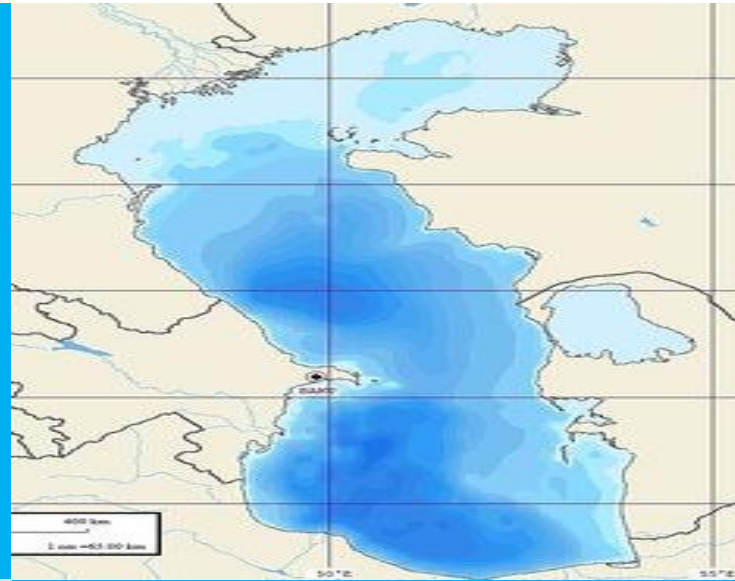




The Caspian Basin: Legal, Political and Security Concerns, Pipeline Diplomacy and Implications for EU Energy Security



Anis H. Bajrektarevic

ASIA-PACIFIC RESEARCH AND TRAINING NETWORK ON TRADE

Working Paper

NO. 149 | 2015

The Asia-Pacific Research and Training Network on Trade (ARTNeT) is an open regional network of research and academic institutions specializing in international trade policy and facilitation issues. IDRC, UNCTAD, UNDP, ESCAP and WTO, as core network partners, provide substantive and/or financial support to the network. The Trade and Investment Division of ESCAP, the regional branch of the United Nations for Asia and the Pacific, provides the Secretariat of the network and a direct regional link to trade policymakers and other international organizations.

The ARTNeT Working Paper Series disseminates the findings of work in progress to encourage the exchange of ideas about trade issues. An objective of the series is to publish the findings quickly, even if the presentations are less than fully polished. ARTNeT Working Papers are available online at www.artnetontrade.org. All material in the Working Papers may be freely quoted or reprinted, but acknowledgment is requested, together with a copy of the publication containing the quotation or reprint. The use of the working papers for any commercial purpose, including resale, is prohibited.

Disclaimer:

The designations employed and the presentation of the material in this Working Paper do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries. Where the designation “country or area” appears, it covers countries, territories, cities or areas. Bibliographical and other references have, wherever possible, been verified. The United Nations bears no responsibility for the availability or functioning of URLs. The views expressed in this publication are those of the author(s) and do not necessarily reflect the views of the United Nations. The opinions, figures and estimates set forth in this publication are the responsibility of the author(s), and should not necessarily be considered as reflecting the views or carrying the endorsement of the United Nations. Any errors are the responsibility of the author(s). Mention of firm names and commercial products does not imply the endorsement of the United Nations.

The Caspian Basin: Legal, Political and Security Concerns, Pipeline Diplomacy and Implications for EU Energy Security

Anis H. Bajrektarevic*

Please cite this paper as: Anis H. Bajrektarevic (2015), The Caspian Basin: Legal, Political and Security Concerns, Pipeline Diplomacy and Implications for EU Energy Security

ARTNeT Working Paper Series No. 149, 2015, Bangkok, ESCAP.

