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Editorial of GCSP Policy Brief No. 9 Security in the Caspian Sea Region: Challenges and Opportunities in a Globalized World

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Review and Critique

The Caspian Sea region broadly includes the five states of Central Asia and the three states of the South Caucasus and Russia. After the collapse of the Soviet Union, the Caspian Sea region attracted a considerable amount of international attention, due to its sizable energy reserves as well as its geostrategic position between Europe and Asia, with neighbors that include Iran and Turkey. It has since become an arena of regional, as well as global, competition over the development and transportation of mineral resources, as well as influence in the Caucasus and Central Asia. As Katya Shadrina notes in her brief, the region's large hydrocarbon resources make it one of the most promising energy sources of the United States (US), the European Union (EU), China, Turkey, and India.¹

The region's largely untapped energy reserves would appear to augur well for its future. Yet, the geopolitical weight of the Caspian Sea region is also accompanied by a number of threats to stability. The Caspian states are fragile ones that are currently struggling with difficult economic and political transitions. They continue to suffer from weak institutions that lack the capacity to fulfill basic political, economic, and social functions. There is also a perceptible criminalization of the structures of authority, as well as widespread corruption.² These factors - add up to an extremely fragile security situation, since destabilizing domestic and regional ethnic tensions so often lie just below the surface.

Shadrina observes that the region's stability is tenuous for a number of reasons. Unresolved regional conflicts, including the Nagorno-Karabakh enclave in Azerbaijan, secessionist movements in Georgia, the extremely unstable situation in Afghanistan, and Russia's ongoing conflict in Chechnya continue to cast a shadow over the region. Moreover, the Caspian Sea region's location – at the crossroads between Western Europe, East Asia, and the Middle East – serves as a transit route for trafficking of weapons of mass destruction and drugs, as well as terrorists.³ Weak state institutions complicate the challenge of effectively addressing these transnational security issues.

The Caspian Sea's ecosystem is also in danger of being sacrificed at the expense of energy wealth. Offshore drilling is believed to have a negative effect on the environment at every stage of production. Seismic-testing, entailing underwater explosions, can injure and kill marine life. The by-products of drilling, as well as accidental oil spills, cause further damage to marine animals and plants, while introducing toxins into the food supply of both animals and humans.⁴ In addition, the "other black gold" – black caviar-bearing sturgeon – are also under threat, another point raised by Shadrina. The Caspian's sturgeon population is in decline, due to poaching and catastrophic levels of over-fishing. Moreover, the expansion of drilling for petroleum is also likely to place these endangered sturgeon under increased threat.

Dilemmas and Our Recommendations

Thus, while the Caspian Sea region is rich in oil and natural gas reserves, the region's future is held hostage to a number of unresolved conflicts, ethnic tensions, religious extremism, and environmental damage and degradation. Weak state institutions also make the task of managing such issues even more challenging. Below, we suggest eight dilemmas or challenges facing policy makers, as well as eight corresponding recommendations.



A major challenge facing policy makers in the region is how to balance the economic gains from energy resources against the risk of over-exploitation and environmental degradation. In order to safeguard the long-term economic security of the region, as well to ensure greater environmental security, regulations should be put in place to protect natural resources. Preventing over-fishing of sturgeon is also in the long-term interests of the region. Fish quotas should be strictly enforced, and yearly assessments of fish stocks should take place.

The extraction and transportation of energy reserves from the Caspian Sea region is a major source of geopolitical rivalry. Pipeline routes proposed by companies linked to non-regional powers are controversial because they are aimed at limiting the influence of Russia and neighboring Iran in the region. Russia and Iran, however, are also eager to have oil and gas from the region pass through their territories.⁵ Policy makers in the region are, therefore, confronted with the dilemma of advantages of transnational pipelines and the geopolitics of their installation. Agreements between states in the region must outline economic and political details to ensure equality of costs and benefits.

Another challenge is linked to the intervention of non-regional actors in regional conflicts. Outside concerns about regional conflicts may be driven by commercial or strategic motivations. This being the case, external involvement may even serve to exacerbate rather than ameliorate political, ethnic, and religious tensions in the region.⁶

In order to be effective in addressing crime, terrorism, and non-state actors, the Caspian states will need to collaborate in the security domain. Regional cooperation is, therefore, needed to help cope with a whole host of security challenges, including those linked to the environment, regional conflicts, as well as terrorism, drug trafficking and the proliferation of weapons of mass destruction. The success of regional security arrangements will depend on the role of Russia.

Conclusion

Thus, whilst the Caspian Sea region is rich in oil and gas reserves, a number of factors make it unstable, including ongoing regional conflicts and the geopolitical interests of outside powers. The region's position between Western Europe, East Asia, and the Middle East also make it a prime transit area for non-state actors engaged in illicit activities. Unfortunately, the Caspian states weak institutional capacities make the task of dealing with an array of transnational security challenges extremely complex.

References

¹ For the brief in its entirety, please see the policy brief series as a part of the Geneva Centre for Security Policy's Program on the Geopolitical Implications of Globalization and Transnational Security at <http://www.gcsp.ch/e/publications/Globalisation/index.htm>.

² V. (Ze'ev) Khanin, "Clientelism, Corruption and the Struggle for Power in Central Asia: The Case of Kyrgyzstan," in M. Gammer, *The Caspian Region*, Vol. 1 (London and New York: Routledge, 2004).

³ See J. H. Kalicki, "Caspian Energy at the Crossroads," *Foreign Affairs*, Vol. 80, No. 5, September/October 2001.

⁴ Rachel E. Neville, "Two Black Golds: Petroleum Extraction and Environmental Protection in the Caspian Sea," *Journal of Public and International Affairs*, Vol. 12, Spring 2001, pp. 110-111.

⁵ See S. Alam, "Pipeline Politics in the Caspian Sea Basin," *Strategic Analysis: A Monthly Journal of IDSA*, January-March 2002.

⁶ V. Rubin, "The Geopolitics of Energy Development in the Caspian Region: Regional Cooperation or Conflict?," *Conference Report*, Center for International Security and Cooperation, Stanford University, December 1999, p. 17.