

THE EVOLUTION OF CENTRAL EURASIA POLICY OF THE US IN THE POST-
SOVIET ERA AND THE GEOPOLITICS OF THE CASPIAN OIL

A THESIS SUBMITTED TO
THE GRADUATE SCHOOL OF SOCIAL SCIENCES
OF
MIDDLE EAST TECHNICAL UNIVERSITY

BY

DENİZ DEĞER

IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR
THE DEGREE OF MASTER OF SCIENCE
IN
THE DEPARTMENT OF INTERNATIONAL RELATIONS

SEPTEMBER 2006

Approval of the Graduate School of Social Sciences

Prof. Dr. Sencer Ayata
Director

I certify that this thesis satisfies all the requirements as a thesis for the degree of Master of Science.

Prof. Dr. Meliha Benli Altunışık
Head of Department

This is to certify that we have read this thesis and that in our opinion it is fully adequate, in scope and quality, as a thesis for the degree of Master of Science.

Prof. Dr. Meliha Benli Altunışık
Supervisor

Examining Committee Members:

Prof.Dr. Meliha Benli Altunışık (METU, IR) _____

Assistant Prof.Dr. Oktay Tanrıseven (METU, IR) _____

Assistant Prof.Dr. Galip Yalman (METU, ADM) _____

PLAGIARISM

I hereby declare that all information in this document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results that are not original to this work.

Name, Surname : Deniz Değer

Signature :

ABSTRACT

THE EVOLUTION OF CENTRAL EURASIA POLICY OF THE US IN THE POST-SOVIET ERA AND THE GEOPOLITICS OF THE CASPIAN OIL

Değer, Deniz

M.Sc., Department of International Relations

Supervisor: Prof.Dr. Meliha Benli Altunışık

September 2006, 178 pages

The objective of this thesis is to analyze the US Central Eurasia Policy in the period between 1991 and 2006. Within this context, the purpose is to figure out the foremost motive behind the US's strategic engagement in the region with a due regard to changing geopolitical context with the demise of the Soviet Union. The main argument rests upon the assumption that the US regional policy is primarily motivated by geopolitical imperatives as the Central Eurasian region becomes the primary springboard for the attainment of global supremacy. Within this respect, energy is only one aspect of the ongoing geopolitical competition. That the geopolitical priorities are preponderant to socioeconomic interests are basically observed by the intense geostrategic struggle over dominating the prospective oil and gas pipelines from the region.

Eventually, within the confines of this thesis, it is deduced that the ultimate parameters of the geopolitical struggle, the framework of which was specified by the United States, have revealed themselves more explicitly in the aftermath of the September 11, which only reinforced the strategic significance of Central Eurasia in coping with the new geopolitical fault lines of the 21st century. Within this regard, Central Eurasia has transformed into an implicit geostrategic standoff between the United States on the one hand, and Russia and China on the other. Accordingly, the fact that the United States could by no means remain complacent about the fate of Central Eurasia against such a backdrop of high geopolitical fluidity in the overall Eurasian continent is most relevant to the possibility of rising potential aspirants for global dominance that would challenge the United States in the long term.

Keywords: the US, the Caspian, Energy, Geopolitics, Russia, Central Eurasia, September 11, Security, NATO, power-projection, Pipelines

ÖZ

SOVYET DÖNEMİ SONRASI AMERİKA BİRLEŞİK DEVLETLERİ'NİN MERKEZ AVRASYA POLİTİKASININ EVRİMİ VE HAZAR PETROLÜNÜN JEOPOLİTİĞİ

Değer, Deniz
Yüksek Lisans, Uluslararası İlişkiler
Tez Yöneticisi: Prof.Dr. Meliha Benli Altunışık

Eylül 2006, 178 sayfa

Bu tezin konusu, Amerika Birleşik Devletleri'nin Merkez Avrasya politikasının 1991-2006 tarihleri arasında incelenmesidir. Amacı, Amerika'nın bölge genelindeki stratejik konuşlanmasının ardında yatan nedenleri, Sovyetler Birliği'nin çökmesiyle değişen jeopolitik düzlem çerçevesinde incelemektir. Temel argüman, Amerika'nın bölgesel politikasının, bölgenin dünya egemenliği yarışında stratejik bir atlama tahtası olması dolayısı ile, öncelikle jeopolitik gereklerden doğduğudur. Bu çerçevede, enerji süregelen jeopolitik mücadelenin sadece bir boyutudur. Jeopolitik önceliklerin, jeoekonomik çıkarların önüne geçmesinin en güzel örneği bölgedeki olası petrol ve doğal gaz boru hatlarını kontrol amaçlı verilen devletler arası jeostratejik güç yarışdır.

Araştırma sonrasında varılan nokta şudur ki çerçevesi Amerika tarafından çizilen jeopolitik güç mücadelesinin esas parametreleri 11 Eylül olayları sonrasında açıkça ortaya çıkmıştır. 11 Eylül'le birlikte, Kafkasya ve Orta Asya Bölgesinin, 21. yy.'ın hayati sorunsalları ile mücadele etme eksenindeki stratejik önemi pekişmiştir. Bu çerçevede, bölge bir tarafta Amerika Birleşik Devletleri, diğer bir tarafta da Rusya ve Çin ikilisinin karşı karşıya geldiği gizil bir stratejik mücadele sahasına dönüşmüştür. 11 Eylül sonrası Avrasya kıtası genelinde mevcut olan kaygan jeopolitik zemin karşısında, Amerika'nın Kafkaslar ve Orta Asya'nın kaderi konusunda kayıtsız kalamaması, bölge ölçeğinde Amerika'nın uzun vadeli dünya egemenliğine meydan okuyacak güç merkezlerinin doğma olasılığı ile en yakından ilişkilidir.

Anahtar Sözcükler: Amerika, Hazar, Enerji, Jeopolitik, Rusya, Orta Asya, Kafkaslar, 11 Eylül, Güvenlik, NATO, Güç gösterimi/atışı, Boruhatları

ACKNOWLEDGMENTS

I would like to extend my sincere gratitude to my supervisor, Prof.Dr. Meliha Benli Altunışık for her encouragement, motivation and her belief to me throughout the research for this thesis. I would also like to thank her because of her implicit influence upon the development of my perspectives, evaluations, and interest areas during the course of the whole graduate studies on the grounds of her valuable insight, critical mind, and valuable research and discussion materials. I would also like to thank the members of the examining committee, Assistant Professor Oktay Tanrısever and Assistant Professor Galip Yalman for their helpful comments and suggestions.

Above all, I would like to stress that without the constant support, encouragement, tolerance and affection of my parents, I would not be able to complete this thesis. I am totally grateful and very much indebted to my mother, father and my brother, primarily because I am coincidentally born to such an understanding, loving, supporting and enlightening family in the first place. Secondly, I need to thank them because they have always encouraged me going through the inner soul of myself, stood back and waited patiently till I got the right way, and totally made me feel that they believed in me all the way along. Eventually, I should also admit that my brother, Can, happened to be the main cause behind my decision to continue with my thesis for the second time. I would like to thank him particularly, since he has always made myself feel confident and special in all cases and has pushed me with my goals and purposes in life, giving me a full relief by claiming that time is always right for dreams and objectives, if you only have the desire.

TABLE OF CONTENTS

PLAGIARISM.....	III
ABSTRACT	IV
ÖZ	V
ACKNOWLEDGMENTS	VI
TABLE OF CONTENTS.....	VII
LIST OF ABBREVIATIONS	IX
1. INTRODUCTION.....	1
2. GEOPOLITICS AND THE CASPIAN ENERGY	12
2.1. THE RELEVANCE OF GEOPOLITICS TO THE STUDY OF ENERGY POLITICS AND THE SIGNIFICANCE OF CENTRAL EURASIA.....	12
2.2. THE STRATEGIC SIGNIFICANCE OF THE CASPIAN ENERGY RESERVES	19
2.3. ANALYSIS OF CASPIAN LITTORALS' ENERGY RESERVES	26
2.4. CONCLUDING REMARKS	33
3. CASPIAN PIPELINE PROJECTS.....	34
3.1. OIL AND GAS PIPELINE POLITICS IN THE CASPIAN SEA BASIN: A GENERAL DISCUSSION.....	34
3.2. ANALYSIS OF CASPIAN PIPELINE PROJECTS.....	36
3.2.1 <i>Baku-Tbilisi-Ceyhan Oil Pipeline</i>	36
3.2.2 <i>Early-Oil Transport Routes, the Caspian Pipeline Consortium and the South Caucasus Pipeline</i>	39
3.2.3 <i>Trans-Caspian Pipeline Projects versus the Blue Stream Gas Project</i>	44
3.2.4 <i>Putin's Eurasian Gas Alliance Project</i>	47
3.2.5 <i>Iranian Route</i>	50
3.2.6 <i>China-Kazakhstan Pipeline</i>	54
3.2.7 <i>US-proposed Trans-Afghan Pipeline</i>	58
3.3. CONCLUDING REMARKS	59
4. THE US CENTRAL EURASIAN POLICY (1991-1999).....	61
4.1. THE INITIAL ROUND OF US ENGAGEMENT IN CENTRAL EURASIA: THE RISE OF THE TRANS-CASPIAN INTO THE EURO-ATLANTIC SECURITY AGENDA AND "RUSSIA-FIRST" POLICY OF THE US	63
4.2. THE SECOND ROUND OF US ENGAGEMENT IN CENTRAL EURASIA: THE SHIFT IN WASHINGTON'S RUSSIA POLICY AND THE RELATIONS WITH IRAN	73
4.3. THE THIRD ROUND OF US ENGAGEMENT IN CENTRAL EURASIA: THE PAX NATO REGIME, THE US POWER-PROJECTION MECHANISMS AND THE RISE OF OPPOSITION FRONT	78
4.3.1 <i>US Strategic-Military Engagement</i>	78
4.3.2 <i>Opposition Outcry: The Sino-Russo Strategic Entente and the Shanghai V</i>	82
4.3.3 <i>The Year of 1999; the New Strategic Concept of NATO and the National Security Strategy of the US</i>	88
4.3.4 <i>The Downplay of the US Power before the turn of the 21st century</i>	91
4.4. CONCLUDING REMARKS	92
5. THE US CENTRAL EURASIAN POLICY (2000-2006).....	94
5.1. THE IMPLICATIONS OF BUSH'S NATIONAL SECURITY AND ENERGY DOCTRINES ON CENTRAL EURASIA AGAINST PUTIN'S ORIENTATION TO EURASIANISM.....	94
5.1.1 <i>The Basic Tenets of Bush Doctrine and the Official National Energy and Defense Strategies before the September 11</i>	95
5.1.2 <i>Moscow's Eurasianist Orientation under Putin, The Return to Near Abroad and Ascending Sino-Russo Cooperation under Shanghai V</i>	101

5.1.3. <i>The Impact of September 11 on the Central Eurasian Geopolitics and the National Security Strategy of the US</i>	106
5.1.4. <i>Caspian Energy Equation: A General Discussion-USA, Russia, and China</i>	110
5.2. THE SECURITY OF CENTRAL EURASIA AS A GEOPOLITICAL BATTLEFIELD BETWEEN US AND RUSSIA & CHINA IN THE POST-SEPTEMBER 11 PERIOD.....	124
5.2.1. <i>The US Strategic-Military Engagement</i>	125
5.2.2. <i>The Transformation of NATO Capabilities in the post-September 11</i>	129
5.2.3. <i>The Official US Defense and Military Strategies</i>	133
5.2.4. <i>The Russian Strategic-Military Engagement</i>	136
5.2.5. <i>The Color Revolutions and the Shifting Balance in Regional Politics</i>	139
5.2.6. <i>The Sino-Russo Strategic Cooperation, the CSTO and the SCO</i>	142
5.2.7. <i>The Shifting Balance of Power in Central Eurasia in the post-Uzbekistan Base Crisis</i> .	147
5.3. CONCLUDING REMARKS	150
CONCLUSION	152
REFERENCES	158

LIST OF ABBREVIATIONS

ABBREVIATIONS

ABM	Anti-Ballistic Missile Defense
ACG	Azeri, Chirac and Guneshli mega structure
AIOC	Azerbaijan International Operating Company
ASEAN	Association of Southeast Asian Nations
Bbl	Barrels
Bbl/d	Barrels per day
Bcm	Billion cubic meters
BTC	Baku-Tbilisi-Ceyhan
BTE	Baku-Tbilisi-Erzurum
BTU	British thermal unit
CACO	Central Asian Cooperation Organization
CIS	Commonwealth of Independent States
CNOOC	China National Offshore Oil Company
CNPC	China National Petroleum Corporation
CPC	Caspian Pipeline Project
CST	Collective Security Treaty
CTR	Cooperative Threat Reduction
DOE	US Department of Energy
FSA	Freedom of Support Act
IEO	International Energy Outlook
ILSA	Iran-Libya Sanctions Act
INOGATE	Inter-State Oil and Gas to Europe
IOC	International Oil Company
NATO	North Atlantic Treaty Organization
NEP	National Energy Policy
NEPDG	National Energy Policy Development Group
NIOC	National Iranian Oil Company
NIS	Newly Independent States
NMD	National Missile Defense
NRF	NATO Reaction Force
NSC	National Security Strategy
OPEC	Organization of the Petroleum Exporting Countries
PfP	Partnership for Peace Program
SCO	Shanghai Cooperation Organization
SCP	South Caucasus Pipeline
SOCAR	State Oil Company of Azerbaijan
TAP	Trans-Afghan Pipeline
Tcf	Trillion cubic feet
TCGP	Trans-Caspian Gas Pipeline
TRACECA	Transport Corridor Europe Caucasia Asia
UCP	Unified Command Plan
UN	United Nations
USCENTCOM	United States Central Command
USJFCOM	United States Joint Forces Command

CHAPTER I

INTRODUCTION

The end of the Cold War generated a systemic crisis globally, behind which a new set of global agenda issues had come to the fore with the evasion of the bi-polar international system and the rise of new power centers that might challenge the US primacy in the long-term. The rise of new power centers is actually the concomitant by-product of the spreading of “multi-interdependency of world economies” since the late 1970s with “sequential industrialization”¹ of those states beyond the Euro-Atlantic space. In the post-1945 period, the US had established the basis for a well-organized capitalist system of mass production and a gold-dollar standard centered international financial order as the former’s supportive bearer, in which the manufacturing sector became the central pivot of world economic expansion where the role of the US economic enterprise was overwhelming in sustaining the growth of this worldwide expansion². Complementing the sub-structural level of capitalistic reorganization, in which the US power in all realms outpaced her rivals and blessed her with a hegemonic power to underwrite the normative and politico-strategic rules of the international system, the US did achieve to construct a network of international agencies and security alliances that did reflect the world-myth of “alliances of democratic nations” in the super-structure under the aegis of the United Nations; and an accompanying military-security strategy of “global containment” under NATO to prevent the challenge of Soviet threat at all costs.

However, coming to the 1970s, the world economy had already entered a stagnation phase and other areas of the world, the Western Europe and Japan amongst the others, did catch up by

¹ The term is used by Mehdi P. Amineh and Henk Houweling.

² Immanuel Wallerstein, *Geopolitics and Geoculture: Essays on the Changing World System*, Cambridge University Press; Cambridge, 1991, pp. 47-53; Mehdi P. Amineh & Henk Houweling, “The Geopolitics of Power-Projection in US Foreign Policy: From Colonialization to Globalization”, in Mehdi P. Amineh & Henk Houweling (eds.) *Central Eurasia in Global Politics: Conflict, Security and Development*, Brill Academic Publishers; Leiden, 2005, pp. 25-45.

experiencing high growth rates and economic expansion³. Hence, as Wallerstein argued the 1970s and 1980s marked the period “in which considerable reshuffling- of location of economic activity, of sectoral profitability, of world economic structures- was indeed occurring”⁴. The rules of international capitalistic competition were changing as the multinational corporations went abroad and sought business opportunities beyond national borders so as to access and grab the competitive advantages of the late-industrialized countries by means of importing labor intensive manufactures for further processing and re-exporting⁵. With the advent of new gravity centers at the backdrop of steep technological advancements and intense worldwide economic competition, such a structural change in the world economy would be leading to the evasion of US primacy over the economic realm.

The course of the 1970s was also the period when successive oil crises and accompanying world energy supply disruptions were being experienced. The era of “abundant and cheap oil”, which required a constant military surveillance over safe and reliable delivery of the Middle Eastern oil supplies to international markets was giving a deficit⁶. As the reliability of the Middle Eastern supplies was being questioned, the search for alternative forms of energy and alternative supply sources were being intensified. The issue of “energy security” has since then dominated the foreign policy and national security agendas of each and every import-dependent state. Worldwide competition to get access to raw materials, energy being amongst the firsts, did only intensify with the alteration of the meaning of national power and prestige as industrial might

³ Immanuel Wallerstein (1991), *Geopolitics and Geoculture*.....pp. 53-63; Immanuel Wallerstein, “The Eagle Has Crash Landed”, *Foreign Policy*, no. 131, July/August 2002, retrieved August 3, 2003 from Academic Search Premier database (00157228).

⁴ *Ibid.*, p. 55

⁵ Mehdi P. Amineh & Henk Houweling, “The Geopolitics of Power-Projection in US Foreign Policy”, in Mehdi P. Amineh (eds.), 2005, pp. 43-49.

⁶ Bard E. O'Neill, “The United States and the Middle East: Continuity and Change”, in Howard J. Wiarda (ed.), *US Foreign and Strategic Policy in the Post-Cold War Era: A Geopolitical Perspective*, Greenwood Press; Connecticut, 1996, pp. 120-4; Geoffrey Kemp & Robert E. Harkavy, *Strategic Geography and the Changing Middle East*, Brookings Institution Press; Washington D.C., 1997, pp. 55-63; Bahgat, Gawdat, *American Oil Diplomacy in the Persian Gulf and the Caspian Sea*, University Press of Florida; Gainesville, FL, 2003, pp. 6-22.

and technological superiority did supersede all other forms of power⁷. This does not mean that military and security issues were undervalued totally, but there definitely had been changes in the inter-state system as the deepening of trans-national capitalism coupled with a de facto transition into multi-polarity required re-evaluation of strategic-military alliances.

The end of the Cold war was, in this sense, an official forerunner of an abrupt breaking off from the inter-state system of the previous era. The formal de-legitimization of the bi-polar inter-state system was realized as the Soviet threat and the ideological confrontation of the post-1945 period wore to an end. The de-composition of the Soviet Union happened to be the major geopolitical transformation ever at the turn of the 21st century, not least because it was the eventual defeat of communism by liberal capitalism or the ultimate success of the “Euro-Atlantic core of modern democratic nations” over their “Eurasian gap of autarchic counterparts”; but also it meant re-judgment and reordering of all foreign policy assumptions and strategies of the previous era against the alternating geopolitical context of the 21st century. Within this regard, the re-evaluation of prior terminologies and classifications of nations and blocs together with the validity of cold war’s politico-military super-structural institutions and organizations; the redefinition of regional priorities and interests and determinations of new instruments to deal with them in a more multi-polar geopolitical context; and the specification of challenges and new geopolitical fault-lines that would replace the Soviet threat of the previous era so as to devise a new grand strategy to dominate over the world affairs for the coming century became the foremost obligation of all powers that aspired a dominant position within this successive phase of geopolitical competition for global supremacy⁸. Within this new phase of geopolitical re-ordering, the weight of the Central Eurasian geography, located in the midst of the delineating border that divides the Euro-Atlantic space from its peer competitors of the Asian block could not be undervalued at all, since this new political vacuum would be to a great extent determinant over the fate of this new geopolitical competition insofar as the region is to be integrated within any sphere of influence with all its political, economic and security assets and is to be served as

⁷ Michael T. Klare, *Resource Wars: the New Landscape of Conflict*, Henry Holt and Company; New York, 2002, p. 7

⁸ Howard J. Wiarda, “Introduction- From Cold War to Post-Cold War: Change and Continuity in US Foreign and Strategic Policy”, in Howard J. Wiarda (ed.), *US Foreign and Strategic Policy in the Post-Cold War Era: A Geopolitical Perspective*, Greenwood Press; Connecticut, 1996, pp. 4-14.

the cement for re-definition of the Core's geographical delimitations and strategic access to other parts of the world.

This study is an analysis of the US Central Eurasian Policy in the post-Cold War period. It is about the redefinition and reformulation of US strategic policies vis-à-vis the Eurasian continent as a whole, as the Central Eurasian region becomes the geopolitical springboard for the attainment of global supremacy in this new phase of geopolitical competition for global supremacy. The purpose of the study is to analyze the US strategic engagement in the Central Eurasian region by means of looking through the official US national security, defense and energy strategies at one time and by discussing their relevance to and repercussions upon the prospect of relations particularly with the regional powers of Russia, Iran and China on the Eurasian context. Such analysis is to be made with a due regard to the relations between the regional powers and the Central Eurasian states at the outset of the changing posture of political-military alliances through the course of the structural reconfiguration of Cold War's superstructural institutions and the expansion of NATO to the backdoor of both Russia and China. Moreover, it is important to note in advance that, within the confines of this study, the Central Eurasian region is to be handled as one geopolitical entity, without a due reference to individual states. This is because it is assumed that the Central Eurasian states do accommodate similar regional peculiarities, deriving from their common historical pasts and common paths to freedom and political independency. Hence, they are all presumed to go through the same socio-political and economic problems in realizing their state-building process. Eventually, on the part of the United States, it is to be argued that there is one coherent regional policy, common and devised for all newly independent states (NIS) in the region, despite that it differs at some points and occasions with respect to geostrategic priorities in relation to other regional powers. Furthermore, this regional policy is assessed to be primarily geopolitical in essence, which, in this sense, is affirmed to foresee the full integration of the Central Eurasian states into western sphere of influence.

The Central Eurasian region, as herewith described, comprises the newly independent states of the Caucasus (Armenia, Azerbaijan, Georgia) and the Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan). With the end of the Soviet control over the Central Eurasia, these states have been living through the socio-political and economic repercussions of detaching from their Soviet pasts and coping with the complexities of nation and state-building.

Within this regard, the utilization of Caspian energy resources have become the central element of the long-term commitment to gaining economic and political independence for these countries. On a parallel logic, the control of and access to both the Caspian resources and the transportation routes from the region have also turned out to be a strategic prize for the regional and international powers, which would entail great political achievements and strategic leverage vis-à-vis the others over the definition of the political, security, economic and normative aspects of the new international system.

The main argument of this thesis reflects the assumption that the US Caspian Energy Policy is actually a derivative of US Central Eurasian policy in general, meaning that economic priorities are mainly dictated by geopolitical and national security interests of America, behind which there exists a deeper world myth of expanding the Euro-Atlantic style of free capitalist democracies over the whole Eurasian continent. Eventually, this so-called world-myth of the United States is affirmed to be consolidated by restructuring the political, security and normative institutional mechanisms of the Cold War era. Within this regard, what is to be argued, within the confines of this thesis is that the US Caspian energy and pipeline policy is one of the foremost arms of the US's geopolitical transformation project in the overall Eurasian continent in general and the Central Eurasian region in particular, which rests upon three major guiding principles: promotion of democracy and free market economies, sustainability of inter-regional socio-political stability and the achievement of regional cooperative models against any threats to regional security; and ultimately, the preservation of global energy security by means of transforming the Caspian into a reliable source of energy hub as an alternative to volatile Persian Gulf.

With regards the latter, creating alternative sources of energy supply centers with the purpose of lessening the degree of vulnerabilities on the part of import-dependent economies on possible supply disruptions happen to be one of the main axes of geopolitical struggle between international powers for the 21st century, since energy security is a paramount component of national security policy for each and every import-dependent state. In this regard, both the access to energy resources and control over potential transport routes or pipelines from the Caspian region is argued to be a strategic prize for the international powers, which involve not only economic, but also political and security interests. Considering that the scale of this geostrategic competition between the international actors over access to Caspian energy and the prospected

pipeline routes is also to a great extent interrelated with the changes in the overall international energy market since the 1990s, it is imperative to stress the importance of global demand and supply equation over the rise of the Trans-Caspian as a new geo-strategic battlefield for the 21st century. Within this respect, the changing definitions of national power and prestige, combined with the further deepening of interdependence of national economies, and eventually the interdependence between energy producers and consumers have indeed intensified the scale of world-wide competition for access to energy worldwide, as the global demand for energy has aggravated, while on the contrary, the global energy supplies tend to diminish on a rather fast track.

In order to understand the relevance of the US Caspian Policy and the enshrining significance of Caspian's security to the overall Central Eurasia Policy of the US, it is required to know the prospect of international energy market for the coming century in advance. Global demand for key resources is soaring at an enormous rate. Behind this growth lie two equally important factors, one being the population growth and the other being the expansion of industrialization, culminating in a corresponding increase in personal wealth. International Energy Outlook 2005 projects that total world consumption of energy is expected to expand from 412 quadrillion British Thermal units (Btu) in 2002 to 553 Btu in 2015 and then to 645 Btu in 2025, which indicated roughly a 57 percent increase of energy consumption for the projected term⁹. Given more than a doubling of world energy demand for the next twenty years, nevertheless, little change is expected in the relative shares of the major fuel resources. For the first half of the 21st century, petroleum is expected to preserve its dominance in world energy consumption by 38 percent of share while natural gas as the fastest growing component of world primary energy consumption comes the second with a 25 percent of share. Together, oil and natural gas would account for 65 percent of total energy consumption by 2025¹⁰. It is actually the emerging economies that account for much of the increase in the total energy consumption with two or three times the rate of the industrialized countries. As primary energy consumption in the emerging economies as a whole is to increase at an average annual rate of 3.2 percent between

⁹ Energy Information Administration, *International Energy Outlook (IEO2005)*, July 2005, US Department of Energy; Washington D.C., World Energy and Economic Outlook section, p. 7. Retrieved Nov.11, 2005, from www.eia.doe.gov/oiaf/ieo/index.html.

¹⁰ Ibid. pp. 8-9.

2002 and 2025, in the mature market economies the annual average rate of growth is roughly 1.1 percent for the same period¹¹. Developing Asia as a whole with such a robust economic growth is expected to account for 40 percent of the increase in projected world energy consumption for the given period¹².

According to IEO2005 predictions, world oil supply in 2025 is projected to increase its 2002 level of 78 million bbl/d by almost 41 million bbl/d. DOE projects that about 60 percent of the increase in petroleum demand over the next two decades will be met by an increase in production by members of OPEC rather than non-OPEC suppliers¹³. Nevertheless, it is projected that by 2020 only about one-third of the total oil production increase will come from non-OPEC areas¹⁴. OPEC petroleum exports to developing nations are expected to increase by 17 million bbl/d over the period of 2002 and 2025 and 70 percent of this increase would be going to emerging economies of Asia. China, alone, is expected to import about 7.3 million bbl/d from OPEC in 2025, all of which is projected to come from the Persian Gulf.

Under the premise that there is a high level of geographical concentration of world energy reserves of which OPEC producers are assumed to be the source of the required residual supply for the period of 2002-2025 and a robust growth of world energy demand, stipulated by increase in world population and a corresponding expansion of economic development, it is rather difficult to separate institutionally the energy markets from international relations and inter-state rivalry. The distinction between dependency and vulnerability suggests that concentration is a key factor in the security of energy supply¹⁵. Within this respect, “Energy security” could be broadly defined in terms of attacks on oil infrastructure, and greater vulnerability to imported oil

¹¹ Ibid. p. 7.

¹² Frank A. Verrasto, CSIS Director, “Emerging Global Energy Trends and Their Implications for US Energy Needs, Security and Policy Choices”, Testimony before the Committee on Energy and Natural Resources United States Senate, Washington D.C., February 3, 2005, electronic document retrieved March 6, 2006 from <http://www.csis.org/media/csis/congress/ts050203verrastro.pdf>.

¹³ IEO2005..... p.25, 39.

¹⁴ IEO2005.....pp. 29-31.

¹⁵ James M. Kendell, “Measures of Oil Import Dependence”, July 22, 1998, electronic document retrieved January 11, 2006 from <http://www.eia.doe.gov/oiaf/archive/issues98/oimport.html>.

supply threats, either physical or financial, due to high concentration of supply production¹⁶. The fact that most of the global energy suppliers are located in the socio-politically fragile geographies of the Middle East and the Persian Gulf make the issue of energy security one of the most important dimensions of national security agendas of import-dependent states. Since the most noticeable trend of international oil markets during the coming decades would by no means be both the growing mutual dependencies between energy suppliers and consumers and also the reliability of safe delivery of imported petroleum, the “triangular strategic region” from the Persian Gulf in the west to the Caspian Sea in the north and the South China Sea in the east is particularly elicited to become the subject of high risk of geostrategic competition between distinct international actors.¹⁷

This outcome would only be perpetuated by the simple fact that the moment of total depletion of world energy supplies would arrive in the first quarter of the 21st century¹⁸. Despite that the timing for the arrival of peak oil differs with respect to different analysts, one thing is for certain that world oil production has actually ceased growing and by 2019 production is alleged to be down to 90 percent of the peak level¹⁹. This simply means that the era for cheap and abundant oil has indeed reached to an end and that the geostrategic competition for access to alternative

¹⁶ Frank A. Verrastro, CSIS Director, “Energy Security in a Changing Global Market Place”, Report given at JDA Executive Program, Center for Strategic and International Studies (CSIS); Washington D.C., March 20, 2006, electronic document retrieved June 2, 2006 from http://www.csis.org/media/csis/pubs/032006_verrastro_energy_security.pdf.

¹⁷ Michael T. Klare, *Resource Wars: the New Landscape of Conflict*, Henry Holt and Company; New York, 2002, p. 50.

¹⁸ For a discussion on peak oil see, Michael T. Klare, “The Twilight Era of Petroleum”, August 2005, electronic document retrieved October 11, 2005 from <http://tomdispatch.com/index.mhtml?pid=10216>; Michael T. Klare, “The Energy Crunch to Come: Soaring Oil Profits, Declining Discoveries, and Danger Signs”, March 2005, electronic document retrieved March 6, 2006 from <http://www.commondreams.org/views05/0322-31.htm>; Adam Porter, “International Energy Agency Confronts Peak Oil”, October 3, 2005, electronic document retrieved March 6, 2006 from <http://www.resourceinvestor.com/pebble.asp?relid=13358>; Richard Heinberg, “How to Avoid Oil Wars, Terrorism, and Economic Collapse”, August 2, 2005, electronic document retrieved March 7, 2006 from <http://www.energybulletin.net/7552.html>; Deepa Babington, “ChevronTexaco Warns of Global Bidding War”, February 16, 2005, retrieved March 2, 2006 from <http://www.energybulletin.net/4354.html>; Carola Hoyos, “Big Oil Warns of Coming Energy Crunch”, August 5, 2005, electronic document retrieved May 3, 2006 from <http://www.energybulletin.net/7676.html>

¹⁹ Kenneth S. Deffeyes, *Beyond Oil: The View from Hubbert’s Peak*, Hill and Wang; New York, 2005, pp. 3-12.

supply centers would actually be much more acute and would produce harsher results since there are to be more diverse energy consumers worldwide with distinct national interests and foreign policy agendas. On the part of the US specifically, the total depletion of global oil supplies and the precarious socio-political environment pertaining to energy suppliers in the Middle East are argued to lead to more “securitization of oil politics”, which in Michael T. Klare’s words, to guarantee its continued availability as a matter of national security that could be safeguarded through the use of military force²⁰. This is because, according to DOE projections, the US oil import reliance is expected to grow from the current level of 58 percent to between 65 and 75 percent of demand by 2025. Contrary to such projections, domestic production is anticipated to be no greater than its current level, thus, notifying an increasing rate of dependency upon foreign suppliers for the projected term²¹.

Hence, the abundance and the diversity of global energy consumers, the imminent threat of dwindling of global energy supplies, and the reliability of safe delivery of supplies to international markets for the health and prosperity of mutually interdependent world economies have actually elevated the Caspian Sea Region to a significantly salient position in terms of the issue of energy security. This is why it is necessary to discuss the geopolitics of the Caspian energy and the issue of pipeline politics in the region so as to display that the recently aggravated interest in the Central Eurasian region as a whole has much to do with economics as it is with politics. However, the main argument of this thesis aims to prove that the changing definitions of international power and prestige combined with the supersedure of a rather multi-polar international system over the bipolar international system of the Cold War era have indeed enlarged the spectrum of interests in the region. Within this respect, as approached from the dimension of the US particularly, the geopolitical and the national security interests of America have indeed established the essential basis for the respective energy policy in the region. Eventually, the US Caspian energy policy is argued to be encapsulated from the very beginning by the US grand strategy to dominate over the Eurasian continent in general and the Central Eurasian region in particular, so as to prevent the rise of new challengers to US’s global

²⁰ Michael T. Klare (2004), *Blood and Oil*.....p.12.

²¹ IEO2005..... pp. 25-35; *National Energy Policy, May 2001*, Report of the National Energy Policy Development Group; Washington D.C., Chapter II., p. 9, electronic version retrieved March 8, 2006 from <http://www.whitehouse.gov/energy/National-Energy-Policy.pdf>.

supremacy. This is why, within the confines of this study, the preliminary US agenda for the Central Eurasian region is assessed to be geopolitical in the first place as the so-called inter-state struggle over the region between the US on the one hand and Russia and China on the other is denoted as a geopolitical competition or a hegemonic rivalry so as to specify the rules of the next inter-state system, superseding the Cold War's bi-polar system.

In Chapter II, the symbiotic relationship between geopolitics and energy is tried to be laid on theoretical grounds, and the assessment of Caspian basin's energy reservoirs are to be made vis-à-vis the each Caspian littoral while the socio-political and technical barriers in the way to Caspian's reach to its full potential are also to be discussed. The analysis of energy resources is confined to only three Caspian littorals; Azerbaijan, Kazakhstan and Turkmenistan. This is actually a conscious selection both due to ease of presentation and for supporting the main argument of this study, and also due to the fact that it is essentially these three Caspian littorals that accommodate far greater amounts of energy resources in their own national sectors. Moreover, those primarily geopolitical pipeline projects are indeed either emanating from or crossing through these so-called littorals. In Chapter III, Caspian pipeline projects are analyzed vis-à-vis a general discussion about the policies of regional powers and the US respectively. In this regard, it is intended to come to a conclusion that how the pipeline politics is actually utilized to realize the geopolitical interests and objectives of the US and the regional powers, such as Russia, Iran and China over the region as a whole. In Chapter IV, the US Central Eurasian Policy in the period between 1991 and 1999 is analyzed. It is argued that the basic parameters of US geostrategy vis-à-vis the region were defined in this period, and in the latter part of the 1990s, the US regional policy in general and the Caspian policy in particular did become noticeable in the sense that at the time the US did already define the "insiders" and "outsiders" of the geopolitical game. This is why, within the confines of this study the US Central Eurasian policy is analyzed specifically vis-à-vis Russia, Iran and China, since the essentials of the US policy are argued to be configured on the basis of disengaging or curtailing the influence of "the others" or "the strategic competitors" over the region as a whole. Hence, given that Russia, Iran and China are geo-strategically the most powerful actors that would make the US geostrategic policy to be calculated and devised accordingly, the selection of these countries are made purposefully to support the main argument of this study, not to negate the importance of other regional actors over the region. In Chapter V, the US Central Eurasian Policy in the period between 2000 and 2006 is to be debated with a due regard to changing

parameters of security and political alliances particularly after 9/11 events. Within this respect, the increasing significance of the Central Eurasian region with the US-led “global war against terrorism” is to be stressed and it is to be argued that the US Caspian policy has actually become a derivative of the geopolitical priorities and national security interests of the US in the Greater Central Asia in this period. Furthermore, that a recognizable shift of policy towards an obviously “security-oriented” militaristic profile of US engagement in the region to the detriment of regional balance of power is emphasized, which in response has eventually transformed Central Eurasia into a geostrategic standoff between the US and her allies on the one hand, and Russia and China, on the other.

CHAPTER II

GEOPOLITICS AND THE CASPIAN ENERGY

2.1. The Relevance of Geopolitics to the Study of Energy Politics and the Significance of Central Eurasia

The study of geopolitics as a self-reliant discipline poses much controversy among scholars both due to its semantics and ontological and methodological roots. This is to say, the difficulty in delineating a sharp border between political science and geography when it comes to the issue of studying international relations from a spatial or a geographical perspective and in repudiating the commonly held perception that geopolitics lacks the kind of objectivity, which science should be able to uphold in explaining a recurrent set of events in a consistent manner, engenders a lack of clarity regarding the application of geopolitics as the foremost methodology in understanding the inter-state relations through a holistic perspective²². Moreover, the well-acknowledged fact that geopolitics has generally been utilized as a leverage “to make political geography to serve the purposes and deeds of this or that particular state”²³ obfuscates the unit of analysis and the level at which that unit is to be studied, by incorporating various levels of state-society complexes in explicating the motives and causes of state’s acts beyond its national borders.

It is not the purpose of this study either to analyze geopolitical theories through a historical chronology or rather figure out the best methodology in understanding the pattern of inter-state relations and world systems by means of geopolitical analysis²⁴. What is important for the purpose of this study is to stress the prevailing importance of geopolitical ambitions in the external relations of states and in the trans-boundary expansion of international powers through different means even in a period of constant flux of the international system in the post- cold war

²² Geoffrey Parker, *Geopolitics: Past, Present and Future*, Pinter; London, 1998, pp.1-7.

²³ D. Whittlesey, *The Earth and the State: A Study in Political Geography*, Henry Holt; New York, 1993, as cited in *Ibid.*, p 4.

²⁴ For an analysis of geopolitical theories see *Ibid.* Chapter II & Chapter VI.

era. By bounding up the geopolitical priorities of states to their geo-economic interests for the enhancement of international status and power and for the prevalence of world order, the access to energy resources and the concomitant rise of Trans-Caspian region in particular and the Central Eurasian region in general as an economic prize is preferably to be evaluated as part of a geopolitical competition among international powers through the entire Eurasian continent. Hence, energy though revealing itself as a geo-economic prize at the outset, is argued to be the predominant axes of geopolitical rivalry for the dominance of world system, which has been delegitimized with the disintegration of the Soviet Union.

Within this regard, procurement of energy resources is seen as the means to political domination by means of creating spheres of influence in extra-territorial regions. Nevertheless, this is not to degrade the importance of geo-economics vis-à-vis geopolitics. Rather, the two are inextricably bound to each other to the extent that the former serves the purpose of the latter. Assuming that economic development and technological advancement are the primary tools for international power and prestige and the first rule of economic superiority is “market imperfection”, stipulated by unequal access to key locomotive resources for economic mobilization, it is rather difficult to analyze the two separately²⁵. However, looking behind the motives of international actors in pursuing a specific policy, “state-society complex, consisting of institutionalized state-business-military relations within the states”²⁶ provide the main policy inputs in the trajectory of foreign policies of states. Looking from this perspective, it is usually the geopolitical priorities dictated by national security and power imperatives that dominate and manipulate the economic interests in pursuing a certain set of actions. This is most evident in the realm of energy politics. Thus, the rise of Central Eurasian region as a strategic prize for international powers in the 21st century should be assessed through such prism of complex web of interactions between political, military and economic priorities, which are derivative of domestic state-society complex, carried upon to the trans-national level. As such, the prevalence of geopolitics over geo-economics is most apparent in the Central Eurasian region from the fact that, as noted by Charles van der Lieuw, the discrepancy between market value and strategy-political value of oil and gas in the region is rather wide, namely the production will remain insignificant in terms of world market

²⁵ Mehdi P. Amineh & Henk Houweling, “Caspian Energy: Oil and Gas Resources and the Global Market”, in Mehdi P. Amineh & Henk Houweling (eds.), 2005, p. 79, 82.

²⁶ Ibid. p. 8.

shares for at least a generation to come²⁷. Contrary to this picture, geopolitical stakes in the region are so great that, in terms of power enhancement, readiness to expand “defense parameters”²⁸ of international powers at the expense of the others for the sake of predominance in the region outweighs the geo-economic interests to a greater extent.

Geopolitical analysis is vastly relevant to the study of international relations in general, or to the study of one specific area of interest within the discipline, as in our case the energy politics, in order to understand the basis on which the prevalent world order rests upon and under what conditions and towards which pattern the world order is prone to alter vis-à-vis the interactions between international actors on a specific time period. It is equally important to analyze geopolitical realities accurately in advance for the strategic analysts in order for them to figure out the best fitting time-dependent “grand strategy”²⁹ for international powers to preserve their international status and dominance in the next phase of hegemonic rivalry.

Geopolitics, sitting right at the dividing line between political science and geography, could be defined broadly as the study of international relations from a spatial perspective³⁰. Or in Saul B. Cohen’s words, geopolitics is “the relation of international political power to the geographical setting”. Within this regard, the methodology of geopolitics is spatial, but its subject matter is interdisciplinary and draws on strategy and politics³¹. The unit of analysis of geopolitics is the political actors, differing in shape and size through time, and their territoriality, namely the

²⁷ Charles Van deer Leuw, *Oil and Gas in the Caucasus & Caspian: A History*, Curzon Press; Richmond-UK, 2000, p. 23.

²⁸ Term is used by Mehdi P. Amineh & Henk Houweling.

²⁹ In Paul Kennedy’s terms, “the crux of grand strategy lies...in the capacity of a nation’s leaders to bring together all elements both military and non-military, for the preservation and enhancement of the nation’s long-term best interests.The Grand Strategy operates at various levels , political, strategic, operational, tactical, all interacting with each other to advance the primary aim” in Paul Kennedy, “Grand Strategy in War and Peace: Toward a Broader Definition”, in Paul Kennedy (ed.), *Grand Strategies in War and Peace*, Yale University Press; Yale as cited in Michael Evans, “The Continental School of Strategy: The Past, Present and Future of Land Power”, Land Warfare Studies Center, Study Paper no.305, June 2004, p. 21.

³⁰ Geoffrey Parker (1998), *Geopolitics: Past, Present and Future*.....p.5

³¹ Saul B. Cohen, *Geography and Politics in a World Divided*, Oxford University Press; New York, 1973, as cited in Geoffrey Parker (1998), *Geopolitics: Past, Present and Future*.....p.19.

geographical limits or rather natural resource systems upon which societies survive. Accordingly, the common feature of all political units is that they all exist in geographical space and they all aspire to some form of order on the world's surface. And in fulfilling their interests towards some form of order, they interact with each other, either by building regional blocs or by means of domination, in order to establish limited forms of order, namely spheres of influence, within particular areas. Thus, political actors engage in cross-border activity to get access to resources beyond legal borders in order to extend their spheres of influence. Such cross-border activity of any kind, connecting domestic society and its institutions to external world is called "power-projection"³². Power-projection activities of political actors are simultaneously guided by some perception of world order and by the aspired position in it. Such conceptions may dictate either "conflictual behavior patterns", as in the case of direct territorial expansion or establishment of territorial spheres of influence at the expense of others (called zero-sum policy); or rather "associative behavior patterns", which rest upon the so-called principle of "win-win" policy for all the parties in concern by utilizing a co-optation formula to widespread the ultimate benefits to all³³. Such behavior patterns, either utilized by benevolent or malevolent mechanisms of control sought beyond borders, dwells upon geographical expansion of some kind in order to create a world political map in accordance with the realities of hegemonic powers.

Geopolitics can not exist independently of state-society complex and its reflection upon trans-national level by means of inter-state rivalry or engagement at historical time periods. And as Walters argued "it is a matter of faith in the long run"³⁴ in the sense that "the subjective act of power-projection, dictated by some perception of world order, of a state becomes absorbed by the reality or rather the international order itself"³⁵, and as such turns out to be the norm for the management of inter-state relations. Hence geopolitics, the frame of which is defined by the requirements and priorities of time and the prevalent political geography, becomes the tool in the

³² Mehdi P. Amineh & Henk Houweling, "Introduction- Crisis in IR Theory", in Mehdi P. Amineh & Henk Houweling (eds.), 2005, pp. 9-16.

³³ Geoffrey Parker (1998), *Geopolitics: Past, present and future*.....pp. 160-166.

³⁴ R. E. Walters, *The Nuclear Trap*, Penguin; Harmondsworth, 1974, as cited in *Ibid* p. 156.

³⁵ Mehdi P. Amineh & Henk Houweling, "Introduction- Crisis in IR Theory.....", p. 16.

hands of international actors towards the shaping of their foreign policy, and in response, the states themselves becomes encapsulated by the geopolitical map that is the by-product of the purposeful acts of a dominant power, the *mappa mundi*³⁶ of which prevails over the others for a given period of time.

In simpler terms, geopolitical world and the corresponding political map that serves the geopolitical interests of the political units, is in a state of considerable movement. Two collateral processes are effective in stipulating geopolitical change. The first process, as expected, is the rise and fall of states of basically the same type, which is followed by the second, the replacement of one dominant world order that has served the purposes of the previous era, by the other. The latter takes a longer time, since it is actually a paradigm shift that brings about new challenges and geopolitical stakes, which transforms the entire flow of the geopolitical course. The latter process could be denoted as an interregnum, since it advents right after the decomposition of some existent world order and as such it prevails over a power vacuum, ripe for any level of conflict and struggle between candidates for hegemonic leadership for the coming era³⁷.

The end of the Cold War has brought about exactly the mentioned geopolitical transformation as a bunch of newly independent states that have been the mere appendages of the defunct Soviet Union previously, have arisen as “autonomous political actors” with an ultimate objective of state and nation building. The rise of the former Soviet space as a new geo-strategic geography has changed not only the traditional parameters of European and Middle East’s geographical delimitations, but also downgraded the sound basis of the previous bi-polar international system³⁸. Both the geographical and ideological connotations of the post-World War II international system have paved the way to the rise of a new tension between multi-polarity and uni-polarity and to the question that whether the so-called “western model of development” on

³⁶ Geoffrey Parker (1998), *Geopolitics: Past, Present and Future*.....p. 155. Refers to the fact that current geopolitical theories do reflect a world myth or a world view, superseding the political geography at hand that endeavors to change the political map in accordance with the interests of the hegemonic powers.

³⁷ *Ibid.* p. 81.

³⁸ Geoffrey Kemp & Robert E. Harkavy, *Strategic Geography and the Changing Middle East*, Brookings Institution Press; Washington D.C., 1997, pp. 3-15.

both political, normative and economic bases of liberal capitalism would be sustained and actually extended to integrate the formerly out-of-notice “non-Euro-Atlantic” space. Thus, with the end of the Cold War, the whole question of “geopolitical regionalization”³⁹ was reopened as some geographic regions become obsolete and some others move into the centre of major concern. Within this respect, one sees the rise of entire Eurasian continent as a central basis for global primacy and the rules of the successive international order would not be certain unless the whole Eurasia becomes domesticated and adapted to the newly established political, security, normative and economic rationale of the world system, to be arisen by the end of a transitional phase of multi-polar geopolitical rivalry.

What is meant by Eurasia is not only the former Soviet space extending from the Black Sea region, the Crimea and the Caucasus through the Middle Volga region up to Central Asia, but also the mega-regional geography that includes Russia and China, the whole of South and Southwest Asia from Afghanistan, Pakistan and India through Iraq and Turkey. Furthermore, a broader scale of analysis gives one the “Greater Eurasian chessboard” as Brzezinski argues that extends from Lisbon to Vladivostok, or in a different terminology that extends from the very western edges of the EU countries up until the eastern shores of the Pacific Ocean, including Singapore and Sakhalin⁴⁰. The fact that why the Eurasian continent is the new geo-strategic prize for the successive phase of hegemonic rivalry and for the determination of American geo-strategy in protection of her geopolitical interests is well summarized by Brzezinski, in his well-known piece of work, “The Grand Chessboard”:

Eurasia is home to most of the world's politically assertive and dynamic states. All the historical pretenders to global power originated in Eurasia. The world's most populous aspirants to regional hegemony, China and India, are in Eurasia, as are all the potential political or economic challengers to American primacy. After the United States, the next six largest economies and military spenders are there, as are all but one of the world's overt nuclear powers, and all but one of the covert ones. Eurasia accounts for 75% of the world's population, 60% of its GNP [gross national product], and 75% of its energy resources.

³⁹ For a historical analysis of “geopolitical regionalism” and the “the rise of new strategic geographies”, see G. Parker (1998), *Geopolitics: Past, Present and Future....* chapter 6

⁴⁰ For a different set of regional scales of analysis for Central Asia, see Robert M. Cutler, “Central Asia and the West after September 11”, in Hall Gardner (ed.), *NATO and the European Union: New World, New Europe, New Threats*, Ashgate; London, 2004, pp. 219-231, electronic version retrieved March 7, 2006 from <http://www.robertcutler.org/download/html/ch03hg.html>.

Collectively, Eurasia's potential power overshadows even America's. A power that dominated Eurasia would exercise decisive influence over two of the world's three most economically productive regions, Western Europe and East Asia. A glance at the map also suggests that a country dominant in Eurasia would almost automatically control the Middle East and Africa. With Eurasia now serving as the decisive geopolitical chessboard, it no longer suffices to fashion one policy for Europe and another for Asia. What happens with the distribution of power on the Eurasian landmass will be of decisive importance to America's global primacy.⁴¹

As such, geopolitical issue is no longer what geographic part of Eurasia is the point of departure of continental domination as in the early 20th century geopolitical theories of either “Mackinder or Spykman”⁴², but rather it has moved from the regional to the global dimension⁴³. This is actually the result of degeneration of “the bipolar international society of the first three quarters of the 20th century” into some sort of a transitional system of multilateral interdependence towards the end of the 20th century, with the deepening of international capitalism and the advent of information revolution along with rising new power centers with distinct competitive advantages⁴⁴. This deepening of international capitalism has gone hand in hand with an upsurge in the number of energy consumers and a proportional upward trend in global energy import. Hence, the changing parameters of national power and security and the search for new supply centers in mitigating the adverse effects of energy supply disruptions validate that energy politics has become a paramount axis in this new phase of geopolitical competition over the Eurasian continent. Within this respect, the Central Eurasian region has a significant importance vis-à-vis the global geopolitical adventure over the capture of the Eurasia. This is because the Central Eurasian region is the vital springboard for the attainment of continental domination both from the fact that it is geographically proximate to those potential aspirants to global

⁴¹ Zbigniew Brzezinski (1997), *The Grand Chessboard*.....pp. 30-36.

⁴² For a discussion on Mackinder and Spykman see, Geoffrey Parker (1998), *Geopolitics: Past, Present and Future*.....chapter II & chapter VIII; Michael Evans, “The Continental School of Strategy: The Past, Present and Future of Land Power”, Land Warfare Studies Center, Study Paper no.305, June 2004, pp. 92-102.

⁴³ Zbigniew Brzezinski (1997), *The Grand Chessboard*..... p.39.

⁴⁴ For an analysis of the geopolitical changes with 1980s onwards see, Immanuel Wallerstein (1991), *Geopolitics and Geoculture*.....pp.1-64; Geoffrey Parker (1998), *Geopolitics: Past, present and Future*.....pp.129-139; for a discussion on the impact of globalization and the rise of information technology on the geopolitics and geostrategy, see M. Evans (June 2004), “The Continental School of Strategy”....pp. 102-112

preponderance, such as Russia and China, and also that it is strategically axial in terms of its lucrative energy resources in the Caspian Sea basin.

