and domestic security considerations have led the world’s foremost economic, political, and military superpower to become involved in one of the most
remote and powerless regions of the world. Whether this strategic choice will end with an incremental decision to withdraw the remaining tactical presence remains to be seen. However, Central Asia’s rapidly changing role in the global terrorism-prevention scheme is illustration enough of the legitimising power that Mackinder’s ideas still have on foreign policies which neither promote a larger vision of Central Asian regionalism nor address the complex and difficult tasks of good governance, in particular the reconciliation of democratic principles with Islamic traditions.

The US has multiple ambitions in its Caspian policy. So USA has not committed any financial obligations to the BCT pipeline. From 1997 US made a special office of the Caspian coordinator. The EU has maintained neutrality, tantamount to supporting the US position. It was inevitable that regional conflict was exacerbated. The oil consortiums believe since ‘trade was now following flag non-economic options were being pursued by governments. This US policy has been firmed up with the Iraq war. The US military bases are being used for aggression in the Middle East. These bases give it effective access to the Middle East and encircle Russia and China. They are convenient take off points for US flights to Pakistan and India. The US has been able to activate its plan for hegemony with these bases.

Caspian region’s Geopolitical importance to Russia

From a Russian point of view, the Caspian Sea area is of particular concern due to a host of interests that must be protected. Russia wants to remain strong in the area and wield power within and control over the Commonwealth of Independent States (CIS), thereby ensuring the security of its southern flank. States of concern here are those CIS members noted above plus Georgia and Armenia. Russia sees as its greatest danger the potential expansion of Chechen authority into Dagestan at Russia’s expense, thereby severely restricting Russia’s direct access to the Sea (only Astrakhan remains).the retention of Russian influence within the space of the former Soviet Union directly determines the future of Russian statehood, according to many analysts. Caspian oil, despite all its economic significance, is merely the external manifestation of the global political task of the present-day-the restoration of Russia’s might.
Evolving problems in the North Caucasus among the autonomous Russian republics (not only Chechnya, but also Karachay-Cherkessia, Kabardino-Balkaria, North Ossetia, Ingushetia, etc.) and growing religious pressures (from the Wahhabis, among other groups) make this area as or perhaps more important to Russia than the CIS in terms of interests and stability (Thomas 2000). Russia wants to ensure that cash flows in the form of Western capital will continue from Central Asian and Siberian oil fields, and that cash flows are not be redirected out of Russia and into the Caspian region. Russia can compete on a level playing field with Kazakhstan and other Caspian oil investors with the proper Production Sharing Agreement (PSA) legislation in place. Another economic concern (which is also a geo-strategic, geo-political and ecological concern) is sovereignty rights to the body of water itself. The bottom and outer edges of the Caspian is divided one way, the column of water over these divisions in another.

Unlike the United States, Russia’s foreign policy is more consistently anchored in a grand strategy in the Mackinderian mode towards an area that Moscow has always considered its own backyard. With the dissolution of the convergence of interests between Russia and the United States in the immediate aftermath of September 11, this grand strategy has been further consolidated: continuing maintenance of a military presence throughout the region (in Tajikistan and Kazakhstan in particular), establishment of the new Kant military base in the Kyrgyz Republic in order to “deter terrorists and extremists of all kinds,” intensified intelligence exchange and cooperation between the Federal Security Service (FSB) and Central Asian security services (FSB’s annual conference of CIS intelligence chiefs), and a new military doctrine which renews Russian ambitions to regain some of the political, military, and economic influence it has ceded to the United States, China, and Turkey in the wake of September 11. The military reassertion is directed particularly toward China, as the doctrine threatens the use of nuclear weapons against conventional attacks in “situations that are vital for the survival of Russia and its allies” (Hess 2004).