Available at www.artnetontrade.org

*Anis H. Bajrektarevic is a Professor and a Chairperson for International Law and Global Political studies at the Austrian IMC University of Applied Sciences. He is editor of the New York-based Addlton's GHIR Journal (Geopolitics, History and Intl. Relations), as well as the Senior Editorial member of many specialized international magazines, including the Canadian Energy Institute's Journal Geopolitics of Energy. The author expresses appreciation to the ARTNeT secretariat for the technical support and for the opportunity to present an earlier version of this paper at the ARTNeT seminar series on 27 April 2015. He warmly thanks to the participants for insightful comments and suggestions. Any errors that remain are sole responsibility of the author who can be contacted at anis@bajrektarevic.eu.

Abstract

Regions, rich in energy resources, continue to be of crucial interest for our carbon-powered world. There are numerous things at stake to begin with, from international legal status, ownership rights, energy routes, transit corridors, state and corporate interests, environmental hazards and the overall puzzle of energy diplomacy.

Additionally, Caspian is troubled with its own specific set of complexities that are listed in this work. They range from the undefined legal status, territorial disputes, ethnic instabilities and vicinity to other hot spots, such as the turmoil Middle East and the more recently sparked conflict in Ukraine. Besides the current and ongoing political, legal and security concerns, another layer of complexity represents the recent economic crisis and the steep fall in global energy prices. Caspian is already experiencing the negative effects of these trends, not to forget the implications of the crisis in the Russian Federation's economic and currency sectors and the overall decline of investments in the region over the past two years. In addition to recouping the losses from energy trade, important consequence will therefore be a much tougher competition to attract investments in the future, inevitably resulting in greater concessions made on the invested side which is likely to impact regional stability.

Because of its geographical setting, the Caspian is also of central interest for the European energy security, although the supply chain from the region has been traditionally kept under Russian Federation control. However, for the past decade or so, the EU is becoming increasingly ambitious in planning Caspian pipelines that exclude Russian Federation's territory and the Nabucco Pipeline project was in the centre of these strategic efforts for a considerable amount of time. The Caspian is therefore also at a crossroads between grand and conflicting energy interests of Russian Federation and the Western Europe.

JEL Classification: K32, Q4

Keywords: Caspian water plateau, geo-economic passions and imperatives, riparian states, hydrocarbons, energy security

Contents

1. Introduction	1
2. A profile of the Caspian Basin	2
2.1. The Caspian water plateau	2
2.2. The inner circle.....	3
2.2.1. Russian Federation	4
2.2.2. Islamic Republic of Iran	5
2.2.3. Azerbaijan.....	7
2.2.4. Kazakhstan	7
2.2.5. Turkmenistan	8
2.3. The outer circle and other external actors	8
3. Territorial disputes	12
3.1. Post-Soviet border issues between Caspian littoral states	12
3.2. Nagorno-Karabakh conflict	12
3.3. Separatism in Georgia	13
3.4. Conflict zones in the North Caucasus	13
4. Other security concerns	14
4.1. Terrorism and the proliferation of WMD	14
4.2. Drug trafficking	15
4.3. Environmental security	15
5. Status-related disputes	15
5.1. Historical developments prior to 1991	15
5.2. Present legal options and their implications.....	16

5.3. Present and future outlook.....	18
6. EU-Caspian relations and energy security.....	19
6.1. Energy reserves and transportation.....	19
7. Case study: death of the Nabucco pipeline and the lessons learnt.....	22
8. Conclusion.....	26
References	28
List of figures and tables	
Figure 1: The Caspian Sea and its hydrogeology.....	3
Figure 2: The proposed and already effective division of the Caspian Basin.....	5
Figure 3: Post South- Stream possibilities.....	10
Figure 4: Caspian pipelines not under Russian Federation's control.....	20
Figure 5: Planned South Stream and Nabucco gas pipelines.....	23
Figure 6: Proposed pipelines in the Sothern corridor.....	24
Table 1 : Proven Caspian oil reserves(in billion barrels).....	19
Table 2 : Proven Caspian natural gas reserves(in trillion cubic meters).....	20

1. Introduction

Just as the rapid melting of the Polar caps has unexpectedly turned distanced and dim economic possibilities into viable geo-economic and geopolitical probabilities, so it was with the unexpected and fast meltdown of Russian Federation's historic empire – the Soviet Union. Once considered as the Soviet Union's inner lake, the Caspian has presented itself as an open/high sea of opportunities literally overnight – not only for the (new, increased number of) riparian states, but also for the belt of (new and old) neighbouring, and other interested (overseas) states.