2.2. The Strategic Significance of the Caspian Energy Reserves

For a region to be strategically important the control of, or access to spatial areas (land, water, air, including outer space, economic resources) within that particular region is to have either positive or negative impact on the security and economic prosperity of nations⁴⁵. From such a perspective, one reason why the Central Eurasian region in general and the Caspian basin in particular have attracted significant attention is because of its large amounts of prospected oil and gas reserves. However, the initial estimates for both proven and unproven reserves of the region in the early 1990s revealed itself to be a fallacy as the coming exploration and drilling facilities of International Oil Companies (IOC) proved the reverse. In December 1995, the American Petroleum Institute asserted that the states bordering the Caspian Sea contained two-thirds (or 659 billion barrels) of world's known reserves of a trillion barrels of oil⁴⁶. During the same period, based upon the premises of much of the western press, there is an unproved reserve potential of about 200 billion barrels accompanying the aforementioned statistics, which was also approved by the US Deputy Secretary of State Strobe Talbott at the time⁴⁷. According to Geoffrey Kemp, 200 billion barrels (bbls) of oil and 279 trillion cubic feet (tcf) of natural gas could be recovered from the Caspian basin as opposed to more conservative projections of industrial analysts, the projections of whom lay astride 90 to 100 billion bbls.⁴⁸. Such hyper-inflated statistics in the first half of the 1990s were sufficient to place the Caspian on a par with much of the Middle East, even nominating the region as the "second Kuwait" for the 21st century. Nevertheless, as Terry Adams argued, these so-called predictions of the time were flawed and they arose from a Reserves Review commissioned by the US State Department. And ironically, the data compiled at the time was in congruent with a considerable geopolitical

⁴⁵ Geoffrey Kemp & Robert E. Harkavy, *Strategic Geography and the Changing Middle East*, Brookings Institution Press; Washington D.C., 1997, p. 8.

⁴⁶ Bruce R. Kuniholm, "The Geopolitics of the Caspian Basin", *Middle East Journal*, vol. 54, no. 4, Autumn 2000, 546-571, retrieved May 8, 2002, from Academic Search Premier Database (0026-3141).

⁴⁷ *Ibid.*; Terry Adams, "Caspian Hydrocarbons, the Politicization of regional pipelines, and the Economic destabilization of the Caucasus" *Caucasian Regional Studies*, vol. 5, no.1, 2000, electronic version retrieved March 11 2005, from http://www.ciaonet.org/olj/crs/crs_2000/crs00_adt01.html.

⁴⁸ *Ibid.*

repositioning by the US within the Trans-Caucasus⁴⁹. And as such, the statistics derived was based upon the concept of an Ultimate Reserve, in which oil would fill every conceivable trap, with no exploration risks whatsoever, which is totally commercially inviable. Reiterating this argument, Robert Ebel argued that the alleged truth about the Caspian oil potential at the time was a victim of media hype⁵⁰.

More realistic reserve projections have been made after the initial drilling facilities and the concomitant Baku Oil Boom of Azerbaijani fields of Azeri, Chirag and Guneshli. Accordingly, EIA estimates of Caspian oil reserves currently range between 17 and 44 billion barrels, which is comparable to OPEC member Qatar on the low end, and the United States on the high end. According to Statistical Review of World Energy (BP2005), the total proven oil reserves of the three new Caspian littorals are estimated at 47.1 billion bbl and total proven gas reserves at 256.7 tcf (see table 2)⁵¹. In 2003, regional oil production reached roughly 1.5-1.7 million bbl/d, comparable to annual production from South America's oil producer, Brazil. By 2010, Caspian Sea Region is projected to produce between 2.4 and 5.9 million bbl/d with most of the analysts arguing that the total production will fall closer to the low end even if there are no political dislocations in the development process⁵². Building upon the given statistics, despite that the Caspian will be an important player in international oil supply; it will never be a future Global Swing producer⁵³. EIA forecasts that, under most optimistic conditions, with Caspian Sea production levels at their peak, production levels in the region are expected to reach 4 million

⁴⁹ Terry Adams, "Caspian Hydrocarbons, the Politicization of regional pipelines, and the Economic destabilization of the Caucasus" *Caucasian Regional Studies*, vol. 5, no.1, 2000, electronic version retrieved March 11 2005, from http://www.ciaonet.org/olj/crs/crs_2000/crs00_adt01.html.

⁵⁰ Robert E. Ebel, Director of Energy Program, CSIS, "Geopolitics of Energy into the 21st Century", Remarks to the Open Forum, Washington D.C., April 30, 2002, electronic document retrieved March 4, 2006 from <http://www.state.gov/s/p/of/proc/tr/10187.htm>

⁵¹ BP, *BP Statistical Review of World Energy, June 2005*, BP; London, p.4. Retrieved Nov 15, 2005, from <http://www.bp.com/statisticalreview>.

⁵² Robert E. Ebel, Director of Energy Program, CSIS, "Geopolitics of Energy into the 21st Century", Remarks to the Open Forum, Washington D.C., April 30, 2002, electronic document retrieved March 4, 2006 from <http://www.state.gov/s/p/of/proc/tr/10187.htm>.

⁵³ Terry Adams, "Caspian Hydrocarbons, the Politicization of regional pipelines, and the Economic destabilization of the Caucasus" *Caucasian Regional Studies*, vol. 5, no.1, 2000, electronic version retrieved March 11 2005, from http://www.ciaonet.org/olj/crs/crs_2000/crs00_adt01.html.

bbl/d in 2015, compared to 45 million bbl/d for the OPEC countries for the same period⁵⁴. Hence, as one RAND publication assessed, under any scenario, the Caspian could only improve global energy security at the margins so the importance of Caspian energy resources to global energy supplies and energy security should not be overstated⁵⁵.

Moreover, the degree to which the Caspian region's potential reserves are to be recovered and exported over the next 10 to 15 years is still uncertain. There are various technical and geography-driven constraints for the reserves of the region to become commercially and strategically viable for the international oil markets. Economically, exploration and production costs of oil and gas in the Caspian Sea Basin are high as compared to Middle East. Analysts estimate that the Caspian Basin's oil production cost is around \$5 per barrel as opposed to Saudi Arabia's oil production cost of \$1 per barrel. Moreover, high oil production costs is compounded by the difficult geological conditions surrounding much of the region's resources, such as the fact that the Caspian Seabed is active and unstable and much of the reservoirs are complex and deeply buried in the off-shore areas⁵⁶. Add to this, the absence of effective infrastructure coupled with inefficient oil exportation technology increases the exploration well costs to a great extent. On the other side of the coin, the issue of transporting Caspian oil to market has become the most significant challenge for oil investment in the region. Due to region's unique physiography, the physical access to region's lucrative resources has been the foremost impediment in the marketization of the oil and gas resources. The fact that the region is landlocked and has no other means of export without crossing another country's territory, makes the littoral states heavily dependent upon other countries for transportation routes. This brings about the issue of high transit fees, which is a rather major conflict of interest between the producer and transit countries in concern. Apart from the technical constraints aforementioned, most of the pipeline routes pass

⁵⁴ Energy Information Administration, *Caspian Sea Country Analysis Brief, September 2005*, US Department of Energy; Washington D.C.. Retrieved March 6, 2006 from <http://www.eia.doe.gov/cabs/Caspian/Full.html>.

⁵⁵ R. Sokolsky & T. Charlick-Paley, "Caspian oil and Energy Security" in *NATO and Caspian Security: A Mission too Far?* (chap.6, p. 71), electronic document retrieved July 9, 2005, from http://www.rand.org/pubs/monograph_reports/MR1074/mr1074.chap6.pdf.

⁵⁶ *Ibid.*; Terry Adams, "Caspian Hydrocarbons, the Politicization of regional pipelines, and the Economic destabilization of the Caucasus" *Caucasian Regional Studies*, vol. 5, no.1, 2000, electronic version retrieved March 11 2005, from http://www.ciaonet.org/olj/crs/crs_2000/crs00_adt01.html.

through highly unstable and conflict-prone regions, such as parts of the Caucasus, Turkey and Afghanistan, and the allegedly more economic routes suggested to pass through Iran are undesired and inapplicable due to reportedly political reasons. As such, without a diversified network of reliable access routes, the prospects for moving the oil from the region to international markets are uncertain and bear high economic and political costs⁵⁷.

Accompanying the uncertainties with the transport of oil to markets, internally-driven socio-political developments within the region also poses impediments to oil development and export. As Martha Brill Olcott argues, the reality of post-communist development has gone hand in hand with an increase in corruption and a sharp drop in living standards, culminating in growing poverty, which in response, both made the region the center for the trade of illegal arms and narcotics and also rendered the region more susceptible to appeal of Islamic fundamentalism or ethnic struggles. And the fact that the former Soviet republics are merely quasi-states at the time of independence perpetuates administrative disorganization, economic mismanagement, and eventually corruption at each and every level of administrative apparatus⁵⁸. Such mismanagement and absence of effective legal and financial structures to protect investments happen to discourage international capital, required for the development of energy resources. Moreover, the deep ethnic divisions inherited from the Soviet legacy has become leverage for external powers to play off against each other in their conquest over lucrative energy resources of the region, stipulating more internal-political instability that is prone to expand to neighbor countries with similar religious-ethnic cement, thus impeding the further development of energy sector. According to Cambridge Energy Research Associates, it would take \$70-\$100 billion to develop and transport the region's oil reserves and roughly the same amount to develop its gas reserves⁵⁹. Nevertheless, given that the region is intermingled with such political instability and economic malaise, there exists rather uneasiness vis-à-vis the investment atmosphere in the region. Above all, there is one issue, the legal status of the Caspian Sea, which despite relentless

⁵⁷ Ibid.

⁵⁸ Martha B. Olcott, , "The Caspian's False Promise", *Foreign Policy*, Summer 1998, pp. 95-99.

⁵⁹ R. Sokolsky & T. Charlick-Paley, "Caspian oil and Energy Security" in *NATO and Caspian Security: A Mission too Far?* (chap.6, p. 75), electronic document retrieved July 9, 2005, from http://www.rand.org/pubs/monograph_reports/MR1074/mr1074.chap6.pdf.

efforts has not yet come to a conclusion to the detriment of exploration, development and marketization of the Caspian resources to their full potential.

The issue of the legal regime of the Caspian Sea has remained unsolved due to lack of agreement among the littoral states to reach a suitable solution. Simultaneously, the vast resources in the region have become the stage for contested question of ownership, which has become a major hindrance before the stability and the development of the energy resources within the region. The main axis of the legal issue rests upon the treaties signed between the former Soviet Union and Iran in 1921 and 1940, which upheld the governing principle of “condominium” or “joint sovereignty” when no other country existed in the coastal lines of the Caspian Sea⁶⁰. The breakup of the Soviet Union, however, added three new states to the mix of competing parties, such as Kazakhstan, Turkmenistan and Azerbaijan, and the alteration of the geopolitical context made the applicability of previous treaties vastly inviable under current conditions. Moreover, under both 1921 and 1940 treaties, the land borders rather than the sea borders were delineated and those treaties defined primarily the rules for fishing and shipping, but left the question of oil and gas development open⁶¹.

In the first half of the 1990s, both Russia and Iran supported the “condominium” principle, treating the Caspian to remain a shared lake, with all littorals equally entitled to make use of its waters and seabed. Accordingly, both states opposed the provisions of 1982 UN Conventions on the Law of the Sea (UNCLOS) by arguing that the Caspian Sea is a lake with no outlet to another sea and ocean, thus the division of the sea and undersea resources into national sectors through a coastal median line can, by no means, be applied to the Caspian⁶². Eventually, the

⁶⁰ For a historical evaluation of Caspian Sea legal dispute see, Roland Sinker, “The Management of Transboundary Energy Resource: The Oil and Gas of the Caspian Sea”, in Gökay, Bülent (ed.), *The Politics of Caspian Oil*, Palgrave Publishers Ltd.; New York, 2001, pp. 55-77.; Irina Paliashvili, Richard Smith & Evgeny Danilov, “Caspian Legal Dimension: Investment Risk in South Caspian Delimitation”, Presentation given at the International Energy Agency Roundtable on Caspian Oil & Gas Scenarios, Florence, April 15, 2003, electronic document retrieved January 18, 2006 from <http://www.iea.org/textbase/work/2003/caspian/Palias.pdf>

⁶¹ Ariel Cohen, “Iran’s Aggressive Moves in the Caspian Basin challenge International Economic and Security Interests”, August 14, 2001, electronic document retrieved March 11, 2006 from <http://www.eurasianet.org/departments/business/articles/eav081401.shtml>

⁶² Roland Sinker, “The Management of Transboundary Energy Resource: The Oil and Gas of the Caspian Sea”, in Gökay, Bülent (ed.), *The Politics of Caspian Oil*, Palgrave Publishers Ltd.; New York, 2001, p.73

contention that the oil and gas resources in the seabed would not be utilized except by consensus of the five littorals, turned out to be a de facto deadlock in the development of the region's potential off-shore wealth. On the other side of the coin, out of the other three littorals, the states of Azerbaijan and Kazakhstan were rather considered the Caspian as a sea and took steps to develop oil fields that they consider to fall within their own territorial waters.

By 1999, there have been significant changes in Russia's position on the division of the Caspian Sea, when Russia found large offshore oil reserves close to its Caspian coastline⁶³. Starting from that time, Russia proposed the idea of "Modified Median Line" (MML) to other littoral states, according to which the seabed of the Caspian is to be divided between the concerned states on the basis of median line, and the superjacent waters are to be left for "free use" of the states⁶⁴. On the basis of this formula and in the absence of a binding legal regime, Russia chose to address the division issue through bilateral agreements. As a result, Russia has concluded bilateral treaties with both Kazakhstan and Azerbaijan, in May and September 2002, respectively. Similar bilateral agreements were also reached out amongst the three littoral states, themselves. Nevertheless, despite these agreements could temporarily settle territorial disputes in the northern Caspian Sea, there still happened to be significant loopholes regarding harder issues.

Division of the seabed and sub sea resources into national sectors, as approved by the bilateral agreements, while leaving the surface as an international waterway, would provide the right of shipping among Russia, Kazakhstan and Iran without transgressing the jurisdiction of either Turkmenistan or Azerbaijan. Under such conditions, it would be feasible to lay submarine pipelines between any two states without interference from a third state⁶⁵. Otherwise, Azerbaijan, retaining a common border with all littoral states, will be the only conduit for trade

⁶³ Hooman Peimani, "Growing Tension and the Threat of War in the Southern Caspian Sea: The Unsettled Division Dispute and Regional Rivalry", in Mehdi P. Amineh & Henk Houweling (eds.), (2005), p.269

⁶⁴ Bahman A. Diba, "Legal Regime of the Caspian", December 3, 2005, electronic document retrieved March 10, 2006 from http://www.iranian.ws/iran_news/publish/article_11239.shtml.

⁶⁵ Shah Alam, "Pipeline Politics in the Caspian Sea Basin", *Strategic Analysis: A Monthly Journal of IDSA*, vol. 26, no. 1, January-March 2002, electronic version retrieved March 11, 2006 from http://www.ciaonet.org/olj/sa/sa_jan02als01.html.

and pipeline routes. Hence, the territorial disputes in the Caspian Sea accommodate rather deeper geopolitical stakes in terms of seizing the right to say a word about the prospective pipeline routes that would link the energy resources to potential markets. If the Russian proposal that only allows the division of seabed and resources, but not the sea surface would prevail, then there would be no legal ground for the viability of a trans-Caspian pipeline that would link either Kazakhstan's or Turkmenistan's riches to Azerbaijan, heading for the European markets.

Moreover, under the concluded bilateral agreements, the ownership disputes of oil fields close to either littoral could not be bound up to a certain solution. To cite an example, three countries have claims to three major offshore oil fields (Azeri, Chirag and Gunesli) now being developed by Azerbaijan. Similarly, the relations between Turkmenistan and Azerbaijan deteriorated due to the disputed oil fields of Serdar and Karpaz, culminating in mutual reinforcement of naval forces in 2001 and closing down of each other's embassies for technical reasons⁶⁶. Last but not least, the disputed field of Alov between Iran and Azerbaijan, and the unilateral development of the field by Azerbaijan resulted in harsh provocation of Iran by building up its gunboats to force BP leave the disputed area⁶⁷.

In contrast to other littoral states, Iran has constantly objected to several of the above mentioned bilateral treaties, terming them null and void. Iran seeks either joint control over the entire Caspian by all littorals, or division of the Caspian into equal 20 percent shares. Several meetings among the littoral states to agree on a legal regime, including the Caspian Summit held in Ashgabat in April 2002, have failed to achieve a consensus⁶⁸. Following the failed round of diplomacy traffic in Ashgabat, Iranian Oil Minister Zanganeh announced in May 2002 that

⁶⁶ Hooman Peimani, "Growing Tension and the Threat of War in the Southern Caspian Sea: The Unsettled Division Dispute and Regional Rivalry", in Mehdi P. Amineh & Henk Houweling (ed.), (2005), p.270.

⁶⁷ Ariel Cohen, "Iran's Aggressive Moves in the Caspian Basin challenge International Economic and Security Interests", August 14, 2001, electronic document retrieved March 11, 2006 from <http://www.eurasianet.org/departments/business/articles/eav081401.shtml>; Mahir Iskenderov & Tim Wall, "Caspian Sea Disputes Flare, Raising Doubts about oil and gas exploration", October 31, 2001, electronic document retrieved March 9, 2006 from <http://www.eurasianet.org/departments/insight/articles/eav073101.shtml>.

⁶⁸ "Caspian Sea Talks Break Down", April 24, 2002, electronic document retrieved March 2, 2006 from <http://www.news.bbc.co.uk/1/hi/world/asia-pacific/1948048.stm>

Tehran would begin operations on the Caspian seabed without the consent of its neighbors⁶⁹. Against this backdrop, in May 2003, Russia, Azerbaijan and Kazakhstan have come to a tri-lateral agreement on sub-surface boundaries and collective administration of the Sea's waters, by means of dividing the Caspian Sea into three unequal parts, giving Kazakhstan 27 percent, Russia 19 percent and Azerbaijan 18 percent⁷⁰. This tri-lateral agreement was concluded at the expense of objection of both Iran and Turkmenistan, which are seen responsible for the stalemate before the progress of legal regime dispute. On the other part of the coin, given the Turkmen-Iranian consultations held in March 2003 in Ashkhabad, it seems that these particular states are planning to use UN Convention of the Sea in their delimitation efforts⁷¹. Eventually, the five Caspian Sea littorals did come without any clear outcome from the recent meeting of March 2006, pointing out once more the fact that there is still a lot more hard work to do regarding the settlement of Caspian Sea legal system⁷².

2.3. Analysis of Caspian Littorals' Energy Reserves

Iran and **Russia** are the two main powers in the region that have the greatest energy potential. Iran is the world's second largest owner of proven natural gas reserves (estimated at 970.8 trillion cubic feet) after Russia, and also is the world's second in proven oil reserves (estimated at 132.5 billion barrels). In 2004, Iran produced 4,081 thousand bbl/d. Russia's proven oil reserves are estimated at 72.3 billion barrels (7th in the world) and its proven gas reserves at 1694.4 trillion cubic feet (tcf) (largest in the world) according to 2004 statistics. In 2004, Russian oil production was estimated at 9,285 thousand bbl/d, ranking the second right after Saudi Arabia. Its gas production in the same year was 589.1 billion cubic meters (BBcm), and

⁶⁹ Artie McConnell, "Iran Announces Unilateral Decision to develop Caspian resources", September 4, 2002, electronic document retrieved March 5, 2005 from <http://www.eurasianet.org/departments/business/articles/eav060402.shtml>.

⁷⁰ Energy Information Administration, *Caspian Sea Country Analysis Brief*, September 2005.

⁷¹ Irina Paliashvili, Richard Smith & Evgeny Danilov, "Caspian Legal Dimension: Investment Risk in South Caspian Delimitation", Presentation given at the International Energy Agency Roundtable on Caspian Oil & Gas Scenarios, Florence, April 15, 2003, electronic document retrieved January 18, 2006 from <http://www.iea.org/textbase/work/2003/caspian/Palias.pdf>

⁷² "Representatives of Caspian Littoral States wrap up their meeting", March 16, 2003, <http://www.caucaz.com>

Russia is currently the world's largest gas producer⁷³. Nevertheless, neither of the countries has done much to develop resources in their respective sectors of Caspian Sea either due to lack of investment or political reasons, and they rather focus attention on claiming an interest in the shares of the other Caspian littorals.

Azerbaijan's proven reserves of oil in 2004 are estimated at 7 billion bbl and proven gas reserves at 48.4 tcf. After independence in 1991, Azerbaijani oil production declined from 238.000 bbl/d to 180.000 bbl/d in 1997. Via vast infusion of foreign investment in Azerbaijan's oil sector, production rose to 318,000 bbl/d in 2004⁷⁴. Development of the region's oil resources has mainly rested upon the offshore Azeri, Chirac and Guneshli (ACG) mega-structure, which is estimated to contain proven crude oil reserves of 5.4 billion bbl. This mega-structure has been operated by the international consortium known as the "Azerbaijan International Operating Company (AIOC)"⁷⁵, which represents over 70 percent of Azerbaijan's total exports⁷⁶. The main conduit for the ACG mega-structure will be the Baku-Tbilisi-Ceyhan oil pipeline, which would run all the way from Azerbaijan's energy deposits across the coastal Turkey, linking the Caspian and the Mediterranean⁷⁷. According to AIOC, the field's oil production averaged 132.000 bbl/d during 2004, coming mostly from the Chirag phase 1 platform and has been dubbed "early oil" by the company. Azerbaijan's main production surge is to come from the three-phase development of the ACG mega-structure. Total oil production from the ACG is to reach 500.000 bbl/d by 2007 with the development of Central Azeri oil field from 2005, and production is projected to peak at around 1 million bbl/d by 2010 following the integration of "Deep-Water Guneshli" into the full operation capacity of the mega-structure⁷⁸. Accordingly, during 2004,

⁷³ BP, *BP Statistical Review of World Energy*, June 2005, pp. 4, 6, 20, 22.

⁷⁴ BP, *BP Statistical Review of World Energy*, June 2005, pp. 4, 6, 20.

⁷⁵ AIOC shareholders: BP %34.1, Socar %10, ChevronTexaco %10.3, TPAO %6.8, Itochu 3.9, Inpex %10, Amerada Hess/Delta %2.8, Exxon Mobil %8, Devon Energy %5.6.

⁷⁶ Energy Information Administration, *Azerbaijan Country Analysis Brief*, June 2005, US Department of Energy; Washington D.C. Retrieved March 6, 2006 from <http://www.eia.doe.gov/emeu/cabs/azerbjan.html>.

⁷⁷ BTC shareholders: BP %30.1, SOCAR %25, Statoil %8.7, TPAO %6.5, Total %5, Eni/Agip %5, Itochu %3.4, ConocoPhillips %2.5, Inpex %2.5, Amerada Hess/Delta %2.4.

⁷⁸ Energy Information Administration, *Azerbaijan Country Analysis Brief*, June 2005.

Azerbaijan exported approximately 211,000 bbl/d, but exports are expected to more than double to 478.000 bbl/d in 2006 and reach as high as 1.1million bbl/d by 2008 according to Azeri government estimates⁷⁹.

Nevertheless, it is important to note that besides the ACG project, many of Azerbaijan's offshore prospects have been significantly disappointing in contrast to high expectations, stipulated by the early phase of oil boom. Exxon Mobil's and Chevron's suspension of operations in the fields of Oguz and Absheron fields because of their turning out dry and the concomitant failure of Exxon Mobil and Lukoil in the offshore fields of Zafar-Mashal and Yalama all contribute to lower future estimates from the offshore Azerbaijan⁸⁰. Moreover, due to lack of clarity with regards to ownership rights over energy resources because of the unsettled dispute of Caspian legal regime, various fields are left untapped.

Azerbaijan's natural gas production was 4.6 bcm in 2004. Rather low level of production is mostly due to country's lack of convenient infrastructure to deliver natural gas to markets. Thus, given the necessary infrastructure, it is expected that Azerbaijan's natural gas production could increase up to 600 bcf by 2010⁸¹. In July 1999, BP/Amoco announced that they struck natural gas at Shah Deniz, which was denoted as one of the major off-shore hydrocarbon discoveries in the Caspian since the breakup of the Soviet Union. The field is estimated to contain between 14 and 35 tcf of natural gas, and is being developed by a BP-led international consortium⁸². It is important to note that Shah Deniz was originally planned as a European venture without the participation of the US, so as to leave a space for an Iranian shareholder. 10 percent stake to Tehran was promised by AIOC in the Shah Deniz Consortium in compensation for Tehran's emancipation from the international consortium developing the Azeri-Chirag-Guneshli field under US imperative⁸³. The main conduit for Azerbaijan's natural gas exports would be the

⁷⁹ Ibid.

⁸⁰ Gawdat Bahgat (2003), *American Oil Diplomacy in the Persian Gulf*.....p. 145.

⁸¹ Mehdi P. Amineh & Henk Houweling, "Caspian Energy: Oil and Gas Resources and the Global Market", in Mehdi P. Amineh & Henk Houweling (eds.), 2005, p. 87.

⁸² Shah Deniz Consortium members: BP %25.5, Statoil %25.5, SOCAR %10, Niko %10, TotalFinalElf %10, LukAgip %10, TPAO %9.

⁸³ G. Bahgat (2003), *American Oil Diplomacy in the Persian Gulf*.....p.145.

South Caucasus Pipeline (SCP), which is being operated by the same Shah Deniz Consortium shareholders. The SCP would run parallel to the BTC oil pipeline before connecting to the Turkish infrastructure near Erzurum. At a cost of roughly \$1 billion and with an initial capacity of 1.5 bcf/d, the pipeline capacity is estimated to expand to 3bcf/d by 2007 and is scheduled to be completed by October 2006⁸⁴.

Kazakhstan is considered, after Russia, to be the richest among the former Soviet Republics in oil resources, with proven oil reserves of 9 to 29 billion bbl and also an enormous natural gas reserve, estimated at 65-70 tcf⁸⁵. Increased oil production in recent years has been the result of an influx of foreign investment into Kazakhstan's oil sector through the means of joint venture with the national oil company, Kazmunaigaz, and production sharing agreements (PSAs). As such, Kazakhstan's oil production has reached up to 1.22 million bbl/d in 2004 and the Kazakh Government expects to increase production levels to around 3.5 million bbl/d by 2015⁸⁶. Majority of the growth is expected to come from the major fields of Tengiz, Kaschagan, Kurmangazy, and Karachagank.

The country's remoteness from world markets, combined with its lack of export infrastructure, has impeded to a great extent the growth of exports. Until 2001, before the completion of Caspian Pipeline Consortium (CPC), Kazakhstan exported almost all of its oil via Atyrau-Samara (an extension of former Soviet era pipeline structure) pipeline through Russia, with additional supplies being shipped by rail and by barge across the Caspian. For the first half of 2005, Kazakhstan exported on average 1.1 million bbl/d and currently, the oil reaches to world markets through Atyrau-Samara pipeline, through the CPC, connecting to the Straits and via swaps with Iran⁸⁷.

⁸⁴ Energy Information Administration, *Azerbaijan Country Analysis Brief*, June 2005.

⁸⁵ Energy Information Administration, *Kazakhstan Country Analysis Brief*, July 2005, US Department of Energy; Washington D.C. Retrieved March 6, 2006 from <http://www.eia.doe.gov/cabs/kazak.html>.

⁸⁶ Ibid.

⁸⁷ Ibid.

The three principle fields of Tengiz, Kashagan and Karaschagank continue to be the most important for foreign investors. The Tengiz field, which is located in the northeast shores of the Caspian Sea, has proven oil reserves estimated at 6 to 9 billion bbl. Tengizchevroil⁸⁸, a joint venture between the United States Company Chevron and the Kazakhstani Tengiz oil field is one of the first and the largest foreign direct investment in the Central Eurasian region. The CPC⁸⁹ is the first strategic oil pipeline connecting the fields in Central Asia with European markets through the Russian proposed pipeline system that runs from Tengiz to Russian port of Novorossiysk. According to Chevron, Tengiz could potentially produce 700,000 bbl/d by 2010. And in 2004, approximately 271.000 bbl/d was sent from the Tengiz field through the CPC project to the Russian port of Novorossiysk⁹⁰.

The Kashagan field, assumed to be the largest oil field outside the Middle East, does have estimated recoverable reserves at 7 to 13 billion bbl. Due to various technical constraints, deriving from the physiography of the field and the quality of the oil that complicate the issues of exploration and drilling, oil production is not expected to begin until 2008. The field is currently being operated by Agip Kazakhstan North Caspian Operating Company (Agip KCO)⁹¹. The Karaschaganak oil and gas condensate field is located onshore, in northern Kazakhstan, near the border with Russia's Orenburg field and it is developed by the Karaschaganak Integrated Organization (KIO)⁹². The field holds reserves of more than 2.4 billion bbl of oil and 16 tcf of gas. Oil production from the field averaged 230.000 bbl/d during the first half of 2005, representing 18 percent of total Kazakh production. In April 2003, a pipeline southward to Atyrau was completed that connects the Karaschaganak field to CPC⁹³.

⁸⁸ TengizChevroil joint venture shareholders: ChevronTexaco %50, ExxonMobil %25, Kazmunaigaz %20, Lukrco %5.

⁸⁹ CPC Shareholders: Russia %24, Kazakhstan %19, Oman %7, Chevron %15, LucArko %12.5, Rosneft/Shell %7.5, Mobil %7.5, Agip %2, BG Overseas %2, Kazmunaigaz %1.75, Oryx %1,75.

⁹⁰ Energy Information Administration, *Kazakhstan Country Analysis Brief, July 2005*.

⁹¹ Agip KCO shareholders: Eni, Total, ExxonMobil, Shell each %18.52, ConocoPhilips %9.26, Kazmunaigaz %8.33, Inpex %8.33

⁹² KIO shareholders: Agip %32.5, BG %32.5, ChevronTexaco %20, Lukoil %15.

⁹³ Energy Information Administration, *Kazakhstan Country Analysis Brief, July 2005*.

Kazakhstan's gas industry is significantly under-developed by lack of infrastructure. In August 1999, the Kazakh Government passed a law, requiring international oil companies to include natural gas utilization projects in their development plans. As a result, natural gas production has increased steadily to 18.5 bcm in 2004⁹⁴. Most of Kazakhstan's natural gas reserves are located in the west of the country, with roughly 25 percent of proven reserves situated in the Karachaganak field. The field, reportedly having 16-20 tcf of proven natural gas reserves, has lived thorough the handicaps of post-Soviet energy economics in the region. Originally developed during the Soviet era, Karachaganak gas was slated for processing across the Russian border in Orenburg. After 1991, however, the deposit began competing with Russian gas for the Russian market as a result of which Russia limited the quantities of Kazakh gas, processed in Orenburg. Thus, Kazakhstan is to build a new plant to process the associated gas and oil condensate at her site⁹⁵.

Turkmenistan, has yet to live up its real potential, is another energy export giant of the Caspian. With the inauguration of the "Law on Hydrocarbon Resources" by President Niyazov in 1996, there have been some positive developments in attracting foreign investment into Turkmenistani oil and gas sector. Nevertheless, in practical terms, the experiences that Bidas Corporation of Argentina and Larmag of the Netherlands have gone through with respect to their suspension of export license by the Turkmenistan government in the early 1990s, discouraged to a large extent the further growth of foreign investment in the country relative to either Kazakhstan or Azerbaijan⁹⁶. Thus, the existence of strong centralized government system and repressive and arbitrary initiatives on its behalf coupled with slow-paced political and economic reforms have made majority of the international oil companies withdraw their investment projects from the region.

Moreover, being even more landlocked than the other two littorals and much more dependent upon the Russian pipeline system in the north for exports, securing pipeline access has been a

⁹⁴ BP, *BP Statistical Review of World Energy*, June 2005, p. 22.

⁹⁵ Robert M. Cutler, "The Caspian Energy Conundrum", *Journal of International Affairs*, vol. 56, no. 2, Spring 2003, p. 91.

⁹⁶ Mehdi P. Amineh, *Towards the Control of Oil Resources in the Caspian Region*, St. Martin's Press; New York, 1999, p. 179.

major problem for the country that has hindered further growth of its oil and gas sector. Turkmenistan has proven natural gas reserves of approximately 71 tcf according to the Oil and Gas Journal⁹⁷. According to 2004 estimates of BP, the country's possible gas reserves could be as high as 102.4 tcf and its proven oil reserves 0.5 billion bbl⁹⁸. Turkmenistan has experienced significant oil production growth after independence, more than doubling from 110.000 bbl/d in 1992 to over 250.000 bbl/d by 2004. However, many of the prime oil deposits are located in the disputed areas of the Caspian Sea, the ownership of which are unsettled between Iran, Azerbaijan and Turkmenistan. The first major dispute was over the fields of Azeri, Chirag and Guneshli, which Turkmenistan claims sovereignty over some parts of the oil reserves. Notwithstanding a resolution of the dispute between the parties, Azerbaijan began pumping oil from the fields in late August 1997⁹⁹. A similar dispute with Azerbaijan over the Serdar/Karpaz field in the Southern Caspian due to lack of agreement over ownership rights put another strain over the prospects of oil exploration and development.

Since independence, regional natural gas production has been characterized by a dramatic collapse from Turkmenistan. Since all of the pipelines connecting the region to world markets were owned by Gazprom, the Russian state natural gas company and were routed through Russia, Turkmen natural gas was squeezed out of the Western market and Ukraine, Armenia and Azerbaijan have turned out to be the primary consumers. Thus, production dropped from 2.02 tcf in 1992 to 466 bcf in 1998. After the 1999 Turkmen-Russian agreement on pricing terms of the Turkmen gas over Russian routes, in 2000, production increased up to 2 tcf in 2004. In April 2003, Turkmenistan signed new agreements with Uzbekistan and Russia to increase exports to both countries and in 2004, the country renegotiated the quantities and prices of natural gas exports both to Russia and Ukraine¹⁰⁰. Moreover, given the Russian plans for increased Russian exports to Europe, Turkmenistan's gas is likely to gain strategic importance by pumping extra

⁹⁷ Energy Information Administration, *Central Asia Country Analysis Brief, September 2005*, US Department of Energy; Washington D.C. Retrieved March 6, 2006 from <http://www.eia.doe.gov/cabs/Centasia/Full.html>.

⁹⁸ BP, *BP Statistical Review of World Energy, June 2005*, pp. 4, 20.

⁹⁹ Mehdi P. Amineh, *Towards the Control of Oil Resources in the Caspian Region*, St. Martin's Press; New York, 1999, p. 178.

¹⁰⁰ Energy Information Administration, *Central Asia Country Analysis Brief, September 2005*.

quantities of gas through the Blue-Stream pipeline due to Russia's relative lack of domestic investment¹⁰¹.

The largest natural gas fields of Turkmenistan are in the Amu-Dar'ya basin, with half of the country's gas located in the giant Dauletabad field. In addition, Turkmenistan contains approximately 33 tcf of gas reserves in the Shatlyk field of Murgab basin¹⁰². Until a small pipeline- Korpezhe-Kurt Kui Pipeline- was built in 1997 for exports to Iran, Russia monopolized Turkmenistan's pipeline outlets on the world market. Still, the Central Asia- Center Pipeline, inherited from the Soviet era, is the main outlet for Turkmen gas. In an effort to diversify export routes, several natural gas pipeline proposals have been under consideration, such as the Trans-Afghan Pipeline to export Central Asian gas via Afghanistan to Pakistan and Trans-Caspian Gas Pipeline (TCGP), that is to export Central Asian gas through the Caspian Seabed and then to Turkey via Azerbaijan and Georgia¹⁰³. The two proposed pipeline projects have been stalled to date due to mainly strategic and political constraints.

2.4. Concluding Remarks

The new strategic geography of Central Eurasia, here defined as the foremost springboard for the overall domination of Eurasian continent as whole, is intermingled with various social, political, economic and geographic problems that beset the new phase of geopolitical rivalry. The Caspian region's energy resources have surged as one of the major axis of this geopolitical struggle despite the fact that the region could only improve the global energy security at the margins. As such, the Caspian region's uniqueness stems primarily from the fact that there is a wide discrepancy between the market value and strategy-political value of oil and gas in the region and this makes somewhat problematic to delineate the geopolitical priorities in the region from the economic ones. This tension between geo-politics and geo-economics displays itself most explicitly in the realm of "pipeline politics", which conveys rather a tough rivalry between the international powers, regional powers and international oil companies.

¹⁰¹ Robert M. Cutler, "The Caspian Energy Conundrum", *Journal of International Affairs*, vol. 56, no. 2, Spring 2003, pp. 99.

¹⁰² Energy Information Administration, *Central Asia Country Analysis Brief*, September 2005.

¹⁰³ Caspian Pipeline Projects are to be discussed in Chapter III.

CHAPTER III

CASPIAN PIPELINE PROJECTS

3.1. Oil and Gas Pipeline Politics in the Caspian Sea Basin: A General Discussion

The Caspian littorals are confronted mainly the with following problems, as mentioned previously:

- ✓ Internal structural social, economic and political problems in each of the former Soviet states;
- ✓ weak technology and infrastructure;
- ✓ the strategic competition among the regional, global and trans-national powers; or the struggle between economic and political priorities over the seizure of transport routes.

The leaders of the three Caspian littorals, still at their state-building phases, view the development of their hydrocarbon resources as the basis for their economic development and well-being. Hence, they have inclined, from the beginning to sign production sharing agreements and to establish joint ventures with the international oil companies for the development of their resources in their own national sectors. The fact that these states are land-locked has been a major hindrance over their development and transfer of energy resources. Since the shipment of oil and natural gas by tankers from domestic ports to markets is impossible, the produced output is to be transported to the markets by pipelines, which are to cross multiple international borders. Thus, the issue of prospective pipelines or transport routes have increasingly been a major point of debate and struggle between both the regional and international powers on the one hand, and the international oil companies, on the other.

As Amineh argued, the problem with pipeline politics is that it must combine often opposing economic and political interests¹⁰⁴. International Oil Companies (IOCs) prefer the cheapest route targeted to the best market. Nevertheless, in practical terms, geopolitical priorities could undermine the economic ones in determining the location of the export routes. For instance,

¹⁰⁴ Mehdi P. Amineh (1999), *Towards the Control of Oil Resources in the Caspian Region*.....p.186.

despite that Iran has been pointed as a key actor to proposed outlets of oil and gas export from the Caspian due to its being relatively the shortest and the cheapest option, the probability that a pipeline project could boost up Iranian influence in the region becomes overwhelmingly effective in withdrawing or under grading such an alternative. In a parallel perspective, that the construction of a pipeline would provide the transit states with various political and economic benefits, such as tariff revenues and strategic leverage over the flow of petroleum, sets the scene for regional competition over a preferred export route. Moreover, the lack of adequate export infrastructure and an imminent need for construction of new export pipelines bring about major economic and financial burden on the investors. Perpetuating this fact that the proposed pipelines should pass through politically unstable regions put the issue of energy security on the top of the agenda both for investors, consumers and producers.

The energy transportation systems of the Caspian region were originally designed to serve the strategic needs of the Soviet Union. Hence, most of the Caspian's oil and gas shipments terminated in the Russian Black Sea port of Novorossiysk. However, given the new economic and political dynamics since the 1990s, the inherited network of infrastructure from the Soviet era poses some problems. The basic points to recall with regards the constraints of Russian network are as follows¹⁰⁵:

- ✓ there is doubt that the Russian network can meet the projected increasing level of exports from the Caspian;
- ✓ in order to gain access to the European markets, oil tankers from the Novorossiysk have to traverse the Bosphorus Strait, which might create environmental and safety hazards;
- ✓ the Russian network system is primarily aimed at the Mediterranean market and does not target the energy-hungry Asian markets;
- ✓ there are political and security concerns, particularly on behalf of the United States, as to whether the Caspian littorals should remain so dependent upon Russia as their sole export route.

Given these constraints, the notion of multiple routes as a main policy objective of the United States vis-à-vis the region, is proposed primarily in order to enhance the security of oil and gas

¹⁰⁵ Gawdat Bahgat (2003), *American Oil Diplomacy*.....pp. 166-167

shipments from the Caspian to international markets. Moreover, it is assumed that several pipelines are supposed to promote economic competition and result in diminishing energy prices for consumers.

Since the beginning of the 1990s, the Caspian region became a focal point for serious negotiations about the prospective export routes between the IOCs and relevant governments. Despite that various options for export outlets have been proposed, for ease of presentation, four main pipeline projects are to be analyzed detailedly. These so-called pipeline projects are important to mention in advance so as to explicate the dynamics of strategic struggle behind the pipeline decisions. The two projects, for oil and natural gas respectively, supported by the United States are Baku-Tbilisi-Ceyhan Oil Pipeline (BTC) and Trans-Caspian Pipeline (TCP). The other oil and natural gas pipeline projects, endorsed by Russia are Caspian Pipeline Consortium (CPC) and Blue Stream. Even though Blue Stream is not particularly a Caspian pipeline project, its significance stems from the fact that it has been initiated as an alternative project to the US-led TCP, so as to curb the US influence in the region. The aforementioned projects are the major strategic pipelines, which do accommodate deeper geopolitical objectives rather than merely economic ones. Within this sense, they are the most appropriate examples for displaying the 21st century geopolitical competition for access to energy and transport routes from the Caspian region. The other pipeline projects are also to be analyzed below in a detailed manner.

3.2. Analysis of Caspian Pipeline Projects

3.2.1 Baku-Tbilisi-Ceyhan Oil Pipeline

BTC Project, in many respects, began more as a geopolitical project than a commercial one, and as such it became a three-pronged tool in the regional policy of the United States¹⁰⁶. Actually, the three strategic objectives, concretized by the BTC project, could be described as the general policy attitude of the United States over the region as a whole and its preference for the most appropriate route regarding the transportation of the Caspian resources to international markets. The three strategic goals are to create an East-West transportation corridor from the Caspian to

¹⁰⁶ Fiona Hill, "Pipelines in the Caspian: Catalyst or Cure- all?", *Georgetown Journal of International Affairs*, Winter-Spring 2004, p. 19., electronic document retrieved May 2, 2006 from <http://www.georgetown.edu/Issues/ws04/hilllocked.pdf>.

the Black Sea that would avoid Iran to the south; strengthen the position of Turkey as the new bridge between the Caspian and Europe; and break dependence on Russia to the north¹⁰⁷. As if verbalizing this evaluation, the Special Advisor to the US President and Secretary of State for Caspian Basin, John Wolf, stated at Arthur Anderson's Annual Oil and Gas Symposium that "Baku-Ceyhan means the East-West corridor is moving from vision to fact"¹⁰⁸.

BTC Pipeline, favored by the United States as the "Main Export Pipeline" for the region, is to export Azeri (and possibly up to 600.000 bbl/d of Kazakhstani) oil along a 1,040 mile route from Baku, Azerbaijan via Georgia to the Turkish Mediterranean port of Ceyhan. The pipeline is projected to transport 1million barrels/d at the time it reaches to its full potential by 2010¹⁰⁹. Enforcing the commonly-held notion that the BTC Pipeline is merely an economic project, the project has faced numerous challenges from the very start of its development¹¹⁰.

BTC Project was approached in a cautious manner by a variety of fronts since the project was alleged to be "economically, politically, and environmentally not viable"¹¹¹. The BTC pipeline is the most expensive alternative of all western options up to date. On the part of the IOCs, the intense oil diplomacy of the United States proved more difficult to go thorough a common interest as opposed to the former's success with the host governments of Azerbaijan, Georgia and Turkey. Early cost estimates for the construction of the pipeline ranged between \$2.4 billion to \$3.8 billion and the reports suggested that AIOC could lose as much as \$3 billion in prof its

¹⁰⁷ Ibid., pp. 19-21.

¹⁰⁸ Alam, Shah, "Pipeline Politics in the Caspian Sea Basin", *Strategic Analysis: A Monthly Journal of IDSA*, vol. 26, no. 1, January-March 2002, electronic version retrieved March 11, 2006 from http://www.ciaonet.org/olj/sa/sa_jan02als01.html.

¹⁰⁹ Energy Information Administration, *Caspian Sea Country Analysis Brief, September 2005*.

¹¹⁰ For a detailed analysis of BTC's economic and political implications see, Svante E. Cornell, Mamuka Tsereteli & Vladimir Socor, "Geostrategic Implications of the Baku-Tbilisi-Ceyhan Pipeline", pp.17-38 and Jonathan Elkind, "Economic Implications of the Baku-Tbilisi-Ceyhan Pipeline", pp.39-60, in S. Frederick Starr & Svante E. Cornell (eds.), *The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West*, Central Asia-Caucasus Institute and Silk Road Studies; Washington D.C., 2005., electronic document retrieved March 7, 2006 from <http://www.silkroadstudies.org/BTC.htm>.

¹¹¹ Mehdi P. Amineh & Henk Houweling, "The US and the EU in CEA: Relations with Regional Powers", in Mehdi P. Amineh & Henk Houweling (eds.), (2005), p.209.

over thirty years by using BTC as its main export line if oil prices are low¹¹². Moreover, there was not much certainty about the availability of sufficient volumes of output to provide the BTC to operate with its full potential. During the OSCE Summit of November 1999, notwithstanding, the BP/AIOC pledged to secure the financing for the construction of the pipeline, while the Turkish Government agreed to pay for the cost in excess of \$1.4 billion on its portion of the pipeline¹¹³. Moreover, the US Eximbank and Overseas Private Corporation also declared their readiness to support the project financially. Nevertheless, the withdrawal of the three members- Lukoil, Exxon Mobil and Pennzoil- of the AIOC from the sponsor group financing the project after the Washington Summit of 1999 was noteworthy so as to underline the half-hearted attitude of investors for the BTC project¹¹⁴.

Politically, the BTC pipeline is closely positioned to several conflict areas, which pose a significant problem regarding the issue of energy security for every party concerned. It is actually this portrait of conflict-prone regions that makes most analysts, including Fiona Hill, to portray the BTC project as a “pipeline for peace”, meaning that pipeline projects can eventually promote peace and prosperity across the whole region through the investment climate it creates. Accordingly, BTC as the foremost vehicle for such a geopolitical project has become the central part of a framework for economic development and conflict resolution, in the eyes of the United States¹¹⁵.

Eventually, the construction of the BTC pipeline was completed in May 2005 despite a vast array of opposition and criticism against its realization. First flows of oil into the Azeri section of the pipeline began in late May 2005. According to Azerbaijan’s Energy Minister Natig Aliyev, while the pipeline will primarily carry crude from the Azeri-Guneshli-Chirag field, it will also carry an additional 500.000 bbl/d of oil from Kazakhstan’s giant Kashagan oil field in

¹¹² Fiona Hill, “Pipelines in the Caspian: Catalyst or Cure- all?”, *Georgetown Journal of International Affairs*, Winter-Spring 2004, p. 22.

¹¹³ *Ibid.*, p. 23

¹¹⁴ Alec Rasizade, “The Mythology of munificent Caspian bonanza and its concomitant pipeline geopolitics”, *Central Asian Survey*, vol. 21, no. 1, 2002, p. 42.

¹¹⁵ Fiona Hill, “Pipelines in the Caspian: Catalyst or Cure- all?”, *Georgetown Journal of International Affairs*, Winter-Spring 2004, pp. 19-20.

the Caspian Sea¹¹⁶. In the absence of Kazakh oil within the next few years, the volumes of exports from the Azeri oil only, would be far from making the BTC projects commercially viable. If the opposite comes true, however, the US Administration's well endorsed stance regarding the realization of "East-West Corridor" as opposed to "North-South corridor" inherited from the Soviet era will be expected to move a step further into reality.

3.2.2 Early-Oil Transport Routes, the Caspian Pipeline Consortium and the South Caucasus Pipeline

Until the completion of the BTC Pipeline as the Main Export Pipeline for the region, two "short-term export" routes were constructed for delivering the "early oil" from Azerbaijan to western markets. These two pipelines were actually an extension of an existing relatively low capacity pipelines connecting Baku to Russian pipeline system. They were fully endorsed by the United States so as to offer a consolation prize for Russia by means of balancing the Russian naiveties with US strategic interests; to find a common ground with the IOCs for giving them the chance to deliver their early output to markets in advance and to cultivate the initial seeds of economic development for the Caspian littorals themselves. The first route for export of early Caspian oil extends westward from Azerbaijan through the old Soviet pipeline system to the Russian port of Novorossiysk, from which the output would be shipped across the Black Sea and through the Bosphorus to the Mediterranean. That the existing pipeline from Baku to Novorossiysk (Baku-Novorossiysk Pipeline) passed right through Chechnya made Russia to build another pipeline of 283 km bypassing Chechnya, going through instead Dagestan to North Ossetia and eventually, reaching to Novorossiysk¹¹⁷.

For the sake of both avoiding political risk in southern Russia and quest for diversified export routes that cut sole dependence upon Russia, AIOC and the Azerbaijani Government opted out for another pipeline route for particularly the "early oil", which extended from Baku through Georgia and eventually reached to the port of Supsa on the Black Sea, targeting the western

¹¹⁶ Igor Torbakov, "Putin in Baku: Changes in Azeri-Russian Energy Relations on the Horizon", February 24, 2006, electronic document retrieved March 1, 2006 from http://www.jamestown.org/edm/article.ph?article_id=2370816.

¹¹⁷ Fiona Hill, "Pipelines in the Caspian: Catalyst or Cure- all?", *Georgetown Journal of International Affairs*, Winter-Spring 2004, pp. 21-22.

market¹¹⁸. The 920 km Baku-Georgia-Supsa route that became operational by the end of 1998 passes near the Armenian populated volatile region of Nagorno-Karabakh and the two contested areas of South Ossetia and Abkhazia, and this happens to be a serious source of security concern for the safe flow of energy¹¹⁹. Nevertheless, despite being an interim option of low-capacity and in spite of the probable security concerns, Baku-Supsa pipeline was the first export route, which transverses the Russian pipeline system. As if signifying the geostrategic battle over the pipeline routes, Terry Adams, the President of the AIOC at the time was to admit the overwhelming importance of political considerations over the economic ones in the deciding over the potential export routes delivering the Azerbaijani oil to western markets¹²⁰. Within this respect, it was for certain that both the US Government and the AIOC acknowledged the intricate relationship between the regional balance of power and the Caspian energy development, and eventually opted out for a dual pipeline route by means of incorporating the Russian option as well besides the Baku-Supsa route.

In addition to its efforts to extend the old Soviet pipeline from Baku to Novorossiysk, Russia has also succeeded to advance its interests on a rather long-term front by means of connecting the Kazakhstan's giant Tengiz oil field with Russian Black Sea port Novorossiysk. The 980 mile long Caspian Pipeline Consortium (CPC) is considered by various analysts a good example of cooperation between Russia and the United States, because it exemplifies the first truly economic collaboration between the joint venture of TengizChevroil- dominated mainly by US oil companies- and Russia. David O'Reilly, the Chairman of Chevron-Texaco stated at the opening ceremony of the pipeline that "CPC is a bellwether project for successful international cooperation. It demonstrates the confidence the international business community has to invest in Russia and Kazakhstan"¹²¹. Despite the initial phase of opposition from Russia against the

¹¹⁸ Mehdi P. Amineh (1999), *Towards the Control of Oil Resources in the Caspian Region*.....pp.188-189.

¹¹⁹ Shah Alam, "Pipeline Politics in the Caspian Sea Basin", *Strategic Analysis: A Monthly Journal of IDSA*, vol. 26, no. 1, January-March 2002, electronic version retrieved March 11, 2006 from http://www.ciaonet.org/olj/sa/sa_jan02als01.html

¹²⁰ Angeliki Spatharou, "Geopolitics of Caspian Oil: the Role of the Integration of the Caspian Region into World Economy in Maintaining Stability in the Caucasus", in Bülent Gökay (ed.), *The Politics of Caspian Oil*, Palgrave Publishers Ltd.; New York, 2001, p. 45.