These measures indicate that Russian policy in the region is dominated by a focus on terrorism, asymmetric threats, and the desire to contain NATO’s influence, and above all to maintain the control over regions energy resources, pursued through the bilateral
individual Partnership for Peace (PfP) programs and multilateral PfP exercises in the region, such as the Fergana Valley exercise. The new military doctrine places emphasis on the independent role of air power, lighter and more flexible infantry forces, special forces to counter asymmetric threats, and—most importantly—the role of military forces in defending Russian economic interests abroad and protecting Russian-speaking minorities in CIS countries. Following the classic paradigm of Geopolitics, the doctrine links domestic security to the control of the heartland through the presence of Russian troops in Central Asia. By linking fragile regimes, terrorism, and “soft” security threats to the need for control of the heartland, Moscow demonstrates that geopolitical reasoning still plays an important role in the definition of its grand strategy. Similarly, the novel system of intensified intelligence coordination strengthens Russia’s information position with regard to asymmetric threats emanating from the region, notably on the penetration of Islamic fundamentalism, drug trafficking, separatist movements, and critical infrastructures. A joint intelligence database on organized crime and terrorism and the development of the CIS Anti-Terrorist Center in Bishkek illustrate the advantages provided by a common KGB heritage, which is still shared by many intelligence services throughout the region.

Close intelligence coordination between Russia and the United States also continues to be important to the leadership in both countries, as comparative advantages in the analytical and operational intelligence fields have brought complementary advantages to both sides in Central Asia. Both sides are also benefiting from intelligence to further their economic interests, notably the promotion of leading energy corporations. As Central Asian states with hydrocarbon reserves rely on a Russian-owned pipeline system subject to trans-shipment fees, Russia considers the development of any alternative transport routes as a security threat.

Another importance actor in the Caspian geopolitics is China. China’s position vis-à-vis Caspian region is characterized by a long-term consistent and geopolitically motivated foreign and security policy. Due to this consistency, China is likely to become the most important long-term power and reference point in and for Central Asia. Russian needs and interests are split between Europe and China, viewing the former as an
opportunity and the latter as a competitor and threat. Potential economic cooperation between Russia and China on energy and water in Central Asia are unlikely to develop significantly as long as borders remain vulnerable and the demographic balance unfavorable (Fuller and Starr 2003).

The role of the European Union in the region is most likely to be marginal, due to a significant absence of policy coordination and a lack of interest. In this vacuum, China is best positioned to seek economic integration with Central Asia. This integration will satisfy China’s immense needs for energy and water, but will also create a fertile ground for Russian-Chinese conflicts over mounting Chinese influence and illegal migration. The recent long-term acquisition offensive by Chinese petrochemical corporations in Kazakhstan’s giant North Caspian Sea project indicates that the world’s third-largest consumer of energy is keen on boosting its already rapid economic development in the coastal areas. It also indicates that China has taken a head start over Russia and the United States, which are still in the early stages of negotiating oil and gas agreements in the Caspian basin.

Turkey and Iran are unlikely to become significant actors in the region, although for different reasons. While Turkey acquired substantial influence and engaged in a number of business activities in Central Asia in the 1990s, the recent economic downturn has undermined Erdogan’s revived pan-Turkic ambitions and stripped his vision of its necessary material credibility. Central Asian regimes realized that the Turkish model for a secular state with Islamic traditions cannot address national and regional challenges; nor was the divisive internal debate over European Union accession in Turkey particularly encouraging for regimes that are trying to preserve domestic stability. Iran’s role as an important market for the Caucasus and Central Asia has not lived up to its potential, given Iran’s geopolitically advantageous position. The reasons for this failure are manifold, but are essentially related to bureaucratic politics, political instability, imposed sanctions, and hesitant reforms. With changed domestic and external parameters, Iran is more likely to articulate geopolitical ambitions and take a proactive role in Central Asia.
The importance of geopolitics once again comes to the fore since Vladimir Putin's assertive policies in Caspian and Central Asia. Russia economic revival through oil income fuelled the new emergence of geopolitical rivalry. The United States, with it grandiose plan to control the energy rich Middle East and adjacent region, has entered to the region after the collapse of Soviet Union. During 1990's due economic problems and Political Instabilities Russia was unable to put forward an active policy in the region and elsewhere. But the Putin's use of energy recourses as a foreign policy tool change the rules of the game. As neo- conservative ideologue Robert Kagen opined "Many in the West still want to believe this is the era of geo-economics. But as one Swedish analyst has noted, "We're in a new era of geopolitics. You can't pretend otherwise"(Kagen 2008:19).