Interest of external players ranges from the symbolic or rather rhetorical, to the global geopolitical, from an antagonizing political conditionality and constrain to the pragmatic trade-off between political influence and gains in energy supply. We can identify the three most important categories of interest in the Caspian. The first are energy-related economic and political interests. These refer to the exploitation of gas and oil resources hidden in the Caspian. The second are non-energy related economic interests such as extensive fishing options and the costly and luxurious caviar of the Caspian Sea. The third is the Caspian's strategic position. Its location is not only part of numerous European-Asian-Middle Eastern crossroads, but also offers different avenues for setting future pipeline routes that are part of larger geostrategic and geo-economic considerations political influence and energy supply gain (Zeinolabedin, Yahyaour and Shirzad, 2009, p.116).

In this interest driven and conflicting mixture we cannot neglect the power and influence of largest transnational corporations along with new non- state players, which are influencing the regional stability, equilibrium of interests and policy making process. Additionally, let us not disregard big consumers like China, India or the European Union (EU) that are driven by their own energy imperative: to improve their energy security (including the reduction of external dependencies) as well as to diversify their supplies, modes and forms in the long run. This energy imperative and strive for energy security is, relative to the demand, also of utmost importance when it comes to geopolitics of energy in the Caspian.

On a promise of these allegedly vast oil and natural gas resources (most of which untapped), the Caspian is witnessing the "New Grand Game" – struggle for the domination and influence over the region and its resources as well as transportation routes. Notably, the Caspian is a large landlocked water plateau without any connection with the outer water systems. Moreover, 3 out of 5 riparian states are land-locking Caspian, but are themselves landlocked too. Azerbaijan, Kazakhstan and Turkmenistan have no direct access to any international

waters. That means that pipelines remain the only mode of transportation and delivery of carbonic fuels, thus creating yet another segment for competition, and source of regional tension as the 3 riparian states do depend on their neighbours for export routes.

Finally, due to both the unsolved legal status of the Basin as well as the number of political and territorial disputes in Caucasus and on the Caspian, numerous new pipeline constructions and expansion projects have been proposed, but so far not realized. For the EU, the most important was the Nabucco pipeline, which although not fully guaranteed, served as the hope for reduced dependence on Russian Federation. As of now this goal is currently becoming more and more relevant because of the added complexity to this pending energy issue. Hereby we are referring to the ongoing crisis in Ukraine and the accompanying process of western alienation from Russian Federation in general. This strategic reorientation might not be risk-free for the EU, especially if we consider that the Union, in the terms of energy supply, has no alternative option at present state. One might wonder how successfully can the “new great game” translate into the “new cold war” between Russian Federation’s Eurasia and Western Europe- America, especially considering the geopolitical realities, which are by no means as unilayered and absolute as they were between 1945 and 1991.

The following lines will therefore consider the geopolitical, legal and economic (including the energy security for the final end-user, supplier and transiting countries) features of the Caspian theatre, complex interplays and possible future outlook.

2. A profile of the Caspian Basin

2.1. The Caspian water plateau

The Caspian (Azerbaijani: *Xəzər dənizi*, Persian: دریای خزر or دریای مازندران, Russian: Каспийское море, Kazakh: Каспий теңізі, Turkmen: Hazar deňzi) is the world’s largest enclosed or landlocked body of (salty) water – approximately of the size of Germany and the

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_4362