¹²¹ Christopher Pala, "Caspian Pipeline Opens", *The Washington Times*, December 3, 2001, electronic document retrieved March 3, 2006 from http://hermes-press.com/pipeline_opens.htm.

project due to dominance of rival producers, Russia then became the biggest shareholder in the CPC with 24 percent of share¹²². The CPC was officially inaugurated in November 2001 with an initial capacity of 560.000 bbl/d and the pipeline's peak capacity is projected to reach up to 1.35 million bbl/d by 2009¹²³.

The realization of the CPC project exemplifies in a perfect manner the backstage geopolitical competition between the US and Russia over access to transport routes from the Caspian region. As a response to US strategy of creating a Eurasian transport corridor that was to bypass Russia, Russia succeeded in initiating an alternative transport route that would enable Kazakhstan to deliver her output to international markets in advance, without waiting for the coming US proposal to connect the Kazakhstani oil via Baku to BTC. In the center of Russian moves to control over the entire Commonwealth of Independent States (CIS) lay the fact that the newly independent states, blessed by significant energy reservoirs in their own right could actually turn out to be rival producers to Russia both of which were oriented towards the same export markets. This would have profound consequences both for Russian economy per se and for the entire global energy market. Hence, both the production and export of energy in the CIS constituted a primary national interest for Russia¹²⁴. Despite that Russia resisted to become a part of international consortia developing the Caspian energy at the beginning, after 1994 the policy of Russian management of Caspian resources shifted as a result of the determination on the part of Lukoil and Russian Energy Ministry, which asserted that they could not afford to be left behind the ongoing energy investment projects in the region despite the opposition of the Foreign Ministry¹²⁵. From that time on, Russia has begun to seize equity stakes in the development of Caspian fields both in the Azerbaijani and Kazakhstani sectors and agreed to join the Caspian Pipeline Consortium (CPC). However, it is still important to stress that the eventual acquiescence of Russia in joining the international consortia did not necessarily mean a

¹²² Gawdat Bahgat (2003), *American Oil Diplomacy*.....p. 170.

¹²³ Energy Information Administration, *Kazakhstan Country Analysis Brief*, July 2005.

¹²⁴ Stephen J. Blank, "Every Shark East of Suez: Great power interests, policies and tactics in the Trans-Caspian energy wars", *Central Asian Survey*, vol. 18, no. 2, 1999, pp. 169-171.

¹²⁵ Roland Sinker, "The Management of a Trans-boundary Energy Resource: The Oil and Gas of the Caspian Sea", in Bülent Gökay (ed.), *The Politics of Caspian Oil*, Palgrave Publishers Ltd.; New York, 2001, pp. 91-96.

total approval of the idea of western involvement in Caspian energy development projects. This was clearly evident by the Russian Government's incessant preventive attitude throughout the decade of 1990 vis-à-vis the US-sponsored transport routes, which disregarded Russian national interests. To cite an example, despite that Russian Lukoil already acquired a 10 percent stake in Azerbaijan's oil projects and also a lion's share in the proposed CPC, the Russian Government sent London an ultimatum on April 28, 1994 against any oil projects in the Caspian Sea, stating that they can not be recognized without Russian approval and also stressed that Russia, in its own right, sees this as an East versus West question¹²⁶.

Nevertheless, there is one problem that complicates the prospect of both the two-early oil export routes and also the CPC strategic pipeline. That is both have to pass through the Turkish Straits before targeting the western markets. In July 1994, Ankara issued a new set of regulations to promote safer traffic in the Bosphorus Straits based upon the warnings of the International Maritime Organization. Initially, the AIOC decided to transport its oil to Western markets by tanker through the Black Sea via the Bosphorus Straits, which the Turkish government did not approve due to potential environmental threat the increased shipping volume might actually cause¹²⁷. At the backdrop of such complexities, however, the US Government played a decisive role in modifying these early-oil export route options together with that of the CPC also lest that Iran would become a viable option for Caspian exports for both the littorals and IOCs¹²⁸. Moreover, with regards to the Baku-Supsa route, the short-term route was taken as a crucial step on the part of the US for the achievement of the latter's long-term strategic pipeline of BTC, which was to follow the Baku-Supsa line as far as Tbilisi and then to culminate in the Ceyhan port in the southern Turkey. Given the inexistence of various export outlets from the region and the insufficient volume of output to support the BTC pipeline with Kazakhstani oil until 2008 (the first oil Kashagan oil field in Kazakhstan is to be produced by 2008), however, it can be

¹²⁶ Stephen J. Blank, "Energy, Economics and Security in Central Asia: Russia and its Rivals", *Central Asian Survey*, vol. 14, no. 3, 1995, pp. 376; Avedis Bedros Hadjian, "Azerbaijan's Energy Policy and its Security Implications for Russian Security", in Bülent Gökay (ed), *The Politics of Caspian Oil*, Palgrave Publishers Ltd.; New York, 2001, pp. 142-3.

¹²⁷ Bülent Aras, *The New Geopolitics of Eurasia and Turkey's Position*, Frank Cass Publishers; London, 2002, pp. 12-15.

¹²⁸ Fiona Hill, "Pipelines in the Caspian: Catalyst or Cure- all?", *Georgetown Journal of International Affairs*, Winter-Spring 2004, p. 22.

concluded that for the foreseeable future Russia is to be the main outlet for oil shipments from Kazakhstan¹²⁹. Some analysts even suggest that when Kashagan does begin producing oil, its export via Novorossiysk through the CPC may make far more commercial sense than BTC¹³⁰. However, given the expansion of Astana's total production and the resistance of Russia in expanding the pipeline capacity further, it is also argued that the CPC will not be sufficient to pump the export surplus and search for new alternative pipelines becomes a must.

It was during the OSCE Summit in November 1999, at the time of signing a legal framework for the realization of the BTC Pipeline, the Turkish, Azeri and Georgian governments did also reach an agreement to build a gas pipeline from Shah Deniz of off-shore Azerbaijan that would run parallel to BTC up to Turkish city of Erzurum where it would connect to Turkish transmission. The so-called natural gas pipeline, either known as Baku-Tbilisi-Erzurum (BTE) or the South Caucasus Pipeline (SCP), with an initial capacity of 1.5 bcf/d is scheduled to be completed by October 2006. Although most of the gas will be exported to Turkey, some of the natural gas is to be sent to Europe via a transit pipeline through Greece. In March 2001, Baku signed an agreement to supply Turkey with 3.1 tcf of natural gas over a fifteen year period. Given the postponement of pipeline's completion, the terms of the deal between the two countries were renegotiated in February 2003¹³¹. The SCP, on its way through the Caucasus, would also provide natural gas to Georgia to address the country's chronic energy shortage¹³².

To summarize, it will not be wrong to conclude that Baku-Supsa early oil pipeline happened to set the stage for the construction of the two-dimensional long-term export routes of BTC and SCP, extending from Baku to western markets via Turkey, which the United States has been the main proponent of at the expense of Russia in the north and Iran in the south. Drawing upon the geographical path and the respective markets both the BTC and the SCP are heading for, the main reason these specific routes are so much appealing to US policy considerations is that they

¹²⁹ Gawdat Bahgat (2003), *American Oil Diplomacy*.....p. 170.

¹³⁰ Alec Rasizade, "The Mythology of munificent Caspian bonanza and its concomitant pipeline geopolitics", *Central Asian Survey*, vol. 21, no. 1, 2002, p. 43.

¹³¹ Energy Information Administration, *Azerbaijan Country Analysis Brief*, June 2005.

¹³² Fiona Hill, "Pipelines in the Caspian: Catalyst or Cure- all?", *Georgetown Journal of International Affairs*, Winter-Spring 2004, p. 22.

would link Turkey, a key member of NATO, to America's key allies in the Caspian basin, namely Azerbaijan and Georgia. The-then US Energy Secretary Federico Pena did state in the mid-1997 that "the US supported multiple-pipeline routes through the Caspian region and strongly opposed any route that increased shipping either through the Strait of Hormuz or the Bosphorus"¹³³. This statement would be empowering the Turkish outlet option, taking into consideration the Turkish naiveties regarding the safety and environmental threats in the event of increasing of navigation in the Bosphorus Straits. Hence, Washington advocated the Baku-Ceyhan route in complementing her policy of multi-pipeline routes as being the "first among the equals". On the other side of the coin, the Clinton Administration was hesitating in too much infringing upon Russian interests and encouraging both Kazakhstan and Azerbaijan to consider the northern route through Russia in addition to Baku-Ceyhan¹³⁴. Thus, both the Baku-Novorossiysk pipeline route and the Caspian Pipeline Consortium (CPC) that would link Tengiz fields in Kazakhstan to Russian Novorossiysk port in the Black Sea were welcomed by the United States as a consolation prize for Russia¹³⁵.

3.2.3. Trans-Caspian Pipeline Projects versus the Blue Stream Gas Project

Complementary to aforementioned pipeline projects, the other leg of the US pipeline strategy is the Trans-Caspian Pipeline (TCP), designed to transport oil and gas from Turkmenistan and Kazakhstan, crossing the Caspian seabed and then passing through Baku and Georgia on its way to Turkey. The two potential trans-Caspian projects under consideration are the Aktau (Kazakhstan)-Baku sub-sea oil and Turkmenistan-Azerbaijan sub-sea gas pipelines. In February 1999, Turkmenistan awarded a contract to build the TCP to a consortium led by the US firms Bechtel and General Electric Capital¹³⁶. For this ambitious project, Turkey, again, is seen as a potentially growing gas market in its own right, but also as a conduit to other consumers in Europe. However, TCP has encountered various challenges from its start. Apart from being criticized as a rather costly project (between \$2 and \$3 billion) like its sister project BTC, it has been largely opposed on the grounds that a trans-border pipeline of such can not be realized

¹³³ Bülent Aras (2002), *The Geopolitics of Eurasia*..... p. 70; Stephen Blank (1999), "Every Shark of Suez....", p. 160

¹³⁴ Bülent Aras (2002), *The Geopolitics of Eurasia*..... p. 21.

¹³⁵ Stephen Blank (1999), "Every Shark of Suez.....", p. 160.

¹³⁶ Gawdat Bahgat (2003), *American Oil Diplomacy*.....pp. 168-169.

unless there is a consensus between the all littorals, including Russia and Iran. Such opposition derives its legitimacy from the still-unsettled dispute regarding the legal regime for the Caspian¹³⁷.

Moreover, a significant setback to the TCP occurred when BP/Amoco found vast amount of natural gas reserves at Shah Deniz in July 1999. The rush of the IOCs and the United States to bring the Shah Deniz reserves to the market via the proposed SCP did give them the opportunity to bypass the Russian opposition to interference with the water surface of the Caspian for the time being. Moreover, given the magnitude of the potential reserves in the Shah Deniz, Azerbaijan was geographically much better placed than Turkmenistan and also the other producers targeting the Turkish market¹³⁸. Above all, however, it is actually Russia's Blue Stream Project that has made a powerful setback to the TCP. In December 1997, Moscow and Ankara signed an agreement to build a pipeline that was to connect northern Turkey with Russian gas fields via the Black Sea. Russia's Gazprom and Eni (Italian Energy Company) formed a 50:50 partnership in order to finance the project (estimated cost between 2 and 3\$ billion). At the time, the project was sharply criticized as being both environmentally and technically flawed.

The Blue Stream Pipeline, reaching a maximum of 2150 meters below the Black Sea is the deepest pipeline to date and any damage to pipeline is alleged to carry significant environmental risks to the detriment of coastal life¹³⁹. Moreover, there is also doubt about the greater dependence of the Turkish market on Russia. According to the gas purchase agreement signed by Turkey and Russia, Russia's Gazprom would supply up to 16bcm of gas annually over a period of 25 years through the Blue Stream, which results in approximately a 70-75 percent of Russian gas dominance over the Turkish domestic consumption over the next decade¹⁴⁰. Plus,

¹³⁷ Sergei Blagov, "Russia Resisting proposed Trans-Caspian Pipeline", March 28, 2006, electronic document retrieved May 2, 2006 from <http://www.gasandoil.com/goc/news/ntc61669.htm>.

¹³⁸ Gawdat Bahgat (2003), *American Oil Diplomacy*.....p. 169.

¹³⁹ "Economic Brief: The Blue Stream Gas Pipeline", 22 November 2005, electronic document retrieved March 2, 2006 from http://www.pinr.com/report.php?ac=view_report&report_id=403&language_id=1.

¹⁴⁰ Alec Rasizade, "The Mythology of munificent Caspian bonanza and its concomitant pipeline geopolitics", *Central Asian Survey*, vol. 21, no. 1, 2002, p. 47.

the fact that Turkey has over-committed itself to gas supplies with its domestic consumption and agreements to transship gas to other countries compounded the gas supply issue further¹⁴¹. Turkey's gas supply deals with Azerbaijan (through SCP), Turkmenistan (TCP) and also Iran apart from Russia's Blue Stream bring about the issue of insatiable exports over the projected increase in domestic consumption.

On November 17, 2005 the Blue Stream Gas Pipeline between Russia and Turkey was officially inaugurated. During the inauguration day, Putin even suggested building a second Black Sea pipeline for both oil and gas transfer, which could increase the transportation capacity up to 30 bcm per year. Some analysts argue that as Putin's suggestion for a second pipeline opens the way to Samsun-Ceyhan link pipeline that would connect the Blue Stream with BTC, Russia would then considerably enhance its role as an energy security provider for both Turkey and Europe and be able to balance the influence of the United States in the region¹⁴². With the initial success of the Blue Stream and the concomitant prospects of new pipelines linking it to Ceyhan by means of utilizing Turkey as a transit corridor, Moscow's essential objective seems to project its overall influence to Europe. Given Europe's thirst for fossil energy and the unfortunate fate of Middle East supplies due to unpredictable fortune of Iran and Iraqi oil production in the near term, Russia offers an alternative to Middle East supply at the expense of United State's hegemony in the Gulf¹⁴³. Moreover, the ambitious pipeline projects of the United States such as the BTC and TCP, which bypass Russia, totally coupled with the former's aggressive militarization within the region at the expense of Russia, has enforced the latter to boost its export-oriented economic growth by means of connecting Europe, the Black Sea and eventually, the Caspian under a Russian energy network aegis.

¹⁴¹ Bernard A. Gelb, "Russian Oil and Gas Challenges", US Congressional Research Service, CRS Report for Congress, January 3, 2006, (RL33212), electronic document retrieved March 6, 2006 from <http://fpc.state.gov/documents/organization/58988.pdf>

¹⁴² "Economic Brief: The Blue Stream Gas Pipeline", 22 November 2005, electronic document retrieved March 2, 2006 from [http://www.pinr.com/report.php?ac=view_report&report_id=403&language_id=1.](http://www.pinr.com/report.php?ac=view_report&report_id=403&language_id=1.;); "Russia wins Economic Battle with USA launching Blue Stream Natural Gas Project", November 18, 2005, electronic document retrieved March 2, 2006 from [http://english.pravda.ru/russia/economics/9254-bluestream-0](http://english.pravda.ru/russia/economics/9254-bluestream-0;); "Turkish President Approves, Samsun-Ceyhan Pipeline set for 2008", May 21, 2006, electronic document retrieved May 25, 2006 from <http://www.today.az/news/business/26358.html>.

¹⁴³ Ibid.

3.2.4. Putin's Eurasian Gas Alliance Project

The foremost objective of connecting Europe, the Black Sea and the Caspian under a sole Russian transportation corridor revealed itself in President Putin's call in 2002 for the creation of an alliance of gas producers, grouping Russia and the ex-Soviet Central Asian states of Turkmenistan, Kazakhstan and Uzbekistan under the rubric of "Eurasian Gas Alliance Project"¹⁴⁴. The detailed proposals for the so-called Eurasian Gas Alliance were announced at the CIS energy summit in October 2002, where the importation of Turkmen gas over the development of remote Arctic and Siberian fields was calculated as being a more cost-effective option in the medium term¹⁴⁵. Given the threat of Central Asian gas over the monopoly of Russia particularly in European market, Russian project foresees the coordination of gas export from its competitors in the Caspian basin through a single pipeline distribution system run by Gazprom. Fiona Hill argued that the proposed alliance's goal included a guarantee of long-term purchases of Central Asian gas for Russia's domestic market and a commitment to feed Central Asian gas through Russian export pipelines¹⁴⁶. Respectively, the recent re-negotiation between Russia and Turkmenistan and also Uzbekistan over the export volumes of natural gas to Russia over a 25 year term is apparently a supportive act given the Russian objective of becoming an energy hub for European market¹⁴⁷. Turkmenistan's gas is important for Russia because Russian Gazprom needs gas to make up for the shortages created by its export commitments to Europe and lack of domestic investment¹⁴⁸. Under the light of these plans, the political maneuvers of Russia in restricting export volumes of the energy-rich Central Asian states through its transport route could well be evaluated as "use of pipelines as a political leverage"¹⁴⁹ so as to persuade the

¹⁴⁴ "Putin Calls for Eurasian Alliance of Gas Producers", December 21, 2002, electronic document retrieved March 3, 2006 from <http://www.gasandoil.com/goc/news/ntc20664.htm>.

¹⁴⁵ Michael Denison, "Russia's Eurasian Gas Designs and the Trans-Afghan Pipeline", December 18, 2002, electronic document retrieved March 2, 2006 from http://www.cacianalyst.org/2002-12-18_Eurasian_Gas_Russia_TAP.htm.

¹⁴⁶ Fiona Hill, "The Great Game: the 2020 Edition", *The Globalist*, July 12 2002, electronic document retrieved March 1, 2006 from <http://www.brookings.edu/views/articles/hill/20020712.htm>

¹⁴⁷ Energy Information Administration, *Central Asia Country Analysis Brief, September 2005*.

¹⁴⁸ Sergei Blagov (January 9, 2003). "Russia Bends to get Turkmen Gas", January 9, 2003, electronic document retrieved March 2, 2006 from http://www.atimes.com/atimes/Central_Asia/EA09Ag01.html.

¹⁴⁹ Jad Mouwad, "Oil used as reward- and punishment", May 15, 2006, electronic document retrieved May 21, 2006 from <http://iht.com/articles/2006/05/14/news/pipel.php>.

energy-rich Central Asian states to yield themselves to the Russian-led gas alliance. Validating these observations, Robert Cutler argued that “in the end, Blue Stream gas looked as though it would ultimately be of Turkmenistani origin, due to failure of TCP projects”¹⁵⁰. And it seems as if this outlook will not be constrained merely by Blue Stream, given the Russian plans for new export pipelines of Yamal-Europe ending up in Germany and North European Gas Pipeline targeting the UK market¹⁵¹.

On the proposed Eurasian Gas Alliance, Moscow Weekly commented that “Moscow would in fact snatch up the initiative, currently held by America, in managing the post-war energy projects in Central Asia and Afghanistan”¹⁵². This argument is significant in displaying that dominating over prospected export routes from the region to targeted markets is essentially the major axis of geopolitical rivalry between the United States and Russia. And this so-called geopolitical rivalry is both for the purpose of conducting effective control over volumes and direction of exports, and the price mechanism on the one hand, and also for denying access to those “selected outsiders”¹⁵³ to the established transport framework by means of forming regional alliances at the expense of the other parties, on the other. Hence, both the BTC and TCP, enforced by the United States and the Blue Stream, supported by Russia in response to these schemes should be evaluated within this general outlook. In this regard, Blue Stream’s implementation at the expense of the failed TCP project confirms that “Russia is using its vast oil and gas reserves as a geopolitical wildcard”¹⁵⁴ in this geopolitical rivalry to the detriment of the American strategy that aspires to make the Caspian an energy hub, bypassing Russia, for western markets by means of forming regional alliances with that of Azerbaijan and Georgia at

¹⁵⁰ Robert M. Cutler, “The Caspian Energy Conundrum”, *Journal of International Affairs*, vol. 56, no. 2, Spring 2003, p.99.

¹⁵¹ For a discussion of Russian-proposed pipelines see Bernard A. Gelb, “Russian Oil and Gas Challenges”, US Congressional Research Service, CRS Report for Congress, January 3, 2006, (RL33212), electronic document retrieved March 6, 2006 from <http://fpc.state.gov/documents/organization/58988.pdf>.

¹⁵² Igor Torbakov, “Russia focuses attention on Caspian Basin Issues”, February 5, 2002, electronic document retrieved March 2, 2006 from <http://www.eurasianet.org/departments/business/articles/eav020502.shtml>.

¹⁵³ Term is used by Mehdi P. Amineh and Henk Houweling.

¹⁵⁴ “Economic Brief: The Blue Stream Gas Pipeline”, 22 November 2005, electronic document retrieved March 2, 2006 from http://www.pinr.com/report.php?ac=view_report&report_id=403&language_id=1.

first hand. Moreover, Blue Stream is merely the initial step of this long-term strategy of constructing new oil and gas pipelines, which aspire to involve Caspian Sea region's energy resources in the prospected export framework, run solely by the Russian giant Gazprom. In the mean time, Russia often continues to use oil and natural gas as "tools of intimidation and blackmail"¹⁵⁵ in reinforcing the uncompromising states to step back in their course of action. Within this regard, as Martha B. Olcott argued, under the aegis of the CIS, Russia did not hesitate to offer to the newly independent states (NIS) Russian security guarantee in return for Russian economic dominance and she was rather quick to divide the NIS into two categories, as being the "good guys" and the "bad guys"¹⁵⁶. The so-called bad guys that resist yielding themselves to any sort of Russian dominance, namely Azerbaijan and Georgia, would rather follow a rocky road in the advancement of their independency projects. Nevertheless, such Russian policy would culminate in mutually inconsistent results as the CIS countries would increasingly become distrustful of Russian hegemonic endeavors throughout the region and they would instead embark upon lucrative collaboration with the West so as to optimize their economic potential¹⁵⁷.

The outmost example of Russian policy of using pipelines as a political leverage has been experienced in the recent Russian-Ukrainian gas crisis, which alarmed many European countries about their position of energy security and the question of sole dependence upon Russia for their future exports. Against the backdrop of the recent crisis, the Caspian region and trans-Caspian projects have been once again elevated to the top agenda as major components of Europe's diversification policy¹⁵⁸. Such transformation in the European policy vis-à-vis the Caspian has brought about the question of "the revival of the long-awaited trans-Caspian projects". It can be

¹⁵⁵ On a recent visit to Lithuania, Vice President Dick Cheney accused Russia of using oil and natural gas pipelines as tools of blackmail as cited in Jad Mouwad, "Oil used as reward- and punishment", May 15, 2006, electronic document retrieved May 21, 2006 from <http://iht.com/articles/2006/05/14/news/pipel.php>.

¹⁵⁶ Martha B. Olcott, "The Caspian's False Promise", *Foreign Policy*, Summer 1998, p.100.

¹⁵⁷ Jean-Christophe Peuch, "Private and National Interests in the Caspian Region", in Bülent Gökay (ed.), *The Politics of Caspian Oil*, Palgrave Publishers Ltd.; New York, 2001, pp. 168-169.

¹⁵⁸ Taleh Ziyadovs, "Europe Hopes to Revive Trans-Caspian Energy Pipelines", February 24, 2006, electronic document retrieved March 2, 2006 from http://www.jamestown.org/edm/article.php?article_id=2370816; Igor Torbakov, "Putin in Baku: Changes in Azeri-Russian Energy Relations on the Horizon", February 24, 2006, electronic document retrieved March 1, 2006 from http://www.jamestown.org/edm/article.php?article_id=2370815.

argued that the recent gas crisis has stipulated a common ground to be created between the EU and the United States vis-à-vis the development of East-West corridor by means of enforcing the solidification of trans-Caspian projects. For the time being, it seems that while the EU is more interested in the TCP pipeline between Turkmenistan and Azerbaijan, the United States and the IOCs do favor developing the Aktau-Baku oil pipeline. Nevertheless, both projects are rather long-term ones given the information that the shipment through Aktau-Baku energy corridor is not expected to begin until 2012, which is even more difficult with the Turkmenistani section¹⁵⁹. Moreover, as both pipelines need huge amount of foreign investment, primarily, the resolution of the legal status of the Caspian Sea is inimical for the advancement of the projects.

3.2.5. Iranian Route

Under the anticipated growth of output from the Caspian and given that the BTC pipeline would not be able to accommodate output from the mega projects of ACG and Kashagan until 2012; interim options are to be caught in order to provide additional export options for the Caspian producers. In the short-term, particularly, the Iranian route for transporting oil and gas from the Caspian is thought to be the shortest and cheapest one for both the littorals and the IOCs. Despite Iran's favorable geographic location astride the Central Asia and the Caspian in the north, the Persian Gulf and the Gulf of Oman in the south, and Afghanistan and Pakistan in the north east, the US opposes any Iranian option on all grounds both politically and strategically. Politically, having accused of Iran of "supporting international terrorism and producing weapons of mass destruction (WMD)", the United States suspended all commercial relations with the country in 1995. Following that, in 1996, the Iran-Libya Sanction Act (ILSA) was promulgated that imposed not only on the US but also on the foreign companies restrictions not to invest more than \$20 billion in Iran's oil and gas sector¹⁶⁰. Strategically, the governing principle of United State's energy policy, resting upon the diversification of energy outlets and reduction of dependence on the Persian Gulf requires the bypassing of Iran totally for any proposed export option from the Caspian.

¹⁵⁹ Ibid.

¹⁶⁰ Kenneth Katzman, "Iran: Current Developments and US Policy", US Congressional Research Service, Issue Brief for Congress, April 25, 2003 (IB93033), electronic document retrieved March 13, 2005, from <http://www.fpc.state.gov/documents/organization/23178.pdf>.

Despite such opposition from the US front, each littoral has opted for bilateral export agreements with Iran both on commercial grounds and also on seeking a relative independence from Russian export system, lying in the north. Iran, in its own right, proposes itself as the most suitable export route for all Caspian oil and gas, and having this consideration in mind, it began “swap deals” with Azerbaijan, Kazakhstan and Turkmenistan in the mid-1990s as an alternative to Russian export infrastructure. According to the terms of swap deals, oil would be pumped to the northern Tehran from the Caspian basin, and an equivalent amount of Iranian crude would be exported via the well-developed export infrastructure in the Persian Gulf to the European and Asian markets. The rationale for swap agreements appeases all the involving parties. Whilst Tehran saves on transportation costs by delivering Caspian output to the north, where most of the local population locates, the IOCs sidestep the US sanctions by not involving themselves in any investment burden through swaps¹⁶¹.

The Iranian policy vis-à-vis the Caspian is usually evaluated by the Western press as a direct hostility to foreign investment in the region as a mere reflection of a deeper hostility towards the West on ideological grounds¹⁶². However, when approached objectively, Iranian policy may rather be described “as pragmatic and driven by economic concerns”¹⁶³. This is not to undervalue the importance of Iran’s geopolitical and geo-cultural interests within the region, particularly empowered by strong historical ties to the geography in concern. However, it is for certain that Iranian efforts at economizing its own sector of resources and involving in joint ventures developing the Caspian resources were curtailed from the very beginning by the US strategic priorities. On the grounds of ILSA sanctions, pipeline projects that route Caspian energy through Iran were completely rejected at the expense of upsetting regional balance of power and creating a sort of “strategic entente” between Russia and Iran further postponing the development of Caspian resources. Despite that Iran demonstrated approval to the idea of joint

¹⁶¹ Gawdat Bahgat (2003), *American Oil Diplomacy*.....p. 171.

¹⁶² R. K. Ramazani, University of Virginia, argues that the record of Iranian policy in general since the eruption of the revolution in 1979 reveals that policymakers have seldom disregarded the pragmatic interest of the Iranian state. Hence, the foreign policies of successive governments within this period showed pragmatic consideration of state interests as well as the presence of religious ideology. For a discussion about the Iranian foreign policy on the axis of national interest and ideology see, R. K. Ramazani, “Ideology and Pragmatism in Iran’s Foreign Policy”, *Middle East Journal*, vol. 58, no. 4, Autumn 2004, pp. 554-559.

¹⁶³ Bülent Aras (2002), *The Geopolitics of Eurasia*.....p. 16.

Western and Central Asian oil ventures at the beginning, the efforts on behalf of her at acquiring a 5 percent share in the AIOC were opposed on the grounds that US law forbid American companies doing business with Iran¹⁶⁴. This denial of percentage stake in the AIOC was actually the first instance that stipulated the Iranian forthcoming opposition to Western involvement in the Caspian. Following that, Iranian policy with regards the trans-boundary management of Caspian resources was to lie astride the Russian position, particularly in her insistence on the coordinated development of the Sea as a whole, with energy resources under common ownership¹⁶⁵. The so-called Russian-Iranian rapprochement on the grounds of pragmatism to counterbalance the US influence in the region culminated in a memorandum on cooperation among Russia, Turkmenistan and Iran in November 1996, which stressed to establish a legal regime based on the joint exploitation of the Caspian Sea by all bordering littorals¹⁶⁶. The forge of Russia-Iran-Turkmenistan block on the condominium approach as opposed to US's favoring of demarcation of the Caspian Sea bed through national sectors for quickening the development and marketing of the reserves was a tactical move so as to harness the decisive US plan of bypassing both Russia and Iran and the US's objective of including also the Kazakh oil via the prospected Baku-Ceyhan pipeline as a further impediment to Russian Novorossiysk route in the north.

A breakthrough was experienced in Iranian swaps deals, when the Russian Lukoil signed a long-term contract with the National Iranian Oil Company (NIOC) to export Neka more than 1 million tons of oil by the spring of 2003. The supply agreement was based on swaps and the planned amount of swaps from Russia was expected to reach more than 5 million tons of oil when the last branch of Neka-Tehran pipeline is put into operation¹⁶⁷. Moreover, Lukoil recently announced plans to build a 3 million tons export terminal in Astrakhan, north of the Caspian Sea,

¹⁶⁴ Bülent Aras (2002), *The Geopolitics of Eurasia*.....p. 16.

¹⁶⁵ Roland Sinker, "The Management of a Trans-Boundary Energy Resource...", in Bülent Gökay (ed.), 2001, p. 84

¹⁶⁶ Bülent Aras (2002), *The New Geopolitics of Eurasia*.....p. 45.

¹⁶⁷ "Transportation is a new Perspective of Kazakhstan: Caspian Exporters lay the Foundation of Strategic Routes to the Countries of Asia-Pacific Region and South East Asia", electronic document retrieved March 3, 2006 from http://www.caspenenergy.com/18/transport_e%20.html.

so as to utilize the Neka route in advance¹⁶⁸. Russia's swap deals with Iran support Russia in expanding her share of international oil markets by making exports to the growing Asian markets more affordable and sensible as her western export routes target mainly the European markets. But above all, Russian 1 million tons of oil swap deal with Iran essentially underlines her determination to negate US disapproval of Iranian route on any terms for the sake of her economic and national interests. And, as many observers argue, such an overwhelming accord between the two countries provides the means for Iran to consolidate its "major global exporter" role for the Caspian littorals, including Russia¹⁶⁹.

There are also plans to build a new pipeline running from the Caspian to the Kharg Island export terminal in the Persian Gulf. The so-called planned pipeline connecting Kazakhstan and Turkmenistan with Iran has caught high interest from various IOCs. The Russian Transneft even questions the utilization of the Omsk-Pavlodar-Shimkent-Turkmenabad pipeline that transports the Siberian oil to Turkmenistan, from where it is integrated within the proposed Kazakhstan-Turkmenistan-Tehran pipeline to head for the export terminal of Kharg in the Persian Gulf.¹⁷⁰ The Iranian export route, in case a pipeline built to the south, is also considered as a sensible option for the Agip Kazakhstan North Caspian Operating Company (Agip KCO), the consortium developing the Kashagan field in the north Caspian that discusses the possibility of sea exports of Kazakh oil via Iran¹⁷¹. However, American opposition makes the financing of the project rather difficult to date. To the contrary, though, it is argued that China is interested in contributing to "a project connecting the Kazakhstan pipeline to the Iranian oilfields"¹⁷², which may affect the prospect of the so-called export route via Iran to the detriment of US interests.

¹⁶⁸ "Caspian Big Three with Oil Shield: Baku-Tbilisi-Ceyhan is the Most Strategic Caspian Pipeline, Think Russian Investment Companies", electronic document retrieved March 3, 2006 from http://www.caspenenergy.com/28/2005_01_10_00e.htm.

¹⁶⁹ Hooman Peimani, "Russia Turns to Iran for Oil Exports", February 11, 2003, electronic document retrieved March 9, 2006 from http://www.atimes.com/atimes/Central_Asia/EB11Ag03.html.

¹⁷⁰ "Transportation is a new Perspective of Kazakhstan: Caspian Exporters lay the Foundation of Strategic Routes to the Countries of Asia-Pacific Region and South East Asia", electronic document retrieved March 3, 2006 from http://www.caspenenergy.com/18/transport_e%20.html.

¹⁷¹ Ibid.

¹⁷² Brandon J. Gentry, "The Dragon and the Magi: Burgeoning Sino-Iranian Relations in the 21st century", *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, p. 117.

3.2.6. China-Kazakhstan Pipeline

As one Russian information portal argues, the general problem regarding the Caspian exports is actually the direction those output is heading for. Accordingly, considering that the Caspian exports would rise from 40 million tons in 2002 up to 130 million tons in 2010, which addresses more than a 200 hundred percent of increase, the consumption growth in the European market, on the contrary, will only be a few percent¹⁷³. It will rather be the Asian markets that would account for most of the increase in total energy demand. Taking this into consideration, the completion of the Neka-Tehran pipeline by a Chinese Consortium led by China Petroleum and Chemical Corp and National Petroleum Corp actually offered the possibility of oil swaps of Caspian and Iranian crude to cut transport expenses from the Caspian to Asian markets, particularly to China by ship¹⁷⁴. Under such availability, with a robust rise in domestic energy demand and a concomitant burgeoning interest in ensuring access to energy supplies to meet that domestic demand, China has become a potential export market for both Russia and Kazakhstan, respectively. In response, China's energy policy of maximizing the reliability of long term supplies without sole dependence upon any one producer or region happens to specify the parameters of the strategic rivalry between Kazakhstan and Russia so as to become the major export route for the boosting Chinese market¹⁷⁵.

The idea of building a direct pipeline route from Kazakhstan to western China concretized when in 1997, the China National Petroleum Company (CNPC) purchased a 60 percent stake in the Aktobemunaigaz of Kazakhstan with an intention of laying an oil and gas pipeline from Aktyubinsk oil field in Aktobe province of Kazakhstan to Alashankou in China. The project encountered several obstacles and was cancelled in 1999 due to financial reasons and the

¹⁷³ "Transportation is a new Perspective of Kazakhstan: Caspian Exporters lay the Foundation of Strategic Routes to the Countries of Asia-Pacific Region and South East Asia", electronic document retrieved March 3, 2006 from http://www.caspenergy.com/18/transport_e%20.html.

¹⁷⁴ Stephen J. Blank, "China, Kazakh Energy, and Russia: An Unlikely Menage a Trois", *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, p. 104.; Hooman Peimani, "Russia Turns to Iran for Oil Exports", February 11, 2003, electronic document retrieved March 9, 2006 from http://www.atimes.com/atimes/Central_Asia/EB11Ag03.html.

¹⁷⁵ Robert Cutler "Emerging Triangles: Russia-Kazakhstan-China", January 15, 2004, electronic document retrieved March 4, 2006 from http://www.atimes.com/atimes/Central_Asia/FA15Ag03.html.

insufficient volume of output in the case of not integrating Russian oil from Siberia to the pipeline structure in order for it to operate under optimum export levels¹⁷⁶. Moreover, Russian companies like Yukos have not lost any time to offer China oil and gas as an alternative to Kazakhstani option through the proposed Angarsk-Daqing pipeline that would transport oil from the Russian fields to China. As Stephen Blank argued this particular move was to deprive Kazakhstan of a potentially enormous market and to force it into greater dependence upon Moscow¹⁷⁷.

However, when it comes to the year of 2003, things have changed for the betterment of Kazakhstani interests and a more convenient framework has occurred for the viability of the Kazakhstan-China deal. While the war in Iraq underlined the vulnerability of oil supplies from the Persian Gulf, the postponement of “Anqarst-Daging pipeline”¹⁷⁸ that was to connect the Russian Siberian oil fields with China pointed out the Kazakhstani option as more favorable for the booming Chinese market. Hence, by 2003, China concluded negotiations to construct the 988-km pipeline extending from the Kazakhstan’s oil terminal in Atasu to the Chinese railway station in Alashankou, which happened to be actually a part of the Aktyubinsk-Alashankou pipeline, proposed in 1997¹⁷⁹. The construction of the \$700 million pipeline, with a full capacity of 20 million tons annually, was completed by a joint venture between CNPC and Kazmunaigaz in December 2005¹⁸⁰.

As the Atasu-Alashankou pipeline has successfully put into operation, the main question of where the oil would come from complicates further the geo-strategic balance in the region. The

¹⁷⁶ Stephen J. Blank, “China, Kazakh Energy, and Russia: An Unlikely Menage a Trois”, *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, p. 103.

¹⁷⁷ *Ibid.* p. 104.

¹⁷⁸ For a discussion about Angarsk-Daqing pipeline see, Gaye Christofferson, “The Dilemma’s of China’s Energy Governance: Recentralization and Regional Cooperation”, *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, pp. 55-60; Bernard A. Gelb, “Russian Oil and Gas Challenges”, US Congressional Research Service, CRS Report for Congress, January 3, 2006, (RL33212), electronic document retrieved March 6, 2006 from <http://fpc.state.gov/documents/organization/58988.pdf>.

¹⁷⁹ Alexander Sukhanov, “Caspian Oil Exports Heading East”, February 9, 2005, electronic document retrieved March 2, 2006 from http://www.atimes.com/atimes/Central_Asia/GB09Ag02.html.

¹⁸⁰ “China-Kazakhstan Pipeline Starts to Pump Oil”, December 12, 2005, electronic document retrieved March 3, 2006 from http://www.chinadaily.com.cn/english/doc/2005-12/15/content_503709.htm.

Chinese policy of securing long-term supplies is not merely constrained by means of manipulating the decisions over the prospected export routes from the region. Rather, “the key driving force from the Chinese point of view is to enhance the security of the country’s petroleum supply through owning both the resource in the ground, and, where relevant, the transport network”¹⁸¹. For that purpose, China has bought equity in fields both in Azerbaijan and Kazakhstan. The “CNPC’s purchase of 60 percent stake of Aktobemunaigaz firm of Kazakhstan, having large reserves in the Aktyubinsk oil field; its acquisition of 50 percent stake in Salyan oil through various affiliates; and eventually the purchase of Petrokaz, a major Canadian owned firm with sizeable holdings in Kazakhstan”¹⁸², all underscore the ambitious energy policy of China behind an expansive geopolitical agenda vis-à-vis the Central Asia at the expense of both the Russian and the US interests¹⁸³. Furthermore, Lukoil’s lawsuit against the CNPC’s purchase of Petrokaz for blocking the sale displays that Russia harshly opposes any Chinese effort at seizing equity in either Central Asian or Russian oil companies¹⁸⁴. Whilst Russia welcomes any export deal with China that foresees the transport of Russian and Central Asian oil through a main export pipeline, dominated by the Russians per se, it does not consent, on any terms, the domination of both the product and the transportation structure from the region by China¹⁸⁵. On

¹⁸¹ Stephen J. Blank, “China, Kazakh Energy, and Russia: An Unlikely Menage a Trois”, *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, p. 102.

¹⁸² *Ibid.* p. 103.

¹⁸³ The wariness on the part of Kazakhstan about both Chinese, American and Russian objectives in the Central Asian region was explicitly stated in the February 18, 2005 State of Union Speech by President N. Nazarbayev. In that particular speech, the President stated that “...today we are witnessing superpower rivalry for economic dominance in our region. ...We have a choice between remaining the suppliers of raw materials to the global markets and waiting for the emergence of the next imperial master or to pursue genuine economic integration of the Central Asian region. I choose the latter.”, as cited in *Ibid.* p. 101.

¹⁸⁴ *Ibid.* p. 108-109.

¹⁸⁵ The Russian Company Lukoil had requested a court in the Canadian province of Alberta to block CNPC’s takeover of Petrokazakhstan by claiming that it had pre-emptive rights to buy Petrokazakhstan out of its 50 percent stake in a joint venture called Turgai Petroleum that holds nearly 29 percent of Petrokazakhstan’s oil production. However, both the Canadian authorities and the Kazakh Government approved the deal in late October 2005. As a result, Lukoil has taken the case against the CNPC to a court of arbitration in Stockholm. See Maria Kielmas, “China’s Foreign Energy Assets Acquisitions: From Shopping to Free Sale”, *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, pp.27-30; Marat Yermukanov, “Astana Gets Chinese Trojan for PetroKazakhstan”, September 7, 2005, electronic document retrieved March 6, 2006 from http://www.cacianalyst.org/view_article.php?articleid=3634; “CNPC Secures PetroKazakhstan Bid”, October 26, 2005, electronic document retrieved March 2, 2006 from <http://news.bbc.co.uk/2/hi/business/4378298.stm>

an equal footing, it is rather ironic to see that the Russian attitude against the purchase of Petrokaz resembles to that of US's attitude at the time of the latter's disapproval of Chinese offer to buy Unocal.

It is argued that the basic source of oil for the Kazakhstan-China pipeline will be the deposits of the Kumkol group in the southwest of Kazakhstan, which the CNPC has also acquired equity stakes by its seizure of Petrokaz, developing the fields. For the pipeline to be profitable, it is to transport no less than 20 million tons annually, while the export potential of the Kumkol deposits does not exceed 7 million tons¹⁸⁶. Thus, Kazakhstan has made an offer to Russia to transport its Siberian oil through the newly built pipeline, however even Russia does consent, the integration of Russian oil within the pipeline will commence only by 2012 when the pipeline reaches its full potential¹⁸⁷. As a result, most analysts argue that the main stake of source for the pipeline will be utilized from the giant Kashagan field despite that there has not been received full consent from the international consortium developing Kashagan¹⁸⁸. On the other side of the coin, the integration of Kashagan oil into the Kazakhstan-China pipeline will supposedly have perverse effects upon the commercial viability of both the CPC and BTC of Russia and the United States respectively, both of which have the same problem of insufficient volumes and both of which approach to Kashagan as the main source of spare production to support their own strategic pipelines.

Moreover, China has held perennial talks with Turkmenistan to discuss additional pipeline projects to supply Chinese markets. In July 2005, Turkmenistan and China signed an agreement on oil and gas cooperation and China extended a \$24 million low-interest loan to Turkmenistan for the development of its oil and gas industry. In addition to cooperative energy dialogue between the two countries, Niyazov stated that the so-called deal would also involve building a

¹⁸⁶ Alexander Sukhanov, "Caspian Oil Exports Heading East", February 9, 2005, electronic document retrieved March 2, 2006 from http://www.atimes.com/atimes/Central_Asia/GB09Ag02.html.

¹⁸⁷ "China-Kazakhstan Pipeline Starts to Pump Oil", December 12, 2005, electronic document retrieved March 3, 2006 from http://www.chinadaily.com.cn/english/doc/2005-12/15/content_503709.htm.

¹⁸⁸ Alexander Sukhanov, "Caspian Oil Exports Heading East", February 9, 2005, electronic document retrieved March 2, 2006 from http://www.atimes.com/atimes/Central_Asia/GB09Ag02.html.

gas pipeline from eastern Turkmenistan to China¹⁸⁹. The intensification of Chinese-Central Asian States' energy dialogue came as a response to Russian resilience against the littorals' efforts of finding alternative routes apart from the Russian natural gas pipeline system. Hence, it is not merely a coincidence that Niyazov's announcement regarding the prospected Turkmenistan-China gas pipeline came right after Turkmenistan warned both Russia and Ukraine that Turkmenistan could do without their markets unless they agreed to pay more for gas supplies¹⁹⁰. Furthermore, the re-negotiation of the quantities and prices of Turkmen natural gas exports to Russia and Ukraine after a pricing dispute in the late 2004 and the recently held January 2005 agreement between the parties foreseeing an increase in the volume of natural gas from Turkmenistan may rather be regarded as a strategic move on the part of Russia in order to prevent the diversion of Central Asian supplies from her monopolistic transport infrastructure¹⁹¹. This strategic move is also in corollary with the proposed Russian-led Eurasian Gas Alliance that aims at controlling any export option from the region under a sole transportation framework, monopolized by Russia per se.

3.2.7. US-proposed Trans-Afghan Pipeline

Eventually, a similar policy attitude on behalf of Russia can also be observed vis-à-vis the proposed Central Asia Gas Pipeline (CentGas) or Trans-Afghan Pipeline (TAP), which is another major pipeline project endorsed by the United States so as to connect Turkmen natural gas deposits to Pakistan via Afghanistan. The initial seeds of the TAP were cultivated during the mid-1990s, when at the time a Unocal-led Consortium began feasibility studies on the pipeline¹⁹². Given the prevalent political instability within Afghanistan due to unrivalled rise of power of Taleban regime, the TAP proposal was left on the table up to date. After the war in

¹⁸⁹“Turkmenistan, China to sign Gas Supply Deal”, November 24, 2005, electronic document retrieved March 1, 2006 from http://www.chinadaily.com.cn/english/doc/2005-11/24/content_497576.htm

¹⁹⁰ Ibid.

¹⁹¹ Energy Information Administration, *Central Asia Country Analysis Brief*, September 2005.

¹⁹² Bülent Gökay, “Introduction: Oil, War and Geopolitics from Kosovo to Afghanistan”, *Journal of Southern Europe and the Balkans*, vol.4, no. 2, 2002, pp.7-8; Goerge Monbiot, “America’s Pipedream: A Pro-Western Regime in Kabul should give the US an Afghan Route for Caspian Oil”, October 23, 2001, retrieved March 4, 2006 from <http://www.commondreams.org/views01/1023-10.htm> ; Marjorie Cohn, “The Deadly Pipeline War: US Afghan Policy by Oil Interests”, December 8, 2001, retrieved March 4, 2006 from <http://www.commondreams.org/views01/1208-04.htm>; Hafizullah Emadi, “New World Order or Disorder: Armed Struggle in Afghanistan and United States’ Foreign Policy Objectives”, *Central Asian Survey*, vol. 18, no. 1, 1999, pp. 60-63

Afghanistan came to an end for the sake of a rather stable political regime with the ousting of Taleban, the Bush Administration pushed the button to revive the long-awaited TAP project at the end of 2001¹⁹³. Finally, on December 27 2002, Afghanistan, Pakistan and Turkmenistan signed the contract to build the 1.440 km Trans-Afghan Pipeline, which would connect the Dauletebad fields in south western Turkmenistan to the Pakistani port of Gwadar in the Gulf of Oman via Kandahar, Afghanistan¹⁹⁴.

Whilst TAP would provide Turkmenistan with an option for diversifying its export outlets, there is still uncertainty regarding the financial investors for the project. Moreover, there is the question of commercial viability of TAP without its extension to India, which, if so, puts the large-scale investment for the project into jeopardy due to rather hostile Indo-Pakistani relations. In addition, there is the common problem of whether Turkmenistan alone would be able to fill the line coupled with her unpredictable attitude vis-à-vis her commitments to both Blue Stream and TCP projects, respectively. Eventually, in spite of the US interest in controlling the flow of oil and gas from the region to both western and southeast-asian markets, it is still argued that Russian attempts to unite the region's producers into "an OPEC style gas alliance" might prove more significant in the medium term¹⁹⁵.

3.3. Concluding Remarks

The problem with pipeline politics is that it must usually combine opposing economic and political interests. This is most visible in the Caspian region to which various regional powers do claim a geo-cultural and geo-historical commitment, which only complicates the advancement of marketization of the economic riches of the Caspian littorals. For the United States of America, Caspian pipeline projects have always been prescribed more as a geopolitical project than a commercial one, and as such it became a three-pronged tool of the Central Eurasian regional

¹⁹³ Mehdi P. Amineh & Henk Houweling, "The US and the EU in CEA.....", in Mehdi P. Amineh & Henk Houweling (eds.), 2005, pp. 211-212.

¹⁹⁴ Michael Denison, "Russia's Eurasian Gas Designs and the Trans-Afghan Pipeline", December 18, 2002, electronic document retrieved March 2, 2006 from http://www.cacianalyst.org/2002-12-18_Eurasian_Gas_Russia_TAP.htm.

¹⁹⁵ *Ibid.*; Sergei Blagov, "Russia Bends to get Turkmen Gas", January 9, 2003, electronic document retrieved March 2, 2006 from http://www.atimes.com/atimes/Central_Asia/EA09Ag01.html.

policy of creating an East-West energy corridor that bypass both Iran and Russia, and of creating a sound economic basis both for political independence of the newly independent states and for resolving the so-called regional-conflicts that are constantly being used as strategic assets in the hands of regional powers, namely Russia. Nevertheless, this time the parties of the geopolitical competition are too versatile and have their own geopolitical stakes that are usually in contrast to US national interests. Moreover, the newly independent states that see their offshore wealth as a strategic prize to independence in their own right would rather prefer to play off the international and regional powers with each other to maximize their national interests. To understand the whole picture, it is necessary to look beyond the energy factor and analyze the US vision of the new world system in the post-Cold War and what particular regional policy the former utilizes in order to locate the Central Eurasian region within the overall planned geopolitical context.

CHAPTER IV

THE US CENTRAL EURASIAN POLICY (1991-1999)

To understand America's strategic policy vis-à-vis Central Eurasia, it is important to understand what the geopolitical map in the post-Cold War era looks like through the US's prism and what sort of a grand strategy the US foresees for the conduct of international relations in this new era of the de-composed world system. It is actually about inauguration of a new paradigm that would serve the US national interests upon the trans-national realm at the very best. It is about the redefinition of strategic alliances and priorities or rather geopolitical challenges against which the international community would gather in advance. It is about the viability of supreme power of the US in the conduct of international affairs against the multi-centric power distribution of world system as opposed to the unipolar nature of the past times. Summing up upon the argument of Charles Kupchan, "the grand strategy is about identifying geopolitical fault lines, figuring out where and in what manner underlying global forces will come up against each other, and producing the fissures that are ultimately responsible for causing major wars"¹⁹⁶. Furthermore, the task of figuring out of a grand strategy for the current times is much harder than it was during the cold war, when there was the immediacy of Soviet threat at the door. Today, the challenges ahead are much more complex, pervasive and thus hard to describe and require reconfiguration of all assets and mechanisms of power politics so as to adapt them to new realities.

This is why a vast amount of literature¹⁹⁷ has been released in the academic world in order to capture an element of international system in the post-Cold War era, which were to identify the supposedly most important fault lines or major threats in future global politics in the

¹⁹⁶ Charles A. Kupchan, *The End of the American Era: US Foreign Policy and the Geopolitics of the Twenty-First Century*, Vintage Books; New York, 2002, p. 26.

¹⁹⁷ Samuel P. Huntington, *The Clash of Civilizations and the Remaking of the World Order*, Simon & Schuster; New York, 1996; Francis Fukuyama, *The End of History and the Last Man*, Free Press; New York, 1992; Thomas Friedman, *The Lexus and the Olive Tree*, Farrar, Straus & Giroux; New York, 1999; Paul M. Kennedy, *Preparing for the 21st Century*, Random House; New York, 1993.

advancement of US power. This is also why certain schools of thoughts happen to polarize on the axes of realists versus idealists or multilateralists versus unilateralists over the planning of US foreign and strategic policy in the post-Cold War era¹⁹⁸. Eventually, the “thug-of-war” between the Pentagon and the White House, stemming primarily from distinct interpretations of globalization, over the role of the US military in managing international security environment was also the result of the ambivalence in the US strategic policy vis-à-vis the State’s involvement in world affairs¹⁹⁹.

At the backdrop of such fluidity of US grand strategy, it is no big wonder that the particular US Central Eurasian policy (including the Caspian policy) has lived through a cycle of ups and downs and has given the perception that the overall US Central Eurasian policy is of an ad hoc nature rather than being a key element of grand strategic vision. As such, the US Policy towards the Caspian has become hostage to various “new agenda issues”, coming to the fore with the end of the Cold War. Such new agenda issues could generally be summarized as democratization, peacekeeping, human rights, environment, religious and ethnic conflicts, terrorism, the issue of nuclear arsenals with a due interest in the management of post-Communist transitions together with the re-positioning of Russia in this new context. And the fact that most of these issues lie at “the nexus between international and domestic politics”, meaning that they require a cross-border activity at certain levels at a time when the United States did not exactly calculate the extent of such cross-border activities, put a cumbersome workload on the State’s shoulders in carrying out its deeds in trans-border areas, one of which happens to be the Caucasus and the Central Asian region²⁰⁰. It is only in the latter half of the 1990s, the US Caspian policy under such circumstances began to take shape rather tacitly and within a consistent framework; and in the opinion of many researchers, it is only in the aftermath of September 11 attacks, the United States has begun to adopt a grand strategy- one based upon principles of pre-eminence and pre-

¹⁹⁸ See Howard. J. Wiarda, “Introduction- From Cold War to Post-Cold War: Change and Continuity in US Foreign and Strategic Policy” in the *US Foreign and Strategic Policy in the Post-Cold War Era: A Geopolitical Perspective*, Howard J. Wiarda (ed.), Greenwood Press, Connecticut, 1996, pp 4- 10

¹⁹⁹ Thomas P.M. Barnett, *The Pentagon’s New Map: War and Peace in the Twenty-First Century*, G.P. Putnam’s Sons; New York, 2004, P. 194.

²⁰⁰ Howard J. Wiarda, “Conclusion- Restructuring US Policy: New Thrusts, New Priorities” in Howard J. Wiarda (ed.), 1996, pp.227-238.

emption- over the whole Central Eurasian region²⁰¹. In this chapter, the US Central Eurasian Policy between 1991 and 1999 is to be analyzed. Accordingly, this analysis is to be done under three major parts. While in the first two parts, the essentials of the US Central Eurasian policy is to be discussed vis-à-vis the former's relations with both Russia and Iran, in the last part the US strategic and military engagement in the region is to be debated specifically with a due regard to its repercussions upon the rise of alternative regional cooperation schemes under the leadership of Russia and China.

4.1. The Initial Round of US Engagement in Central Eurasia: The Rise of the Trans-Caspian into the Euro-Atlantic Security Agenda and “Russia-first” Policy of the US

At the beginning of the decomposition process of the Soviet Union, in the early 1990s, the US policy makers were more concerned about the fate of Russia to the contrary of minimal interest in the prospective independent States of Central Eurasia. Supporting this attitude, it was usually stated that the US had adopted a “Russia-first policy”, pretending to be cautious in transgressing the Russian naiveties vis-à-vis her relations with Central Asian states²⁰². The central objectives of the Clinton Administration included the promotion of democracy, stability, free market economies and denuclearization not only in Russia and the former Republics, but also elsewhere on an international scale²⁰³. Hence, the extent of relationship with the countries of Central Asia and Caucasus was through the purpose of destruction of nuclear weaponry in the former republics, once under the control of Soviet regime. In addition, based upon the premises of the “Treaty on Conventional Armed Forces in Europe” (CFE Treaty), the phase-by-phase reduction of conventional forces and armaments in four distinct regional sub-zones, one of which included the former territory of Soviet Union, was suggested so as to preclude the capability for launching surprise attacks or large-scale offensive operations in the former Warsaw pact space to the detriment of regional stability.

²⁰¹ Charles A. Kupchan (2002), *The End of American Era*.....p. 12

²⁰² Joe Barnes, “US Interests in the Caspian Basin: Getting beyond the Hype”, Baker Institute Working Paper, 1997, electronic document retrieved April 25, 2006 from <http://www.bakerinstitute.org/Pubs/studies/barnes/uscaspianinterest.html>.; Melvin Goodman, “America’s Russian Problem”, in Howard J. Wiarda (ed.), 1996, pp. 76-82.

²⁰³ Duncan L. Clark & Daniel O’Connor, “Security Assistance Policy after the Cold War”, in Randall B. Ripley & James M. Lindsay (eds.), *US Foreign Policy After the Cold War*, University of Pittsburgh Press, 1997, p.225.

Following the break-up of the Soviet Union, the involvement of the US within the ex-Soviet space in general deepened steadily and huge amounts of foreign aid was started to be delivered to the newly independent states (NIS). Between 1992 and 1999, the USA provided the region with approximately \$1.9 billion under the Freedom of Support Act (FSA)²⁰⁴, which promoted democratization and market reforms²⁰⁵. Despite that foreign assistance has always been a major instrument in the hands of the US policy makers so as to create “spheres of influence” or “strategic allies” for the actualization of her national interests, under Clinton Administration, the entire foreign assistance program was attempted to be overhauled, including the security assistance program, as a result of which the US Central Eurasian Policy, as being a component of US general foreign policy vision vis-à-vis the whole world affairs was founded upon five thematic foreign policy objectives: encouraging sustainable development, building democracy, promoting peace, providing humanitarian and crisis aid, and spurring economic growth through trade and investment²⁰⁶.

At the centerpiece of Clinton’s foreign policy lay the concept of “assertive multilateralism” as opposed to traditional concept of “collective security”, which replaced preparations to counter threats with the prevention of such threats in the first place and replaced the deterring of aggression with actions to make preparation for it more difficult²⁰⁷. Thus, the US Administration committed itself to liberal internationalism upgrading the legitimacy of multi-lateral institutions like the United Nations in dealing with international challenges on a global scale. Within this regard, the region on the east of Europe from Balkans to China has gained significance on the agenda of Western states in general, as they have become more prone to ethnic conflict under

²⁰⁴ In 1992, the Bush Administration set up the Freedom of Support Act to provide humanitarian and economic assistance to all of the Newly Independent States. The FSA was designed as an important means to assist and enable Russia to resolve the regional conflicts within the framework of the Commonwealth of Independent States.

²⁰⁵ Amy Jaffe, “US Policy towards the Caspian Region: Can the Wish-List be realized?”, June 2000, electronic document retrieved January 5, 2006 from http://www.rice.edu/energy/publications/docs/Jaffe_CaspianWishList.pdf.

²⁰⁶ Duncan L. Clark & Daniel O’Connor, “Security Assistance Policy after the Cold War”, in Randall B. Ripley & James M. Lindsay (eds.), *US Foreign Policy After the Cold War*, University of Pittsburgh Press, 1997, pp. 230-232.

²⁰⁷ Linda P. Brady, “Working with Allies: Clinton Defense Policy and the Management of Multilateralism”, in Stephen J. Cimbala (ed.), *Clinton and Post-Cold War Defense* (Chapter V), Praeger, Westport, 1996, p. 75

new circumstances. Concomitantly, Europe put the Trans-Caspian, including Central Asia on its agenda through Organization for Security and Cooperation (OSCE) and the issue of NATO's eastern enlargement has become afore²⁰⁸. The "New Strategic Concept of NATO" adopted during the Rome Summit of November 1991 underlined the intention that new Central and Eastern European countries be included in the new structure and in order to do so it was required to assist these countries in their reform activities through the means of political, military, and economic assistance via the forums, such as the North Atlantic Cooperation Council (later became European-Atlantic Partnership Council in 1997)²⁰⁹. In a similar wording, NATO's former secretary-general Javier Solana stressed the important link between political and economic progress and security integration as experienced in the post-World War II Europe, and thus underlined that Europe could not be fully secure if the Caucasus remained outside the European security²¹⁰.

At the backdrop of such developments, NATO's strategic posture evolved gradually towards developing the capacity for quick response to "out-of-area" security challenges with a multi-directional and mobile force structure. Right after the Brussels Summit of 1994, it was confirmed that NATO would serve as the military executor for peacekeeping activities of the UN, OSCE and the WEU²¹¹. Such developments were taking place against several occasions of supposedly ethnicity-driven regional conflicts in the former Warsaw Pact space, including the Trans-Caspian and South Caucasus, which happened to become the new geopolitical fault lines in the new era of geopolitical competition between the great powers. As such, coming to the mid-1993s, the Russian support for the separatist entities in Georgia and Moldova and for the ethno-nationalist conflicts in Nagorno-Karabakh, Abkhazia and South Ossetia had aggravated essentially to create a "sphere of influence" in the post-Soviet space to the detriment of regional

²⁰⁸ Stephen J. Blank, "American Grand Strategy and the Trans-Caspian Region", *World Affairs*, vol. 163, no. 2, Fall 2000, p. 66.

²⁰⁹ Bülent H. Olcay, "Russia's Place in NATO", *Eurasian Studies*, no. 22, Spring 2002, pp. 78.

²¹⁰ Stephen J. Blank, "American Grand Strategy and the Trans-Caspian Region", *World Affairs*, vol. 163, no. 2, Fall 2000, p. 66.

²¹¹ Sharly Cross, "The Question of NATO Expansion: Searching for the Optimal Solution", *Mediterranean Quarterly*, vol. 7, no. 1, Winter 1996, pp. 61-62.

stability²¹². Russian aggravation of power was also due to her possession of vast amount of gas and oil resources and her control over the main pipeline routes so as utilize these means to manipulate the political process in each former-Soviet state, including Ukraine. Since the newly independent states of Central Asia and the Caucasus depended solely upon Russia and the Soviet era pipeline distribution network for meeting their domestic energy requirements, such ethnic conflicts became the major mechanism in the hands of Russia to play off energy against long-term domination of her backyard²¹³. Moreover, despite having huge energy deposits of their own, the NIS did not have the financial potential either to develop their reservoirs or to lay down any export outlet that carried their output to international markets, without huge involvement of Western capital. Actually, it was in the midst of the initial stages of nation-building process of the NIS, which was full of obstacles due to precarious socio-political stability in the region, the trans-national oil companies (TNOCs) were pushing for seizing lucrative development projects in the Caspian region with the full support of the American government.

At the time of coming to office, the Clinton Administration had stressed that economic strength was a central defining element of national security policy, and by means of emphasizing the inextricable link between energy and national security, the expansion of international trade and investment was suggested as the top foreign policy in goal of his administration²¹⁴. In corollary with this foreign policy objective, favoring Central Eurasia as the main beneficiary of the long-term objective of creating western style of open-economies associated with concomitant political

²¹² For a discussion about the ethnic conflicts in the Caucasus and Central Asia see Vicken Cheterian, "Little Wars and a Great Game: Local Conflicts and International Competition in the Caucasus", Swiss Peace Foundation Working Paper no. 32, pp. 30-42, electronic document retrieved March 9, 2006 from <http://www.swisspeace.org/publications/wp/wp32.pdf>; Cornell Caspian Consulting, "The South Caucasus: A Regional Overview and Conflict Assessment", Stockholm, August 30, 2002, electronic document retrieved April 20, 2006 from <http://www.silkroadstudies.org/docs/publications/2004/SIDA.pdf>; Jörg Himmelreich, "The Caucasus: Coping with the Complexities of Conflict", in Hannes Adomeit & Anders Aslund (eds.), *Russia versus the United States and Europe- or Strategic Triangle*, Carnegie Moscow Center; Moscow, October 2005, pp. 52-57., retrieved March 8, 2006 from http://www.carnegie.ru/en/pubs/books/9479RussiaGMF_eng_Carnegie.pdf on June 1, 2006; Martha B. Olcott, "Central Asia: Common Legacies and Conflicts", in Roy Allison & Lena Jonson (eds.), *Central Asian Security: the New International Context* (pp. 127-151), Brookings Institute Press; Washington D.C., 2001, pp. 24-69.

²¹³ Martha B. Olcott, "The Caspian's False Promise", *Foreign Policy*, Summer 1998, pp. 96-99; Blank, Stephen J., "Every Shark East of Suez: Great power interests, policies and tactics in the Trans-Caspian energy wars", *Central Asian Survey*, vol. 18, no. 2, 1999, pp. 169-171; Blank, Stephen J., "Energy, Economics and Security in Central Asia: Russia and its Rivals", *Central Asian Survey*, vol. 14, no. 3, 1995, pp. 373-377.

²¹⁴ Michael T. Klare (2002), *Resource Wars....*p.9.

reforms, the US Government would be assisting the US oil companies in their efforts to establish joint ventures with Central Asian firms so as to develop respective oil and gas fields and to construct additional export infrastructure. As such, the US oil companies, with the full support of the US Government have become the major catalysts in the establishment of the first joint ventures in the region. As TengizChevroil, a joint venture for developing the Tengiz oil field in Kazakhstan between the United States Company ChevronTexaco and the Kazmunaigaz of Kazakhstan went into operation in 1993, the international consortium of the Azerbaijan International Oil Company (AIOC) signed the “contract of century” in 1994 to operate the offshore Azeri, Chirac and Guneshli fields of Azerbaijan²¹⁵. It is important to note that the promotion of the US Government in the advancement of energy projects in the region was not merely a by-product of elevation of geo-economics in foreign policy, but it also entailed a rather all-encompassing strategic interest attributed to the Caspian on behalf of the United States. This strategic interest was mainly associated with Washington’s objective of converting the Caspian basin into an alternative source of energy in case of any supply disruption from the fragile Persian Gulf²¹⁶.

The strategic interest on the part of the US has gained momentum in the mid-1990s, when President Clinton created a new position in the State Department to coordinate US executive branch programs for Caspian energy resources and also did appoint a special envoy to the region²¹⁷. In the meantime, there was an on-going debate about the prospected pipelines that would connect the Caspian riches to the western markets. However, the socio-political instability surrounding the region was not convenient enough to bear the costs of huge financial investments that would bring the so-called Western envisioned pipeline scenarios into reality. Thus, given the sheer size of the Caspian energy reserves together with the evident importance of export revenues for the future development of faltering economies of the Caspian states, the pipeline scenarios would rather be contentious, hence, would be utilized to achieve greater

²¹⁵ Mehdi P. Amineh (1999), *Towards the Control of Oil*.....pp. 162-6, 170-4

²¹⁶ Michael Klare (2002), *Resource Wars*.....p.90

²¹⁷ Amy Jaffe, “US Policy towards the Caspian Region: Can the Wish-List be realized?”, June 2000, electronic document retrieved January 5, 2006 from http://www.rice.edu/energy/publications/docs/Jaffe_CaspianWishList.pdf.

political and social objectives rather than being merely transportation projects²¹⁸. This was true both for the Caspian littorals themselves and the United States, reciprocally. For the United States, the proposed “win-win” policy vis-à-vis the development of Caspian resources for all parties concerned, including Russia was actually a by-product of her backstage strategy of integrating the region within the western economic, political and military institutions and practices²¹⁹. However, this was only a long term objective, which required not infringing upon Russian interests in advance, but rather making Russia move forward along the same path, by providing her with the means to co-opt under some multilateral framework.

A co-optation formula was figured out with the participation of Russian troops into an international force under OSCE to provide peacekeeping operations for the resolution of Nagorno-Karabakh conflict specifically. The Minsk Group was established to bind Russia into the international framework, as well as to represent the OSCE in negotiations over Nagorno-Karabakh, to which Russia, France and the United States co-chaired since then. On a similar axis, the United States supported the establishment of the “Friends of Georgia” group in the United Nations for the Abkhaz conflict in response to Russian attempts to acquire UN approval for unilateral peacekeeping efforts in Abkhaz-Georgian conflict²²⁰. Such attempts on the part of the United States were derivative of her so-called multilateralism associated with the “win-win” policy in the Caspian, which assumed that Russia would be prone to integration steadily. On the other side of the coin, such a US position was based upon the belief that such US envisioned world system could actually be achieved at low cost through state support for foreign investment and negotiated peace to local wars without a huge commitment by the States herself²²¹.

²¹⁸ Fiona Hill, “Pipelines in the Caspian: Catalyst or Cure- all?”, *Georgetown Journal of International Affairs*, Winter-Spring 2004, p. 18.

²¹⁹ Stephen J. Blank, “The United States and Central Asia”, in Roy Allison & Lena Jonson (eds.), *Central Asian Security: the New International Context*, Brookings Institute Press; Washington D.C., 2001, p.128.

²²⁰ Jörg Himmelreich, “The Caucasus: Coping with the Complexities of Conflict”, in Hannes Adomeit & Anders Aslund (eds.), *Russia versus the United States and Europe- or Strategic Triangle*, Carnegie Moscow Center; Moscow, October 2005, p. 54.

²²¹ Stephen J. Blank, “Every Shark East of Suez: Great power interests, policies and tactics in the Trans-Caspian energy wars”, *Central Asian Survey*, vol. 18, no. 2, 1999, pp. 167.

At the backdrop of the prevalent socio-political fragility in the Central Eurasian region, the probability of easing of regional conflicts was rather low given the transfer of instability from the South Caucasus to the North Caucasian regions with the advent of Chechen wars²²². Because of the common interests shared by the US and Europe, the stabilization of the Caucasus region became the most important aspect of the transatlantic agenda. Reflecting such transformation of geopolitical priorities, both in the Brussels and Madrid Summits, NATO's "open-door policy" dwelled upon the prospected enlargement of the structure to involve the East European countries was enshrined despite an accelerated opposition on behalf of Russia²²³. US solution to such Russian opposition foresaw the inauguration of "Partnership of Peace" program, designed for the sole purpose of integrating the Warsaw Pact nations, including Russia, within a loose institutional framework of military cooperation by means of improving common capabilities and enabling joint operations with NATO peacekeeping and humanitarian missions among the others²²⁴. The NATO-led initiative of Partnership of Peace (PfP) program was a significant policy initiative that directly supported NATO goals and the US national security objectives at one time. The program was a demonstration of continued US commitment to NATO and partner nations, by giving US Joint Forces of Command an evolving mission of regional engagement and security cooperation in transforming the capabilities of partner nations to meet the global challenges of the 21st century²²⁵. In conjunction with the PfP agreement, another agreement was also signed between NATO and Russia, acknowledging a special relationship based upon Russia's vast size, importance and capability, which was actually an occasion led by the Clinton Administration's moves for an eventual incorporation of Russia into NATO²²⁶.

²²² For a discussion about Chechen wars see, Andrew Towner, "The Russians, Chechens and the Black Gold: a Geo-economic explanation for the Chechen war", in Bülent Gökay (ed.), *The Politics of Caspian Oil*, Palgrave Publishers Ltd.; New York, 2001, pp. 199-213; Vicken Cheterian, "Little Wars and a Great Game: Local Conflicts and International Competition in the Caucasus", Swiss Peace Foundation Working Paper no. 32, pp. 42-53, electronic document retrieved March 9, 2006 from <http://www.swisspeace.org/publications/wp/wp32.pdf>

²²³ Stuart Croft, Jolyon Howorth, Terry Terrif & Mark Webber, "NATO's Triple Challenge", *International Affairs*, vol. 76, no. 3, 2000, pp. 495-503.

²²⁴ Bülent H. Olcay, "Russia's Place in NATO", *Eurasian Studies*, no. 22, Spring 2002, p. 80.

²²⁵ *Partnership for Peace*. Retrieved March 11, 2006 from the United States Joint Forces of Command Web Page, http://www.jfcom.mil/about/fact_pfp.htm

²²⁶ Sharly Cross, "The Question of NATO Expansion: Searching for the Optimal Solution", *Mediterranean Quarterly*, vol. 7, no. 1, Winter 1996, p. 47.

The initial attitude of acquiescence on the part of Russia to the PfP program and eventually to the foreseen clause of Russia-NATO special relationship was primarily due to the opportunity given to Russia to play a part in the European security. However, the issue of NATO's enlargement at the expense of encroachment in the CIS together with NATO's total disapproval of any limitations in its decision-making mechanism would be strengthening the hands of the hard-liners in Russia²²⁷. A rather strong opposition was rising against Yeltsin's idealistic endeavor of engaging within the Western institutions, and alarm bells were ringing so as to warn that expansion of NATO would actually mean the beginning of World War III. Russian Defense Minister at the time was to make a harsh ultimatum in advance, arguing that NATO expansion would constitute a hostile action against Russia and warned that Russia would not carry out its obligations under the Conventional Forces Europe Treaty if NATO did expand²²⁸. These declarations aroused against the background that the first out-of-sphere NATO military operation was performed in Bosnia without consulting Moscow. Eventually, Moscow would not be participating in the NATO Madrid Summit held in May 1997 where three Eastern European countries were invited to join NATO²²⁹.

It seemed that the US management of multilateralism vis-à-vis her so-called efforts to draw Russia into the democratic community of nations were rather short-sighted. The Clinton Administration fell short of giving tangible evidence of support or partnership to Russia in the direction of her commitments to liberal internationalism on issues such as the NATO expansion or Caspian development²³⁰. On the contrary, US policies were evaluated as being contradictory to the Russian national interests in her "near abroad". From the Russian perspective, retaining hegemony over the entire CIS was imperative not only in terms of aggravating geopolitical influence, but also in terms of control over the whole CIS energy network. Actually, the former

²²⁷ Bülent H. Olcay, "Russia's Place in NATO", *Eurasian Studies*, no. 22, Spring 2002, pp. 80-81.

²²⁸ Sharly Cross, "The Question of NATO Expansion: Searching for the Optimal Solution", *Mediterranean Quarterly*, vol. 7, no. 1, Winter 1996, p. 48-54.

²²⁹ Bülent H. Olcay, "Russia's Place in NATO", *Eurasian Studies*, no. 22, Spring 2002, p. 81.

²³⁰ Michael J. Mazarr, "Clinton Foreign Policy, R.I.P.", *The Washington Quarterly*, vol. 21, no. 2, Spring 1998, p. 12.

interest was essential for the realization of the latter²³¹. The CIS and its security arm, Collective Security Treaty (CST) were the by-products of Russian ambition of attaining a concerted policy in the former Soviet space to tighten political, military and economic cooperation²³². Such a policy was eventually solidified with the declaration of Russia's "Monroviski Doctrine" in June 1992, which explicitly stated that the "Russian Federation should base its foreign policy doctrine upon declaring the entire geopolitical space of the former Union within the sphere of Russia's vital interests". Accordingly, the 1993 Russian Military Doctrine stressed that "the security of the Russian state was inextricably linked with the security of its Asian periphery"²³³. Within this regard, Russia was to be the main intermediary between the region and the outside world, no other country would be allowed to establish a presence in the region to the detriment of Russia, and a political leadership responsive to Russia was to be favored in the Trans-Caucasian and Central Asian republics²³⁴. Nevertheless, throughout the 1990s, the CIS fell short of even creating a new pro-Russian political-military bloc which would have become a tool for regional security integration of the post-Soviet space and would have opposed NATO expansion, within this respect. Regional cooperation in the CIS was curtailed the most by the aspirations of particular rebellious states of Azerbaijan, Georgia, Ukraine and Moldova, for gaining full

²³¹ Roland Sinker, "The Management of a Trans-boundary Energy Resource: The Oil and Gas of the Caspian Sea", in Bülent Gökay (ed.), *The Politics of Caspian Oil*, Palgrave Publishers Ltd.; New York, 2001, p. 54.

²³² On December 21, 1991, the Protocol to the Agreement on the Establishment of the Commonwealth of Independent States formalized the creation of the CIS by 11 republics, including the five Central Asian States, Russia, Belarus, Ukraine, Moldova, Armenia and Azerbaijan with an observer status, which adopted the Almaty Declaration. The CIS Charter of 1993 commits its members to pursue a concerted policy in international security, disarmament and arms control, building up arms services and provision of internal security in the CIS through the use of military observers and collective peace forces. In the eyes of Russian decision makers, the institutions of the CIS are vehicles for the promotion of cooperation and integration between Russia and the former Soviet republics in the realms of economics and military security. In the Almaty Declaration, the republics pledged their allegiance to cooperation in the formation and development of a common economic space. On May 15, 1992, the Treaty on Collective Security was signed between Russia, Kazakhstan, Uzbekistan, Tajikistan, Kyrgyzstan and Armenia (Azerbaijan, Georgia and Belarus joined later) so as to create a common defense space by means of forming a defensive alliance among the former Soviet Republics. For a discussion see, David W. Rivera, "Engagement, Containment, and the International Politics of Eurasia", *Political Science Quarterly*, vol. 118, no. 1, 2003, pp. 85- 96.

²³³ Avedis Bedros Hadjian, "Azerbaijan's Energy Policy and its Security Implications for Russian Security", in Bülent Gökay (ed), *The Politics of Caspian Oil*, Palgrave Publishers Ltd.; New York, 2001, pp. 134-135.

²³⁴ *Ibid.* p. 140.

independence from Moscow²³⁵. The Central Eurasian countries did adopt a “multi-vector” foreign policy in the sense that “creating stable relations and partnerships both with the closest neighbors and with other international powers” was welcomed to a great extent²³⁶. Moreover, there were also different orientations in the foreign policies of the Central Eurasian states amongst themselves. Within this regard, this resulted in the emergence of roughly two blocs within the CIS, the first of which consisted of the pro-Moscow bloc, including Belarus, Armenia, Kazakhstan, Kyrgyzstan, and Tajikistan while the second was the pro-western bloc, comprising Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova²³⁷.

Russian economic rationale dictated “access to internal markets of the NIS through the means of shared property and common development, preserving and expanding external marketing outlets, and ensuring that Russia became the main and the only transit outlet for Caspian energy”²³⁸. Moreover, this economic rationale accommodated a deeper geopolitical endeavor of retaining regional hegemony that would give her the opportunity to say a word about the political fate of the CIS by means of acquiring equal rights with the NATO members over the issues of enlargement, deporting soldiers and keeping nuclear weapons²³⁹. However, as experienced in the recent Bosnian case and NATO’s invitation to new members, there was a growing concern in Russian policy circles that NATO-UN action in Bosnia was establishing a foundation for similar future intervention in the CIS²⁴⁰. Moreover, as stated in a document sent to the United Nations²⁴¹, Russia did not hide that it kept open the option of military intervention in the region

²³⁵ Marcin Kaczmarek, “Russia Creates a New Security System to Replace the CIS”, December 21, 2005, electronic document retrieved March 3, 2006 from http://www.pinr.com/report.php?ac=view_report&report_id=416

²³⁶ Pinar Akçalı, “Nation-State Building in Central Asia: A Lost Case?”, in Medhi P. Amineh & Henk Houweling (eds.), *Central Eurasia in Global Politics: Conflict, Security and Development*, Brill Academic Publishers; Leiden, 2005, p. 99.

²³⁷ *Ibid.* 99

²³⁸ Stephen J. Blank, “Every Shark East of Suez: Great power interests, policies and tactics in the Trans-Caspian energy wars”, *Central Asian Survey*, vol. 18, no. 2, 1999, p. 172.

²³⁹ Bülent H. Olcay, “Russia’s Place in NATO”, *Eurasian Studies*, no. 22, Spring 2002, p. 81.

²⁴⁰ Cross, Sharly, “The Question of NATO Expansion: Searching for the Optimal Solution”, *Mediterranean Quarterly*, vol. 7, no. 1, Winter 1996, p. 54.

²⁴¹ See ref. 127.

“so as to restore law and order and liquidate the consequences of unilateral actions on the part of the littoral states with regard to the Caspian energy reserves”²⁴².

4.2. The Second Round of US Engagement in Central Eurasia: The Shift in Washington’s Russia Policy and the Relations with Iran

As Russian “near abroad” policy aggravated in corollary with rising regional instability at the backdrop of western initiatives of political and military integration of the CIS, the US Central Eurasian policy, primarily endowed by strategic motives of specifying the “selected outsiders” of the game, solidified rather in a consistent manner beginning with the year 1995. As a result, Washington gave the first signals of supplanting her “Russia-first policy” by establishing multilateral relationships through intensive dialogues with the Caucasian and Central Asian states. In February 1995, State Department sources told to Newsweek that Washington’s new approach, coordinated by the National Security Council, was to break Russia’s grip on Central Asia’s oil export so as to help ensure the survival of independent states and to protect US corporate interests in the Caspian region²⁴³. Simultaneously, Washington was stating that she did not recognize any spheres of influence in the region. And as such, the United States hinted her preliminary objective of breaking Russian ambitions of monopolizing the economic-political-military life of the NIS²⁴⁴. Following that, the report of the Department of State to Congress in April 1997 made explicit for the first time that the strategic interest of the United States vis-à-vis the region entailed the urgency of “enhancing and diversifying” world energy supplies. Thus, “promotion of rapid development of Caspian resources in order to reinforce Western energy security” has become the major strategic stake on the part of Washington²⁴⁵. Such statements regarding the strategic nature of the Caspian for diversification cause were predominantly pro-multiple pipeline policy of Washington, which would declare the Central Asia and the Caucasus as a zone of free competition with denial of either Iranian or Russian hegemony over the

²⁴² Bülent Aras, *The New Geopolitics of Eurasia and Turkey’s Position*, Frank Cass Publishers; London, 2002, p.18.

²⁴³ Steve Le Vine “High Stakes” Newsweek, 17 April 1995, p.10

²⁴⁴ Stephen J. Blank, “American Grand Strategy and the Trans-Caspian Region”, *World Affairs*, vol. 163, no. 2, Fall 2000, p. 67.

²⁴⁵ Michael Klare (2002), *Resource Wars.....* p. 3.

transport routes²⁴⁶. As if verbalizing this pipeline diplomacy, Undersecretary of Energy William White in May 1995 was suggesting the Central Asian states that they would treat both Iran and Russia as rivals²⁴⁷. And since then, the United States has admitted to play the role of an arbiter not only in religious or ethno-nationalists conflicts jeopardizing regional stability, but also in any bilateral energy disputes between the energy-rich post-Soviet states and Russia²⁴⁸.

The US objective of preventing Russian monopoly over the post-Soviet states solidified upon two interrelated policy realms. One was directly related to security and defense issues, to provide the necessary means to the NIS for the achievement of their sovereignty and independence and for their integration within western security and political mechanisms. The other was about the belief on the part of Washington that the development of oil and gas sectors and access to markets were central for both political and economic independence for the countries in concern. Within this regard, energy was not seen in isolation from the US strategy but rather is vitally linked to US security objectives²⁴⁹. Either policy pointed out Turkey becoming a powerful “geopolitical pivot”²⁵⁰ in the region that could optimize the US vital interests. Washington aimed at stabilizing Trans-Caspian supplies by means of developing an East-West energy corridor and multiple pipeline routes that would link Azerbaijan, Kazakhstan and Turkmenistan to the ports of Black Sea in the short-term and to pipelines culminating in Ceyhan port of Turkey in the Mediterranean in the long run. For Turkey, becoming a major transit route for the Caspian supplies would not only mean access to vital energy resources and great amount of transport revenues, but also increased diplomatic and strategic importance. In a similar vein, the Clinton Administration supported the transport route through Turkey since the proposed route would

²⁴⁶ Stephen J. Blank, “The United States and Central Asia”, in Roy Allison & Lena Jonson (eds.), *Central Asian Security: the New International Context* (pp. 127-151), Brookings Institute Press; Washington D.C., 2001, p. 132.

²⁴⁷ *Ibid.* p. 131

²⁴⁸ *Ibid.* p. 131; Stephen Blank (1999), “Every Shark East of Suez....”, pp. 155-156.

²⁴⁹ *Ibid.* p. 131.

²⁵⁰ In Zbigniew Brzezinski’s words, geopolitical pivots are the states whose importance is derived not from their power and motivation but rather from their sensitive location and from the consequences of their potentially vulnerable condition for the behavior of geostrategic players. Within this respect, Turkey is assumed to be an influential geopolitical pivot and the identification of the post-Cold War key Eurasian geopolitical pivots and protecting them thus happen to be a crucial aspect of America’s global geostrategy. See Zbigniew Brzezinski (1997), *The Grand Chessboard*..... pp. 40-48.

provide a viable and a secure supply alternative and a strong Turkey would be the right secular model for the Turkic republics of the region as opposed to fundamentalist Iranian threat in the south²⁵¹. On the contrary, Russian military circles were rather uncomfortable with the deepening of US influence in the region and the surging US-Turkey strategic entente; and argued that the US plan of creating a so-called “Eurasian transport corridor” was to be counteracted by all means in advance²⁵².

The other dimension of the US Trans-Caspian policy is congruent with the dicta of “no-sphere of influence” and “realization of East-West energy corridor” has been the exclusion of Iran from exploration, development and transportation of Caspian resources. This particular policy was the result of the “dual containment” strategy of the United States towards both Iran and Iraq with the deterioration of relations with Iran in the aftermath of the fall of Shah in 1979. While the negative discrimination against Iranian oil companies by the US Government in the development of Caspian energy did lead to Russian-Iranian pragmatic rapprochement on joint cooperation over the Caspian legal regime, the scale of this long term cooperation plans for the Caspian also happened to include full-scale security cooperation as a guarantee for regional peace and stability²⁵³. As Robert Freedman argued, the US efforts to promote East-West transportation corridor that bypass both Russia and Iran coupled with the eastern expansion of NATO brought the two countries together so as to unite strength against the common enemy²⁵⁴. Thus, Iran’s siding with Russia on the Azerbaijani-Armenian conflict and deepening of bilateral relations in the realm of arms sales should rather be evaluated as pragmatic maneuvers²⁵⁵. Shireen Hunter argued in a similar rhetoric that Iran has maintained a Russia-centered approach towards Central

²⁵¹ Bülent Aras (2002), *The Geopolitics of Eurasia*..... p. 21.

²⁵² *Ibid.* p. 20

²⁵³ *Ibid.* p. 45.

²⁵⁴ Robert O. Freedman, “Russian-Iranian Relations in the 1990s”, *Middle East Review Journal*, vol. 4, no. 2, June 2000, electronic version retrieved March 6, 2006 from <http://meria.idc.ac.il/journal/2000/issue2/jv4n2a5.html>

²⁵⁵ Stephen Blank (1999), “Every Shark East of Suez....”, p. 163-164.

Asia and the Caucasus and in order to understand this strategy it is required to look to Iran's troubled relationship with the United States²⁵⁶.

Apart from that, the initial Western orientation of Russia was breaking apart under the dual strategy of NATO expansion and development of "East-West corridor" and Russia pushed the button for restructuring the CIS to improve relations with the so-called "rogue states" of Middle East, such as Iran and Iraq²⁵⁷. Within this respect, Russia has accelerated the export of nuclear, biological and chemical weapons to the states of Iran, Iraq, Libya, China and Sudan, which happened to be a major area of security concern for the West²⁵⁸, and above all, improvement of economic, military and political links between the CIS and China had turned out to be a radical geopolitical transformation with regards the future of Caspian security.

The US Government's policy regarding Iran vis-à-vis the Caspian region has been intermingled with several objectives that are usually mutually inconsistent in practice. While US sanctions on Iran was, to the contrary of expectations, culminating in more threat-prone regional alignments and cooperation in developing weapons of mass destruction, the landlocked Caspian states' journey towards economic independence has been to a great extent curtailed by blocking the Iranian route as the shortest and the cheapest route of all and at the expense of regional stability. On the other side of the coin, the energy needs of Turkey has been another issue of concern for the United States, since supporting NATO ally Turkey in security terms and promoting her economic development as a benchmark against religious fundamentalism is another strategic policy vis-à-vis the new Eurasian context. In his May, 6 1995 letter to the House Speaker and Senate President regarding the trade ban on Iran, President Clinton wrote that "Under appropriate conditions, United States persons may be licensed to participate in market-based swaps of crude oil from the Caspian Sea area for Iranian crude in support of energy projects in

²⁵⁶ Shireen Hunter, "Iran's Pragmatic Regional Policy", *Journal of International Affairs*, vol. 56, no. 2, Spring 2003, p. 142.

²⁵⁷ Bülent Aras (2002), *The New Geopolitics of Eurasia*..... p. 71.

²⁵⁸ Bülent Aras, "The Caspian Region and Middle East Security", *Mediterranean Quarterly*, vol. 13, no. 1, Winter 2002, pp. 96-102.

Azerbaijan, Kazakhstan and Turkmenistan”²⁵⁹. Under the light of such developments, Turkmenistan-Iran-Turkey swap deal should be read as a tool for helping Turkey meet her energy needs, for solving the revenue problem on the part of the Caspian littorals by allowing them to deliver their “early oil” in advance, and depriving Iran of a market for Iranian gas²⁶⁰; rather than “a positive change of attitude on the part of the US towards Iran”²⁶¹.

In a similar vein, in July 1997, the Washington Post was reporting that the US Government would not oppose a \$1.6 billion pipeline to Turkey crossing Iran en route from Turkmenistan²⁶². However, despite that the French Sofregaz Company presented a feasibility study for the peculiar pipeline in January 1998, the most important challenge happened to be raising the necessary funds²⁶³. The only pipeline happened to come to reality has been the 140 kilometer Korpeje-Kord-Kuy gas pipeline linking up the gas fields of Turkmenistan to Iran, which was financed by Iran completely. Despite that this pipeline might have been extended to Turkey, under great US pressure, Turkey would be favoring the Trans-Caspian Gas Project, so as not to make herself vulnerable to political blackmail by allowing Tehran to control the taps of too

²⁵⁹ Patrick Clawson, “Iran and Caspian Oil and Gas”, *Perceptions: Journal of International Affairs*, vol. 2, no. 4, December 1997-February 1998, electronic version retrieved March 2, 2006 from <http://www.sam.gov.tr/perceptions/Volume2/December1997-February1998/clawson.PDF>.

²⁶⁰ Ibid.

²⁶¹ During President Mohammad Khatami’s administration, important foreign policy implications of reformist agenda under the aegis of strong advocacy of the need for civil society, the rule of law, freedom of expression was matched by an unprecedented bid for integration of the Iranian society into the modern international system. During the time, there were high hopes of reconciliation between the US under Clinton Administration and Iran, as there happened to be a rather positive change in rhetoric on behalf of the US Government vis-à-vis her prior Iranian policy. Nevertheless, one could not argue that this reflected upon the US Caspian Policy in general, and exclusion of Iran from the development and transportation of Caspian resources has always remained a common and an irreversible element of US Trans-Caspian Policy. For a discussion of Khatami Administration’s reformist agenda and the relations with the US see, R. K. Ramazani, “Ideology and Pragmatism in Iran’s Foreign Policy”, *Middle East Journal*, vol. 58, no. 4, Autumn 2004, pp. 556-559.

²⁶² Patrick Clawson, “Iran and Caspian Oil and Gas”, *Perceptions: Journal of International Affairs*, vol. 2, no. 4, December 1997-February 1998, electronic version retrieved March 2, 2006 from <http://www.sam.gov.tr/perceptions/Volume2/December1997-February1998/clawson.PDF>.

²⁶³ Bülent Aras (2002), *The New Geopolitics of Eurasia*.....p. 11.

many energy pipelines²⁶⁴. Thus, in December 1997, Turkey and Turkmenistan would be formalizing for the first time at the intergovernmental level their commitment to the Trans-Caspian Gas Project that would pump gas from Turkmenistan across the Caspian Sea bed via Azerbaijan and Georgia to Turkey.²⁶⁵ Needless to say, both the swap deals and the Korpelje-Kord-Kuy gas pipeline turned out to be merely consolation prize for Iran, as the CPC was to Russia.

4.3. The Third Round of US Engagement in Central Eurasia: The Pax NATO Regime, the US Power-Projection Mechanisms and the Rise of Opposition Front

4.3.1. US Strategic-Military Engagement

Against this background of hectic pipeline diplomacy, the Deputy Secretary of State Strobe Talbott was to make a historic speech at John Hopkins University in July 1997, which was of paramount importance in explicating both the strategic and economic interest on the part of the United States in the Caspian basin. In that particular speech, while Talbott stressed that the region that sat on as much as 200 billion barrels of oil mattered profoundly to the United States, he also argued that the saliency of stability in such a strategically vital region bordering China, Turkey, Iran and Afghanistan was directly associated with enhancing the capability of the NIS in conflict-resolution through military collaboration and training²⁶⁶. Hence, the US's strategic vision of engagement within the region was being consolidated and expanded in scope to involve also the military-security dimensions besides promotion of democracy and development of energy resources on the widely held premises of international free trade and open economies. This latter type of engagement was predominantly a by-product of the redefinition of Middle East under the rubric of "Greater Middle East" with the advent of Central Eurasia into the centre of world politics after the demise of the Soviet Union. The "New Middle East" would be surpassing the traditional delimitations of Middle East and Persian Gulf of the Cold-War era so

²⁶⁴ Robert M. Cutler, "Turkey and the Geopolitics of Turkmenistan's Natural Gas," *Review of International Affairs* 1, no. 2, Spring 2003, pp. 20–33, electronic version retrieved March 8, 2006 from <http://www.robertcutler.org/download/html/ar01ria.html>.

²⁶⁵ Bülent Aras (2002), *The New Geopolitics of Eurasia*..... p. 11.

²⁶⁶ Strobe Talbott, Deputy Secretary of State, "A Farewell to Flashman: American Policy in the Caucasus and Central Asia", Address given at the John Hopkins School of Advanced International Studies; Baltimore, Maryland, July 21, 1997, electronic document retrieved March 6, 2006 from <http://www.state.gov/www/regions/nis/970721talbott.html>.

as to include North Africa, Turkey, Sudan, the Horn of Africa, the Trans-Caucasus, west Central Asia and South Asia²⁶⁷.

As the evolving posture of NATO has already been introduced with the initiation of Mediterranean dialogue, Partnership of Peace platform and the established Euro-Atlantic Partnership Council as a forum for regular coordination and dialogue with NATO and her partners, the re-invigoration of Pax NATO regime was proposed as the only logical regime to maintain security in the traditional sense²⁶⁸. As if premising upon Brzezinski's assertion that the "US power in Central Eurasia would be the "ultimate arbiter" in the future"²⁶⁹, for the sake of a stable security in Europe, NATO has been upheld as a primary mechanism for mitigating various potential conflicts threatening the regional stability. These include constraining intra-regional disputes, avoiding energy and trade route disruptions, channeling migration, addressing political instability and religious extremism, blocking the proliferation of weapons of mass destruction and addressing the threat of missile attack²⁷⁰. Under such a cumbersome of workload, the very fact that the energy resources of Central Asia and the Caucasus would be transported via the Mediterranean would entail a growing importance attached to the Mediterranean security if and only if there was a clear commitment from the United States that it would remain a Mediterranean power militarily and a Mediterranean player politically in the coming decades²⁷¹. This was actually why the Secretary of State Madeleine Albright was proposing, in one address before the Senate's Foreign Operation Committee that it was strongly in the US national interest to assist these "strategically located" and "energy rich" countries²⁷². In a parallel respect, this

²⁶⁷ G. Kemp & R. E. Harkavy (1997), *Strategic Geography and.....* p. 15.

²⁶⁸ Stephen Blank (2000), "American Grand Strategy.....", pp. 68-69.

²⁶⁹ Zbigniew Brzezinski (1997), *The Grand Chessboard....*pp. 123-124

²⁷⁰ Bruce W. Weinroad, "The US, NATO and the Mediterranean Region in the twenty-first century" in Nikolaos A. Stavrou (ed.), *Mediterranean Security at the Cross-roads: A Reader*, Duke University Press, 1999, p. 96.

²⁷¹ Matthew Nimetz, "Mediterranean Security after the Cold War" in Nikolaos A. Stavrou (ed.), *Mediterranean Security at the Cross-roads: A Reade*, Duke University Press, 1999, p. 53.

²⁷² Amy Jaffe, "US Policy towards the Caspian Region: Can the Wish-List be realized?", June 2000, electronic document retrieved January 5, 2006 from http://www.rice.edu/energy/publications/docs/Jaffe_CaspianWishList.pdf.

was why Washington was talking about extending its Persian Gulf security guarantees to the Caspian region²⁷³.

As part of the plan, the US military prevalence in the region intensified through ongoing US military training programs in the region under the Cooperative Threat Reduction Program (CTR) and the Foreign Military Financing Program, and border security activities²⁷⁴. In the meantime, the states of Georgia, Ukraine, Azerbaijan and Moldova were to gather to form an alliance called GUUAM, in 1996, the preliminary objective of which was to enhance political, strategic and economic cooperation so as to strengthen the independence and sovereignty of the former Soviet Union republics. Hence, the US's "defense parameter"²⁷⁵ has been steadily extending through military training programs and joint exercises under the auspices of distinct but mutually reinforcing institutions. The peak moment, when the US military encroachment to the region at the expense of Russia was experienced is during the first CENTRAZBAT 97 exercise held in Kazakhstan, which was followed right away by its successor in 1998 in Kyrgyzstan²⁷⁶. Coming only six weeks after Aliyev's visit to Washington, when the two parties shared views about selling Azerbaijani oil to the West, such exercises may rather be evaluated as a show off on behalf of the US and strategic allies or rather an ultimatum suggesting that US and NATO forces could actually go anywhere²⁷⁷. It should not be a coincidence that Washington's preference for Baku-Ceyhan route as the "first among the equals" and the personal lobbying of President Clinton with Aliyev for the Turkish pipeline happened to set the background for the upcoming

²⁷³ Stephen Blank (2000), "American Grand Strategy.....", p. 68.; Stephen Blank (1999), "Every Shark East of Suez....", p.152.

²⁷⁴ Amy Jaffe, "US Policy towards the Caspian Region: Can the Wish-List be realized?", June 2000, electronic document retrieved January 5, 2006 from http://www.rice.edu/energy/publications/docs/Jaffe_CaspianWishList.pdf.

²⁷⁵ Term is used by Mehdi P. Amineh & Henk Houweling.

²⁷⁶ The Central Asian Peacekeeping Battalion (CentrAsBat) was formed on December 15, 1995 by Kazakhstan, Kyrgyzstan and Uzbekistan under the aegis of the United Nations and the NATO's PfP programme. It was designed to act as a collective rapid-response unit, the primary goal of which is peacekeeping and to curtail the activities of terrorist and other extremist groups. Cooperation between the armed forces of the CST member states has improved to a large extent by the joint maneuvers under CentrAsBat exercises.

²⁷⁷ Stephen Blank (1999), "Every Shark East of Suez....", p. 168; Michael T. Klare (2002), *Resource Wars....* pp. 2-10; Michael T. Klare (2004), *Blood and Oil.....*pp. 132-136.

military contingency planning in Central Eurasia²⁷⁸. It is also noteworthy to recall that American and Azerbaijani officials were also discussing about a permanent US military base in Azerbaijan right after the CENTRAZBAT exercises²⁷⁹. Hence, such military cooperation exercises, exemplified best in the posture of CENTRAZBAT operations should rather be assumed as “extraordinary power-projection” strategy of the United States. Since it is a well-known fact that the United States and NATO use these operations to prepare “either for peace or for short or protracted military operations in crucial security zones and it was apparent that the Trans-Caspian’s rising profile was close to becoming one of these zones”²⁸⁰. As such, citing “the presence of enormous energy resources” as the justification of American military involvement in the region²⁸¹, the Deputy Assistant Secretary of Defense Kelleher was actually pointing out such a rising profile on the part of the Trans-Caspian.

Within this regard, all such instruments of military contingency planning denoted a major geopolitical development regarding the extension of American military power into the Caspian Sea basin, which would also entail a grand shift in the basic orientation of American policy²⁸². This latter transformation was made overt eventually with the transfer of command authority over the Central Asian states of the Caspian Sea basin to the US Central Command on October 1, 1999²⁸³. Explaining this shift in the overall orientation of American military structuring, the Army General of the USCENTCOM, Tommy Franks was stressing during CENTRAZBAT 2000 in Kazakhstan that while the Persian Gulf was still critical to the United States, there was much more to his command given that the command’s area of responsibility encompassed 25 nations about twice the size of the United States by now. As the key to the Central Command area was to maintain uninterrupted access to energy resources, the USCENTCOM forces should be truly deployable in the region, which required that responsive command, control and

²⁷⁸ Bülent Aras (2002), *The New Geopolitics of Eurasia*..... p. 21.

²⁷⁹ Michael T. Klare (2002), *Resource Wars*.....p. 5.

²⁸⁰ Stephen Blank (1999), “Every Shark East of Suez...”, p. 158.

²⁸¹ Michael T. Klare (2004), *Blood and Oil*...p. 136

²⁸² Michael T. Klare (2002), *Resource Wars*.....p. 5.

²⁸³ Stephen Blank (1999), “Every Shark East of Suez...”, p. 132.

communications during peace, crisis and conflict to remain as key areas of responsibility for accomplishing this mission²⁸⁴.

4.3.2. Opposition Outcry: The Sino-Russo Strategic Entente and the Shanghai V

The US military and strategic engagement was being consolidated in Central Eurasia at the expense of the regional dissidents, who shared common distress against the US imposed world system, threatening their national interests at the backdoor of their territorial boundaries. Several strategists were even talking about the occasion of surging of a “Russia-Iran-China” countervailing block against the infusion of US power-projection, anchoring the inners of Central Eurasia. Indeed, the Russian Eurasianist orientation under Primakov, replacing his rather Western-oriented counterpart Kozyrev, was prone to alert the rise of such an anti-hegemonic block given the aggravating resentment over NATO expansion and further disintegration of the CIS²⁸⁵. In a similar respect, the failure of the United States in functionalizing a sound multilateral framework of international security combined with the former’s imposing of her strategic will on Russia and the others has produced a “growing determination by Russia, China, Iran, France, and many other large and small countries to diminish or diffuse American power whenever and wherever they can”²⁸⁶.

Such resentment culminated in increasing Sino-Iranian or Russo-Iranian cooperation in the sphere of weapons of mass production. In the early 1990s, the likely emergence of a Sino-Russian block was hinted when Beijing and Moscow signed a declaration, which denounced “an international system dominated by one power” but endorsed the “reinforcement of existing alliances” instead²⁸⁷. Apart from phobic about Russia’s long term ambitions in Central Eurasia,

²⁸⁴ Jim Garamone, “Frank lists threats facing Central Command”, American Forces Press Release, April 13, 2001, electronic document retrieved March 15, 2006 from http://www.defenselink.mil/news/Apr2001/n04132001_200104131.html; for more information on the US CENTCOM see, John P. Abizaid, “United States Central Command Posture for 2005”, Statement of United States Army Commander before the House Armed Service Committee, Washington D.C., March 2, 2005, electronic document retrieved May 11, 2006 from <http://www.defenselink.mil/dodgc/olc/docs/test05-03-02Abizaid.doc>.

²⁸⁵ Zbigniew Brzezinski (1997), *The Grand Chessboard*.....p. 115.

²⁸⁶ Michael J. Mazarr (Spring 1998), “Clinton Foreign Policy,”, p. 13.

²⁸⁷ Zbigniew Brzezinski (1997), *The Grand Chessboard*.....p. 116.

there were also various circles in the US policy-making, who were rather concerned with the rising influence of Iran and China. China, within this regard, was viewed as a strategic competitor whose activities in the region could be cited as another reason why the USA should have a presence there²⁸⁸. Given the pace of economic growth and military power on the part of China, the prospect of the former's becoming an influential regional power with further aspirations of reaching out to a global power status, has become a growing concern in the American strategic thinking. Moreover, China's increasingly urgent quest for energy supplies and her pursuit of aggressive energy policy to reach out for overseas energy resources culminated in various investments within several countries extending from the Middle East to Central Asia, Russia, Africa and to Latin America²⁸⁹.

While Chinese management of energy security with a cause of diversification of energy supplies has been creating a security concern on the part of the US as the former pledged several billion dollars in exchange of oil concessions in Iraq, Sudan and Venezuela²⁹⁰, the new National Security Concept of China introduced in 1997 at an ASEAN meeting was formalizing the Sino-US difference regarding the management of international relations²⁹¹. The very heart of the new NSC that happened to guide the Chinese style of foreign relations since then was actually a manifesto for multi-polarity, resting upon the "Four No's": No hegemonism, no power politics, no alliances and no arms races. This manifesto would be setting the stage for the establishment of an alternative block called the Shanghai V in 1996, with the initiation of Russia and China that aimed at "promoting and deepening of mutual trust, relations of friendship and good-neighborliness, consolidating regional security and stability and facilitating common

²⁸⁸ Amy Jaffe, "US Policy towards the Caspian Region: Can the Wish-List be realized?", June 2000, electronic document retrieved January 5, 2006 from http://www.rice.edu/energy/publications/docs/Jaffe_CaspianWishList.pdf.

²⁸⁹ For a discussion see Ingolf Kiesow, "Quest for Oil and Geostrategic Thinking", *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, pp. 11-17.

²⁹⁰ *Ibid.*, p. 13.

²⁹¹ Joshua Cooper Ramo, "The Beijing Consensus: Notes on the New Physics of Chinese Power", Foreign Policy Centre; London, 2004, p. 41, electronic document retrieved March 4, 2006 from <http://www.fpc.org.uk/publications/123>.

development and economic cooperation among the member states of the new Central Eurasia”²⁹².

Shanghai V was initially established as a forum for solving boundary disputes between the former Soviet Republics of Kazakhstan, Kyrgyzstan, Tajikistan, Russia and China on the premises of the “Agreement on Strengthening Military Confidence in Border Areas” that foresaw building upon confidence measures against the possibility of any military clash²⁹³. Regional cooperation against secessionism and irredentism, deriving from the common problem of accommodating distinct ethnic groups within national borders, has turned out to be the cement for the Shanghai V for diminishing the perverse effects of regional instability in the way towards cultivating the seeds for economic cooperation. Despite that Shanghai V did not emerge as an exclusive military bloc, engaging the Central Asian states, the April 1996 Founding Agreement stressed the need for preserving the multi-lateral inter-state and military cooperation in the region. Accordingly, the so-called agreement ruled out conducting military exercises aimed against each other; specified the scale and scope of military exercises; reinforced the member states to inform each other in advance of any major military activities in their common borderlines, and required the member states to invite each other to observe their respective military exercises²⁹⁴. Within this regard, given the arc of instability in the overall Central Eurasia, convergence of interests between Moscow and Beijing in terms of their declared support for UN, criticism of NATO and the rejection of US plans for a missile defense, the Shanghai V was an appropriate platform for the Sino-Russian security agenda of the 21st century with a total commitment to state sovereignties by pledging not to interfere in each other’s domestic affairs²⁹⁵. Within this respect, while China supported Russia’s use of military force in

²⁹² *Declaration on Establishment of SCO*, June 15, 2001; Shanghai, electronic Document retrieved March 11, 2006 from <http://english.scosummit2006.org>

²⁹³ Jyotsana Bakshi, “Shanghai Cooperation Organization (SCO) before and after September 11”, *Strategic Analysis: A Monthly Journal of IDSA*, vol. 26, no. 2, April-June 2002, electronic version retrieved March 11 2005, from http://www.ciaonet.org/olj/sa/sa_apr02baj01.html.

²⁹⁴ Michael Clarke, “Xinjiang and China’s Relations with Central Asia, 1991-2001: Across the Domestic Foreign Frontier”, *Asian Ethnicity*, vol. 4, no. 2, June 2003, pp. 221-2.

²⁹⁵ Amalendu Misra, “Shanghai V and the Emerging Alliance in Central Asia: the Closed Society and its Enemies”, *Central Asian Survey*, vol. 20, no. 3, 2001, p. 307.

the north Caucasus, Russia would be defending the former's policies towards Taiwan, Tibet and Xinjiang in response.

Moreover, geographically Central Asian republics occupy a pivotal area of the Eurasian continent where the great Christian, Chinese and Islamic civilizations meet²⁹⁶. Such a geographical uniqueness makes the region prone to various potential conflicts, validating the theory of "Clash of Civilizations" of Huntington, or the argument of Brzezinski that the intra-religious conflicts combined with a particular ethnic cauldron might transform the region into "Eurasian Balkans"²⁹⁷. The impact of such conflicts would be much more compelling given the existence of a power vacuum and prevalence of versatile historical ambitions on the part of powerful neighbors, circumscribing the region. For China, the presence of the Xinjiang Uighur Autonomous Region with a restive Islamic population made her open up to her neighborhood Central Asian republics so as to harness an impending threat to its sovereignty. The autonomous region neighbors eight independent countries (Mongolia, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Afghanistan, Pakistan and India) and its international border makes up a quarter of her total boundary²⁹⁸. There is also the fact that the ties between the minority population in Xinjiang and the Central Asian states are strong and there has traditionally not been a clear border between the people in Central Asia and Xinjiang, aside from the theoretical border given on maps²⁹⁹. Hence, long before the turn of the century China got commitments from Central Asian Republics about not supporting the Muslim separatists in the Xinjiang Uygur Autonomous

²⁹⁶ *Ibid.*, p. 312.

²⁹⁷ In the words of Zbigniew Brzezinski, the Eurasian Balkans are geopolitically significant since they do lie astride the emerging transportation network linking directly Eurasia's richest and most industrious western and eastern extremities and they are also geopolitically significant from the standpoint of security and historical ambitions to at least three of their most immediate and powerful neighbors, namely Russia, China and Turkey. However, above all, the Eurasian Balkans is definitely more important as a potential economic prize due to an enormous concentration of natural gas and oil reserves. For a discussion about Eurasian Balkans see, Zbigniew Brzezinski (1997), *The Grand Chessboard*...pp. 123-150.

²⁹⁸ David Gosset, "Xinjiang and the Revival of the Silk Road", January 26, 2006, electronic document retrieved March 1, 2006 from <http://www.atimes.com/atimes/China/HA26Ad01.html>

²⁹⁹ Niklas Swanström, "China and Central Asia: A New Great Game or Traditional Vassal Relations?", *Journal of Contemporary China*, vol. 14, no. 45, November 2005, p. 571.

Region, to which in response, the Chinese government promised to respect the current borders of Central Asian Republics³⁰⁰.

Nevertheless, it is important to stress that until the turn of the century there was not yet a sound and a well organized Central Asian security system under the auspices of the Shanghai V. From 1996 to 2000, the member states sufficed to make commitments to oppose to a variety of illegal activities in the region, of which were common to all such as terrorism, drugs and arm smuggling. Apart from that, the Shanghai V, since the very initial stages of its development has aimed at developing a pragmatic approach to the region's security problems by strengthening economic and trade relations between the member states and contributing to the region's economic growth³⁰¹. Hence, as in the case of "power-projection" activities on the part of the US so as to guarantee the security of transport and oil infrastructure for the means of developing a viable "East-West" energy corridor, the issue of regional security was also an instrument for the Shanghai V, aimed at deepening regional economic cooperation. In essence, building upon common problems and complementarity of resources, the Shanghai V has become an ideal platform for boosting economic cooperation as in the case of Chinese efforts at establishing direct trade and transport links with the Central Asian states³⁰². To cite an example, China's bilateral trade with Kazakhstan was worthed approximately \$497 million in 1996, and China had also become Kazakhstan's, Uzbekistan's and Kyrgyzstan's leading non-CIS trading partner³⁰³. Obviously, exploitation of natural resources has also become a central theme in forging bilateral relations. As far as the regional security is concerned, Xinjiang autonomous region bordering each of the SCO member states is also the corridor through which energy supplies from

³⁰⁰ Pinar Akçalı, "Nation-State Building in Central Asia: A Lost Case?", in Mehdi P. Amineh & Henk Houweling (eds.), *Central Eurasia in Global Politics: Conflict, Security and Development*, Brill Academic Publishers; Leiden, 2005, p. 97.

³⁰¹ "The Shanghai Cooperation Organization is not an Eastern version of NATO", June 7, 2006, electronic document retrieved March 4, 2006 from http://www.caucas.com/home_eng/depeches.php?idp=1120.

³⁰² Amalendu Misra (2001), "Shanghai V and the Emerging Alliance in Central Asia...", pp. 314-315; Niklas Swanström, "China and Central Asia: A New Great Game or Traditional Vassal Relations?", *Journal of Contemporary China*, vol. 14, no. 45, November 2005, pp. 579-581.

³⁰³ Michael Clarke, "Xinjiang and China's Relations with Central Asia, 1991-2001: Across the Domestic Foreign Frontier", *Asian Ethnicity*, vol. 4, no. 2, June 2003, p. 222.

Kazakhstan can transit to serve the needs of China³⁰⁴. Moreover, energy is also a critical area for Sino-Russian cooperation. Given that Russia already provides 8 percent of Chinese energy needs through the Trans-Siberian railway, there are also plans of developing cross-border pipelines linking the two countries³⁰⁵.

The February 1999 bombings in Tashkent and events in Batken, southern Kyrgyzstan, had actually become a catalyst in demonstrating the urgent need for an effective mechanism of multi-lateral security cooperation in the region. Since 1998-1999, the Islamic Movement of Uzbekistan (IMU) has launched consecutive offensives into the Fergana Valley, which Uzbekistan, Tajikistan and Kyrgyzstan did share. Whilst the IMU's activities had an equal degree of impact upon the aforementioned states, such terrorist activities necessitated a rather well-organized regional cooperation scheme that would require a broader array of missions and capabilities that would actually transform the Shanghai V into a more institutionalized structure³⁰⁶. As a result, since December 1999, the practical coordination of the member states' efforts in fighting against cross-border criminal activity has been carried out by the "Bishkek Group", which was brought to life in the aftermath of the August 1999 Shanghai V Summit in Bishkek, when the member states adopted joint measures against terrorism and decided to establish an anti-terrorist center at Bishkek³⁰⁷. Such achievements could be denoted as the harbinger of successive institutionalization of the Alliance against the new geopolitical faultlines of the new century.

³⁰⁴ David Gosset, "Xinjiang and the Revival of the Silk Road", January 26, 2006, electronic document retrieved March 1, 2006 from <http://www.atimes.com/atimes/China/HA26Ad01.html>

³⁰⁵ Rian Jensen & Erich Marquardt, "The Sino-Russian Romance", March 21, 2006, electronic document retrieved March 30, 2006 from http://www.atimes.com/atimes/Central_Asia/HC21Ag02.html

³⁰⁶ Michael Clarke, "Xinjiang and China's Relations with Central Asia, 1991-2001: Across the Domestic Foreign Frontier", *Asian Ethnicity*, vol. 4, no. 2, June 2003, p. 222.

³⁰⁷ Jyotsana Bakshi, "Shanghai Cooperation Organization (SCO) before and after September 11", *Strategic Analysis: A Monthly Journal of IDSA*, vol. 26, no. 2, April-June 2002, electronic version retrieved March 11 2005, from http://www.ciaonet.org/olj/sa/sa_apr02baj01.html; Murad Esenov, "The Anti-Terrorist Campaign and the Regional Security System", *Russian Regional Perspectives Journal*, vol. 1, no. 2, p. 27, electronic version retrieved March 4, 2006 from <http://www.iiss.org/publications/russian-regional-perspectives-journal/volume-1---issue-2/anti-terrorist-campaign>; Ren Dongfeng, "The Central Asia Policies of China, Russia and the USA, and the Shanghai Cooperation Organization Process: A View from China", Stockholm International Peace Research Institute, October 2003, pp. 2-3, electronic document retrieved March 4, 2006 from <http://editors.sipri.se/pubs/CetralAsiaSCO.pdf>.

4.3.3. The Year of 1999; the New Strategic Concept of NATO and the National Security Strategy of the US.

The year of 1999 was of historic significance in the sense that the international community did host two important summits, being the NATO Summit of April 1999 and the OSCE Summit of November 1999 respectively, which had far-reaching global repercussions over the new Trans-Atlantic security structure together with regional repercussions dictating overwhelming commitment on the part of the NIS to this new security architecture. In the former, the “New Strategic Concept” of the Alliance was being approved, which stressed the “out-of-area action” by means of developing tools for dealing with far more likely crisis and conflict occasions outside of NATO territory. For this purpose, NATO adopted the “Defense Capabilities Initiative” that would foresee the creation of “rapid deployment forces” with a broader objective of extending stability in the Euro-Atlantic space with the participation of NATO allies under PfP and related mechanisms³⁰⁸. Moreover, it also presented a “Membership Action Plan” for nine countries willing to become members in the near future and hence gave the signals for further enlargement into the Warsaw Pact region³⁰⁹.

The year 1999 was also important in the sense that NATO did indeed realize its first phase of “enlargement” by admitting Poland, Czech Republic and Hungary into the Alliance. Above all, the second phase of “out-of-area action” of NATO was also carried into reality after Bosnia, with the intervention of NATO into Kosovo. Moreover, during the NATO Summit of 1999, held in Washington, Uzbekistan formally joined within the GUUAM and the so-called Alliance members committed themselves to the cause of enhancing multilateral cooperation to establish a Eurasian Trans-Caucasus transportation corridor (TRACECA) and to interact in the peaceful settlement of regional conflicts, eventually with the purpose of integrating themselves into Euro-

³⁰⁸ “The Alliance’s Strategic Concept”, NATO Press Release, April 24, 1999, electronic document retrieved April 20, 2006 from <http://nato.int/docu/pr/1999/p99-065e.htm>; Kalpana Chittarajan, “Abolishing Nuclear Weapons and NATO’s New Strategic Concept”, *Strategic Analysis: A Monthly Journal of IDSA*, vol. 23, no. 9, December 1999, electronic document retrieved March 2, 2006 from http://www.ciaonet.org/olj/sa/sa_99chk01.html; Wesley K. Clark, “The United States and NATO: The Way Ahead”, *Parameters: US Army War College Quarterly*, Winter 1999-2000, electronic document retrieved March 3, 2006 from <http://carlisle.army.mil/usawc/Parameters/99winter/clark.htm>.

³⁰⁹ Bülent H. Olcay, “Russia’s Place in NATO”, *Eurasian Studies*, no. 22, Spring 2002, p. 81.

Atlantic and European structure of security and cooperation³¹⁰. It was more than a coincidence that the establishment of GUUAM followed the US-backed European projects of TRACECA and INOGATE³¹¹, both of which were utilized in the mid-1990s to develop an East-West transport corridor from Europe across the Black Sea through the Caucasus to Central Asia, foreseeing also the regional integration of oil and gas pipeline systems. On a parallel logic, the adoption of “Silk Road Strategy Act of 1997”³¹² by the United States for a similar purpose of developing transportation infrastructures in the NIS so as to develop intra-regional economic cooperation and hedge military cooperation against any disruptive regional conflicts, has also been bred from the same rationale.

At the end of 1999, the Clinton Administration was to declare the “National Security Strategy for a New Century”³¹³, which was a package of “project-of-action” for the 21st century, upholding the inextricable link between economics and national security and proposing a multi-lateral cooperation in the security realm under the leadership of the United States for the promotion of prosperity and peace globally. Arguing that “prosperity at home depends on stability in key regions with which we trade or from which we import critical commodities, such

³¹⁰ *The GUUAM Group: History and Principles, November 2000*, electronic document retrieved March 1, 2006 from <http://www.guuam.org/general/browse.html>.

³¹¹ The EU cooperates with the states of the Caspian region within the framework of the TACIS-Program (Technical Assistance to CIS Countries). One of the sub-branch of the TACIS Program is the INOGATE Project (Inter-State Oil and Gas to Europe), launched in 1995 for the purpose of reconstruction, modernization, and rationalization of trans-national oil and gas pipelines in the CIS general, and in the Caspian region in particular. The other sub-branch program TRACECA (Transport Corridor Europe-Caucasus-Asia) was set up in 1993, following a proposal by Georgian President Eduard Shevardnadze, to create a “transport/trade corridor on an east-west axis from Central Asia, across the Caspian Sea, through the Caucasus”. For more information see http://ec.europa.eu/comm/external_relations/ceeca/tacis/; <http://www.inogate.org/en/>; <http://www.traceca-org.org/>

³¹² The Silk Road Strategy Act of 1997 is a specific legislation to assist the region in developing intra-regional economic cooperation to stabilize the Caspian Basin and to fortify the area against future conflict; to support US strategic and commercial interests by providing economic, technical and financial assistance so as to help with the development of telecommunication and transportation infrastructures in the region; to provide security-related assistance in the form of military education, counter-proliferation, training and surplus US military equipment and supplies; and to encourage democratic and free-market institutions.

³¹³ *A National Security Strategy for a New Century(NSS99)*, December 1999, White House; Washington D.C., electronic version retrieved February 18, 2006 from the Defense Technical Information Center Web Page at http://www.dtic.mil/doctrine/jel/other_pubs/nssr99.pdf.

as oil and gas”³¹⁴ transformation in capabilities and organizations, particularly in military sphere was assumed critical for meeting the asymmetrical challenges of the next century. Within this regard, “maintaining overseas presence by building up forwardly-deployed combat forces” that were to respond rapidly to crises would prevent the development of power vacuums and instability and contribute to the defense of US and her allies’ vital interests in those critical regions³¹⁵. Hence “global power projection”³¹⁶ was suggested as an essential mechanism for combating any sort of instability in so far as it was under the US leadership. On a parallel front, basing its premise on NATO being the anchor of Trans-Atlantic security, both the Defense Capabilities Initiative and the Membership Action program was applauded on the grounds that it would improve strategic mobility capabilities on the part of NATO and it would promote Western style reform of armed forces in Central and Eastern Europe and Eurasia³¹⁷.

Moreover, the United States was giving full approval for NATO enlargement since the enlargement process would by no means contribute to the enhancement of “Europe’s zone of domestic stability”³¹⁸. As part of the proposed world system based upon full integration of “democratic Europe’s near abroad”³¹⁹ into Western style open economies, “the development of Caspian resources and their export from the Caucasus region to world markets” was given a paramount importance since it would help the development of the Caspian littorals’ societies into democratic and stable commonwealths as well as it would improve the energy security of

³¹⁴ NSS99, Part II, p.21.

³¹⁵ Vital Interests include- those of broad, overriding importance to survival, safety, and vitality of the American Nation. Among these are the physical security of the American territory and that of her allies, the safety of American citizens, the economic well-being of American society, and the protection of America’s critical infrastructures- including energy, banking and finance, telecommunications, transportation, water systems, and emergency services- from paralyzing attack. See NSS99, Part I., p.1; Part II, pp. 11-2.

³¹⁶ Ibid., Part II, p. 11.

³¹⁷ Ibid., Part III, pp. 29-32.

³¹⁸ Ibid., Part III, p. 29.

³¹⁹ Stephen Blank quoted from John Roper and Peter Van Ham that “The main reason why the West can not remain complacent about Russia’s actions in the Trans-Caucasus is the fact that Russia’s “near abroad” is also “democratic Europe’s near abroad”, as cited in Stephen Blank (2000), “America’s Grand Strategy and the Trans-Caspian Region”, p. 69.

the United States, Turkey and the other allies³²⁰. As a matter of fact, on November 18, 1999, President Clinton was present in Istanbul during the OSCE Summit to sign both the BTC pipeline agreement and the Trans-Caspian Gas pipeline declaration. The official rationale for these agreements, as already stated in the 1999 National Security Strategy was that they would achieve several important goals at one stroke for the US strategy of engagement within the Central Eurasian region³²¹.

4.3.4. The Downplay of the US Power before the turn of the 21st century

The Kosovo intervention might rather be regarded as the apex of outcry of international opposition, both on the part of the incipient anti-US alliance led by Russia and China, and also on the part of the US-NATO partners, led by France and Germany further invalidating the NATO's post-Cold War credibility. In the former, the US-led intervention in Kosovo, without even consulting to Russia was evaluated as a dangerous pretext, establishing a self-declared right on the part of Washington to bypass United Nations Security Council and to negate the 1997 Founding Act between NATO-Russia so as to pursue a unilateral expansion of "defense parameter"³²² to the CIS region³²³. As a result, while military cooperation in the realm of arms transfers intensified, the advent of Shanghai V as a bulwark of securing inter-state borders was being realized on the legitimate grounds of pleas for "multi-polarity". On the other side of the coin, the US-led Kosovo intervention, superseding the scales of the incipient Trans-Atlantic rift, would reveal the great disparity between US and European geopolitical power in terms of obvious short-comings of European capabilities in actual military operations³²⁴.

³²⁰ NSS99, Part III, p. 33.

³²¹ In the NSS99, Part III, pp. 32-34, it is explicitly stated that the Trans-Caspian pipeline projects are indeed vehicles for geopolitical transformation, rather than being merely economic projects.

³²² The term is used by Mehdi P. Amineh and Henk Houweling.

³²³ Christopher Layne, "Offshore Balancing Revisited", *The Washington Quarterly*, vol. 25, no. 2, Spring 2002, p. 240; Marcel de Haas, "NATO-Russia Cooperation: Political Problems versus Military Opportunities", May 29, 2006, electronic document retrieved June 1, 2006 from http://www.pinr.com/report.php?ac=view_report&report_id=498&language_id=1.

³²⁴ Shahram Chubin & Jerrold D. Green, "Proceedings of RAND/GCSP Workshop on NATO's New Strategic Concept and Peripheral Contingencies: The New Middle East", July 15-16, 1999, electronic document retrieved March 6, 2006 from http://www.rand.org/pubs/conf_proceedings/2005/CF149.pdf; Sven Biscop, "NATO, ESDP and the Riga Summit: No Transformation without re-equilibration", Egmont Paper 11, Royal Institute for International Relations; Brussels, May 2006, electronic document retrieved May 11, 2006 from <http://www.irri-kiib.be/paperegm/ep11-v1.pdf>.

Together all rising opposition against US's hegemonic tendencies reflect one bare reality about the ultimate goal of US strategy, which was to insert itself into the strategic locations of Eurasia to establish new American spheres of influence and eliminate any obstacles that stand in the way³²⁵. The strengthening of this global control has much to do with politics and economics at the same time, nevertheless the current focus on resource concerns reflects the growing importance of industrial might and the economic dimensions of security rather than a mere return to the past³²⁶. Hence as Robert Cutler argued, the years 1989-2001 were actually a transition not just to a new international system but indeed to a new international order, an order that would be animated by the tension between unipolarity and multipolarity just as the European system so animated from 1890 to 1914³²⁷. Within this regard, under the auspices of the ineffectual superstructure of OSCE, shielding the ambitious US project of dominating Eurasia under the enlarged NATO-plus-PfP scheme, the US has undertaken the role of the "agenda-maker" with NATO allies, despite fractions of opposition, contributing to this policy initiative on the legitimate grounds of expanding the "European democratic zone". The issue of energy security simmering at the backdrop of diminishing of world supplies and the fragility of the Persian Gulf happened to break out as the common denominator for all parties in concern that only intensified the scale of geopolitical competition in Central Eurasia.

4.4. Concluding Remarks

Between 1991 and 1999, the US Central Eurasian policy became hostage to a various set of new agenda issues with regards the relevance and applicability of US foreign policy assumptions and strategic priorities of the previous era to address the new geopolitical realities of the post-Cold war environment. Hence, the reformulation of current era's regional policy priorities and re-evaluation of the nature of relations with the prior strategic adversaries culminated in adhocacy in implementation vis-à-vis the US Central Eurasian policy, including the Caspian energy policy. The foremost issue that captured and distracted the strategic focus upon the Central Eurasian

³²⁵ Bülent Gökay, "Pax-Americana:Is it all about oil?", *Journal of Southern Europe and the Balkans*, vol. 5, no.1, 2003, p. 85

³²⁶ Michael T. Klare (2002), *Resource Wars.....*p.7.

³²⁷ Robert M. Cutler, "Central Asia and the West after September 11", in Hall Gardner (ed.), *NATO and the European Union: New World, New Europe, New Threats*, Ashgate; London, 2004, pp. 219-231, electronic version retrieved March 7, 2006 from <http://www.robertcutler.org/download/html/ch03hg.html>.

region was the US's Russian problem, the so-called US policy of which oscillated in between accommodation and integration of the former into western-style liberal democratic, political and security institutions; and negation and denial of the former's imperialistic endeavors vis-à-vis the ex-Warsaw Pact space to the detriment of political and economic independence of the newly independent states. The US, specifically under Clinton Administration, declared the region as a zone of free competition and opposed in all terms any spheres of influence over the Trans-Caspian that also legitimized her multi-pipeline policy, which was primarily geo-strategic in nature and promoted the East-West energy corridor over any route via either Russia or Iran. Serving the purpose of integrating the region into western political and security institutions, the Pax NATO regime was proposed as the only logical option to maintain security in the traditional sense. The expansion of NATO and forging of loose institutional mechanisms under NATO and US-led initiatives to co-opt the East and Central European and also the Central Eurasian states would only culminate in rising opposition on behalf of Russia, which in turn would stipulate the former to re-formulate her geopolitical interests in the CIS space so as to re-configure the CIS and the terms of bilateral relations vis-à-vis a new phase of strategic partnership with the states of Iran, Iraq and China. Such a strategic entente between Russia and the so-called US opponents did actually become realized and even institutionalized before the turn of the century notwithstanding the Clinton Administration's doctrine of "assertive multilateralism" that would foresee the engagement of the strategic competitors such as Russia into western-led political institutions and mechanisms so as to strengthen the Trans-Atlantic link to deal with the so-called transitional phase post-Cold war problems on a regional scale. Nevertheless, the US's encroachment into the inners of Eurasia in general, and Central Eurasia in particular, which was only reinforced by the former's contingency planning under NATO-led or bilateral mechanisms of military exercises together with the expansion of NATO further to the east, would rather be acknowledged as a strategic maneuver to constrain the sphere and scope of the strategic influence of Russia in her "near abroad", which would only serve the hard-liner Eurasianists' hands in the latter to confront the deleterious effects of the US Central Eurasian policy in the successive term.

CHAPTER V

THE US CENTRAL EURASIAN POLICY (2000-2006)

5.1. The Implications of Bush's National Security and Energy Doctrines on Central Eurasia against Putin's Orientation to Eurasianism

It was under the Clinton Administration that designated the Caspian Basin's energy resources as a matter of national security, the establishment of military ties with the so-called friendly states of Azerbaijan, Georgia and Kazakhstan and the delivery of huge US military aid under the premise of protecting the "East-West" transportation routes became the actual norm³²⁸. As Michael Klare argued the primacy of US military realignment since the end of the Cold War has entailed the diminishing of American forces in East Asia and Europe (the rimlands of Eurasia already controlled as part of the containment strategy in the Cold War era) along with the building up of forces in the South and Central Eurasia (the new area of geopolitical competition). As such, as the US bases in Europe were being closed, the new military bases were being established in the Persian Gulf and the Central Asia³²⁹. This large-scale strategic entanglement in the Central Eurasian region was being achieved well before the Bush Administration and the drastic September 11 attacks, which happened to alter the entire stress of geopolitical priorities towards a more unilateral and assertive tone. What has happened in the post-September 11 period was just a robust intensification of military engagement in the region, this time even much faster and well-planned in manner and the scope of geography of entanglement, extending beyond the South Caucasian region into the inners of Central Asia, including Afghanistan.

In this chapter, the US Central Eurasian policy between 2000 and 2006 is to be analyzed. This chapter is composed of two complementary and successive parts. The reason to divide the chapter into 2 parts is primarily due to ease of presentation and also due practical matters. As already stated, the main purpose of this thesis is to analyze the evolution of the US Central

³²⁸ Michael T. Klare (2004), *Blood and Oil*.....pp. 132-139.

³²⁹ Michael T. Klare, "The New Geopolitics", *Monthly Review*, vol. 55, no. 3, July-August 2003, pp. 54-55, electronic document retrieved March 2, 2006 from <http://www.monthlyreview.org/0703klare.htm>.

Eurasian Policy in the post-Cold War environment. Within this respect, what is to be upheld as the main argument is that the US Central Eurasian Policy has indeed preserved its basic dynamics despite different administrations. Hence, either under Clinton or under Bush Administration, the foremost regional policy imperative of the US has been to integrate the Central Eurasian region within western sphere of influence by all accounts. This was to be done so as not to let the rise of any strategic competitor in the Eurasian continent that would challenge the US supremacy in world affairs. Hence, the primary difference between distinct administrations regarding the Central Eurasian policy is about the means and tools adopted to reach out the eventual target of integrating the region within western political, security, economic and institutional mechanisms. In the first part of this chapter, the basic tenets of the Bush Administration's foreign policy attitude and the position of Central Eurasia within this general framework are to be analyzed. On a parallel respect, the implications of Putin Administration's foreign policy orientation specifically with regards to Russia's near abroad policy is discussed. Simultaneously, the effect of September 11 events upon the geopolitics of Central Eurasia in general and the national security strategy of the US in particular will be assessed. Within this respect, it is intended to correlate the national security strategy and the national energy strategy of the US with regards to their implications upon the Central Eurasian region.

5.1.1. The Basic Tenets of Bush Doctrine and the Official National Energy and Defense Strategies before the September 11

Under the administrations of either Bill Clinton or George W. Bush, the overriding aim of the US grand strategy has been to ensure that the United States maintains its lofty geopolitical perch by preventing the rise of new great powers or the resurgence of old competitors, such as Russia that could challenge the United States unipolar moment³³⁰. Despite difference of rhetoric hidden behind benevolent hegemonism³³¹, either administration cultivated the seeds of new polarization

³³⁰ Christopher Layne, "Offshore Balancing Revisited", *The Washington Quarterly*, vol. 25, no. 2, Spring 2002, pp. 237.

³³¹ The notion of "benevolent hegemonism" was developed in particular by Robert Kagan, who has called the United States "a Behemoth with a conscience". Some US strategists believe that the US is a qualitatively different hegemon, building upon the strength of her "soft power", legitimized on the basis of the universally applauded liberal democratic ideology that is to be utilized so as to shape the international agenda for the good of the world community. Hence, only the US possesses both the hard and soft power mechanisms that the other nations do lack so as to induce a world-wide systemic change or to set the

along the lines of “European democratic zone” and “failed states of non-Europe” in the absence of any ideological split pertaining to Cold War era, which led to the emergence of variety of dissidents, endeavoring to challenge the US unipolar tendencies. Like every major presidential candidate since World War II, Bush’s foreign policy aspirations, hardly distinguishable from Clinton’s were Wilsonian on the well-familiar guiding premise of “transforming the American moment into generations of democratic peace worldwide”. To this end, during the whole presidential campaign in 2000, George W. Bush supported a wisely-calculated balance of isolationism and interventionism into world affairs, by criticizing the President Clinton’s excessive use of American forces abroad, which were only secondary to American national interests³³².

The essence of the Bush Administration’s new strategic orientation was first articulated in the Defense Planning Guidance (DPG) for fiscal years 1994-99, which was a secret policy statement crafted by the Department of Defense in February 1992 under Wolfowitz, then being the under secretary of State. The document spelled out the “musts” for US military superiority and world dominance, by stressing that the foremost US foreign policy objective would be to prevent the re-emergence of a new rival on the territory of the former-Soviet Union and elsewhere. Furthermore, the document stressed that the adoption of necessary means was vital for the United States to remain as the predominant outside power in the Middle East and Southwest Asia and to preserve the US and Western access to region’s oil³³³. George W. Bush, during his Citadel Address before coming to power, in September 1999, was only verbally outlining this strategic objective by arguing for a new phase of American defense, alert to any hostile attack

successive international agenda either through associative or conflictual leadership for the well being of all nations. For a discussion see *Ibid.*, pp. 239-242; Robert Kagan, “Power and Weakness”, *Policy Review* 113, June-July 2002, electronic document retrieved May 6, 2006 from http://www.policyreview.org/JUN02/kagan_print.html; Joseph S. Nye, “Limits of American Power”, *Political Science Quarterly*, vol. 117, no. 4, Winter 2002-2003, retrieved March 6, 2006 from Academic Search Premier Database (00323195); Stanley Hoffman, “The High and the Mighty”, *The American Prospect*, vol. 13, no. 24, January 13, 2003, electronic version retrieved March 3, 2006 from <http://www.prospect.org/print/V13/24/hoffman-s.html>; Michael J. Mazarr, “Saved from Ourselves?”, *The Washington Quarterly*, vol. 25, no. 2, Spring 2002, pp. 221-228.

³³² Ivo H. Daalder & James M. Lindsay, “The Bush Revolution: the Remaking of America’s Foreign Policy”, The Brookings Institution, May 2003, electronic document retrieved March 5, 2006 from http://www.yaleglobal.yale.edu/about/pdfs/bush_revolution.pdf

³³³ Michael T. Klare (2004), *Blood and Oil*....pp. 67-68.

legitimizing the endeavor for withdrawal from Anti-Ballistic Missile Treaty and suggested the enhancement of the military capabilities and the capacity to “project power” into distant combat zones³³⁴. In that particular speech, the Presidential Candidate George W. Bush said that “he was to give the Secretary a broad mandate to challenge the status quo and envision a new architecture of American defense for decades to come”³³⁵. In a similar respect, Bush stated explicitly that “America would not retreat from the world; on the contrary upon coming to office, the replacement of diffuse commitments and uncertain missions by focused commitments and well-defined objectives would be realized”³³⁶. Both the 1992 Defense Planning Guiding Report that happened to reveal the main guiding tenets of Bush Doctrine in the successive years and the speeches by George W. Bush during his 2000 pre-election campaign were indeed the reflection of a rather unilateralist shift in the American foreign policy-making from the previous Clinton era. The so-called Bush Doctrine would be resting upon some visible propositions with regards the management of international relations, which would require distinctive revisions regarding the US geostrategy vis-à-vis the Central Eurasia. The latter stems not from a qualitative change from the previous Administration’s Central Eurasian policy, but rather from a distinct understanding of inter-state management and the leadership role attributed to the US within this regard and also from an unfavorable and hostile evaluation of regional powers and their interests in the region that are in conflict with the US’s.

According to the Bush Doctrine, the United States lives in a dangerous world, circumscribed by a chain of threats emanating from either vague or hard to describe perils of terrorism and secessionism or from those states who do not share common values with that of America. Within this regard, the Governor Bush and his companions verbalized many times that perils to the United States from those states of Russia, China, Iraq, and North Korea were indeed extraordinary and imminent³³⁷. During his presidential campaign, Bush stated that “in the long-

³³⁴ George W. Bush, “A Period of Consequences”, The Citadel, South Carolina, September 23, 1999, electronic document retrieved March 8, 2006 from <http://www.ransac.org/Official%20Documents/U.S.%20Government/White%20House/bush-092399.html>.

³³⁶ “Bush Promises to “renew bond of trust” between President and Military”, September 23, 1999, electronic document retrieved March 4, 2006 from <http://www.cnn.com/ALLPOLITICS/stories/1999/09/23/president.2000/bush.speech/>

³³⁷ Ivo H. Daalder & James M. Lindsay, “The Bush Revolution: the Remaking of America’s Foreign Policy”, The Brookings Institution, May 2003, electronic document retrieved March 5, 2006 from http://www.yaleglobal.yale.edu/about/pdfs/bush_revolution.pdf.

run, security in the world was going to be how to deal with China and Russia". In a similar rhetoric, Bush criticized the labeling of the relationship between the US and China as a "strategic partnership", and instead defined China as a "strategic competitor" and "the biggest long-term threat to US" to be dealt with³³⁸. Complementing this, the Republican doctrine was deeply distrustful of others in the sense that it rested upon the belief that benevolent hegemonism should indeed require a due disregard to malevolent supra-national institutions such as the UN and the international law, which in response culminated in the rejection of Kyoto Protocol, the withdrawal from the Anti-Ballistic Missile Treaty and the Comprehensive Test Ban Treaty³³⁹. Eventually, the Bush Doctrine proposed that only the US was a unique great power, which had the capability to change the world towards a more peaceful and democratic place if only such a change was to be realized under the sole US leadership³⁴⁰.

Adopting such a unipolar rhetoric, supported by the hard-core realist interpretations of international relations, it seemed inevitable that the geo-strategic reorientation of the US policy vis-à-vis the entire Eurasian continent would be revised, as the Central Eurasian region, being the springboard of global domination and the western transformative project for spreading democracy and development would be more than perpetuated and fastened so as to strategically engage within the inners of the region to the detriment of regional balance of power. Such an endeavored approach was already present well before the September 11 events and it was instigated not only by the hard core realist doctrine of the Bush Administration, but also by the complexities of high rate of dependence upon imported energy and stiff worldwide geopolitical competition for access to reliable world supplies. Hence, as already mentioned in the previous chapters, the energy-security dilemma of the US would once more put its imprint upon prioritizing the geo-strategic imperatives of the new administration and hence, would create the

³³⁸ "Gore 2000 Fact Sheet on George W. Bush's Foreign Policy", April 30, 2000, electronic document retrieved March 2, 2006 from <http://www.fas.org/nuke/control/abmt/news/0430-103.htm>.

³³⁹ Stanley Hoffman, "The High and the Mighty", *The American Prospect*, vol. 13, no. 24, January 13, 2003, electronic version retrieved March 3, 2006 from <http://www.prospect.org/print/V13/24/hoffman-s.html>; Charles Kupchan, *The End of American Era.....* pp. 15-26.

³⁴⁰ Ivo H. Daalder & James M. Lindsay, "The Bush Revolution: the Remaking of America's Foreign Policy", The Brookings Institution, May 2003, electronic document retrieved March 5, 2006 from http://www.yaleglobal.yale.edu/about/pdfs/bush_revolution.pdf.

ultimate geopolitical map in accordance with this priority list in safeguarding the vital national interests of America.

Upon coming to office, the United States was already into an “energy crisis” brought by high gasoline prices and regional shortages of natural gas and, as a result, one of the primary initiatives of the Bush Administration happened to figure out a long-term solution for the energy problem by ordering the National Energy Policy Development Group (NEPDG) to devise a report for this purpose. The National Energy Policy (NEP) or the so-called Cheney report was formally released on May 17 2001³⁴¹. According to initial impression, as articulated by President Bush in his River Center remarks³⁴², the NEP was primarily devised to “speed up progress on conservation” by means of “promoting innovation and energy-saving technology” nationwide . Furthermore, much stress was made on “the development of new and renewable sources of energy” and “removing the impediments to the development of hydro-electricity and other environmentally friendly forms of power”. Building upon the premise that the “advanced new technologies would extract oil in ways that leave nature undisturbed”, President Bush was arguing that “the Arctic National Wildlife Refuge (ANWR) could actually produce 600,000 barrels of oil a day for the next 40 years”. Despite such enthusiasm for environmental-friendly proposals for managing the energy problem, it was only in the latter chapters of the NEP, as Michael Klare argued that “the pivotal feature of the administration’s strategy of increasing petroleum imports” emerged. In the last chapter under the heading of “Strengthening Global Alliances”, the NEP begins by stating that “energy security is a priority of US trade and foreign policy” and “the US energy and economic security are directly linked not only to America’s

³⁴¹ For a discussion about the New Energy Strategy of the Bush Administration see Michael T.Klare, “Bush-Cheney Energy Strategy: Procuring the Rest of the World’s Oil”, January 2004, electronic document retrieved January 11, 2005 from <http://www.commondreams.org/views04/0113-01.htm>; Michael T. Klare, “No Escape from Dependency: Looming Energy Crisis Overshadows Bush’s Second Term”, December 2004, electronic document retrieved March 5, 2005 from <http://www.commondreams.org/views04/1208-22.htm>; Michael T. Klare, “Global Petrol-Politics: The Foreign Policy Implications of the Bush Administration’s Energy Plan”, *Current History*, vol. 100, no. 652, March 2002, pp.99-104.

³⁴² George W. Bush, “Remarks to the Capital City Partnership”, River Center Convention; St. Paul, Minnesota, May 17, 2001, electronic document retrieved March 3, 2005 from see <http://www.whitehouse.gov/news/releases/2001/05/20010517-2.html>

domestic and international energy supplies, but those of the former's trading allies as well"³⁴³. Within this regard "the promotion of diversity by means of removing economic and political obstacles in overseas production" was being emphasized as the "Caspian sea basin, Western Hemisphere and West Africa "would be specified as the key regions that could actually lessen the impact of any supply disruption on the US and her allies"³⁴⁴. As regards the Caspian Sea basin Azerbaijan, Kazakhstan, Uzbekistan and Turkmenistan were designated as prospective new resources and in congruent with the Clinton Administration Caspian policy, the pursuit of East-West transport policy, on the grounds of BTC and TCP projects, were fully endorsed³⁴⁵.

Robert Freeman called the President Bush's NEP as the "Grab the Oil Strategy", which would only lead to more militarization of national security policy³⁴⁶. This was evident even before the 9/11 events at the time of the release of the September 2001 report for Quadrennial Defense Review (QDR), which devoted a particular attention to the enhancement of America's power-projection capacity by identifying "overseas oil producing regions as critical points" where the American forces should be deployed³⁴⁷. Before the release of the QDR 2001, as Michael Klare argued, a high-ranking official of National Security Council directed the NSC staff to cooperate with the NEPDG in assessing the military implications of the administration's energy plan³⁴⁸. Hence, before the September 11 attacks, there happened to be a vast amount of strategic planning vis-à-vis the balancing act of security and energy priorities against the backdrop of grand strategic wisdom of preserving the US dominance on a global-scale. The 9/11 events only

³⁴³ *National Energy Policy, May 2001*, National Energy Policy Development Group; Washington D.C., Chapter VIII. Retrieved March 8, 2006 from <http://www.whitehouse.gov/energy/National-Energy-Policy.pdf>

³⁴⁴ *Ibid.*, Chapter VIII.; see also Michael Klare (2004), *Blood and Oil*.....pp. 61-66.

³⁴⁵ *Ibid.*, Chapter VIII; Ambassador Elizabeth Jones, the Senior Advisor for Caspian Basin Energy Diplomacy outlined the strategic goals that define US policies toward the Caspian region, which displays no difference from the former Clinton Administration's Caspian policy. See Elizabeth Jones, "US Caspian Energy Diplomacy: What has changed?", Caspian Studies Program,; Harvard University, April 11, 2001, electronic document retrieved April 18, 2006 from http://bcsia.ksg.harvard.edu/publication.cfm?program=CSP&ctype=event_reports&item_id=78&pv=yes

³⁴⁶ Robert Freeman, "Will the End of Oil Mean the End of America?", March 1, 2004, electronic document retrieved April 15, 2006 from <http://www.commondreams.org/views04/0301-12.htm>

³⁴⁷ Michael T. Klare (2004), *Blood and Oil*.....pp. 71-72.

³⁴⁸ *Ibid.*, p. 70.

made it easier by associating the issue of “capturing the overseas energy resources” as a national security priority with the “war on terrorism”, by delineating the “selected outsiders” of the game under the rubric of “rogue states” and those of “collaborating with them”.

5.1.2. Moscow’s Eurasianist Orientation under Putin, The Return to Near Abroad and Ascending Sino-Russo Cooperation under Shanghai V.

Against this background of a new phase of “American Internationalism”³⁴⁹, Russian geopolitics has been mainly characterized as a “return to Central Eurasia” under the Putin Administration. Since the spring 2000, when President Putin took office, the previous ad hoc and idealist nature of Russian regional policies vis-à-vis Moscow’s near abroad has started to change by means of a reinvigorated spirit of “establishing Russia as a great power in world affairs”³⁵⁰. Actually, any political group in Russia representing either the pro-western or the anti-western schools of thoughts have always accommodated an objective of attaining a “great power status” for Russia despite that under Yeltsin Administration such an endeavor seemed to be domesticated to a great extent by the identification of Yeltsin Administration with liberal ideas and pro-Western policies, which was nothing to do with concrete Russian national interests, but was indeed the result of the domestic revolutionary struggle against Soviet communism in the eve of the decomposition process of the Soviet Empire³⁵¹. Moreover, the Clinton Administration’s Russia-first policy, which was oriented towards engaging Russia within the western political and economic institutions, did actually support the initial western orientation of the Yeltsin Government towards more pro-western tendencies. Nevertheless, even during that time, there were also opposing interests amongst different state departments, which happened to display themselves in the event of incidents where it seemed that the Russia’s international prestige was being degraded against the infusion of western sphere of influence in Russia’s backyard. Such sentiments would be influential over devising the “Near Abroad Policy” of Russia, which stated

³⁴⁹ Quoted from George W. Bush, “A Distinctly American Internationalism”, in Ivo H. Daalder & James M. Lindsay, “The Bush Revolution: The Remaking of America’s Foreign Policy“, The Brookings Institution, May 2003, electronic document retrieved March 5, 2006 from http://www.yaleglobal.yale.edu/about/pdfs/bush_revolution.pdf.

³⁵⁰ Hannes Adomeit & Anders Aslund (eds.), *Russia versus the United States and Europe- or Strategic Triangle*, Carnegie Moscow Center; Moscow, October 2005, p.5.

³⁵¹ Michael A. Mcfaul, “What are Russian Foreign Policy Objectives”, Testimony before the House Committee on International Relations, Washington D.C., May 12, 1999, electronic document retrieved March 4, 2006 from <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=424>.

that the Russian state's predominant objective was to preserve the political, economic and security integration of the NIS under a common Eurasian space.

The domestic political and economic conditions under Putin Administration differ substantially from that of the Yeltsin period, a fact which has important effects on Putin's foreign policy, as Celeste Wallender argued³⁵². Since the 1990s, the Russian society's demand for stability and security has actually peaked after the terrorist attacks against Russian civilians in the fall of 1999, which made Putin first as a prime minister and then as a president to act in an offensive manner against the Chechen insurgents. The foremost objective of the administration has become the "restoration of order through the strengthening of the Russian state", which happened to be the major guiding principle of the Putin's presidency³⁵³. As a result, in contrast to Yeltsin Administration, "integration with the West" was not determined as the central objective of the Putin Administration. Rather rebuilding of Russian state was the primary goal, behind which lied a visible Eurasianist orientation, which was reiterated by Putin several times by his famous quotes, stating that "Russia always felt itself a Eurasian country"³⁵⁴.

Putin leadership has created a stronger and more centralized state as a way to create stability, restore Russian power, and also to create a market economy able to function in a globalized world. With respect to the latter, Putin Administration's support also derived from the economic growth that began in 1999 and by the end of 2001 had resulted in 20% growth in the economy since the August 1998 crisis. Accordingly, Putin Administration embarked upon a policy to create a Russian economy that would make Russia a world power³⁵⁵. As such, one could denote Putin Administration's foreign policy vis-à-vis the other states as one dwelled upon pragmatic

³⁵² Celeste A. Wallender, Director of Russia and Eurasia Program-CSIS, "Russian Foreign Policy: The Implications of Pragmatism for US Policy", Testimony to Europe Subcommittee of the House Committee on International Relations, Washington D.C., February 27, 2002, electronic document retrieved March 4, 2006 from http://www.globalsecurity.org/library/congress/2002_hr/wall0227.htm

³⁵³ Michael McFaul, "Russia and the West: A Dangerous Drift", *Current History*, vol. 104, no. 685, October 2005, p. 308.

³⁵⁴ *Ibid.*, p. 308; Pepe Escobar, "Russia's Liberal Empire", December 18, 2003, electronic document retrieved March 8, 2006 from http://www.atimes.com/atimes/Central_Asia/EL18Ag01.html.

³⁵⁵ Celeste A. Wallender, Director of Russia and Eurasia Program-CSIS, "Russian Foreign Policy: The Implications of Pragmatism for US Policy", Testimony to Europe Subcommittee of the House Committee on International Relations, Washington D.C., February 27, 2002, electronic document retrieved March 4, 2006 from http://www.globalsecurity.org/library/congress/2002_hr/wall0227.htm.

considerations in the sense that the former depends upon foreign markets for energy and also upon maintaining traditional trade partners with a wide spectrum of states so as to diversify the Russian economy³⁵⁶.

In sum, Putin Administration's ultimate objective is to transform the unipolar international system dominated by the United States into a multipolar system in which Russia would become one of the many poles. To accomplish this mission, the Administration must be able to achieve several goals in one stroke, which are, to become internally stronger both in economic and military terms; to weaken the Western alliance by fomenting divisions; and to balance Western powers by forming anti-Western alliances with countries such as China, Iran, Iraq and India³⁵⁷. Within this regard, it might be difficult to argue that Russia's relations vis-à-vis her near abroad are dwelled upon pragmatic considerations. The coherency and sustainability of the CIS under Russian control remains to be the dominant aspect of Russian foreign policy, which is actually reinforced under Putin Administration. The National Security Concept and Military Doctrine of Russia, which have been approved by President Putin right after he came to office in 2000 and are still in force, happened to entail a much more assertive tone with regards to NATO's Strategic Concept enabling the use of "out-of-area" force and the eastward expansion of the Alliance, and eventually made the use of the nuclear weapons easier even in the case of small-scale wars, threatening the Russian national security³⁵⁸. The preliminary tenets of the Foreign Policy Concept of the Russian Federation underlined the fact that the CIS was to be a priority in Russian foreign policy and establishing clearly defined priorities for regional integration from multifaceted CIS to more specialized mechanisms of cooperation should be a paramount objective³⁵⁹.

³⁵⁶ Ibid.

³⁵⁷ Michael A. McFaul, "What are Russian Foreign Policy Objectives", Testimony before the House Committee on International Relations, Washington D.C., May 12, 1999, electronic document retrieved March 4, 2006 from <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=424>.

³⁵⁸ Sharly Cross, "The Question of NATO Expansion: Searching for the Optimal Solution", *Mediterranean Quarterly*, vol. 7, no. 1, Winter 1996, p.55; Bülent Aras, "The Caspian Region and Middle East Security", *Mediterranean Quarterly*, vol. 13, no. 1, Winter 2002, p.99; Marcel de Haas, "NATO-Russia Cooperation: Political Problems versus Military Opportunities", May 29, 2006, electronic document retrieved June 1, 2006 from http://www.pinr.com/report.php?ac=view_report&report_id=498&language_id=1

³⁵⁹ Dmitry Trofimov, "Russian Foreign Policy Objectives in... ", p. 14.

Russian moves in consolidating her traditional influence in the CIS, culminated in the creation of Eurasian Economic Community (Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Russia) in October 2000 with the aim of harmonizing customs, tax, trade and labor policies³⁶⁰. At the Minsk Summit in May 2000, the CST heads of state ratified a number of significant documents, the most important of which were the “Memorandum on Increasing the Effectiveness of the CST and its Ability to Adapt to the Present Day Geopolitical Situation” and “A Model for a Regional Collective Security System”³⁶¹. Within this regard, the re-strengthening of the Collective Security Treaty (CST) of the CIS has been on the agenda with further emphasis upon fight against terrorism and separatism, which resulted in joint decision to create a “CIS Anti-Terrorist Center” and a “Collective Rapid Reaction Force” under CST³⁶². It is equally important to stress that the states of Central Eurasia, being cautious about committing themselves to any sphere of influence, instead chose to waive in between confronting axes of security alignments, so as to maneuver between regional powers. The obvious manifestation of such practice was the

³⁶⁰ Established in October 2000, the EEC emerged from the Soviet integrated economy as the Customs Union and was renamed the Eurasian Economic Community in May 2001. Since the adoption of the Almaty Declaration to establish the CIS in 1991, one of the major goals of Moscow happened to maintain a single economic space in Central Asia. Within this respect, the ultimate goal of the EEC might be summarized as to become the eastern equivalent of the European Union, with transparent borders and the free movement of goods. Besides, the EEC is not exclusively concerned with economic issues. It also addresses border policy matters, which is facilitated by overlapping membership with the Collective Security Treaty. Nevertheless, the EEC has fallen short of becoming an effective mechanism of economic cooperation due to its poor record of enforcing collective decisions, stemming from the unwillingness of its member states to abide by Russian-dominated supra-national body. For an analysis see Oksana Antonenko, “Russia’s Foreign and Security Policy in Central Asia: the Regional Perspective”, *Russian Regional Perspectives Journal*, vol. 1, no. 2, electronic version retrieved March 4, 2006 from <http://www.iiss.org/publications/russian-regional-perspectives-journal/volume-1---issue-2/russias-foreign-and-sec-policy-in-cen-asia>.

³⁶¹ Murad Esenov, “The Anti-Terrorist Campaign and the Regional Security System”, *Russian Regional Perspectives Journal*, vol. 1, no. 2, p. 27, electronic version retrieved March 4, 2006 from <http://www.iiss.org/publications/russian-regional-perspectives-journal/volume-1---issue-2/anti-terrorist-campaign>.

³⁶² Following the invasion of armed Islamist groups into Kyrgyzstan and Uzbekistan, Russia, Tajikistan, Kyrgyzstan and Uzbekistan took part in the joint-military command and staff exercise, namely the CIS Southern Shield-99. In April 2000, Russia, Kazakhstan, Kyrgyzstan and Tajikistan agreed to create a CIS Anti-Terrorist Center in Bishkek, which is also the anti-terrorist center of the SCO. During the same time, Russia initiated the establishment of the Rapid Reaction Force (RRF) or Rapid Deployment Force (RDF) with the aim of using collective defense to counter external terrorist threats. Nevertheless, until the inauguration of the Collective Security Treaty Organization (CSTO) in 2003, the RDF did not function as a standing force, but rather foresaw the designated divisions from all CST members that were permanently stationed on their own territories. See *Ibid.*

withdrawal of Uzbekistan from the CST in 1999 and joining into Shanghai V to balance the spheres of influence on the part of China and Russia³⁶³. Similarly, while the states of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan have been participating in PfP exercises under NATO, they also do take part in military command and staff exercises under CIS and are also active members of the Shanghai V at the same time.

Concomitantly, apart from the Russian efforts at restrengthening the CIS towards a more consolidated and effective cooperative scheme, specifically after the February 1999 terrorist activities in Uzbekistan and Kyrgyzstan, both Russia and China initiated a similar institutionalization process under the Shanghai V so as to fight against the common threats, challenging stability in Central Asia. Within this respect, in July 2000, Uzbekistan attended the Shaghai Summit in Dushanbe as an observer, in which the Shaghai V initiated a new concept called “Shanghai Spirit” that made the member states commit themselves to international peace by transforming the alliance into a much more effective model of cooperation³⁶⁴. During the same summit, President Putin proposed to rename the union as the “Shanghai Cooperation Organization” (SCO) and to transform it into a regional structure primarily concerned with multilateral cooperation³⁶⁵. In its aftermath, on June 15 2001, the leaders of Shanghai V signed the declaration that transformed the Shanghai V into the SCO and admitted Uzbekistan as a member state to the Organization. The new Organization’s basic documents, which were the “SCO Charter” to reinforce the group’s main orientation towards collaboration in the political, economic, security and cultural spheres; and the “Shaghai Convention on Combating Terrorism, Separatism, and Extremism”, were both approved during its founding meeting³⁶⁶. The

³⁶³ “Russia has Misgivings about Shanghai Cooperation Organization”, June 20, 2001, electronic document retrieved March 3, 2006 from http://www.eurasianet.org/departments/insight/articles/eav062001_pr.shtml.

³⁶⁴ Ren Dongfeng, “The Central Asia Policies of China, Russia and the USA, and the Shanghai Cooperation Organization Process: A View from China”, Stockholm International Peace Research Institute, October 2003, p. 2, electronic document retrieved March 4, 2006 from <http://editors.sipri.se/pubs/CetralAsiaSCO.pdf>

³⁶⁵ Murad Esenov, “The Anti-Terrorist Campaign and the Regional Security System”, *Russian Regional Perspectives Journal*, vol. 1, no. 3, p. 7, electronic document retrieved March 2, 2006 from <http://www.iiss.org/publications/russian-regional-perspectives-journal/volume-1---issue-2/anti-terrorist-campaign>

³⁶⁶ Alexander Shlyndov, “Certain Aspects of Russian-Chinese Collaboration in the International Arena”, *Far Eastern Affairs*, vol. 34, no. 2, 2006, p. 69

transformation of Shanghai V not only showed that the member states have several interests in common- specifically as regards the fight against terrorism, but also demonstrated the developing potential of the organization by means of admitting new members in this process³⁶⁷. It is important to stress that the development of the SCO's institutionalization process has been due to both Russia's and China's dominant roles in the organization due to commonality of problems and motivations in getting a part within the problem-solving mechanisms with regards the ongoing instability in the region³⁶⁸. Apart from the joint interests in curtailing the dilemmas posed by rebellious ethnic groups within their own states and the ongoing competition for oil and gas pipelines in the region, the Sino-Russian convergence of interests were being more consolidated as they took position against unipolarity, Anti-Ballistic Missile Defense (ABM) Treaty, and the US plan to build National Missile Defense (NMD) system, which happened to put its imprint in the Dushanbe Summit of July 2000³⁶⁹. Within this respect, as Beijing felt that the proposed missile defense plan was directed towards her, Moscow was also critical about the plan that it might make her nuclear deterrent ineffective. Hence, the Sino-Russian military cooperation, which was also reinforced by the SCO process, was reaching out to a considerable level also due to a rather antagonistic rhetoric of the successive Bush Administration.

5.1.3. The Impact of September 11 on the Central Eurasian Geopolitics and the National Security Strategy of the US

The terrorist attacks presented an opportunity for the US to attempt to constrain the emerging complexity of the emerging international system as a whole by shifting international focus to the relatively narrow, but no less significant, issue-area of "anti-terrorism"³⁷⁰. This was to a great

³⁶⁷ Ren Dongfeng, "The Central Asia Policies of China, Russia and the USA, and the Shanghai Cooperation Organization Process: A View from China", Stockholm International Peace Research Institute, October 2003, p.3, electronic document retrieved March 4, 2006 from <http://editors.sipri.se/pubs/CetralAsiaSCO.pdf>.

³⁶⁸ Michael Clarke, "Xinjiang and China's Relations with Central Asia, 1991-2001: Across the Domestic-Foreign Frontier", *Asian Ethnicity*, vol. 4, no. 2, June 2003, pp. 222-223.

³⁶⁹ Jyotsana Bakshi, "Shanghai Cooperation Organization (SCO) before and after September 11", *Strategic Analysis: A Monthly Journal of IDSA*, vol. 26, no. 2, April-June 2002, electronic version retrieved March 11 2005, from http://www.ciaonet.org/olj/sa/sa_apr02baj01.html.

³⁷⁰ Robert M. Cutler, "Central Asia and the West after September 11", in Hall Gardner (ed.), *NATO and the European Union: New World, New Europe, New Threats*, Ashgate; London, 2004, pp. 219-231, electronic version retrieved March 7, 2006 from <http://www.robertcutler.org/download/html/ch03hg.html>.

extent true, in the sense that the US, in less than a minute time, had turned out to be a victim in the eyes of international community, from having been a rather “preponderant but by no means omnipotent”³⁷¹ power. Having lived through a transition age where the US paradox of power did actually peak in identifying a “legitimate threat” that would take place of the Soviet threat in the previous era, “fundamental Islam” turned out to be the common denominator and the new geopolitical fault line for the international community to unite strengths to destroy in advance³⁷². As Henry Kissinger argued “the attack on the United States has produced an extra-ordinary congruence of interests among the major powers since none wants to be vulnerable to shadowy groups that have emerged, from Southeast Asia to the edge of Europe”³⁷³. As a result, while both Russia and China, building upon the commonality of problems would be giving a full hand to the US in the fight against terrorism, the NATO allies would be pushing hard for transforming the Alliance into a sound collective defense structure, simultaneously. Thus, right after the September 11 attacks, the Alliance for the first time in its history invoked the Article V by agreeing that “a terrorist attack by a non-state actor should trigger NATO’s collective self-defense obligation” and thus made combating terrorism an enduring NATO mission³⁷⁴. On the other side of the coin, after the 9/11 the US-Russian relations gradually went from “realism to reality”³⁷⁵ in the eve of the imminent threat of terrorism when President Putin gave full approval to America’s use of the former Soviet bases in Central Asia in the fight against Al Qaeda in Afghanistan and collaborated in logistic support and arms transfers to the anti-Taliban forces of

³⁷¹ Expression used by Zbigniew Brzezinski in “Hegemonic Quicksand”, *The National Interest*, no. 74, Winter 2003, p. 10.

³⁷² Stanley Hoffman argues that until September 11, the Bush Administration’s “new exceptionalism” doctrine was in search of a cause. Only in its aftermath, “the global war on terrorism” did provide the leverage to define the Administration’s geostrategy by emphasizing the indispensable role of the United States in world affairs and by stressing that America’s cause was also the world’s. See Stanley Hoffman, “The High and the Mighty”, *The American Prospect*, vol. 13, no. 24, January 13, 2003.

³⁷³ As cited in Christopher Layne (Spring 2002), “Offshore Balancing Revisited”, p. 228

³⁷⁴ Michael Rühle, “NATO after Prague: Learning the Lessons of 9/11”, *Parameters, US Army War College Quarterly*, Summer 2003, pp.93-94, electronic document retrieved March 8, 2006 from <http://www.carlisle.army/usawc/Parameters/03summer/ruhle.pdf>.

³⁷⁵ Expression used by Celeste A. Wallender in “US-Russian Relations: Between Realism and Reality”, *Current History*, vol. 101, no. 658, January-December 2003, pp. 308-309. Electronic document retrieved March 4, 2006 from http://www.csis.org/ruseura/0310_wallender.pdf.

the Northern Alliance³⁷⁶. Concomitantly, the US strategic engagement within the Central Eurasian region was being consolidated as Azerbaijan, Kazakhstan and Georgia did agree to provide over flight rights for the US assault on Afghanistan; and both Uzbekistan and Kyrgyzstan allowed American forces to establish temporary bases on their territory³⁷⁷. Nevertheless, despite the initial phase of enthusiasm that stipulated the international community to gather against the solid threat of terrorism, the extra-ordinary opportunity the 9/11 ironically blessed the US to “recast the international system”³⁷⁸ would to a large extent be dependent upon the US strategic far-sight in utilizing this opportunity to transform herself from a “benevolent hegemon” into a one that is willing to manage on a collective and multi-polar fashion. Given the increasing speed of militarization in the Central Eurasian region for a rather vague period of time by only disregarding the national interests of the regional powers and even bypassing the UN, there should be more of a geopolitical stake rather than the sole cause of terrorism behind the US agenda of “saving the world from the evils”.

Bush’s June 2002 West Point Speech was rather elaborative on this theme. By explicitly stating that preventing “at any cost” the potential combinations of nations that might challenge the US dominance, President Bush outlined, for the first time, the two policy options to be utilized against potential aggressors: the preventive and the preemptive war³⁷⁹. Either policy was legitimizing unilateral military action on behalf of the United States in the case of any emerging threat to “US vital interests”. Moreover, the so-called policy also included “pro-active regime change” around the world under the premise of “extending democracy”, as in the West Point Speech, President Bush was declaring that “America has no empire to extend or utopia to

³⁷⁶ Michael T. Klare (2004), *Blood and Oil*....p. 156

³⁷⁷ *Ibid.*, p. 136

³⁷⁸ Henry Kissinger is quoted to say that “terrorism has evoked an extra-ordinary opportunity to for the US to recast the international system”, as cited in Michael J. Mazarr (Spring 2002), “Saved from Ourselves”, p. 229.

³⁷⁹ F. William Engdahl, “America’s Geopolitical Nightmare and Eurasian Strategic Energy Arrangements”, May 7, 2006, electronic document retrieved May 14, 2006 from <http://www.globalresearch.ca/index.php?context=viewArticle&code=%20EN20060507&articleId=2401>; *Remarks by President Bush at 2002 Graduation Exercise of the United States Military Academy*, June 1, 2002; West Point, New York, electronic document retrieved May 4, 2006 from <http://ics.leeds.ac.uk/papers/vp01.cfm?outfit=pmt&requesttimeout=500&folder=339&paper=380>.

establish. We wish for others only we wish for ourselves- safety from violence, the rewards of liberty, and the hope for a better life”³⁸⁰ .

In September 2002, the “National Security Strategy” (NSC), drafted by then the head of National Security Council Condoleezza Rice, was released. The NSC 2002 was an eventual official policy, mainly having been fed by the 1992 Wolfowitz Doctrine of preserving the “unchallenged superpower status” of America. Above that, while the Strategy was a product of post-September 11 period of assertive tone of “us” and “them” distinction, the NSC was also the foremost reflection of “the Grab the Oil alternative” suggested by the NEP into the realm of national security. As Robert Freeman argued, the US, constrained by the complexities of demand and supply equation of “fixed and high concentration of supply, rapid depletion, lack of alternatives, and the hostility of current stockholding countries”³⁸¹ would be opting for adopting a pre-emptive military posture so as to guarantee the disruption of energy supplies for the sustainability of US power and industrial might. Hence, with the proposed NSC, military pre-emption was made legitimate when the threat was only “emerging” before reaching to US borders. Moreover, the “option of pre-emptive actions to forestall such hostile acts by the adversaries” could be applied “without even taking the consent of the international community; if necessary, the United States would not hesitate to act alone”³⁸² .

The NSC further argued that “the United States was already attentive to the possible renewal of old patterns of great power competition”³⁸³ and suggested overhauling of military capabilities and maintaining forces in those critical regions that did reflect US commitments to her allies. The document went on saying that “in order to meet the many security challenges after 9/11, the United States would require bases and stations within and beyond Western Europe and Northeast

³⁸⁰ Ibid.

³⁸¹ Robert Freeman, “Will the End of Oil Mean the End of America?”, March 1, 2004, electronic document retrieved April 15, 2006 from <http://www.commondreams.org/views04/0301-12.htm>.

³⁸² *The National Security Strategy of the United States of America, September 2002*, White House; Washington D.C. , Part III, p. 6., electronic version retrieved March 8, 2006 from <http://www.whitehouse.gov/nsc/nss.pdf>.

³⁸³ Ibid., Part VIII., p. 26.

Asia for the long-distance deployment of US forces”³⁸⁴. This was actually what is meant by “enhancing America’s power projection capacity”³⁸⁵ as suggested by Michael Klare. Power-projection capabilities, in terms of its parochial meaning, are the kind of forces to fight regional oil wars and protect distant pipelines, refineries and delivery routes³⁸⁶. Nevertheless, with the 9/11, such power-projection activities on behalf of the United States eventually found its respective perception of world order on the basis of the “global war against terrorism”. And the successive deployment of US military forces within the inners of Central and South Eurasia as being the pivot region for enhancement of capabilities in the fight against Taliban in Afghanistan has only been a cloak underneath the long-term objective of integrating the region into the “western” sphere of influence.

5.1.4. Caspian Energy Equation: A General Discussion-USA, Russia, and China

The Caspian Energy Policy of the USA

With the “Grab the Oil Strategy” and the accompanying “pre-emptive military posture”, it is rather hard to differentiate between the Bush Administration’s Caspian energy policy and anti-terrorism policy in the Central Eurasian region. Actually, as reiterated by the US Senior Advisor on Caspian Energy, Steven Mann, a consistent US policy line of “promoting a secure and a stably developing Eurasian region- not plagued by regional conflicts, an area which offers no home to terrorism, religious extremism, narco-traffic and organized crime” coupled with an “anti-monopolistic” pipeline policy would by no means prove that Caspian energy policy is one common feature that does not change under Bush Administration³⁸⁷. Despite that various analysts argue that Caspian energy “hardly seems worth risks” of an enhanced US military presence in the region³⁸⁸, as evident from the NEP, the Bush Administration made the

³⁸⁴ *Ibid.*, Part IX, p. 29.

³⁸⁵ Michael T. Klare (2004), *Blood and Oil*....pp. 67-73.

³⁸⁶ *Ibid.*, p. 70

³⁸⁷ *US Senior Advisor on Caspian Energy Speaks at Jamestown Forum*, March 11, 2005, electronic document retrieved March 2, 2006 from http://jamestown.org/press_details.php?press_id=14

³⁸⁸ Jim Nichol, “Central Asia’s Security: Issues and Implications for US interests”, US Congressional Research Service, CRS Report for Congress, January 7, 2005 (RL30294), electronic document retrieved May 6, 2006, from <http://www.fas.org/man/crs/RL30294.pdf>

exploitation of Caspian resources in terms of its significance in mitigating any supply disruptions, a major US security goal.

Within this regard, whilst the achievements of the BTC Pipeline project and the ongoing SCP project are being designated as a “new benchmark for energy projects worldwide”, the stalled Trans-Caspian Pipeline Project is on an equal footing endorsed by the US as a way for “liberating the Turkmenistan gas from the Russian monopoly” and “turning it into a powerful force for competition in Eurasia”³⁸⁹. In the case of Kazakhstan, the United States stands fully behind the Kazakhstan-BTC pipeline link so as to integrate the Kazakhstani oil into the already established Baku-Turkey route. In a parallel respect, the possibility of including Kazakhstani gas in the BTE natural gas pipeline by laying a pipeline along the Caspian Sea floor, according to US policy calculations, would help “Europe diversify her gas supplies and clear the way for possible gas shipments from Central Asia to Europe”³⁹⁰. According to Jamestown Senior Fellow Vladimir Socor, under the so-called “Eurasian Gas Alliance Project” proposed by Putin, Russia by means of obtaining commercial guarantees on Turkmen, Uzbek and Kazakh gas, would be attaining a stranglehold on manipulating international oil markets and would eventually solidify her energy strategy toward Europe as one “to seek control of Caspian and Central Asia gas”³⁹¹. Hence, as evident from the Bush Administration’s push for “East-West” transport corridor and Cheney’s indignation at Russian policy of “energy blackmail” against the Central Asian states, the Caspian Sea is already an arena of standoff between Russia and the West³⁹².

After the recent Ukrainian gas crisis, this situation seems to be more than perpetuated, not less. Moreover, the recent Ukrainian crisis displayed how vulnerable Europe might be in the event of

³⁸⁹ *US Senior Advisor on Caspian Energy Speaks at Jamestown Forum*, March 11, 2005, electronic document retrieved March 2, 2006 from http://jamestown.org/press_details.php?press_id=14

³⁹⁰ “Bush Urges Kazakhs to pump oil through US-backed Pipeline”, June 12, 2006, electronic document retrieved June 15, 2006 from <http://www.caucas.com>.

³⁹¹ *US Senior Advisor on Caspian Energy Speaks at Jamestown Forum*, March 11, 2005, electronic document retrieved March 2, 2006 from http://jamestown.org/press_details.php?press_id=14; for a discussion about Russia-Europe energy dialogue see Rolan Götz, “Russia and the Energy Supply of Europe” in Hannes Adomeit & Anders Aslund (eds.), *Russia versus the United States and Europe- or Strategic Triangle*, Carnegie Moscow Center; Moscow, October 2005, pp. 72-78.

³⁹² “Cheney Runs Finger along the Caspian Seabed”, May 7, 2006, electronic document retrieved May 21, 2006 from <http://www.caucas.com>.

depending too much upon Russia for energy supplies. By all accounts, Russia is Europe's leading gas supplier and she controls over eighty percent of the gas supply in both Eastern Europe and the former Soviet Union. Moreover, Russia controls virtually all of the existing large volume export routes for the Caspian gas. Against this background, in the aftermath of the Ukrainian gas crisis, the so-called Trans-Caspian pipeline projects have happened to gain more attention in its aftermath, and Turkey's coveted role as energy transport hub has increased at the backdrop of the issue of European energy security. Within this respect, Turkey would likely play a "distributing function" in the so-called "Southern Gas Link" network that is planned to link the Turkish, Greek and Italian networks in the near future and that will enable the newly independent states of the Caspian region to export more gas to Europe³⁹³. However, the realization of Trans-Caspian projects is dependent upon the solution of the "Caspian legal regime dispute" between the Caspian littorals and Russia and Iran, which until to date, has not yet reached to fruition.

Apart from the promotion of East-West transport corridor, Washington champions the TAP that would circumvent both Russia and Iran, simultaneously. Primarily, proposed by the California-based UNOCAL to connect the Turkmenistani energy reservoirs, south through Afghanistan and Pakistan to the Arabian Sea, the construction of the so-called pipeline was stalled due to geo-political instability in Afghanistan. With the commencement of "anti-Taliban war", the war-thrown Afghanistan has been gone from once being "an obstacle separating Central Asia from South Asia to being a "bridge connecting the two"³⁹⁴. As a result, the TAP, having been a foregone alternative only in the interim, happened to put into track with the re-vitalization of the pipeline plan in 2002. Coincidence or not, a few days before 9/11, the US Energy Information Administration documented Afghanistan's strategic geographical position as a potential transit route for oil and natural gas exports from Central Asia to Arabian sea, including the construction of pipelines through Afghanistan³⁹⁵. Furthermore, the re-organization of the US State

³⁹³ Gourban Alekperov, "Energy Resources of the Caspian Region and the Significance of Turkey for Europe's Energy Security", *The Quarterly Journal*, vol. 3, no. 3, September 2004, pp. 121-123.

³⁹⁴ Richard A. Boucher, "US Policy in Central Asia: Balancing Priorities (Part II)", Statement to the House International Relations Committee; Subcommittee on the Middle East and Central Asia, Washington D.C., April 26, 2006, electronic document retrieved May 6, 2006 from <http://www.state.gov/p/sca/rls/rm/2006/65292.htm>

³⁹⁵ George Monbiot, "America's Pipe Dream: A pro-Western regime in Kabul should give the US an Afghan route for Caspian Oil", October 23, 2001, retrieved March 4, 2006, from

Department's Bureau of South and Central Asian Affairs to include the Central Asian states has much to tell about the US strategic vision of realizing regional integration of "Greater Central Asia"³⁹⁶. Within this regard, not only the proposed energy export routes, such as the TAP, but also road improvement and proposed highway systems linking the Central Asian states and Afghanistan would be to a full extent promoted so as to create sound transportation links to boost up regional trade³⁹⁷.

The Caspian Energy Policy of Russia

Upon his election in March 2000, President Putin began with a rather "activist agenda" in terms of advancing Russian national interests in the high stakes competition for Caspian energy resources and transportation, which was more than qualitatively different from the previous ad hoc, reactive policy under Yeltsin³⁹⁸. President Putin declared that the Caspian is one of Russia's vital interests and Russia must be competitive in the region by balancing state interests with the interests of oil companies. To this end, Putin created a new department for Caspian policy and appointed an envoy responsible for energy affairs. Moreover, the Caspian Oil Company, a consortium consisting of three major Russian energy companies of Yukos, Lukoil and Gazprom, was established so as to open the door for the joint development of oil resource in the Russian section of the Caspian³⁹⁹. Despite that Putin's Caspian policy did not leave aside geopolitical priorities, the shift of emphasis from mere state-to-state relations to broader calculations of trade and economic ties was evident. The events of September 11 were also important catalyst in

<http://www.commondreams.org/views01/1023-10.htm>; Marjorie Cohn, "The Deadly Pipeline War: US Afghan Policy by Oil Interests", December 8, 2001, retrieved March 4, 2006 from <http://www.commondreams.org/views01/1208-04.htm>.

³⁹⁶ M. K. Bhadrakumar, "China, Russia welcome Iran into the fold", April 18, 2006, electronic document retrieved April 24, 2006 from <http://www.atimes.com/atimes/China/HD18Ad02.html>

³⁹⁷ For a discussion about Afghanistan's geopolitical significance within the Central Eurasian context see S. Frederick Starr, "A Greater Central Asia Partnership for Afghanistan and its Neighbours", Silk Road Paper; Central Asia-Caucasus Institute, March 2005, electronic document retrieved March 3, 2006 from <http://www.silkroadstudies.org/new/CACI/strategy.pdf>

³⁹⁸ Adam N. Stulberg, "Moving beyond the Great Game: The Geoeconomics of Russia's Influence in the Caspian Energy Bonanza", *Geopolitics*, vol. 10, no. 1, 2005, p. 5

³⁹⁹ Doug Blum & Carol Saivetz, "Fishing in Troubled Waters: Putin's Caspian Policy (Transcript)", Event Summary, Belfer Center for International Affairs (BCSIA), May 2, 2001. Electronic document retrieved April 20, 2006 from <http://www.ciaonet.org/bld01/bld01.html>

prompting Russia to reinforce its proactive engagement in the region on the economic realm, owing to advantageous set of dependency linkages. Given the increasing infusion of Western investment in region's energy sector, since the early 2002s Russian state and Russian energy companies have been urged to intensify their cooperation efforts with the energy-rich Caspian states. Hence, strong economic cooperation is also seen as an equally important tool in the geopolitical battle for power and influence and this was to a large extent reiterated by the President Putin's public announcements, stating that "the competitive battle going in the world has moved from the realm of military conflict to economic competition"⁴⁰⁰.

With respect to pipeline politics, the primary focus was directed at ensuring a Russian solution for all main oil and gas exports from the region, with special attention devoted to promoting "north-south" transit corridor. Within this regard, despite that the Putin Administration seemed to support the commercially viable Western proposed pipeline routes such as the BTC and the regional oil swaps with Iran, Moscow also went for pressurizing Azerbaijan, Kazakhstan and Turkmenistan to opt for the Russian pipeline system in the north by means of increasing the transit quotas through the Russian system for the Caspian oil⁴⁰¹. Russia would be signing bilateral energy deals with Kazakhstan that ensured Kazakhstan's oil transfers through Russia for the next fifteen years. Such deals did also foresee the pumping of Kazakhstani oil through Russian Baltic Pipeline system, currently under construction that would make Kazakh oil available to European markets⁴⁰². To compete with the western promoted BTC Pipeline, Putin has also pledged to supply more natural gas to Azerbaijan in exchange for oil transit via the

⁴⁰⁰ Jeronim Perovic, "From Disengagement to Active Economic Competition: Russia's Return to the South Caucasus and Central Asia", *Demokratizatsiya*, Winter 2005. Electronic document retrieved April 11, 2006 from http://www.findarticles.com/p/articles/mi_qa3996/is_200501/ai_n13640837; Roy Allison, "Strategic Reassertion in Russia's Central Asia Policy", *International Affairs*, vol. 80, no. 2, 2004, pp. 277-8; 280-4.

⁴⁰¹ Adam N. Stulberg, "Moving beyond the Great Game: The Geoeconomics of Russia's Influence in the Caspian Energy Bonanza", *Geopolitics*, vol. 10, no. 1, 2005, pp. 6-7.

⁴⁰² Michael Lelyveld, "Kazakhstan: Deal brings Astana closer to Europe's Gas Markets", May 24, 2002, electronic document retrieved March 1, 2006 from <http://www.rferl.org/features/2002/05/24052002102330.asp>; Sergei Blagov, "Nazarbayev and Putin pledge "God-Given" Friendship", January 19, 2005, electronic document retrieved December 16, 2005 from http://www.eurasinet.org/departments/business/articles/eav011905_pr.shtml.

CPC⁴⁰³. In more concrete terms, Russian oil companies have also expanded their activities in Tajikistan, Kyrgyzstan and Uzbekistan both in terms of supply purchase agreements and in the long-term development of republic's gas transport systems. Lukoil has become the single largest Russian investor in Kazakhstan, having invested \$1.5 billion in the country's economy together with the recently established joint venture with Kazmunaigaz to develop the Tsentralnaya hydrocarbon structure, located on the border of the two state's offshore sectors⁴⁰⁴.

Russian outright opposition to Western-initiated oil and gas development plans has seemed smoothened with the inclusion of Russian oil companies in the constructed consortiums. Reflecting the integrationist and isolationist dilemma of the Russia foreign policy, the Russia's ideal model for pipeline development has been exemplified by the CPC. The CPC, as Carol Saivetz argued reflected a policy that was simultaneously both "integrationist" in the sense that it brought in Western investment and "isolationist" in the sense that it pushed for North-South routes as opposed to East-West routes⁴⁰⁵. Nevertheless, despite Russia claimed that she did abandon her previous hostility towards the realization of the BTC, particularly after the "Rose Revolution" in Georgia; such commitment on behalf of Russia seems to break apart given that Russia has been supporting the secessionist regimes in Abkhazia and South Ossetia, which are in close proximity to the BTC. Same attitude was also valid with regards to her efforts at sabotaging the Azerbaijani section of the BTC, by means of assisting Armenia over the issue of Nagorno-Karabakh⁴⁰⁶. The tactical moves on the part of Russia to divert attraction from the US-sponsored east-west corridor projects culminated in the Russian initiative in forging the Eurasian Gas Alliance in January 2002, which was supposed to bring the Caspian energy producers under a "common system", in which Russia would dominate the regional export policies of all

⁴⁰³ Sergei Blagov, "Russo-Azerbaijani Deal on Caspian Encourages Putin's Ambitions", November 25, 2002, electronic document retrieved March 3, 2006 from <http://www.eurasianet.org/departments/business/articles/eav092502.shtml>

⁴⁰⁴ Michael Lelyveld, "Kazakhstan: Deal brings Astana closer to Europe's Gas Markets", May 24, 2002; Sergei Blagov, "Nazarbayev and Putin pledge "God-Given" Friendship", January 19, 2005

⁴⁰⁵ Doug Blum & Carol Saivetz, "Fishing in Troubled Waters: Putin's Caspian Policy (Transcript)", Event Summary, Belfer Center for International Affairs (BCSIA), May 2, 2001. Electronic document retrieved April 20, 2006 from <http://www.ciaonet.org/bld01/bld01.html>.

⁴⁰⁶ Michael T. Klare (2004), *Blood and Oil*....pp. 158-159.

littorals⁴⁰⁷. The Eurasian Gas Alliance proposal was based upon the assumption that reassertion of Russia's control over the regional gas infrastructure was actually in congruent with both geostrategic and commercial interests⁴⁰⁸. Reiterating such an attitude, after the Caspian Summit in April 2002, the Caspian Flotilla was decided to be augmented and reinforced so as to "promote Russia's political and economic interests in the region"⁴⁰⁹.

Regarding the issue of Caspian legal regime, Russia has been the main proponent of the idea of "Modified Median Line" (MML), according to which the seabed of the Caspian is to be divided between the concerned states on the basis of median line, and the superjacent waters are to be left for "free use" of the states⁴¹⁰. Within this regard, as the Russian government endorsed bilateral agreements with the Caspian littorals for specifying the boundaries for the national division of the seabed borders, she also opposed the Iranian proposal of dividing the ownership of Caspian resources into equal 20 percent stakes for each littoral. Nevertheless, the same Russia did not fall short of supporting the Iranian cause with regards to the realization of US-endorsed Trans-Caspian projects both on environmental grounds and also on the assumption that the superjacent waters are under the common ownership of all littorals⁴¹¹. Russia's relative position was perpetuated by the recently realized Blue-Stream gas pipeline, which due to limits on the quantity of gas that could be absorbed by Turkey, and due to the exorbitant construction and

⁴⁰⁷ Michael Lelyveld, "Russia: Moscow Promoting CIS Integration through Gas Alliance", June 21, 2002, electronic document retrieved March 3, 2006 from <http://www.rferl.org/features/2002/06/21062002155431.asp>

⁴⁰⁸ Adam N. Stulberg, "Moving beyond the Great Game: The Geoeconomics of Russia's Influence in the Caspian Energy Bonanza", *Geopolitics*, vol. 10, no. 1, 2005, p. 8

⁴⁰⁹ Igor Torbakov, "Russia to Flex Military Muscle in the Caspian Sea with an eye on Future Energy Exports", July 31, 2002, electronic document retrieved March 3, 2006 from <http://www.eurasianet.org/departments/business/articles/eav073102.shtml>; Ariel Cohen, "Caspian Fleet Flexes Muscle", May 11, 2002, electronic document retrieved March 2, 2006 from <http://www.eurasianet.org/departments/insight/articles/eav051102.shtml>

⁴¹⁰ Bahman A. Diba, "Legal Regime of the Caspian", December 3, 2005, electronic document retrieved March 10, 2006 from http://www.iranian.ws/iran_news/publish/article_11239.shtml

⁴¹¹ Sergei Blagov, "Russia Resisting proposed Trans-Caspian Pipeline", March 28, 2006, electronic document retrieved May 2, 2006 from <http://www.gasandoil.com/goc/news/ntc61669.htm>.

transportation costs for the longer Trans-Caspian pipeline became a much more viable transit option for the Caspian energy to Turkish and European markets⁴¹².

Moreover, Russia's state sponsored attempts at creating energy alliances have been accompanied by efforts to revive CIS multilateral structures or to create new alliances such as Eurasian Economic Community and Single Economic Space. In May 2004, Russia even joined the Central Asian Cooperation Organization, hitherto a purely Central Asian grouping, to create a regional common market and free trade zone in fifteen years⁴¹³. All such attempts on behalf of Russia stems from the conviction that the Russian-driven integration of energy systems and economic cooperation should be a paramount instrument for Russia to remain viable in an increasingly competitive international environment. Furthermore, from an economic reasoning, the creation of energy alliances would help Russia retain her position as a key energy supplier of energy to both Eastern and Western markets, by means of eliminating potential competition from the Central Asian energy, and would automatically increase Russian political dominance over Caspian countries⁴¹⁴.

The Caspian Energy Policy of China

In Washington's eyes, the growing trend of Chinese thirst for imported energy coupled with her modernization drive and "going-out strategy" for seizing offshore equity stakes has more

⁴¹² Adam N. Stulberg, "Moving beyond the Great Game: The Geoeconomics of Russia's Influence in the Caspian Energy Bonanza", *Geopolitics*, vol. 10, no. 1, 2005, p. 14

⁴¹³ CACO was actually founded in 1994 as the Central Asian Economic Community (CAEC) in order to address regional and cross-border issues amongst the Central Asian States of Kazakhstan, Uzbekistan, Tajikistan and Kyrgyzstan (except Turkmenistan). Criticizing the poor achievements of the CAEC, Uzbekistan's Karimov in early 2001 proposed that it became a forum for "wide-ranging" policy discussions, and it was renamed the CACO in December 2001. The Organization's chief weakness is that it does not include the other power centers in the Caspian, such as Azerbaijan and Georgia. In addition, it does not have a purpose of letting either the outside regional and global powers, engage in the affairs of the region. CACO suffered a serious blow in September 2003, when Kazakhstan joined Belarus, Russia and Ukraine in proclaiming the building of a common economic space. In October 2004, CACO abandoned its initial focus on creating a regional identity separate from Russia by admitting Russia as a member. At the CACO Summit of Astana, Russian Security Council Secretary Igor Ivanov described Russian membership in the group as a response to the "challenges of globalization". See Sergei Blagov, "With Eye on US, Russia Bolsters Central Asia Presence", June 22, 2004, electronic document retrieved March 1, 2006 from http://www.eurasianet.org/departments/insight/articles/eav062204a_pr.shtml

⁴¹⁴ Jeronim Perovic, "From Disengagement to Active Economic Competition: Russia's Return to the South Caucasus and Central Asia", *Demokratizatsiya*, Winter 2005; Roy Allison (2004), "Strategic Reassertion in Russia's Central Asia Policy", pp. 290-291

relevance in terms of the possibility of extending Chinese geopolitical sphere of influence not only in the Gulf/Caspian region but also in the South East and East Asian region. In 2002, China surpassed Japan to become the second largest oil consumer in the world, following the United States. In the period between 1993 and 2003, the US oil consumption grew 16 percent, while China's oil consumption grew 105 percent⁴¹⁵. Together, the two countries consumed one third of the global oil supply in 2003, as for both countries oil imports will continue to grow as the gap between domestic production and consumption continues to widen. Most of the oil imports of China come from the Middle East (40 percent) and the Asia-Pacific region (30 percent), while the remaining comes from West Africa (12 percent), the Former Soviet Union (9 percent), and East and Southern Africa (5 percent)⁴¹⁶.

By means of reorganizing state-owned oil companies, the China National Petroleum Corporation (CNPC), the China Petrochemical Corporation (Sinopec) and the China National Offshore Oil Corporation (CNOOC), China has made ambitious efforts at diversifying her oil supplies in investing in oil fields both domestically and abroad. These firms, in many respects, act as arms of the government by establishing a prominent presence in producing countries and implementing official policy⁴¹⁷. This was evident from the statement of one CNPC official declaring that "China's energy security is the first concern while the company's interests are second"⁴¹⁸.

International concerns about how China's economic growth and a corresponding aggressive energy policy will translate into geopolitical clout are integral in terms of US criticism of Chinese search for overseas oil supplies, culminating in close diplomatic ties with Iran, Sudan,

⁴¹⁵ Joanne Guth & Melissa Ginsberg, "Energy Use in China: Trends in Oil Demand and Imports", *International Economic Review*, November-December 2004. Electronic document retrieved March 4, 2006 from http://www.ciaonet.org/olj/ier/2004_novdec/ier_nd04a.pdf

⁴¹⁶ Ibid.

⁴¹⁷ Washington Times states that the difficulty for US and other companies is that Chinese firms are willing to overpay for foreign assets, if those purchases will bolster China's clout abroad and help it secure energy resources. In that regard, the companies serve as a platform for Beijing's foreign policy goals, while the US firms consider market factors. See "China in Central Asia", *The Washington Times*, 23 August 2005, electronic document retrieved March 6, 2006 from <http://www.washtimes.com/op-ed/20050823-091720-3448r.htm>

⁴¹⁸ Michael T. Klare (2004), *Blood and Oil*.....p. 169.

Uzbekistan, and Venezuela in defiance against American interests⁴¹⁹. Actually such worries are not baseless, as suggested one Chinese scholar, that “the go-global opening up strategy is not only significant economic implications but of significant political dimensions in terms of countering against hegemonism and power politics”⁴²⁰. Within the United States, it is the Pentagon and Congress that are securitizing China’s oil demand, viewing China’s “Going-out strategy” as a strategic challenge. Within this regard, while the Department of Defense claims that China’s need for secure oil supply is a key driving force in Chinese foreign policy, the Pentagon’s “Annual Report to Congress: the Military Power of the People’s Republic of China 2005” mainly focuses both upon the expansion of military and naval capability of China to protect assets in overseas and also upon the resource-driven pursuit of foreign relations with the Greater Middle East, Latin America and Africa⁴²¹. The most spectacular example of China’s “going-out strategy” was the CNOOC’s \$18.5 billion bid on US-based Unocal. On June 30, 2005, the House of Representatives adopted a resolution that CNOOC’s takeover of Unocal could “impair the national security of the United States” and therefore “should be barred by the President under the terms of the Defense Production Act of 1950”⁴²².

The strategic approach is most visible in China’s most important overseas energy investments in Central Asia. Central Asia has a particular attention to China due to both proximity and the inescapable geopolitical reality that pipelines from Central Asia reduce dependence on sea lanes

⁴¹⁹ Zha Daoijong, “China’s Energy Security and its International Relations”, *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, pp. 48.

⁴²⁰ Joshua Cooper Ramo, “The Beijing Consensus: Notes on the New Physics of Chinese Power”, Foreign Policy Centre; London, 2004, p. 41, electronic document retrieved March 4, 2006 from <http://www.fpc.org.uk/publications/123>.

⁴²¹ Gaye Christofferson, “The Dilemma’s of China’s Energy Governance: Recentralization and Regional Cooperation”, *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, p.70; Ehsan Ahrari, “China according to the Pentagon”, July 21, 2005, electronic document retrieved March 3, 2006 from <http://www.atimes.com/atimes/China/GG21Ad02.html>; *Annual Report to Congress on the Military Power of the People’s Republic of China, July 2005*, Office of the Secretary of Defense; Washington D.C. Electronic version accessed at <http://www.defenselink.mil/news/July2005/d20050719china.pdf>

⁴²² Michael T. Klare, “The Twilight Era of Petroleum”, August 2005, electronic document retrieved October 11, 2005 from <http://tomdispatch.com/index.mhtml?pid=10216>; Michael A. Weinstein, “UNOCAL Bid highlights globalist-nationalist conflict”, July 20, 2005, electronic document retrieved September 3, 2005 from <http://www.atimes.com/atimes/China/GG20Ad01.html>

from the Middle East currently dominated by the United States⁴²³. The CNPC's purchase of a majority share in Aktobemunaigaz of Kazakhstan, having large fields in Aktobinsk area has given her a rather powerful leverage both in access to Kazakhstan's reserves and also in her commitment to build a pipeline from the Aktobinsk fields to coastal China. The oil pipeline under construction linking Kazakhstan and China may have indeed a geopolitical significance given that the pipeline can serve as a precursor to the realization of an eventual Eurasian network to China. Moreover, by extension, China would be placed in a strategic position in deciding whether or not Eurasian oil and gas can pass through China to reach Japanese and South Korean markets⁴²⁴. Actually, with the advent of Iraqi war, the vulnerability of Persian Gulf supplies became acute once again. And the much prospected Angarsk-Daqing linking Russia to China has seemed to be downgraded by Russian moves to reach out a much greater Far Eastern market, by means of a plan to extend the pipeline to Nakodha, Japan. Sino-Russian friendship under the auspices of the SCO becomes to cripple when it comes to the issue of energy as it is evident from the President Putin's publicly voiced suspicions of Chinese economic power in Asia⁴²⁵. It is generally acknowledged that the Russian-Chinese energy relationship is driven not by market economic forces, but by politics and power, specifically the domestic Russian bureaucracy and Russia's foreign policy interests. From another perspective, the surging interest on behalf of China to her endeavor of linking Central Asian resources to China might to a great extent be stipulated by the recent denial of participation rights in the auction of Russia's Slavneft Company to CNPC, and also the blockage against Sinopec from participating in the development of the Kashagan oil field in the Caspian Sea⁴²⁶. In 2003, Sinopec made a bid to buy British Gas's share of Kazakhstan's massive off-shore Kashagan deposit, which was blocked by the consortia members. In the end, the partners were forced to allow Kazakhstan's own national oil company

⁴²³ Kent Calder, "East Asia and the Middle East: A Fateful Energy Embrace", *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, p. 6.

⁴²⁴ Zha Daoijong (November 2005), "China's Energy Security and Its International Relations", p. 52.

⁴²⁵ Stephen Blank (November 2005), "China, Kazakh Energy and Russia: An Unlikely Menage a Trois", p. 107.

⁴²⁶ Gaye Christofferson (November 2005), "The Dilemmas of China's Energy Governance: Recentralization and Regional Cooperation", pp. 64, 72; "China Steps up Presence in Kazakhstani Oilfields", January 21, 2004, electronic document retrieved March 2, 2006 from http://www.eurasianet.org/departments/business/articles/eav012104_pr.shtml

(Kazmunaigaz) to acquire half the British Gas stake and absorbed the other half themselves⁴²⁷. On a parallel respect, Russia has always opposed to become merely China's source of raw materials and she is determined to maintain autarchic control over energy firms and to be able to manipulate prices in its favor by being a monopolistic producer⁴²⁸. Within this respect, one reason behind the Yukos affair was the contract signed between the former and the CNPC for building the Angarsk-Daqing pipeline without a final decision by the Russian government. The pipeline to Nakodha, instead of Daqing, which was endorsed by Transneft and the Russian government would allow Russia to supply multiple customers, including China, Japan and South Korea at one stroke and also would give the control to Russia in determining the final price⁴²⁹. Eventually, Russia approved the Angarsk-Nakodha pipeline option, which ironically paved the way to China's aggressive pursuit of her geostrategic interests in Central Asia. As a result, one could argue that both the failure of the Angarsk-Daqing pipeline and the Middle Eastern turmoil, with the advent of the Iraqi war, actually changed the Chinese perceptions regarding the rules of world oil market⁴³⁰. The Chinese analysts widely believed that the American Grand Strategy and motive for the Iraqi war was to guarantee hegemony over the Middle East and control of the region's oil resources⁴³¹. Moreover, China was also uncomfortable with the Russian plans of dominating Central Asian energy so as to realize its supply commitments to Europe, Asia and

⁴²⁷ Martha B. Olcott, "US Policy in Central Asia: Balancing Priorities", Statement before the House International Relations Subcommittee on Middle East and Central Asia, Washington D.C., April 26, 2006, electronic document retrieved April 30, 2006 from MasterFile premier database (AN 32Y4287695027).

⁴²⁸ Stephen Blank (November 2005), "China, Kazakh Energy and Russia.....", p. 106.

⁴²⁹ Gaye Christofferson (November 2005), "The Dilemmas of China's.....", pp. 55-60; Stephen J. Blank, Edward C. Chow & Andrew Kuchins, "Can Anyone Save this Marriage? Russo-Chinese Energy Relations", May 25, 2006, electronic document retrieved June 1, 2006 from <http://www.carnegieendowment.org/events/index.cfm?fa=eventDetail&id=891>.

⁴³⁰ The Struggle over Angarsk-Daqing Oil Pipeline and the Iraqi War changed the parameters of Chinese Going-Out Strategy towards a more assertive tone, which put the issue of energy security on top of the foreign policy agenda to the detriment of relations with both Russia and the USA. Finding the appropriate energy mix, determining the greatest threat to Chinese oil imports, and creating strategic reserves all direct attention to lessen reliance upon sea lanes for energy import, hence stipulate the Chinese towards figuring out the optimum energy security strategy by means of utilizing foreign acquities and pipeline projects that bypass the sea lanes, under the control of the US. For a discussion see, Gaye Christofferson (November 2005), "The Dilemmas of China's Energy....", pp.62-75.; Zha Daojiong (November 2005), "China's Energy Security and Its.....", pp. 47-54.

⁴³¹ Gaye Christofferson (November 2005), "The Dilemmas of China's.....", p. 68.

her domestic market⁴³². As a result, the Chinese NOCs were encouraged to diversify the Going-out Strategy away from the Middle East and also to curb the dependence upon Russia in the longer run.

Eventually, Beijing's CNPC bought the Canadian-listed Petro-Kazakhstan Oil Company with a bid of \$4.18 billion. In essence, the purchase of Petro-Kazakhstan by CNPC is part of well-planned Chinese calculations directed at amassing the entirety of oil extracting, processing and shipment infrastructure. Ironically, Petro-Kazakhstan only accounts for 12 percent of country's oil output. However, by means of using the well-known Atasu-Alashankou oil pipeline from western Kazakhstan to Xinjiang province, China would be getting a very reliable tool to exert political pressure on Kazakhstan by being the major buyer of Kazakh oil⁴³³. Apart from China's aggressive "going-out strategy" dwelled upon buying equity stakes and controlling over transport routes, the Sino-Iranian cooperation is at an all time high as Iran ascends to an increasingly critical role in China's energy strategy. Within this respect, a shared Silk Road heritage linking China, Iran, and Central Asia serves as a historical foundation for contemporary cooperation⁴³⁴. China's energy security strategy largely depends upon the use of overland energy pipelines, making resource-rich Central Asia and Iran attractive from a supply perspective. China refused to support the 1996 Iran-Libya Sanctions act, drafted by the Clinton Administration. During October 2004, China's Sinopec concluded a gas agreement to import more than 270 million tons of natural gas over the next 30 years from Iran's South Pars field. The deal also gives Sinopec a half share in one of Iran's most important discoveries, the Yadavaran

⁴³² Stephen J. Blank, Edward C. Chow & Andrew Kuchins, "Can Anyone Save this Marriage? Russo-Chinese Energy Relations", May 25, 2006, electronic document retrieved June 1, 2006 from <http://www.carnegieendowment.org/events/index.cfm?fa=eventDetail&id=891>.

⁴³³ Marat Yermukanov, "Astana Gets Chinese Trojan Horse for PetroKazakhstan", September 7, 2005, electronic document retrieved May 6, 2006 from http://www.cacianalyst.org/view_article.php?articleid=3634; Jeff Moore, "China's Kazakh Prize: The Expert Opinion", August 25, 2005, electronic document retrieved March 8, 2006 from <http://www.atimes.com/atimes/China/GH25Ad01.html>; Stephen Blank (November 2005), "China, Kazakh Energy and Russia....", pp.108-109.

⁴³⁴ For a discussion about China-Iran Energy Relationship see J. Brandon Gentry, "The Dragon and the Magi: Burgeoning Sino-Iranian Relations in the 21st century", *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, p. 111-125

field in southwest Iran⁴³⁵. As a result of the Sinopec deal, China has emerged as Iran's top oil importer, and currently receives 14 percent of her oil imports from Iran⁴³⁶. Moreover, by means of Neka-Sari pipeline, the Central Asian oil is already exchanged by Iranian crude for export to China. In the mean time, apart from the Kazakhstan-China pipeline, China is also interested in undertaking another project connecting Kazakhstan pipeline to Iranian oilfields⁴³⁷.

In sum, as evident from the clashing interests of the US, Russia and China over access to both the energy resources and the transport routes from the Caspian region, one could conclude that there has not yet been an all-incorporating energy regime in the Caspian that would produce a win-win outcome for all parties involved. It is certain that both the seizure of the energy resources and the procurement of transport routes do involve much greater geopolitical stakes that would give either party to define the "selected outsiders" of the geopolitical competition. Such geopolitical competition has actually been perpetuated in the aftermath of the September 11 events. The so-called global war on terrorism has created the legitimate basis for the US to strategically entangle in the inners of the Central Eurasia much faster and easier than before. This intensification of strategic and military engagement in the region went hand in hand with the "Grab the oil" energy policy of the US, which did elicit the Caspian one of the alternative sources of global supply. On the part of the US, in the post-September 11 period, there happened to be not much difference between the specific Caspian energy policy and the Central Eurasia policy, both of which were utilized to prevent the rise of new strategic competitors on the Eurasian continent as a whole. In the second part of this chapter, the aggravated significance of the Central Eurasian region in the fight against terrorism would be discussed with a due regard to both the US military engagement in the region and also the alternative security cooperative mechanisms developed by Russia and China respectively as a response.

⁴³⁵ Kent Calder (November 2005), "East Asia and the Middle East: A Fateful Energy Embrace", p. 7; Kavan L. Afrasiabi, "China Rocks the Geopolitical Boat with Iran Oil Deal", December 2, 2004, electronic document retrieved March 3, 2006 from http://www.atimes.com/atimes/Middle_East/FK06Ak01.html.

⁴³⁶ J. Brandon Gentry, "The Dragon and the Magi:.....", p. 116.

⁴³⁷ Ibid., p. 117

5.2. The Security of Central Eurasia as a Geopolitical Battlefield between US and Russia & China in the post-September 11 period

As evident from the far-greater geopolitical implications of the QDR 2001 and the accompanying NSC of the United States, the Central Eurasian region has gained a rather steep geopolitical momentum in corollary with the necessities of the international security environment in the post-9/11 period. In congruent with the changing posture of the US military, which required developing capabilities to deter aggression by means of adapting to new military contingency planning, the post-Soviet space in general has become the principle front for this transformation in the security sphere. In his 2002 report to Congress, Rumsfeld pointed out that, “a broad arc of instability that stretches from the Middle East to Northeast Asia, there exist a volatile mix of rising and declining powers”⁴³⁸. The referred “arc of instability” was exactly what Brzezinski was to call as “the Global Balkans” so as to denote the unstable region that currently extends from approximately the Suez Canal to Xinjiang and from the Russo-Kazakh border to southern Afghanistan⁴³⁹. And as the NSC was suggesting, both China and Russia, despite being favored as new global partners in reshaping the new security framework, were still denoted as “potential competitors” due to difference of principles and long-term national interests. Hence, Central Eurasia would inevitably be the platform upon which the Pentagon would be launching a “global realignment of its defense posture designed to gain strategic control of this arc through an expanded military presence”⁴⁴⁰.

In order to see to what extent the strategic significance of Central Eurasia has increased in the post-September 11 period, it is necessary to analyze thoroughly the US strategic military engagement in the region with a due regard to NATO’s structural evolution and its implications on the Central Eurasian region. In this part, it is also intended to analyze the official US military and defense strategies and their relevance to the prospect of relations with either Russia or China. It is to be argued that the September 11 events have been utilized as the perfect platform so as to confirm the “us” and “them” distinction in the pursuit of US foreign policy, and that

⁴³⁸ Ilan Berman, “The New Battleground: Central Asia and the Caucasus”, *The Washington Quarterly*, vol. 28, no. 1, Winter 2004-2005, p. 61.

⁴³⁹ Zbigniew Brzezinski, “The Hegemonic Quicksand”, *The National Interest*, no. 74, Winter 2003, p.5.

⁴⁴⁰ Ilan Berman (Winter 2004-2005), “The New Battleground.....”, p. 61.

Central Eurasia has actually been transformed into a foremost geopolitical pivot in sustaining the cause of global war against terrorism. This outcome was particularly related to the changing definitions of the Greater Middle East and the US Endeavour of utilizing Central Eurasia as the geopolitical springboard for expanding free and open democracies in the area. On the other part of the coin, this outcome was also directly related to the US long-term grand strategy of preventing the rise of any strategic challenger to US global supremacy on the Eurasian continent. Within this respect, the further institutionalization of the Shanghai Cooperation Organization as a bulwark against the US's unipolar tendencies and its implications upon the Central Eurasia is also to be discussed.

5.2.1. The US Strategic-Military Engagement

The United States-led war against Taliban did actually reveal the fragility of the Sino-Russian cooperation under the SCO, which fell short of addressing terrorism emanating from Afghanistan⁴⁴¹. The Central Asian states, all being internally weak and prone to Islamic fundamentalism had very few choices, given their “waiving in between policy” so as to diffuse the stranglehold from either Russia or China. Since the 9/11, the Bush Administration has stated that US policy towards Central Asia focused on the promotion of security, domestic reforms, and energy development. According to then-Deputy Secretary of State B. Lynn Pascoe in testimony in June 2002, the September 11 attacks led the Administration to realize that “it was critical to the national interests of the United States that former greatly enhances her relations with the five Central Asian countries” to prevent them from becoming harbors for terrorism⁴⁴². Within this regard, Kyrgyzstan became a “critical regional partner” in the Operation Enduring Freedom (OEF), providing basing for US and coalition forces at Manas (in 2005, US troops reportedly numbered 1,500); and Uzbekistan provided a base for US operations at Karshi-Khanabad (K2; just before the pullout, US troops reportedly numbered less than 900), a base for German units at Termez (in early 2006, German troops numbered about 300), and a land corridor to Afghanistan for humanitarian aid. Tajikistan permitted use of its international airport in Dushanbe for refueling and hosted a French force (France reported 130 troops there in early 2005; they pulled

⁴⁴¹ Svante E. Cornell, “America in Eurasia: One year later”, *Current History*, vol. 100, no. 659, October 2002, pp. 332.

⁴⁴² Jim Nichol, “Central Asia: Regional Developments and Implications for US interests”, US Congressional Research Service, CRS Report for Congress, June 5, 2006 (RL33458), electronic document retrieved June 12, 2006 from <http://www.fpc.state.gov/documents/organization/68821.pdf>.

out in November 2005). Eventually, Kazakhstan and Turkmenistan provided overflight and other support.⁴⁴³ Such an overwhelming deployment of US forces in Central Asia was also supported by the abundant flow of US aid to the region, since the basic motive behind the US strategy vis-à-vis the Central Asia dwelled upon three sets of strategic interests: security, energy and regional economic cooperation; and freedom through reform⁴⁴⁴. Being as such, despite that until September 11 the United States provided much more aid each year to Russia and Ukraine than to any Central Asian state, budgeting for 2002 for Central Asia, during OEF, was greatly boosted in absolute amounts and as a share of total aid to Eurasia⁴⁴⁵. Moreover, the USCENTCOM, which became responsible for US military engagement in Central Asia, cooperates with the European Command (USEUCOM) on the “Caspian Sea Guard Program”, launched in 2003, to enhance and coordinate security assistance to establish an “integrated airspace, maritime and border control regime” for Azerbaijan and Kazakhstan. A related hydrocarbons initiative provides maritime security, crisis response, and consequence management aid to help the Caspian regional states protect energy transport to the West⁴⁴⁶.

Svante Cornell, the editor of the Central Asia-Caucasus Analyst, argued that if Central Asia has been the center stage in the war against terrorism, the Caucasus has been the backstage⁴⁴⁷. In the wake of September 11 events, the United States obtained quick pledges from the three South Caucasian states to support OEF in Afghanistan, including Azerbaijan’s and Georgia’s offers of airbase and other support. With regards to Azerbaijan, the Administration appealed for a national security waiver of the prohibition on aid to Azerbaijan, in consideration of the latter’s assistance

⁴⁴³ Ibid.

⁴⁴⁴ Daniel Fried, Assistant Secretary for European and Eurasian Affairs, “A Strategy for Central Asia”, Statement before the Subcommittee on the Middle East and Central Asia of the House International Relations Committee, October 27, 2005, electronic document retrieved May 3, 2006 from <http://www.state.gov/p/eur/rls/rm/55766.htm>

⁴⁴⁵ Jim Nichol, “Central Asia: Regional Developments and Implications for US interests”, US Congressional Research Service, CRS Report for Congress, June 5, 2006 (RL33458), electronic document retrieved June 12, 2006 from <http://www.fpc.state.gov/documents/organization/68821.pdf>.

⁴⁴⁶ Ibid.

⁴⁴⁷ Svante E. Cornell (October 2002), “America in Eurasia.....”, pp. 333-4.

to international coalition to combat terrorism⁴⁴⁸. Eventually, in December 2001, Congress approved the legislation that granted the President authority to waive Section 907, renewable each year under certain conditions⁴⁴⁹.

The South Caucasus states were vital for logistical reasons with regards the transportation of troops and heavy material from NATO territory or the United States to Central Asia. This importance of the South Caucasus was only increased with the advent of the Iraqi war when Turkey did not permit US forces to open a second front in northern Iraq. In its aftermath, it was suggested that either Georgia or Azerbaijan might be serving as a backup for Turkish bases⁴⁵⁰. Accordingly, US officials reportedly asked Azerbaijan and Georgia in April 2004 to bolster their troop contributions to Iraq, as a result of which Georgia boosted its deployment to almost 900 troops as of July 2005, making it a major contributor⁴⁵¹. On a similar axis, in April 2004, the Bush Administration commenced an agreement on enhanced military cooperation with Armenia, which committed the latter to hold joint military exercises with the United States in the near future⁴⁵². Moreover, Georgia's significance to both Washington and Moscow runs far deeper than either the Campaign against Al-Qaeda or the war in Chechnya. Georgia has been considered the strategic key to protecting Russia's southern flank since the days of the Czars⁴⁵³. Aware that Washington lacked the international support for Iraqi intervention, Moscow was wisely using the Georgia wildcard in support for Russian presence of troops in the Georgian border. As such with the ouster of Eduard Shevardnadze from the Georgian Presidency, while the Secretary of Defense Donald Rumsfeld was to have a meeting with the former's successor

⁴⁴⁸ Jim Nichol, "Armenia, Azerbaijan, and Georgia: Political Developments and Implications for US Interests", US Congressional Research Service, CRS Issue Brief for Congress, May 9, 2006 (IB95024), electronic document retrieved May 16, 2006 from <http://www.usembassy.it/pdf/other/IB95024.pdf>.

⁴⁴⁹ Ibid.

⁴⁵⁰ Svante E. Cornell, "US Engagement in the Caucasus: Changing Gears", *Helsinki Monitor*, vol. 16, no.2, May 2005, pp. 113-114.

⁴⁵¹ Jim Nichol, "Armenia, Azerbaijan, and Georgia: Political Developments and Implications for US Interests", US Congressional Research Service, CRS Issue Brief for Congress, May 9, 2006 (IB95024), electronic document retrieved May 16, 2006 from <http://www.usembassy.it/pdf/other/IB95024.pdf>.

⁴⁵² Ilan Berman (Winter 2004-5), "The New Battleground.....", p. 62.

⁴⁵³ Tony Karon, "Why US Arrival in Georgia has Moscow Hopping Mad", February 27, 2002, electronic document retrieved March 4, 2006 from <http://www.time.com/time/world/article/0,8599,213413,00.html>.

for reaffirming to the country, Moscow was holding a meeting with the leaders from Georgia's secessionist enclaves, denouncing American interference⁴⁵⁴. Right after the Georgian "colored revolution", which was alleged to be "western-generated" and was already a source of distress in its own right for Russia, the Bush Administration was to intensify military aid programs to both Azerbaijan and Kazakhstan. While Washington has pledged some \$10 million to Azerbaijan to strengthen its border security and to help the government to carry out operations at countering the spread of weapons of mass destruction, a great part of the military aid package would be elicited to enhance "maritime border security" so as to train Azerbaijan's naval fleet to protect oil-rich offshore areas⁴⁵⁵. Furthermore, Pentagon planners have opened talks with Baku about establishing a major, cooperative military-training program and raised the possibility of basing US forces in the country, at the same time⁴⁵⁶. Besides Azerbaijan, the United States has also helped to finance the establishment of a "rapid-reaction brigade" to enhance "Kazakhstan's capability to respond to major terrorist threats to oil platforms or borders"⁴⁵⁷.

With regards to Caucasia, the United States did initiate a train-and-equip program for the Georgian military to help Georgian forces to guard the border with Russia and other neighbors, to fight against Chechen rebellions and also to protect key pipeline routes. As Michael Klare argued, the war against terrorism was intricately intertwined with the US Caspian policy since in petitioning the Congress for military aid, the importance of Caspian resources for US energy security was very much stressed in official documents⁴⁵⁸. Within this respect, South Caucasian states of Georgia and Azerbaijan took the greatest attention and as such, by February 2003, "the

⁴⁵⁴ In September 2005, during the "independence day" celebrations of the unrecognized South Ossetia, the high ranking members of the Russian military were present at Tskhinvali, according to Georgian resources. See "Georgian-Russian Relations Continue to Deteriorate", December 7, 2005, electronic document retrieved March 2, 2006 from http://www.pinr.com/report.php?ac=view_report&report_id=408&language_id=1; Ariel Cohen, "Georgian Inauguration complicates US-Russian Relations", January 23, 2004, electronic document retrieved December 16, 2005 from http://www.eurasianet.org/departments/insight/articles/eav012304a_pr.shtml.

⁴⁵⁵ Ilan Berman (Winter 2004-5), "The New Battleground.....", p. 62.

⁴⁵⁶ Ibid.

⁴⁵⁷ Michael T. Klare (2004), *Blood and Oil*.....pp. 136-139.

⁴⁵⁸ Michael T. Klare (2004), *Blood and Oil*.....p. 137.

train-and-equip” program was expanded to train the “pipeline protection battalion” for the new Georgian Special Protection Service to guard the Georgian section of the BTC⁴⁵⁹. Within this regard, on March 1, 2005, General James Jones, head of the EUCOM stated that “the Caucasus is increasingly important to our interests, since the Caspian oil carried through the Caucasus may constitute as much as 25 percent of the world’s growth in oil production over the next five years. Moreover, the region is a geographical pivot in the spread of democracy and free market economies to the states of Central and Southwest Asia as well”⁴⁶⁰. As a result, the Caspian Guard Program that involves the energy producers of Central Asia under the USCENTCOM is of paramount importance, in addition to which the Administration is also presumed to be exploring the establishment of “cooperative security location” (CSLs) sites without a full time US military presence that are used for refueling and short-duration deployments- in Azerbaijan and Georgia⁴⁶¹.

5.2.2. The Transformation of NATO Capabilities in the post-September 11

It is noteworthy to recall that each US assistance program, together with joint-military exercises and training programs were going hand in hand with NATO-led partnership schemes. Each former Soviet republic was also undertaking joint-military exercises and training under the PfP programs as NATO has transformed its structure, capabilities and outlook to assume a much more proactive role in “out-of-area” conflict resolution, crisis management and peace-and-stability operations⁴⁶². And particularly, since the latter half of the 1990s, the states of former Warsaw Pact in general were favoring more the option of direct US military assistance and NATO programs as more effective mechanisms to solve internally-driven social conflicts rather than the option of United Nations⁴⁶³. Moreover, under the “Individual Partnership Action Plans”,

⁴⁵⁹ Michael T. Klare (2004), *Blood and Oil*.....pp. 137-139.

⁴⁶⁰ Jim Nichol, “Armenia, Azerbaijan, and Georgia: Political Developments and Implications for US Interests”, US Congressional Research Service, CRS Issue Brief for Congress, May 9, 2006 (IB95024), electronic document retrieved May 16, 2006 from <http://www.usembassy.it/pdf/other/IB95024.pdf>.

⁴⁶¹ Ibid.

⁴⁶² Stephen J. Blank, “The Future of Caspian Security”, *Problems of Post-Communism*, vol. 50, no. 1, January-February 2003, pp. 8-14

⁴⁶³ *Joint Press Conference with Georgian President Eduard Shevardnadze in Tbilisi, Georgia, August 1, 1999*, DoD News Briefing, electronic document retrieved March 2, 2006 from http://www.defenselink.mil/transcripts/1999/t08041999_t0801geo.html

launched at the November 2002 Prague NATO Summit, the states of Central Asia and the South Caucasus were also given the occasion of deepening their relationship with NATO for becoming NATO members in certain projected terms. The so-called “Transformation Summit” as it is generally recalled, the Prague Summit would be at least in rhetoric consolidating the role of NATO in the issue of “out-of-area” debate, by further defining NATO’s role in combating terrorism with the development of a military concept against terrorism and specific military capabilities such the NATO Reaction Force (NRF) to implement this mission. For the first time in its history, Prague’s definition of NATO as a focal point of any multinational military response to terrorism was given credited with the agreement to provide Germany and the Netherlands with NATO planning and support as they assumed the command of the International Security Assistance Force (ISAF) in Afghanistan⁴⁶⁴.

It is, nevertheless, important to see that this “evolutionary pattern of NATO’s militaristic profile” and “its commitment to use force outside of the traditional Euro-Atlantic area” was not without its problems, even in the post-9/11 security context. The EU-NATO responsibilities and capabilities dilemma was to put its imprint upon every NATO summit, crippling the very heart of the trans-Atlantic link for achieving a sound collective defense organization. An autonomous capacity instead of relying exclusively upon American-led Alliance and the US itself becomes a necessity, particularly after the 2003 invasion of Iraq despite opposition by a number of key EU member states. The US pictured itself as the pillar of the unipolar world, reserving the right to act unilaterally or vis-à-vis ad hoc coalitions of the “willing”, and to operate via the UN only when it was in its interest, as already suggested by the NSC⁴⁶⁵. On the contrary, the 2003 European Security Strategy upheld the principle of “effective multilateralism”, which advocated the use of force in the last resort and only be operationalized by a mandate from the UN Security Council⁴⁶⁶. Hence, the cohesion of the Alliance was to a great extent hampered as experienced in

⁴⁶⁴ Michael Rühle, “NATO after Prague: Learning the Lessons of 9/11”, *Parameters, US Army War College Quarterly*, Summer 2003, pp.93-94, electronic document retrieved March 8, 2006 from <http://www.carlisle.army/usawc/Parameters/03summer/ruhle.pdf>.

⁴⁶⁵ Sven Biscop, “NATO, ESDP and the Riga Summit: No Transformation without re-equilibration”, Egmont Paper 11, Royal Institute for International Relations; Brussels, May 2006, pp. 3-5, electronic document retrieved May 11, 2006 from <http://www.irri-kiib.be/paperegm/ep11-v1.pdf>.

⁴⁶⁶ *Ibid.*, p. 4.

both the “Afghanistan war” and the Iraqi war”, when there was only indirect military support from NATO and as a result, the deeds were undertaken by a “coalition of the willing” that only envisage a role for NATO in the post-conflict stabilization and reconstruction phase, as the deployment for high-intensity missions were led and defined by a major sustained US combat contribution⁴⁶⁷.

Within this regard, the 2002 Unified Command Plan (UCP), initiated by the Prague Summit, changed USJFCOM’s mission from a geographic oriented command with the requirement for regional engagement and security cooperation, to a command tasked with focusing on military transformation and assisting combatant commanders in executing their regional security cooperation programs⁴⁶⁸. As Europe continued to move away from collective defense towards crisis management and peacekeeping, the changing security environment endowed the USJFCOM with “long-term” commitment to support NATO’s reorganization that included improving the competitiveness of partner states in a multinational sense under the PfP program⁴⁶⁹. Hence, phase by phase, NATO’s engagement in Central Eurasia over the US designed path of cooperation was being consolidated as the Central Asian states, as evidenced by their participation in the Afghanistani and Iraqi operations, were happening to become parties to the “being established” security framework in the post-9/11 Cold War environment.

It is equally vital to remember that the US even sought to widen the remit of NATO as a political forum, by moving beyond the Euro-Atlantic area and beyond the politico-military sphere so that the issues such as the rise of China or Russia would also be discussed in the North Atlantic Council⁴⁷⁰. America that opposed efforts to require the UN Security Council to approve NATO military strikes in Kosovo, Afghanistan and Iraq in case that Russia or China would have exercised their Security Council vetoes to block such strikes, would instead reckon upon “the coalition of the willing” in the pursuit of her national interests while simultaneously used NATO

⁴⁶⁷ Ibid., pp. 8-9.

⁴⁶⁸ *Partnership for Peace*. Retrieved March 11, 2006 from the United States Joint Forces of Command Web Page, http://www.jfcom.mil/about/fact_pfp.htm

⁴⁶⁹ Ibid.

⁴⁷⁰ Sven Biscop (May 2006), “NATO, ESDP and the Riga Summit.....”, p. 7.

to transform the armed forces of the European allies under the “Allied Command Transformation Act”⁴⁷¹. Furthermore, the US intended to broaden the scope of political commitment of NATO by means of carrying the “cold war inherited great power competition” into current agenda as to bring the potential competitors, Russia and China to line as far as the latters’ national interests conflict with the so-called international consensus with regards the issues of weapons of mass destruction, rising autocratic tendencies of Russia both internally and externally, interference with border countries’ affairs as in Chechnya or Taiwan and aggravated militarization on behalf of China or intransigence on the part of Russia to move troops from post-Soviet region under the terms of CFE Treaty.

Within this regard, June 2004 NATO Istanbul Summit turned out to be a convenient platform for the United States to call and achieve support from NATO members for making a start to “Broader Middle East Initiative” (BMEI) that aimed to stabilize the “arc of instability” that runs from North Africa to Central Asia and to give the US Central Command the task of fostering military cooperation with states throughout the arc and of engaging in civil-affairs complementing this mission⁴⁷². In corollary with the BMEI, during the same summit, NATO was to launch the “Istanbul Cooperation Initiative” (ICI) that offered a cooperation option to countries of the Gulf Cooperation Council (GCC) and both the ICI and the formerly appreciated NATO’s Mediterranean Dialogue would be utilized as political arms in the implementation of the Bush’s geo-strategic engagement of “Greater Middle East”⁴⁷³. Being a focal area of the proposed “Greater Middle East” region, at its June 2004 Summit in Istanbul, the Atlantic Alliance was actually declaring to become the guarantor of security for countries in Central Asia and the Caucasus with the announcement of plans to put a “special focus” on engagement in both regions⁴⁷⁴. Accordingly, a Special Representative of the NATO General Secretary was

⁴⁷¹ Ibid., pp. 7-8.

⁴⁷² Andrea Riemer, “Outside View: NATO after Istanbul”, August 10, 2004, electronic document retrieved March 3, 2006 from http://www.washingtontimes.com/upi_breaking/20040810-013248-9656r.htm

⁴⁷³ Ibid.

⁴⁷⁴ Ilan Berman (Winter 2004-5), “The New Battleground.....”, p. 66.

appointed to encourage democratic civil-military relations, transparency in defense planning and budgeting, and enhance force inter-operability with NATO⁴⁷⁵.

5.2.3. The Official US Defense and Military Strategies

The relatively warm pattern of relations between Russia and the US began to evaporate with the US-led invasion of Iraq, which Russia did oppose. At the time, as a response to Putin's consistent appeals to the United States to abide by international law, the National Security Adviser Rice was to state that the United States chose to cooperate with like-minded partners instead by arguing that "multi-polarity led more often to conflict and had in fact led to World War I and hence, multi-polarity was a necessary evil no longer required among partners, who share the same common values"⁴⁷⁶. Despite the lukewarm US-Russia or Russo-NATO cooperation with the establishment of Russia-NATO Council in 2002 for creating a sound basis furthering cooperative security regime throughout the CIS, the further penetration of NATO on to the doorstep of the Russian Federation in the aftermath of the second wave of enlargement in NATO Istanbul Summit of 2004 and the deployment of missile shield combined with the creation of NRF were unacceptable to Russian national interests⁴⁷⁷. NATO, as mandated by the military assistance provisions of the NATO Treaty has provided air protection to the recently new members of Baltic States of the Alliance and the deployment of US forces in Bulgaria and Romania as part of the US Plan to shift US military bases was announced at the end of 2005⁴⁷⁸.

The latter issue of the repositioning of US military bases in and around Eurasia was explicitly stated in the National Defense Strategy of the United States" (NDS) released in March 2005, which only perpetuated the unilateralist tendencies of the Bush Administration. The NDS, being

⁴⁷⁵ Jim Nichol, "Armenia, Azerbaijan, and Georgia: Political Developments and Implications for US Interests", US Congressional Research Service, CRS Issue Brief for Congress, May 9, 2006 (IB95024), electronic document retrieved May 16, 2006 from <http://www.usembassy.it/pdf/other/IB95024.pdf>.

⁴⁷⁶ Celeste A. Wallender, "US-Russian Relations: Between Realism and Reality", *Current History*, vol. 101, no. 658, January-December 2003, p. 310

⁴⁷⁷ M. P. Amineh & Henk Houweling, "The US and the EU in CEA: Relations with Regional Powers" in M. P. Amineh & Henk Houweling (eds.), 2005, pp. 217-218

⁴⁷⁸ Marcel de Haas, "NATO-Russia Cooperation: Political Problems versus Military Opportunities", May 29, 2006, electronic document retrieved June 1, 2006 from http://www.pinr.com/report.php?ac=view_report&report_id=498&language_id=1.

the precursor of the QDR 2006, foresaw the installation of “forward operating sites” to facilitate the rapid movement of American troops to likely areas of combat, hinting that the possible locations might be in Eastern Europe, the Caspian Sea Basin and Africa⁴⁷⁹. The White House even described the foreseen acquisition of new facilities as “the most comprehensive restructuring of US military forces since the end of the Korean War”⁴⁸⁰. However, to the worst of all expectations, the NDS did not even mention NATO, except by the phrase “traditional allies” or “partners” and the United Nations and the UN Security Council was go totally unmentioned throughout the whole document. Perpetuating only this disregard for multilateralism, the Strategy warned against the “challenges those so-called competitive states might create by using international fora, judicial processes and terrorism”.⁴⁸¹ At about the same time, in July 2005, the Pentagon briefed its “2005 Annual Report on the Military Power of the People’s Republic of China” to Congress. According to the Report, China was indicated as “a strategic competitor” that would like to alter Asia’s balance of power in its own favor”, and Pentagon was impelled to watch over China’s military capabilities that are alleged to pose a credible threat to the strategic landscape beyond Taiwan⁴⁸². Following that, the Principal Deputy Undersecretary of Defense, at a Pentagon news briefing unveiling the February 2006 QDR, was to declare that “the US forces is to engage somewhere in the world in the next decade where they are not currently engaged”⁴⁸³. And as expected, the QDR 2006 assessed both Russia and China as rising military power centers and the near-peer competitors to be dissuaded from taking direct military action to alter the balance of power in its region. Within this regard, as Russia was

⁴⁷⁹ Michael T. Klare, “Imperial Reach”, April 25, 2005, electronic document retrieved March 3, 2006 from <http://www.commondreams.org/views05/0408-32.htm>

⁴⁸⁰ Michael T. Klare, “Imperial Reach”, April 25, 2005, electronic document retrieved March 3, 2006 from <http://www.commondreams.org/views05/0408-32.htm>

⁴⁸¹ Jim Lobe, “Pentagon Reaffirms Globocope Role”, March 22, 2005, electronic document retrieved March 4, 2006 from <http://www.commondreams.org/headlines05/0322-05.htm>

⁴⁸² John J. Tkacik, “Pentagon Report on Chinese Military Power Deserves Careful Reading”, July 27, 2005, electronic document retrieved March 4, 2006 from <http://www.heritage.org/Research/AsiaandthePacific/wm804.cfm>; *Annual Report to Congress on the Military Power of the People’s Republic of China, July 2005*, Office of the Secretary of Defense; Washington D.C., Chapter II., pp. 12-24, electronic version accessed at <http://www.defenselink.mil/news/July2005/d20050719china.pdf>.

⁴⁸³ Ann Scott Tyson, “Ability to Wage Long War is Key to Pentagon Plan: Conventional Tactics De-emphasized”, *Washington Post*, February 4 2006; A01, electronic version retrieved May 1, 2006 from <http://www.washingtonpost.com/wp-dyn/content/article/2006/02/03/AR2006020301853.html>.

defined as a potential threat if it moved in an authoritarian and nationalistic direction, China was evaluated as a genuine potential rival if it moved to gain hegemony in East, Southeast and Central Asia⁴⁸⁴.

It is salient to reemphasize that the re-organization of the US State Department's Bureau of South and Central Asian Affairs to include the Central Asian states in 2006 and the initiation of BMEI all got to do with providing a bridge between the countries of Central Asia and South and East Asia, which required a conspicuous surveillance over the deeds and intents of either Russia or China in the region. As Stephen Blank argued, the US strategic interests in Central Asia derived first from the proximity of this area to Russia, Iran, and China. Hence, energy access, though important, has not been the primary driver of the US policy in the region. Rather, the policy of defending the independence, integrity and security of the Central Asian states extended the long-established vital interest of the United States in forestalling the rise of any Eurasian empire in either continent that would challenge the US⁴⁸⁵. As the Vice Chairman of the Joint Chiefs of Staff, General Peter Pace argued in his July 2005 note, one judged military threat in two ways; one capacity and the other intent⁴⁸⁶. Building upon the acknowledgment that there are wide array of discrepancies dividing the US from either Russia or China in terms of choices about the character of their states and their pursuit of foreign relations to the "detriment of regional balance of power", it seems actually hard to build an enduring strategic partnership amongst the three "once rival powers"⁴⁸⁷.

⁴⁸⁴ Michael A. Weinstein, "US Quadrennial Review Reveals a Strategy Void", February 15, 2006, electronic document retrieved March 1, 2006 from http://www.pinr.com/report.php?ac=view_report&report_id=441; *Quadrennial Defense Review Report, February 6 2006*, Department of Defense; Washington D.C., pp. 27-31, electronic version retrieved May 3, 2006 from <http://www.defenselink.mil/qdr/report/Report20060203.pdf>.

⁴⁸⁵ Stephen J. Blank, Strategic Studies US Army War College, "Energy and Security Issues in Central Asia", Statement before Committee on House International Relations Subcommittee on the Middle East and Central Asia, Washington D.C., July 15, 2006, electronic document retrieved July 28, 2006 from the MasterFile Premier Database (AN 32Y3882316999).

⁴⁸⁶ John J. Tkacik, "Pentagon Report on Chinese Military Power Deserves Careful Reading", July 27, 2005, electronic document retrieved March 4, 2006 from <http://www.heritage.org/Research/AsiaandthePacific/wm804.cfm>

⁴⁸⁷ *The National Security Strategy of the United States of America, September 2002*, White House; Washington D.C., Part VIII, pp 25-28.

Eventually, as the Assistant Secretary of State for South and Central Asian Affairs argued, the reorganization of US State Department's Bureau of South and Central Asian Affairs was actually the greatest transformation to meet the challenges of the 21st century. Accordingly, the South and Central Asia belonged together not only due to deep cultural and historical ties, but also due to the prospect of preserving the stability of the entire region by means of strengthening ties in energy infrastructure, transportation, economic cooperation, democratic opportunities and other areas⁴⁸⁸. Within this respect, the Silk Road Strategy Act, introduced on May 4, 2006 designated Afghanistan as a Silk Road country in recognition of political and economic changes in Central Asian and South Caucasian states. Accordingly, the so-called Act, by stressing that China and Russia have acted at odd with US security interests in the region, suggested for US observer status in the SCO, and urged close US relations with the Silk Road states to facilitate maintaining military bases near Afghanistan and Iraq so as to preserve the regional stability⁴⁸⁹.

5.2.4. The Russian Strategic-Military Engagement

The creation of the “Collective Security Treaty Organization” (CSTO)⁴⁹⁰ in October 2002 was the first Russian initiative on the road to a change of the security system in the post-Soviet space after 9/11. The foremost goal of the CSTO was the transformation of Russian military forces so as to consolidate the Russian influence by means of accommodating Russian forces in the former Soviet space to fight terrorism and regain global power-projection. The CSTO was assigned ambitious tasks to address new threats and challenges through a joint military command in Moscow, a rapid reaction force for Central Asia, a common air defense system and “coordinated action” in foreign, security and defense policy. In essence, Russia endeavors to acquire a dominant role for the CSTO by means of making the former to be recognized as a “security actor

⁴⁸⁸ Richard A. Boucher, Assistant Secretary of State for South and Central Asian Affairs, “Pursuing Peace, Freedom and Prosperity in South and Central Asia”, Remarks before the Senate Foreign Relations Committee; Washington D.C., February 16, 2006, electronic document retrieved March 4, 2006 from <http://usinfo.state.gov/sa/Archive/2006/Feb/16-460156.html>; for a discussion about Greater Central Asia and its implications for the US see S. Frederick Starr, “A Greater Central Asia Partnership for Afghanistan and its Neighbours”, Silk Road Paper; Central Asia-Caucasus Institute, March 2005, electronic document retrieved March 3, 2006 from <http://www.silkroadstudies.org/new/CACI/strategy.pdf>.

⁴⁸⁹ *The Silk Road Strategy Act of 2006*, 109th Congress, 2nd Session S. 2749, May 4, 2006. Electronic version retrieved June 1, 2006 from <http://thomas.loc.gov/cgi-bin/thomas>.

⁴⁹⁰ The CSTO member states are Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan.

in the region co-equal with NATO” so as to ensure regional and international security⁴⁹¹. Moreover, at the backdrop of the Russo-NATO rapprochement in the eve of the September 11 events, Russia and NATO did also agree to work towards a cooperative security regime throughout the CIS and even agreed to discuss joint peace operations to bring peace to Chechnya, Moldova, and Nagorno-Karabakh⁴⁹². At the time, Ukraine seized the opportunity from the lukewarm Russo-NATO relation, and announced its intention to apply to NATO. Despite that Russian response to Ukrainian announcement was not outright opposition; many circles particularly in the Ministry of Foreign Affairs and Defense were rather skeptic and uncomfortable regarding the subordination of the CIS by western encroachment.

The October 2003 Russian military concept (the so-called Ivanov Doctrine) identified “the expansion of military blocs and alliances to the detriment of the military security of the Russian Federation” and “the introduction of troops without the authorization of the UN Security Council in the former-Soviet Space” as the primary threats to Russian security⁴⁹³. Russian Minister of Defense, Ivanov made it clear that Russia expected the United States to withdraw from its bases in Central Asia once the mission in Afghanistan was completed⁴⁹⁴. In the aftermath of such official declarations, instigated by Washington’s extension of her “defense parameter” under the cloak of “global war against terrorism, Moscow, encouraged by Uzbekistan’s withdrawal from the GUUAM in 2002, concluded various new deals with the latter to strengthen military ties between the two countries⁴⁹⁵. Right after, the Russian military opened its first foreign base since the fall of the Soviet Union in Kant, Kyrgyzstan, not much far away from the US base in Manas. Simultaneously, in November 2003, Moscow and Yerevan signed a new accord on military cooperation, which gave Russia the use of military bases in Armenia. Putin’s January 2004 visit to Kazakhstan culminated in strengthening strategic ties between the two countries where they inaugurated a joint action plan for security cooperation under the auspices of the SCO and

⁴⁹¹ Roy Allison (2004), “Strategic Reassertion in Russia’s.....”, p. 286.

⁴⁹² Stephen J. Blank (2003), “The Future of Caspian Security”, pp. 9-12.

⁴⁹³ Ilan Berman (Winter 2004-5), “The New Battleground.....”, p. 64.

⁴⁹⁴ Michael T. Klare (2004), *Blood ad Oil.....*p. 157; Gregory Gleason, “The Uzbek Expulsion of US Forces and Realignment in Central Asia”, *Problems of Post-Communism*, vol. 53, no. 2, March-April 2006, p. 52.

⁴⁹⁵ Ilan Berman (Winter 2004-5), “The New Battleground.....”, p. 65.

CSTO. Moscow has reinforced its military presence in Tajikistan when in early 2004 the Tajik Government granted Moscow military basing rights in the country on a free of charge and open-ended basis⁴⁹⁶. It was again in the early 2004s, Russia strengthened her naval presence in the Caspian Sea basin, by launching large-scale military exercises, called as the “Mobility 2004”, so as to display that it has both the will and the capacity to project power⁴⁹⁷.

Drawing upon such examples of Russian counter-efforts to diffuse US strategic deployment in the Central Eurasian region, one could conclude that the main impetus behind the drift between Russia and the US was the departure of Bush Administration’s from the Clinton’s accomodationist strategy to a more confrontational approach with regards to Russia⁴⁹⁸. Shielding behind the huge debate over the Anti-Ballistic Missile Treaty and accusation of Russian nuclear sales to Iran, there happened to be a rather deeper “divergence of interests”, which signaled that Russia was to be downgraded from its preeminent role in the US foreign policy for the coming term⁴⁹⁹. Despite that the 9/11 stipulated an “illusionary strategic entente” between the two powers, with the advent of the Iraqi war, Russia ranked lower on Bush’s list of foreign policy priorities, as the latter’s geo-strategic focus shifted towards the Greater Middle East and towards dealing with rising peer-competitors in her “extended sphere of influence”. From then on, Russia fell from the core of American international concerns as part of a plan to incorporate the former into Western international institutions and became only relevant with regards to joint interests or joint actions vis-à-vis the Central Eurasia or with regards to rising Sino-Russo strategic entente under the SCO.

⁴⁹⁶ Sergei Blagov, “With Eye on US, Russia Bolsters Central Asia Presence”, June 22, 2004, electronic document retrieved March 1, 2006 from http://www.eurasianet.org/departments/insight/articles/eav062204a_pr.shtml.

⁴⁹⁷ Ilan Berman (Winter 2004-5), “The New Battleground.....”, p. 66.

⁴⁹⁸ Michael McFaul, Professor of Political Science at Stanford University, argued that never in the two decades since the collapse of the SU, Washington’s strategic agenda of integrating Russia has been so threatened as it is with the 9/11 period. Three factors influential over this shift are Russia’s drifting towards autocracy, the shift of focus of American foreign policy towards the wider Middle East; and lack of a common strategy in the EU countries toward Russia coupled with a shift of focus in the EU towards “saving Europe” in the wake of enlargement period. For details see, Michael McFaul, “Russia and the West: A Dangerous Drift”, *Current History*, vol. 104, no. 685, October 2005, pp. 307-312.

⁴⁹⁹ Celeste A. Wallender in “US-Russian Relations: Between Realism and Reality”, *Current History*, vol. 101, no. 658, January-December 2003, pp. 307-308.

5.2.5. The Color Revolutions and the Shifting Balance in Regional Politics

It might not be wrong to argue that it was only in the aftermath of the Iraqi war and the successive “color revolutions” in Georgia (2003) and Ukraine (2004), accompanied by the second phase of NATO enlargement in 2004 Istanbul Summit that the Kremlin was impelled to reshape thoroughly the regional security system in the post-Soviet space to counter US influence. Before that time, despite that there were several critics regarding the intensive military-strategic deployment of the US in Moscow’s backyard, Putin Administration seemed to be unaffected by those critics. Accordingly, in a February 11, 2002 interview with the Wall Street Journal, Putin stressed that “the benefits of deepened economic cooperation with the United States, driven by the two countries’ anti-terrorism alliance, outweighed the loss of geopolitical stature in Central Asia”⁵⁰⁰. A new geopolitical pattern for dominating over Central Eurasia has become clear and intensified since 2003 with the covert Washington backing “democratic revolutions”, in Georgia, Ukraine and Kyrgyzstan eventually. President Bush was praising these so-called colored revolutions proudly by attacking F. Roosevelt’s Yalta Division of Europe in 1945, announcing that there will be no more excuses to tyranny and by welcoming future regime changes across the Caucasus, Central Asia and the Greater Middle East for the sake of seizing their liberties⁵⁰¹. Such “guardianship over democracy” rhetoric was ironically culminating in more militarization in the name of safeguarding regional stability and as in the case of Yushenko’s government after the Orange Revolution, culminating in new pipeline scenarios for both curbing Russian influence and also diminishing Ukraine’s reliance on the former that would link the Caspian riches across Ukraine to Poland⁵⁰². In other cases, as in the example of November 2005 Azeri elections, the US seemed to reverse her prior strategy of endorsing the beloved tyrant of Washington at the time of the initial phases of economizing the lucrative deals in the Caspian, and instead chose the way of indictment on the part of authoritarian stances of Ilhan Aliyev and supported the opposition groups throughout the

⁵⁰⁰ Igor Torbakov, “Putin Faces Domestic Criticism over Russia’s Central Asia Policy”, February 12, 2002, electronic document retrieved March 8, 2006 from <http://www.eurasinet.org/departments/insight/articles/eav021202.shtml>.

⁵⁰¹ William Engdahl, “Revolution, Geopolitics and Pipelines”, June 30, 2005, electronic document retrieved March 3, 2006 from http://www.atimes.com/atimes/Global_Economy/GF30Dj01.html.

⁵⁰² Ibid.

election course⁵⁰³. Ironically, there happened to be a strategic shift vis-à-vis the US policy of supporting the opposition groups in Azerbaijan in the aftermath of the secret visit of Defense Secretary Donald Rumsfeld to Baku to discuss demands to create a US military base in Azerbaijan as part of the US global force redeployment in the Greater Middle East. The Head of the Presidential Administration's Political Department, Ali Hasanov was to tell the ANS television news station on April 10, 2005 that "the purpose of the visit is to hold new discussions on the principles of cooperation between Azerbaijan and the USA in the sphere of security"⁵⁰⁴. The visit of Rumsfeld for a US military presence in Azerbaijan coincided with the shifts in Pentagon plans for deployment of US forces in the South Caucasian states as part of a plan, which was solidified by November 2004 with the Administration's proposal to establish "cooperative security locations" in the South Caucasia for "periodic access and support"⁵⁰⁵. Moreover, in spite of the US's self-declared "forward strategy of freedom", Azerbaijan's strategic importance for the US was clearly increasing as it was announced that two radar systems have begun to operate in Azerbaijan that is significant for counter-proliferation efforts⁵⁰⁶. Besides, after the eventual color revolution in Kyrgyzstan in the spring of 2005, the rapid erosion of the US strategic position in Central Asia was to be curtailed by a shift of emphasis on strengthening strategic deployment in the South Caucasian region. As Svante Cornell, Deputy Director of Central Asia-Caucasus Institute, argued while the Iraq war might in the short term have diminished the attention span in Washington to the Caucasus, in the longer term the enduring US presence in the Middle East only increases the value of the South Caucasus as a strategic outpost. Within this regard, the role of the South Caucasus as a strategic crossroads is increasingly obvious given the arc of instability extending from North Africa and

⁵⁰³ Rovshan Ismayilov, "United States Moderation as Azerbaijan's Parliamentary Election Approaches", October 26, 2005, electronic document retrieved March 6, 2006 from http://www.eurasianet.org/departments/insight/articles/eav102605_pr.shtml.

⁵⁰⁴ Alman Talyshli, "Rumsfeld's Baku Trip Stirs Controversy", April 13, 2005, electronic document retrieved March 8, 2006 from http://www.eurasianet.org/departments/insight/articles/eav041305_pr.shtml.

⁵⁰⁵ *Ibid.*; Jim Nichol, "Armenia, Azerbaijan, and Georgia: Political Developments and Implications for US Interests", US Congressional Research Service, CRS Issue Brief for Congress, May 9, 2006 (IB95024), electronic document retrieved May 16, 2006 from <http://www.usembassy.it/pdf/other/IB95024.pdf>.

⁵⁰⁶ Ariel Cohen, "Azerbaijani Parliamentary Vote Shapes up as Important Test for US Foreign Policy", October 28, 2005, electronic document retrieved March 4, 2006 from http://www.eurasianet.org/departments/insight/articles/eav102805_pr.shtml.

the Middle East over Central, South and Southeast Asia and the increasing institutionalization of opposition maneuvers to diffuse the deleterious effects of US strategic engagement in Central Asia under Russian and Chinese initiatives⁵⁰⁷.

The so-called “war on tyranny” of the Bush Administration, whether consciously or not, was producing mutually inconsistent results and adhocism in policy implementation, which resulted in re-strengthening of alternative cooperative schemes under Russian and Chinese initiatives. As it was evident from Washington’s geo-strategy of dominating Eurasia, it seemed as if such maneuvers were to encircle both Russia and China through a series of NATO and US bases from Kosovo to possibly Ukraine and to White Russia⁵⁰⁸. Furthermore, geopolitical control of Uzbekistan, Kyrgyzstan and Kazakhstan would enable control of any potential pipeline routes between China and Central Asia, just as the encirclement of Russia would allow for the control pipeline and other ties between the former and Western Europe, China, India and the Middle East⁵⁰⁹. Paradoxically, the so-called “soft coups” have happened to lead to an increasing displeasure amongst the Central Asian states themselves lest they would become the victims of the coup wave. It became unclear to many of the leaders of the post-Soviet states, Uzbekistan’s Karimov in the first place, that there is an apparent contradiction between the close military cooperation advocated by the Pentagon on the one hand, and the pressure applied in pursuit of human rights and democratization by the State Department, on the other⁵¹⁰. The US had signed several joint statements or declarations with the Central Eurasian states so as to intensify democratic transformation and to expand fundamental freedoms and human rights. Nevertheless, according to the State Department, the relevant states made little progress in practice and failed

⁵⁰⁷ Svante E. Cornell (May 2005), “US Engagement in the Caucasus.....”, pp. 115-116.

⁵⁰⁸ Andrew Tully, “US: What is Strategy for Bases in Former Soviet Bloc”, December 11, 2005, electronic document retrieved March 2, 2006 from http://www.eurasianet.org/departments/insight/articles/pp121105_pr.shtml.

⁵⁰⁹ William Engdahl, “Revolution, Geopolitics and Pipelines”, June 30, 2005, electronic document retrieved March 3, 2006 from http://www.atimes.com/atimes/Global_Economy/GF30Dj01.html.

⁵¹⁰ “Uzbekistan Casts out America: Setback or Opportunity for Washington?”, *Strategic Comments*, vol. 11, no.6, August 2005, electronic document retrieved March 6, 2006 from <http://www.iiss.org/publications/strategic-comments/past-issues/volume-11---2005/volume-11-issue-6/uzbekistan-casts-out-america>.

to achieve the stated goals. Within this regard, as Turkmenistan and Uzbekistan are generally viewed as the most repressive governments, Kazakhstan and Tajikistan were also warned due to their backtracking from fundamental human rights reforms⁵¹¹. On July 13 2004, to cite an example, State Department spokesman announced that, despite some “encouraging progress” in respecting human rights in Uzbekistan, up to \$18 million in military and economic aid would be withheld because of “lack of progress on democratic reforms and restrictions put on US assistance partners on the ground”⁵¹². As such, the Bush Administration continued the fallacy of the Clinton Administration in distinguishing between defense of US values promoting democracy abroad and those entail more concrete interests, validating Stephen Blank’ argument⁵¹³.

5.2.6. The Sino-Russo Strategic Cooperation, the CSTO and the SCO

At the country’s Security Council in July 2004, Putin was to argue that they were end up with two alternatives of either watching the erosion of the CIS geopolitical space or achieving a qualitative strengthening of the CIS on the basis of an effectively functioning regional organization⁵¹⁴. In 2005, Moscow intensified efforts at moving military cooperation from the CIS to CSTO and at promoting CSTO on an international scale by grasping an observer status in the General Assembly of the UN⁵¹⁵. In its aftermath, in the June 2005 CSTO Collective Security Council session, the members discussed a plan for the development of integrated air defense systems and the improvement of rapid deployment forces in the Central Asian region⁵¹⁶. Another key aspect of Russia’s blueprint for the CSTO, as Stephen Blank argued is to insinuate the

⁵¹¹ Jim Nichol, “Central Asia: Regional Developments and Implications for US interests”, US Congressional Research Service, CRS Report for Congress, June 5, 2006 (RL33458), electronic document retrieved June 12, 2006 from <http://www.fpc.state.gov/documents/organization/68821.pdf>.

⁵¹² Ibid.

⁵¹³ Stephen Blank (2000), “American Grand Strategy.....”, p. 65.

⁵¹⁴ Ilan Berman (Winter 2004-5), “The New Battleground.....”, p. 66.

⁵¹⁵ Marcin Kaczmarek, “Russia Creates a New Security System to Replace the CIS”, December 21, 2005, electronic document retrieved March 3, 2006 from http://www.pinr.com/report.php?ac=view_report&report_id=416.

⁵¹⁶ Sergei Blagov, “The Geopolitical Balance in Central Asia tilts toward Russia”, July 6, 2005, electronic document retrieved March 2, 2006 from http://www.eurasianet.org/departments/insight/articles/eav070605_pr.shtml.

CSTO between NATO and individual Central Asian states that would give Moscow considerably more say over the Atlantic Alliance's activities in the region and hence, forestall the ability of regional leaders to forge independent relations with Brussels⁵¹⁷.

Moreover, under the terms of the CSTO, Moscow tries to extend her strategic reach into Central Asia by building upon military and defense deals so as to establish military facilities in Tajikistan and also in Uzbekistan that would also tighten tactical coordination with other regional powers, such as India and China. Under the terms of such deals, the sales of weapons to China would be quickened as well as the cooperation under the aegis of terrorism would be perpetuated. This was evident from Putin's utilization of the June 2005 CSTO Summit to criticize the US-led anti-terrorist coalition in Afghanistan, characterizing it as "very ineffective"⁵¹⁸. In the same CSTO Summit, the members also declined to support demands by the United States for an independent investigation into the Uzbek Government's handling of Andijan events on the grounds of "not interfering in the internal affairs of other countries"⁵¹⁹. One could say that Putin's CSTO is endeavored to be a focal military organization that would both check over the extension of NATO sphere of influence in the region and also on the rising influence of China, tried to be minimized by the SCO. With regards the latter issue, in May 2004, Trubnikov, who served as first deputy foreign minister in Russia, was to give an interview in which he stated that Moscow opposed any outside strategic presence in Central Asia, either Western or Chinese⁵²⁰.

Nevertheless, such a balance of power strategy on the part of Moscow has not diminished the weight of the SCO as the latter turns out to be a rather institutionalized platform in waging a war against US's unilateralist strategy over Eurasia. China has already engaged in Eurasian

⁵¹⁷ Stephen Blank, "Russia Looks to build a new Security System in Central Asia", April 1, 2006, electronic document retrieved March 3, 2006 from http://www.eurasianet.org/departments/insight/articles/eav010406_pr.shtml.

⁵¹⁸ Sergei Blagov, "The Geopolitical Balance in Central Asia tilts toward Russia", July 6, 2005, electronic document retrieved March 2, 2006 from http://www.eurasianet.org/departments/insight/articles/eav070605_pr.shtml.

⁵¹⁹ Ibid.

⁵²⁰ Stephen Blank, "Russia Mulls Measures to Check Chinese Influence in Central Asia", July 29, 2004, electronic document retrieved March 8, 2006 from http://www.eurasianet.org/departments/insight/articles/eav072904a_pr.shtml.

geopolitics by means of bolstering ties with energy suppliers by providing them with arms and weapons technology. Moreover, China has been the main driving force behind the institutionalization and extension of the SCO by means of deepening regional cooperation on the axis of terrorism⁵²¹. While China has provided military assistance and training to Central Asian states under the SCO, the Chinese-Kyrgyz joint counterinsurgency exercise in October 2002 was in most part telling in further intensification of Chinese military engagement in the region for the coming years⁵²².

Due to the emergence of the “color revolutions” threat, viewed in the United States as one instrument for spreading American influence both around the world and in individual regions, guaranteeing security within the SCO has already acquired a well-known anti-American flavor. As such, China and Russia have an objective interest in creating, in the form of the SCO, a geopolitical counterbalance to the United States in the Central Asian region⁵²³. The Sino-Russia relationship improved significantly on July 1, 2005 when a meeting between Putin and his counterpart Hu Jianto led to a joint statement that rejected attempts by any country to “gain monopoly in world affairs” and to “impose models of social development” on the other countries⁵²⁴.

At the July 7 2005 meeting of the SCO, the leaders of the member states called for a time-frame for withdrawal of military bases from Central Asia on the grounds that the objective of the Operation Enduring Freedom had been achieved⁵²⁵. On July 29 2005, as validating the SCO official communiqué, the government of Uzbekistan sent an eviction note to the US Embassy in Tashkent that terminated America’s military presence at its Khanabad airbase with around six

⁵²¹ Michael T. Klare (2004), *Blood and Oil*.....p. 172.

⁵²² Michael T. Klare (2004), *Blood and Oil*.....p. 173.

⁵²³ Alexander Shlyndov, “Certain Aspects of Russian-Chinese Collaboration in the International Arena”, *Far Eastern Affairs*, vol. 34, no. 2, 2006, p. 69.

⁵²⁴ Rian Jensen & Erich Marquardt, “The Sino-Russian Romance”, March 21, 2006, electronic document retrieved March 30, 2006 from http://www.atimes.com/atimes/Central_Asia/HC21Ag02.html

⁵²⁵ Gregory Gleason (March-April 2006), “The Uzbek Expulsion of.....”, p. 51; Daniel Kimmage, “SCO: Shoring up the Post-Soviet Status quo”, July 9, 2005, electronic document retrieved March 2, 2006 from http://www.eurasianet.org/departments/insight/articles/eav070905_pr.shtml.

months notice⁵²⁶. One should note that the US-Uzbekistan tension has already begun well before the “base problem”. Uzbekistan has not repudiated the 2002 Strategic Partnership Declaration signed with the US, nor has it announced that its strategic partnership with the US has ended. However, with the color revolutions wave and the increasing aggravation of Islamic threat within, Uzbekistan made a formal commitment to closer relations for security and economic development with Russia since 2004⁵²⁷. At the June 17, 2004 Shanghai Summit in Tashkent, Russia and Uzbekistan signed a “Strategic Partnership” Agreement that foresaw that the two countries would build a regional security system based upon cooperation between the two countries’ respective ministries of defense, foreign affairs, interior affairs and security councils. At the time Uzbekistan’s Karimov was to stress that such strategic partnership with Russia would “eradicate radical and extremist tendencies” within the Central Asian space⁵²⁸. At about the same time, there were also prospective plans to deepen cooperation under the auspices of the CSTO and the SCO’s defense pact, which announced plans for their respective rapid reaction forces to hold war games in Kazakhstan and Kyrgyzstan in the late July of 2004⁵²⁹. Simultaneously, on May 28 2004 Russia also became the first non-Central Asian states to become the member of the CACO. These developments were realized against the backdrop of US State Department’s criticism of Uzbekistan’s poor records of human rights progress since 2003. As a result, the cancellation of the US aid on the grounds of “poor human rights record” together with the March 2005 revolution in Kyrgyzstan made Uzbekistan deduce that there was the risk that growing US involvement in Uzbekistan could actually topple Karimov’s authoritarian government. The negative attitude on behalf of the US towards the Karimov regime’s authoritarian stance in the events of Andijan on May 13, 2005 was actually the last drop that escalated the tension amongst the once two strategic partners. In its aftermath, the Deputy Chairwoman of the Uzbek Senate, Farruh Muhitdinova, presented the Uzbek’s

⁵²⁶ “Uzbekistan Casts out America: Setback or Opportunity for Washington?”, *Strategic Comments*, vol. 11, no.6, August 2005, electronic document retrieved March 6, 2006 from <http://www.iiss.org/publications/strategic-comments/past-issues/volume-11---2005/volume-11-issue-6/uzbekistan-casts-out-america>.

⁵²⁷ Gregory Gleason (March-April 2006), “The Uzbek Expulsion of.....”, p. 50.

⁵²⁸ Sergei Blagov, “With Eye on US, Russia Bolsters Central Asia Presence”, June 22, 2004, electronic document retrieved March 1, 2006 from http://www.eurasianet.org/departments/insight/articles/eav062204a_pr.shtml.

⁵²⁹ Ibid.

government's concerns about the US presence by arguing that "the current US presence in Khanabad air base threatens internal and external security of Uzbekistan. Hence, the fewer the number of bases in Central Asia, the greater the chances to establish peace and stability in the region"⁵³⁰.

In the July 2005 SCO Summit, the Western focus on democratization and human rights was criticized on the grounds that "historical traditions and national customs of every people as well as the sovereign equality of all states" should be respected in any terms⁵³¹. But above all, the invitation to Iran, Pakistan and India to the Summit with an observer status was most telling in terms of further institutionalization of the Organization as an alternative block against the US. Despite that Iran's membership to the SCO does not appear probable so as not to aggravate friction with the West in the near term, as evident from the June 2006 Shanghai SCO Summit⁵³², Russia and China are full aware of Iran's military and strategic significance in the Central Eurasian region in the overall fight against the three evils of extremism, terrorism and separatism. Moreover, under the foreseen energy security agenda of the SCO, there is also the high probability of a rising Iran-China-Russia gas and oil arc. Whilst both Russia and China take a rather positive stance with regards the Iranian nuclear debate, they both evaluate the US's long term goals in Iran as "to engineer the downfall of the current regime and to use its territory as the shortest route for transportation of hydrocarbons from the Caspian Sea, bypassing Russia and China"⁵³³.

⁵³⁰ Bruce Pannier, "Uzbekistan: Departure from Base underlines US-Uzbek Tensions", September 29, 2005, electronic document retrieved March 8, 2006 from http://www.eurasianet.org/departments/insight/articles/pp092905_pr.shtml.

⁵³¹ Daniel Kimmage, "SCO: Shoring up the Post-Soviet Status quo", July 9, 2005, electronic document retrieved March 2, 2006 from http://www.eurasianet.org/departments/insight/articles/eav070905_pr.shtml.

⁵³² Barış Adıbelli, "ŞİÖ'de Kurumsallaşma Kararı", *Cumhuriyet Strateji*, no. 104, June 2006, pp. 12-14.

⁵³³ M. K. Bhadrakumar, "China, Russia welcome Iran into the fold", April 18, 2006, electronic document retrieved April 24, 2006 from <http://www.atimes.com/atimes/China/HD18Ad02.html>

5.2.7. The Shifting Balance of Power in Central Eurasia in the post-Uzbekistan Base Crisis

In the aftermath of the “US-Uzbekistan base crisis”, US Secretary of State Condoleezza Rice made a Central Asian tour in October 2005 so as to strengthen the alleged “erosion of US strategic influence” in the region with the loss of the Uzbekistani base. During these particular diplomatic correspondences, Rice underlined the importance of “maintaining friendly relations with Bishkek and the US” and stressed that “there is no reason for Kyrgyzstan to choose between Russia and the US”⁵³⁴. It seemed that, for the time being, Kyrgyzstan has chosen to pursue a balancing act in between the US and the other regional powers of Russia and China so as to secure her independence from any one of those powers. Despite that Bishkek did sign the joint SCO calling on the US to leave the region, she stepped back and assured the US that the US air base in Manas could stay as long as needed for US operations in Afghanistan⁵³⁵. Regarding Tajikistan, Rice underlined that the US had no intentions of having a military base in Tajikistan for the time being, despite that Russia had already intervened as a security broker in Tajikistan by means of guaranteeing a military base so as to fortify her interests against the US. Moreover, Russian Foreign Minister Sergei Lavrov did also hold a recent tour to both Turkmenistan and Uzbekistan, which Condoleezza Rice skipped during her visit to Central Asia. Russian Foreign Minister’s tour was evaluated as a maneuver to bolster ties with the region’s two important states in the eve of deteriorating of relations with that of the US. During the visit, Lavrov emphasized Russia’s respects to Ashgabat neutrality as a result of which Niyazov assured Russia that they would take the Russian interests into account in pursuing relations with the third parties. Moreover, Lavrov stressed that need for the littoral states to ensure Caspian Basin security “without the involvement of third countries” and offered Turkmenistan to attend the Caspian Basin Security Force (CASFOR)⁵³⁶. In addition to that, on November 14, 2005, Russia and

⁵³⁴ “Rice Attempts to Secure US Influence in Central Asia”, October 17, 2005, electronic document retrieved March 6, 2006 from http://www.pinr.com/report.php?ac=view_report&report_id=382&language_id=1

⁵³⁵ Gulnoza Saidazimova, “Bishkek Assures Rumsfeld that the US Air Base Can Stay”, July 27, 2006, electronic document retrieved March 7, 2006 from http://www.eurasianet.org/departments/insight/articles/pp062605_pr.shtml.

⁵³⁶ Sergei Blagov, “Russia Seks to Keep Pressure on United States in Central Asia”, October 25, 2005, electronic document retrieved March 4, 2006 from http://www.eurasianet.org/departments/insight/articles/eav102505_pr.shtml.

Uzbekistan agreed to a mutual security pact that left open the possibility of the establishment of a Russian military base in Uzbekistan. Despite that Russia has already had security agreements with Tajikistan, Kazakhstan and Kyrgyzstan, the mutual defense pact with Uzbekistan goes further as it commits Moscow to the military defense of Uzbekistan if it is attacked by a third country⁵³⁷. It is important to note that the efforts on the part of the Russian foreign policy-makers to develop a new blueprint for dealing with the former Soviet states accelerated after a mid-August 2005 meeting between Georgia and Ukraine, as a result of which was announced a plan to create the “Commonwealth of Democratic Choice” that would unite “all democratic states in the Baltic, Black Sea and the Caspian Sea regions”⁵³⁸. The United States seeks to ground the newly independent democratic states of Southeast Europe and the former Soviet Union in Euro-Atlantic institutions, beginning with the entrance of Romania and Bulgaria into the European Union by 2007 and continuing with invitations to Albania, Croatia, Georgia and Ukraine to join NATO before the end of the decade. Besides, the sustainability of the “Trans-Caucasian energy routes” combined with the resolution of “frozen conflicts” and “promotion of democratic and market reforms” are also axial in terms of preserving the US sphere of influence in the region⁵³⁹. Moreover, as understood by the visit of Azerbaijani Foreign Minister to Washington right after the Uzbekistani eviction note, it is argued that the Washington strategy would be turning towards prioritization of strategic engagement in the Caucasus at first hand, which is accompanied by a further stress on the strategic entanglement in the “Greater Black Sea Region” as a standoff between Russia and China⁵⁴⁰. Drawing upon NATO 2004 Istanbul Summit’s designation of the

⁵³⁷ Erich Marquardt, “Uzbekistan’s New Foreign Policy Strategy”, December 6, 2005, electronic document retrieved March 7, 2006 from http://www.eurasianet.org/departments/articles/pp120605_pr.shtml; Igor Torbakov “Uzbekistan Emerges as Russia’s new Strategic Bridgehead in Central Asia”, December 14, 2005, electronic document retrieved March 3, 2006 from http://www.eurasianet.org/departments/insight/articles/eav121405_pr.shtml; Sergei Blagov, “Uzbekistan and Russia Sign Mutual Defense Pact”, November 15, 2005, electronic document retrieved March 5, 2006 from <http://www.eurasianet.org/departments/insight/articles/eav111505=pr.shtml>.

⁵³⁸ Igor Torbakov, “Russia Adapts Policy to Address Rift within CIS”, September 12, 2005, electronic document retrieved March 6, 2006 from http://www.eurasianet.org/departments/insight/articles/eav091205_pr.shtml.

⁵³⁹ Bruce P. Jackson, “The Soft War for Europe’s East”, *Policy Review*, no. 137, June-July 2006, electronic document retrieved March 8, 2006 from <http://www.policyreview.org/137/jackson.html>.

⁵⁴⁰ “Uzbekistan Casts out America: Setback or Opportunity for Washington?”, *Strategic Comments*, vol. 11, no.6, August 2005, electronic document retrieved March 6, 2006 from <http://www.iiss.org/publications/strategic-comments/past-issues/volume-11---2005/volume-11-issue->

“Black Sea Region” as a “soft belly” in terms of Euro-Atlantic security and determination of the region, specifically with the advancement of Romanian and Bulgarian NATO membership, as the new deployment sites for the coming NATO exercises, it is likely that American geo-strategy cultivates the seeds of new polarization amongst the states of Eurasia.

At the backdrop of such developments, Russian moves to consolidate her sphere of influence in Central Asia boosted. Within this regard, the Russia-China relationship reached its historic moment, when the two powers engaged in their first bilateral contingency exercises, called Peace Mission 2005, which consisted of sea, land and air maneuvers. Peace Mission 2005 served to boost up Sino-Russian military cohesion, sending a strong signal or a warning to the Central Asian states of the SCO in case they shift their foreign policies toward the West⁵⁴¹. Distressed by the consolidation of Sino-Russian strategic entente behind the closed doors of the SCO with a visible anti-US flavor, American officials are also debating an alternative to the SCO, in which the supposed participation of India and Pakistan would help prevent the further expansion of the SCO⁵⁴². Regarding the US proposal, the speaker of the Russian Parliament Boris Gryzlov stated the Russian objection to the proposal to create in Central Asia an organization parallel to the SCO by arguing that “it is not possible to fight terrorism and drug-trafficking in the region without the participation of the regional powers”⁵⁴³. On a similar axis, Putin rejected the claims that the SCO was actually emerging as a rival military bloc to the Western-led NATO⁵⁴⁴. Nevertheless, it is already a well-acknowledged fact that NATO’s eastern expansion and the US’s unilateral expansion of her defense parameter under the “global war against terrorism” are sources of great distress on the part of both Russia and China. Russian Deputy Foreign Minister, Vladimir Chizhov stated in one interview with Interfax that Russia was actually concerned about

6/uzbekistan-casts-out-america.; Mitat Çelikpala, “Karadeniz’de Yeni Bölgesel Kurgu”, *Cumhuriyet Strateji*, no. 104, June 2006, pp. 22-23.

⁵⁴¹ Arun Sahgal & V. K. Anand, “China and Russia, the New Shooting Stars“, September 9, 2005, electronic document retrieved March 6, 2006 from http://www.atimes.com/atimes/Central_Asia/GI09Ag01.html.

⁵⁴² Alexander Shlyndov (2006), “Certain Aspects of Russian-Chinese...”, p. 70.

⁵⁴³ “Russia, China close ranks in Central Asia”, May 31, 2006, electronic document retrieved June 2, 2006 from http://www.chinadaily.com.cn/china/2006-05/31/content_604635.htm.

⁵⁴⁴ “Putin takes Swipe at US Policy in Central Asia”, June 16, 2006, electronic document retrieved June 18, 2006 from http://www.chinadaily.com.cn/world/2006-06/16/content_618704.htm.

the fact that NATO has indeed retained some of its Cold War functions during the ongoing process of NATO's transformation⁵⁴⁵. Against this background of developments, which looks like an encirclement strategy towards both Russia and China, the further institutionalization of the SCO in the Central Asian region might be inevitable. The signing of China-Turkmenistan strategic cooperation (Turkmenistan preserves its neutral stance) agreement before the June 2006 SCO Summit is a further harbinger of such a process as China and Russia are both aware of the fact that they can not pursue their strategic objectives without the full collaboration of all Central Asian states. Hence, it seems like the two states have already put an eye on Turkmenistan and eventually, the SCO's scope of extension has been specified towards incorporating Turkmenistan⁵⁴⁶. Hence, given Central Eurasia's de facto division between the South Caucasus and the Central Asian states according to strategic requirements of America, and Russia and China, respectively, the regional politics would likely to be reordered as it was before the September 11, but this time even more militarized and institutionalized.

5.3. Concluding Remarks

Before coming to office, the Bush Administration's prospective strategic orientation was rather obvious given Defense Planning Guidance Report prepared under Wolfowitz by the Department of State that articulated the foremost US foreign policy objective of the United States as to preserve the US military superiority and to prevent the re-emergence of a new rival on the territory of the former Soviet Union and elsewhere. Despite that the preliminary outlook regarding scope and intensity of relations with the Central Eurasian states was not certain, a drastic change vis-à-vis the relations with Russia was anticipated as the Bush Administration seemed to abandon the accommodationist policy of the Clinton Administration for a more confrontational approach. Moreover, this was not constrained with Russia per se, but rather it reflected a concrete shift in the fundamental ethos of US strategic posture vis-à-vis the world affairs as evident from entrenchment of unilateralist tendencies in rhetoric accompanied by repudiation of a set of international agreements and by disregard to supra-national institutions. Such a shift was only perpetuated in the aftermath of the 9/11, which under the legitimate cause of "the global war against terrorism" empowered the US strategic and military encroachment in

⁵⁴⁵ Interview with Russian Deputy Foreign Minister Vladimir Chizhov, "NATO has retained some of its Cold War Functions", April 1, 2004, electronic document retrieved March 8, 2006 from http://www.interfax.ru/e/B/0/29.html?mode=9&title_style=exclus&others=2&id_issue=9685493.

⁵⁴⁶ Barış Adıbelli, "ŞİO'de Kurumsallaşma Kararı", *Cumhuriyet Strateji*, no. 104, June 2006, pp. 12-14.

the Central Eurasian region to the detriment of the regional balance of power. Both the official defense, security and energy strategies of the US served the purpose of further penetration into the region without even abiding by the international law and the military-strategic aspects of domination under the Bush administration outpaced the economic aspects of strategic engagement that reinforced the downplay of the US power with an increasing level of outcry from the opposition fronts (Sino-Russia strategic entente) and also that nourished the evils of extremism and intra-regional conflicts despite the relentless efforts of the former to extend democracy through “internally induced regime change”.

CONCLUSION

The US Central Eurasian Policy since the early 1990s has developed rather in an ad hoc manner as part of the general component of reformulating the foreign policy and strategic priorities for the next phase of inter-state system. It is only in the aftermath of the 1995, the US regional policy gained a strategic momentum as the first Caspian energy deals were contracted simultaneously with the solidification of strategic and military engagement in the region when Europe put the Trans-Caspian on its agenda through the OSCE and when at the time, NATO was elicited the military executor mission for peacekeeping activities in the region at the backdrop of the changing strategic posture of NATO. It was decided, by then, that Europe would not be totally secure unless the Caucasus was left behind. Hence, the extension of European democratic zone to the former Warsaw Pact space in general by means of integrating the region into western political and security mechanisms and institutions became the norm, in the center of which the US was to remain a predominant military actor in the Mediterranean and the Greater Middle East.

Such super-structural change in the political and security realm was also being accompanied and even deepened as the pipeline politics in the Caspian region became hostage to geopolitical interests at first hand. The proposed Eurasian corridor that bypassed both Russia and Iran was primarily motivated by geo-strategic calculations so as to curb the political influence of the regional powers in the Caspian. Thus the Mediterranean security became also crucial in terms of safe and reliable delivery of Caspian offshore energy resources to the European markets. Hence, energy security and national security concerns were intricately intertwined with each other so that all mechanisms of inter-state relations were utilized to serve the requirements of the geopolitical map portrayed by the Euro-Atlantic unity and spirit. The September 11 events did only intensify the scope of the US strategic engagement in the region by a much more unilateralist attitude adopted by the former, which culminated in increasing speed of militarization and polarization along alternative schemes of cooperation, in the posture of the SCO versus the NATO. Behind this overall picture, in recent years it appears as if there exists no difference at all between the US Caspian Energy policy and the US military and security policy vis-à-vis the Central Eurasian region as Russia became downgraded from its pre-eminent role in

the US foreign policy under the Bush Administration and China was designated as a strategic competitor, the deeds and acts of which were indicted on behalf of the latter's militaristic profile and increasing influence in the East, Southeast and the Central Eurasian region.

Under the light of these developments, some crucial points might be observed regarding the likely outcome of US strategic engagement in the region, which could produce mutually inconsistent results vis-à-vis the prospect of relations between Russia and China; and also with regards the future position of Caspian energy output in the global energy market. Primarily, the Central Eurasian region still suffers from lack of a truly multi-lateral framework of political and economic cooperation that involves each party, extending from Russia, China, Iran to Asia Pacific states into its scope that would turn the prevailing zero-sum game of geopolitical competition into a real win-win situation⁵⁴⁷. Despite that the US did declare the region a zone of free competition with no spheres of influence so as to optimize a "win-win" situation for all parties involved, it was for certain from the beginning that both the rules of energy development and the considerations for strategic pipeline routes were indeed intermingled with geopolitical priorities of the influential international actors in the first place. Hence, the US endeavor of curbing the influence of either Russia and China or Iran over the NIS has indeed slowed down the pace of energy development in the region and also to the contrary of the US primary objective, has retarded the process of political and economic independence of energy-rich Central Eurasian states. The overwhelming effect of geopolitical interests of the US over the economic ones did indeed make the issue of energy development in the region a hostage to US's long-term grand strategy of integrating the region within the western sphere of influence. Moreover, that most of the strategic pipeline routes from the region do actually target the western markets has actually disregarded the potential of growing Asian markets and also has excluded some influential Asian regional powers from the scene. Nevertheless, it is the Asian markets as a whole that will actually be the determinant factor over the future global demand and supply equation. Against this fact, however, the stiff international competition for influence and market shares between different actors with distinct geopolitical agendas only shadows the commonality of problems deriving from the concern over energy security towards forging an encompassing "energy regime" that would serve the interests of both the producing and

⁵⁴⁷ See Niklas Swanström, "An Asian Oil and Gas Union: Prospects and Problems", *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, pp. 81-97.

consuming nations⁵⁴⁸. Given the increasing speed of depletion of world energy supplies at the outset of aggravation of industrial expansion and harsh economic growth, the intense struggle over scarce resources only besets and perpetuates the complexities of energy dilemma with further geopolitical competition.

The only remedy, against this background, is to deepen energy cooperation beyond political interests and historical enmities. One organization that might have the capacity to initiate such cooperation over energy might be the SCO if only Russia and China could leave aside their distinct interpretations of the organization so as to gain a strategic leverage over Eurasia and if only some other energy consumers and producers such as South Korea, Japan, and even Taiwan; and also Iran are to be included under the prospected umbrella framework for energy coordination⁵⁴⁹. As mentioned in the previous chapters, despite that the SCO has institutionalized as a rather influential regional cooperation mechanism in Central Asia, either China or Russia has distinct geopolitical interests in the region and both are competing for influence and market shares, thus occasionally address and utilize the SCO in checking upon mutual efforts at extending respective spheres of influence to the detriment of the other party. Within this respect, Russia's efforts at re-consolidating the solidarity and unity under the aegis of the CIS and other cooperative schemes appear rather ambitious, which has been only increased under Putin Administration. Nevertheless, looking from the prism of energy issue only, a well-defined energy cooperative regime, initiated under the auspices of the SCO would politically, provide the each party in concern with increased energy diversification and increased energy security through the diversified supply sources of Russia, Central Asia and Iran; and economically, marketization of Central Asian and Russian energy resources to the Northeast and Far East Asia by skipping the reliance on waterways and Middle Eastern oil would decrease the economic costs for the regional economies as well as increase investments in the economically weaker Central Asian states and Russia⁵⁵⁰.

⁵⁴⁸ Ibid. p. 81-84.

⁵⁴⁹ Ibid. p. 92.

⁵⁵⁰ Ibid. p. 87-89.

Moreover, the United States, Europe and Russia could help diversify the global energy supply by creating a “Global Strategic Petroleum Reserve”, filled largely with oil from Russia and other states in the Caspian basin⁵⁵¹. This would grant Russia and the Central Asian nations “preferred status” as energy suppliers, which would actually bless them with a public role as partners in global energy security as those Asia-Pacific economies outside the OECD would be anchored into a system of positive-sum arrangement that utilizes shared energy security interests of China and the other East Asian countries with that of Russia and the West⁵⁵². Eventually, the causal relationship, in the Central Eurasian region between ethnic conflicts, socio-political unrest and terrorism on the one hand and the socio-economic underdevelopment on the other could by no means be resolved if the pipeline projects are flavored more by geopolitical interests and the world community could not gather in advance for joint action, acting truly on a global level by treating the issue of energy security as a common problem and obligation of all nations.

Ultimately, the end objective should be to prepare the mechanisms for transforming into “post-petroleum economy”⁵⁵³, which does not mean the total disappearance of petroleum from being an important component of industrial sustainability; but a phase to phase reduction of imported petroleum in national economies by means of encouraging international cooperation in the development of alternative fuels and transportation systems. This objective seems to be curtailed to a large extent by the “Grab the Oil Strategy” of the United States, devised by the NEPDG. On a parallel logic, “economization of national security policies”⁵⁵⁴ of each state for accessing to greater shares of raw materials produces the worst scenario of likely outcome of “resource wars” in the near future. As in Robert Freeman’s words, “energy reconfiguration policy”, as an alternative to “Grab the Oil Strategy” would denote increasing efficiency, reducing consumption, and building sustainable, long-term alternatives in every industrial and commercial

⁵⁵¹ David L Goldwyn,, “The United States, Europe, and Russia: Toward a Global Energy Security Policy”, *East West Institute Policy Brief*, vol. 1, no.5, August 2002, electronic document retrieved May 11, 2006, from http://www.goldwyn.org/downloads/us_europe_russia_toward_a_global_energy_security_policy.pdf

⁵⁵² Ibid.

⁵⁵³ Michael T. Klare (2004), *Blood and Oil*.....pp. 197-201.

⁵⁵⁴ Term is used by Michael Klare in Michael T. Klare (2002), *Resource Wars*...p. 8.

process in which the economy uses petroleum⁵⁵⁵. This could only be achieved under the leadership of a truly “benevolent hegemon”, the USA, which is ready to collaborate with other parts of the world, particularly Europe, Japan, Russia and China in the development of energy-saving technologies. In the national security realm, energy reconfiguration policy would also reduce the scope of expensive and extensive military entanglement in the overseas for oil procurement; thus mitigates to a large extent the distress and outcry against Pax Americana by the so-called regional and domestic opponents.

Regarding broader security concerns, since the transformation NATO Summit of Prague, the Alliance’s strategic posture was much more consolidated as the issues of standardization of new capabilities and mechanisms to reach out to more expansive scope of missions were being realized together by inaugurating institutional co-optation mechanisms such as the PfP program, Mediterranean Dialogue and the Gulf Cooperation Council to integrate the partner countries into western security cooperation schemes. These are effective achievements to the extent that such instruments serve the purpose of encouraging those states in the Greater Middle East to develop mutual security mechanisms for their common defense in the end. The United States should only be there insofar as it contributes to a multilateral force under the UN, which is also true for the Central Eurasian region. The United States should act conjointly with NATO and also the SCO to enhance the military capabilities of the region’s states to defend themselves against any political turmoil or extremism. Rather than relying upon bilateral terms of strategic-military cooperation, the relations with the Central Eurasian states- to the extent that it is evaluated on the grounds of broader security concern over the Greater Middle East and Greater Central Asia- should be handled via both NATO and the SCO simultaneously. Within this regard, NATO should expand ties with Russia beyond the Russia-NATO Council, so as to act together during peacekeeping exercises and joint maneuvers against terrorism. Even such a mechanism could be developed vis-à-vis China as well, which through the means of SCO could be included in joint exercises in the region so that she is granted a public mission to contribute to global security issues as a true partner. The states of the Central Eurasian region should definitely be incorporated into an “amalgamated structure” of security cooperation in which both Russia and

⁵⁵⁵ Robert Freeman, “Will the End of Oil Mean the End of America?”, March 1, 2004, electronic document retrieved April 15, 2006 from <http://www.commondreams.org/views04/0301-12.htm>

China would be ascribed a leverage to contribute to the socio-political and security malaise of the Central Eurasia together with the United States.

This is what is actually meant by “recasting the international order towards multi-polarity”⁵⁵⁶ under the associative leadership of America, in which both commitments, responsibilities and capabilities could be shared vis-à-vis distinct geographical alliances that do have a respect for international institutions such as the UN in their own right, where decisions about the fate of the world community would be given cooperatively with taking the consent of each and every party in concern. This would not mean to deny the supremacy of the United States of America; nevertheless, it would certainly mean a shift in the way of her management of international affairs, coupled with a change in her understanding of different social models of development even though they appear in distance to American or Euro-Atlantic style of liberal capitalism. This would necessitate more than stipulating the geo-cultural hostility between civilizations that was eventually legitimized by the global war on terrorism or by benefiting from the illusionary post 9/11 atmosphere of cooperation by cultivating the seeds of strategic entente with either Russia or China merely in terms of joint actions and interests and only insofar as they do not divert from the American path so as to consolidate their geopolitical power in East, Southeast and Central Eurasia. In Robert Freeman’s words, this is a choice about the fundamental ethos and the very nature of the coming international order, the world myth the US envisioned. It is about the choice of cooperation versus dominance; and eventually it is about the choice of hope, freedom, and purpose over fear, dependency and despair⁵⁵⁷. And the Central Eurasian region could definitely be the bellwether of international cooperation in all terms in the coming world order if only the world community does expect more than a mere ascendancy of international systems from multi-polarity to unipolarity in the end; and if only it does not want history to recur itself by means of a renewed course of stiff geopolitical rivalry and historical enmity, prevailing through the ages.

⁵⁵⁶ See ref. 379.

⁵⁵⁷ Robert Freeman, “Will the End of Oil Mean the End of America?”, March 1, 2004, electronic document retrieved April 15, 2006 from <http://www.commondreams.org/views04/0301-12.htm>

REFERENCES

A National Security Strategy for a New Century, December 1999, White House; Washington D.C., electronic version retrieved February 18, 2006 from http://www.dtic.mil/doctrine/jel/other_pubs/nssr99.pdf.

Abizaid, John P., "United States Central Command Posture for 2005", Statement of United States Army Commander before the House Armed Service Committee, Washington D.C., March 2, 2005, electronic document retrieved on May 11, 2006 from <http://www.defenselink.mil/dodgc/olc/docs/test05-03-02Abizaid.doc> on May 11, 2006.

Adams, Terry, "Caspian Hydrocarbons, the Politicization of regional pipelines, and the Economic destabilization of the Caucasus" *Caucasian Regional Studies*, vol. 5, no.1, 2000, electronic version retrieved March 11 2005, from http://www.ciaonet.org/olj/crs/crs_2000/crs00_adt01.html.

Adıbelli, Barış, "ŞİÖ'de Kurumsallaşma Kararı", *Cumhuriyet Strateji*, no. 104, June 2006, pp. 12-14.

Afrasiabi, Kavan L., "China Rocks the Geopolitical Boat with Iran Oil Deal", December 2, 2004, electronic document retrieved March 3, 2006 from http://www.atimes.com/atimes/Middle_East/FK06Ak01.html.

Ahrari, Ehsan, "China according to the Pentagon", July 21, 2005, electronic document retrieved March 3, 2006 from <http://www.atimes.com/atimes/China/GG21Ad02.html>

Alam, Shah, "Pipeline Politics in the Caspian Sea Basin", *Strategic Analysis: A Monthly Journal of IDSA*, vol. 26, no. 1, January-March 2002, electronic version retrieved March 11, 2006 from http://www.ciaonet.org/olj/sa/sa_jan02als01.html

Alekperov, Gourban, "Energy Resources of the Caspian Region and the Significance of Turkey for Europe's Energy Security", *The Quarterly Journal*, vol. 3, no. 3, September 2004, pp. 115-123.

Allison, Roy, "Strategic Reassertion in Russia's Central Asia Policy", *International Affairs*, vol. 80, no. 2, 2004, pp. 277-293.

Amineh, Medhi P. & Houweling, Henk (eds.), *Central Eurasia in Global Politics: Conflict, Security and Development*, Brill Academic Publishers; Leiden, 2005.

Amineh, Mehdi P., *Towards the Control of Oil Resources in the Caspian Region*, St. Martin's Press; New York, 1999.

Annual Report to Congress on the Military Power of the People's Republic of China, July 2005, Office of the Secretary of Defense; Washington D.C. Electronic version accessed at <http://www.defenselink.mil/news/July2005/d20050719china.pdf>.

Antonenko, Oksana, "Russia's Foreign and Security Policy in Central Asia: the Regional Perspective", *Russian Regional Perspectives Journal*, vol. 1, no. 2, electronic version retrieved March 4, 2006 from <http://www.iiss.org/publications/russian-regional-perspectives-journal/volume-1---issue-2/russias-foreign-and-sec-policy-in-cen-asia>

Aras, Bülent, "The Caspian Region and Middle East Security", *Mediterranean Quarterly*, vol. 13, no. 1, Winter 2002, pp. 86-108.

Aras, Bülent, *The New Geopolitics of Eurasia and Turkey's Position*, Frank Cass Publishers; London, 2002.

Babington, Deepa, "ChevronTexaco Warns of Global Bidding War", February 16, 2005, retrieved March 2, 2006 from <http://www.energybulletin.net/4354.html>

Bahgat, Gawdat, *American Oil Diplomacy in the Persian Gulf and the Caspian Sea*, University Press of Florida; Gainesville, FL, 2003.

Bakshi, Jyotsana, "Shanghai Cooperation Organization (SCO) before and after September 11", *Strategic Analysis: A Monthly Journal of IDSA*, vol. 26, no. 2, April-June 2002, electronic version retrieved March 11 2005, from http://www.ciaonet.org/olj/sa/sa_apr02baj01.html.

Barnes, Joe, "US Interests in the Caspian Basin: Getting beyond the Hype", Baker Institute Working Paper, 1997, electronic document retrieved April 25, 2006 from <http://www.bakerinstitute.org/Pubs/studies/barnes/uscaspianinterest.html>.

Barnett, Thomas P.M., *The Pentagon's New Map: War and Peace in the Twenty-First Century*, G.P. Putnam's Sons; New York, 2004.

Barylski, Robert V., "Russia, the West, and the Caspian Energy Hub", *Middle East Journal*, vol. 49, no. 2, Spring 1995, pp. 217-232.

Berman, Ilan, "The New Battleground: Central Asia and the Caucasus", *The Washington Quarterly*, vol. 28, no. 1, Winter 2004-2005.

Bhadrakumar, M. K., "China, Russia welcome Iran into the fold", April 18, 2006, electronic document retrieved April 24, 2006 from <http://www.atimes.com/atimes/China/HD18Ad02.html>

Biscop, Sven, "NATO, ESDP and the Riga Summit: No Transformation without re-equilibration", Egmont Paper 11, Royal Institute for International Relations; Brussels, May 2006, electronic document retrieved May 11, 2006 from <http://www.irri-kiib.be/paperegm/ep11-v1.pdf>.

Blagov, Sergei, "Nazarbayev and Putin pledge "God-Given" Friendship", January 19, 2005, electronic document retrieved December 16, 2005 from http://www.eurasinet.org/departments/business/articles/eav011905_pr.shtml.

Blagov, Sergei, "Russia Resisting proposed Trans-Caspian Pipeline", March 28, 2006, electronic document retrieved May 2, 2006 from <http://www.gasandoil.com/goc/news/ntc61669.htm>.

Blagov, Sergei, "Russia Seeks to Keep Pressure on United States in Central Asia", October 25, 2005, electronic document retrieved March 4, 2006 from http://www.eurasianet.org/departments/insight/articles/eav102505_pr.shtml.

Blagov, Sergei, "Russo-Azerbaijani Deal on Caspian Encourages Putin's Ambitions", November 25, 2002, electronic document retrieved March 3, 2006 from <http://www.eurasianet.org/departments/business/articles/eav092502.shtml>.

Blagov, Sergei, "The Geopolitical Balance in Central Asia tilts toward Russia", July 6, 2005, electronic document retrieved March 2, 2006 from http://www.eurasianet.org/departments/insight/articles/eav070605_pr.shtml.

Blagov, Sergei, "Uzbekistan and Russia Sign Mutual Defense Pact", November 15, 2005, electronic document retrieved March 5, 2006 from <http://www.eurasianet.org/departments/insight/articles/eav111505=pr.shtml>.

Blagov, Sergei, "With Eye on US, Russia Bolsters Central Asia Presence", June 22, 2004, electronic document retrieved March 1, 2006 from http://www.eurasianet.org/departments/insight/articles/eav062204a_pr.shtml.

Blagov, Sergei, "Russia Bends to get Turkmen Gas", January 9, 2003, electronic document retrieved March 2, 2006 from http://www.atimes.com/atimes/Central_Asia/EA09Ag01.html.

Blank, Stephen J., "Putin's Twelve Step Program", *The Washington Quarterly*, vol. 25, no. 1, Winter 2002, pp.147-160.

Blank, Stephen J., "American Grand Strategy and the Trans-Caspian Region", *World Affairs*, vol. 163, no. 2, Fall 2000, pp. 65-79.

Blank, Stephen J., "China, Kazakh Energy, and Russia: An Unlikely Menage a Trois", *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, pp. 99-109.

Blank, Stephen J., "Energy, Economics and Security in Central Asia: Russia and its Rivals", *Central Asian Survey*, vol. 14, no. 3, 1995, pp. 373-406.

Blank, Stephen J., "Every Shark East of Suez: Great power interests, policies and tactics in the Trans-Caspian energy wars", *Central Asian Survey*, vol. 18, no. 2, 1999, pp. 149-184.

Blank, Stephen J., "Russia Looks to build a new Security System in Central Asia", April 1, 2006, electronic document retrieved March 3, 2006 from http://www.eurasianet.org/departments/insight/articles/eav010406_pr.shtml.

Blank, Stephen J., "Russia Mulls Measures to Check Chinese Influence in Central Asia", July 29, 2004, electronic document retrieved March 8, 2006 from http://www.eurasianet.org/departments/insight/articles/eav072904a_pr.shtml

Blank, Stephen J., "The Future of Caspian Security", *Problems of Post-Communism*, vol. 50, no. 1, January-February 2003, pp. 8-21.

Blank, Stephen J., "The United States and Central Asia", in Roy Allison & Lena Jonson (eds.), *Central Asian Security: The New International Context* (pp. 127-151), Brookings Institute Press; Washington D.C., 2001.

Blank, Stephen J., Chow, Edward C. & Kuchins, Andrew, "Can Anyone Save this Marriage? Russo-Chinese Energy Relations", May 25, 2006, electronic document retrieved June 1, 2006 from <http://www.carnegieendowment.org/events/index.cfm?fa=eventDetail&id=891>.

Blum, Doug & Saivetz, Carol, "Fishing in Troubled Waters: Putin's Caspian Policy (Transcript)", Event Summary, Belfer Center for International Affairs (BCSIA), May 2, 2001. Electronic document retrieved April 20, 2006 from <http://www.ciaonet.org/bld01/bld01.html>.

Boucher, Richard A., Assistant Secretary of State for South and Central Asian Affairs, "US Policy in Central Asia: Balancing Priorities (Part II)", Statement to the House International Relations Committee; Subcommittee on the Middle East and Central Asia, Washington D.C., April 26, 2006, electronic document retrieved May 6, 2006 from <http://www.state.gov/p/sca/rls/rm/2006/65292.htm>

Boucher, Richard A., Assistant Secretary of State for South and Central Asian Affairs, "Pursuing Peace, Freedom and Prosperity in South and Central Asia", Remarks before the Senate Foreign Relations Committee, Washington D.C., February 16, 2006, electronic document retrieved March 4, 2006 from <http://usinfo.state.gov/sa/Archive/2006/Feb/16-460156.html>.

BP, *BP Statistical Review of World Energy, June 2005*, BP; London. Retrieved Nov 15, 2005, from <http://www.bp.com/statisticalreview>

Brady, Linda P., "Working with Allies: Clinton Defense Policy and the Management of Multilateralism", in Stephen J. Cimbala (ed.), *Clinton and Post-Cold War Defense* (Chapter V), Praeger; Westport, 1996

Brill, Martha O., Senior Associate at the Carnegie Endowment for International Peace, "Global Energy Security Issues", Testimony before the US Senate, Committee on Foreign Relations, Washington D.C., April 8, 2003, electronic document retrieved March 6, 2006 from <http://www.carnegieendowment.org/publications/index.cfm?fa=print&id=1233>

Brzezinski, Zbigniew, "Hegemonic Quicksand", *The National Interest*, no. 74, Winter 2003, pp. 5-16.

Brzezinski, Zbigniew, *The Grand Chessboard: American Primacy and its Geostrategic Imperatives*, Basic Books; New York, 1997.

“Bush Promises to “renew bond of trust” between President and Military”, September 23, 1999, electronic document retrieved March 4, 2006 from <http://www.cnn.com/ALLPOLITICS/stories/1999/09/23/president.2000/bush.speech/>

“Bush Urges Kazakhs to pump oil through US-backed Pipeline”, June 12, 2006, electronic document retrieved June 15, 2006 from <http://www.caucaz.com>.

Calder, Kent, “East Asia and the Middle East: A Fateful Energy Embrace”, *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, pp. 5-9.

“Caspian Big Three with Oil Shield: Baku-Tbilisi-Ceyhan is the Most Strategic Caspian Pipeline, Think Russian Investment Companies”, electronic document retrieved March 3, 2006 from http://www.caspenenergy.com/28/2005_01_10_00e.htm.

“Caspian Sea Talks Break Down”, April 24, 2002, electronic document retrieved March 2, 2006 from <http://www.news.bbc.co.uk/1/hi/world/asia-pacific/1948048.stm>.

“Cheney Runs Finger along the Caspian Seabed”, May 7, 2006, electronic document retrieved May 21, 2006 from <http://www.caucaz.com>.

Cheterian, Vicken, “Little Wars and a Great Game: Local Conflicts and International Competition in the Caucasus”, Swiss Peace Foundation Working Paper no. 32, electronic document retrieved March 9, 2006 from <http://www.swisspeace.org/publications/wp/wp32.pdf>

“China in Central Asia”, *The Washington Times*, 23 August 2005, electronic document retrieved March 6, 2006 from <http://www.washtimes.com/op-ed/20050823-091720-3448r.htm>

“China-Kazakhstan Pipeline Starts to Pump Oil”, December 12, 2005, electronic document retrieved March 3, 2006 from http://www.chinadaily.com.cn/english/doc/2005-12/15/content_503709.htm.

Chittarajan, Kalpana, “Abolishing Nuclear Weapons and NATO’s New Strategic Concept”, *Strategic Analysis: A Monthly Journal of IDSA*, vol. 23, no. 9, December 1999, electronic document retrieved March 2, 2006 from http://www.ciaonet.org/olj/sa/sa_99chk01.html.

Christofferson, Gaye, “The Dilemma’s of China’s Energy Governance: Recentralization and Regional Cooperation”, *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, pp. 55-79.

Christopher Pala, “Caspian Pipeline Opens”, *The Washington Times*, December 3, 2001, electronic document retrieved March 3, 2006 from http://hermes-press.com/pipeline_opens.htm.

Clark, Duncan L. & O'Connor, Daniel, "Security Assistance Policy after the Cold War", in Randall B. Ripley & James M. Lindsay (eds.), *US Foreign Policy After the Cold War* (pp. 216-234), University of Pittsburgh Press, 1997.

Clark, Wesley K., "The United States and NATO: The Way Ahead", *Parameters: US Army War College Quarterly*, Winter 1999-2000, electronic document retrieved March 3, 2006 from <http://carlisle.army.mil/usawc/Parameters/99winter/clark.htm>.

Clarke, Michael, "Xinjiang and China's Relations with Central Asia, 1991-2001: Across the Domestic Foreign Frontier", *Asian Ethnicity*, vol. 4, no. 2, June 2003, pp. 207-224.

Clawson, Patrick, "Iran and Caspian Oil and Gas", *Perceptions: Journal of International Affairs*, vol. 2, no. 4, December 1997-February 1998, electronic version retrieved March 2, 2006 from <http://www.sam.gov.tr/perceptions/Volume2/December1997-February1998/clawson.PDF>.

"CNPC Secures PetroKazakhstan Bid", October 26, 2005, electronic document retrieved March 2, 2006 from <http://news.bbc.co.uk/2/hi/business/4378298.stm>

Cohen, Ariel, "Azerbaijani Parliamentary Vote Shapes up as Important Test for US Foreign Policy", October 28, 2005, electronic document retrieved March 4, 2006 from http://www.eurasianet.org/departments/insight/articles/eav102805_pr.shtml.

Cohen, Ariel, "Caspian Fleet Flexes Muscle", May 11, 2002, electronic document retrieved March 2, 2006 from <http://www.eurasianet.org/departments/insight/articles/eav051102.shtml>.

Cohen, Ariel, "Georgian Inauguration complicates US-Russian Relations", January 23, 2004, electronic document retrieved December 16, 2005 from http://www.eurasianet.org/departments/insight/articles/eav012304a_pr.shtml.

Cohen, Ariel, "Iran's Aggressive Moves in the Caspian Basin challenge International Economic and Security Interests", August 14, 2001, electronic document retrieved March 11, 2006 from <http://www.eurasianet.org/departments/business/articles/eav081401.shtml>.

Cohn, Marjorie, "The Deadly Pipeline War: US Afghan Policy by Oil Interests", December 8, 2001, retrieved March 4, 2006 from <http://www.commondreams.org/views01/1208-04.htm>.

Cordesman, Anthony H., CSIS, "The Shifting Geopolitics of Energy: Fuel Choice, Supply and Reliability in the early 21st century", Center for Strategic and International Studies (CSIS); Washington D.C., January 2001, electronic document retrieved Dec 10, 2006, from [http://www.csis.org/media/csis/pubs/shiftinggeoenergy\[1\].pdf](http://www.csis.org/media/csis/pubs/shiftinggeoenergy[1].pdf)

Cornell Caspian Consulting, "The South Caucasus: A Regional Overview and Conflict Assessment", Stockholm, August 30, 2002, electronic document retrieved April 20, 2006 from <http://www.silkroadstudies.org/docs/publications/2004/SIDA.pdf>

Cornell, Svante E., "America in Eurasia: One year later", *Current History*, vol. 100, no. 659, October 2002, pp. 330-336.

Cornell, Svante, "US engagement in the Caucasus: Changing Gears", *Helsinki Monitor*, vol. 16, no. 2, May 2005, pp. 111-119.

Croft, Stuart ; Howorth, Jolyon ; Terrif, Terry & Webber, Mark, "NATO's Triple Challenge", *International Affairs*, vol. 76, no. 3, 2000, pp. 495-518.

Cross, Sharly, "The Question of NATO Expansion: Searching for the Optimal Solution", *Mediterranean Quarterly*, vol. 7, no. 1, Winter 1996, pp. 44-64.

Cutler, Robert M., "Turkey and the Geopolitics of Turkmenistan's Natural Gas," *Review of International Affairs* 1, no. 2, Spring 2003, pp. 20-33, electronic version retrieved March 8, 2006 from <http://www.robertcutler.org/download/html/ar01ria.html>.

Cutler, Robert M., "Central Asia and the West after September 11", in Hall Gardner (ed.), *NATO and the European Union: New World, New Europe, New Threats*, Ashgate; London, 2004, pp. 219-231, electronic version retrieved March 7, 2006 from <http://www.robertcutler.org/download/html/ch03hg.html>.

Cutler, Robert M., "The Caspian Energy Conundrum", *Journal of International Affairs*, vol. 56, no. 2, Spring 2003, pp. 89-102.

Cutler, Robert M., "The Complex Evolution of International Orders and the Current International Transition", *Interjournal Complex Systems*, no. 255, 1999, electronic version retrieved March 1, 2006 from <http://www.robertcutler.org/ar00ijhd.htm>.

Cutler, Robert, "Emerging Triangles: Russia-Kazakhstan-China", January 15, 2004, electronic document retrieved March 4, 2006 from http://www.atimes.com/atimes/Central_Asia/FA15Ag03.html.

Çelikpala, Mitat, "Karadeniz'de Yeni Bölgesel Kurgu", *Cumhuriyet Strateji*, no. 104, June 2006, pp. 22-23.

Daalder, Ivo H. & Lindsay, James M., "The Bush Revolution: the Remaking of America's Foreign Policy", The Brookings Institution, May 2003, electronic document retrieved March 5, 2006 from http://www.yaleglobal.yale.edu/about/pdfs/bush_revolution.pdf

Daoijong, Zha, "China's Energy Security and its International Relations", *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, pp. 39-54.

De Haas, Marcel, "NATO-Russia Cooperation: Political Problems versus Military Opportunities", May 29, 2006, electronic document retrieved June 1, 2006 from http://www.pinr.com/report.php?ac=view_report&report_id=498&language_id=1

Declaration on Establishment of SCO, June 15, 2001; Shanghai, electronic Document retrieved March 11, 2006 from <http://english.scosummmmit2006.org>.

Deffeyes, Kenneth S., *Beyond Oil: The View from Hubbert's Peak*, Hill and Wang; New York, 2005.

Denison, Michael, "Russia's Eurasian Gas Designs and the Trans-Afghan Pipeline", December 18, 2002, electronic document retrieved March 2, 2006 from http://www.cacianalyst.org/2002-12-18_Eurasian_Gas_Russia_TAP.htm

Diba, Bahman A., "Legal Regime of the Caspian", December 3, 2005, electronic document retrieved March 10, 2006 from http://www.iranian.ws/iran_news/publish/article_11239.shtml

Dongfeng, Ren, "The Central Asia Policies of China, Russia and the USA, and the Shanghai Cooperation Organization Process: A View from China", Stockholm International Peace Research Institute, October 2003, electronic document retrieved March 4, 2006 from <http://editors.sipri.se/pubs/CentralAsiaSCO.pdf>

Ebel, Robert E., Director of Energy Program, CSIS, "Geopolitics of Energy into the 21st Century", Address given at IGAD Symposium, Center for Strategic and International Studies (CSIS); Washington D.C., August 16-18, 2002, electronic document retrieved May 11, 2006, from http://www.csis.org/media/csis/pubs/0208_sudanebel.pdf

Ebel, Robert E., Director of Energy Program, CSIS, "Geopolitics of Energy into the 21st Century", Remarks to the Open Forum, Washington D.C., April 30, 2002, electronic document retrieved March 4, 2006 from <http://www.state.gov/s/p/of/proc/tr/10187.htm>

Emadi, Hafizullah, "New World Order or Disorder: Armed Struggle in Afghanistan and United States' Foreign Policy Objectives", *Central Asian Survey*, vol. 18, no. 1, 1999, pp. 49-64.

Energy Information Administration, *Azerbaijan Country Analysis Brief, June 2005*, US Department of Energy; Washington D.C. Retrieved March 6, 2006 from <http://www.eia.doe.gov/emeu/cabs/azerbaijan.html>.

Energy Information Administration, *Central Asia Country Analysis Brief, September 2005*, US Department of Energy; Washington D.C. Retrieved March 6, 2006 from <http://www.eia.doe.gov/cabs/Centasia/Full.html>.

Energy Information Administration, *International Energy Outlook, July 2005*, US Department of Energy; Washington D.C. Retrieved Nov. 11, 2005, from www.eia.doe.gov/oiaf/ieo/index.html.

Energy Information Administration, *Kazakhstan Country Analysis Brief, July 2005*, US Department of Energy; Washington D.C. Retrieved March 6, 2006 from <http://www.eia.doe.gov/cabs/kazak.html>.

Energy Information Administration, *World Oil Transit Chokepoints, November 2005*, US Department of Energy; Washington D.C. Retrieved March 6, 2006 from <http://www.eia.doe.gov/emeu/cabs/choke.pdf>

Engdahl, William F., "America's Geopolitical Nightmare and Eurasian Strategic Energy Arrangements", May 7, 2006, electronic document retrieved May 14, 2006 from <http://www.globalresearch.ca/index.php?context=viewArticle&code=%20EN20060507&articleId=2401>

Escobar, Pepe, "Russia's Liberal Empire", December 18, 2003, electronic document retrieved March 8, 2006 from http://www.atimes.com/atimes/Central_Asia/EL18Ag01.html.

Esenov, Murad, "The Anti-Terrorist Campaign and the Regional Security System", *Russian Regional Perspectives Journal*, vol. 1, no. 2, pp. 26-28, electronic version retrieved March 4, 2006 from <http://www.iiss.org/publications/russian-regional-perspectives-journal/volume-1---issue-2/anti-terrorist-campaign>.

Evans, Michael, "The Continental School of Strategy: The Past, Present and Future of Land Power", Land Warfare Studies Center, Study Paper no.305, June 2004.

Freedman, Robert O., "Russian-Iranian Relations in the 1990s", *Middle East Review Journal*, vol. 4, no. 2, June 2000, electronic version retrieved March 6, 2006 from <http://meria.idc.ac.il/journal/2000/issue2/jv4n2a5.html>.

Fried, Daniel, Assistant Secretary for European and Eurasian Affairs, "A Strategy for Central Asia", Statement before the Subcommittee on the Middle East and Central Asia of the House International Relations Committee, October 27, 2005, electronic document retrieved May 3, 2006 from <http://www.state.gov/p/eur/rls/rm/55766.htm>.

Garamone, Jim, "Frank lists threats facing Central Command", American Forces Press Release, April 13, 2001, electronic document retrieved March 15, 2006 from http://www.defenselink.mil/news/Apr2001/n04132001_200104131.html.

Gelb, Bernard A., "Russian Oil and Gas Challenges", US Congressional Research Service, CRS Report for Congress, January 3, 2006, (RL33212), electronic document retrieved March 6, 2006 from <http://fpc.state.gov/documents/organization/58988.pdf>

Gentry, Brandon J., "The Dragon and the Magi: Burgeoning Sino-Iranian Relations in the 21st century", *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, pp. 111-125.

George W. Bush, "A Period of Consequences", The Citadel, South Carolina, September 23, 1999, electronic document retrieved March 8, 2006 from <http://www.ransac.org/Official%20Documents/U.S.%20Government/White%20House/bush-092399.html>.

"Georgian-Russian Relations Continue to Deteriorate", December 7, 2005, electronic document retrieved March 2, 2006 from http://www.pinr.com/report.php?ac=view_report&report_id=408&language_id=1.

Gleason, Gregory, "The Uzbek Expulsion of US Forces and Realignment in Central Asia", *Problems of Post-Communism*, vol. 53, no. 2, March-April 2006, pp. 49-60.

“Gore 2000 Fact Sheet on George W. Bush’s Foreign Policy”, April 30, 2000, electronic document retrieved March 2, 2006 from <http://www.fas.org/nuke/control/abmt/news/0430-103.htm>.

Gökay, Bülent (ed.), *The Politics of Caspian Oil*, Palgrave Publishers Ltd.; New York, 2001.

Gökay, Bülent, “Introduction: Oil, War and Geopolitics from Kosovo to Afghanistan”, *Journal of Southern Europe and the Balkans*, vol.4, no. 2, 2002, pp.7-13.

Gökay, Bülent, “Pax-Americana: Is it all about oil?”, *Journal of Southern Europe and the Balkans*, vol. 5, no.1, 2003, pp. 83-86.

Goldwyn, David L., “The United States, Europe, and Russia: Toward a Global Energy Security Policy”, *East West Institute Policy Brief*, vol. 1, no.5, August 2002, electronic document retrieved May 11, 2006, from http://www.goldwyn.org/downloads/us_europe_russia_toward_a_global_energy_security_policy.pdf

Goncharenko, Alexander, “Caspian Black Sea Security Challenges and the Regional Security Structures”, *The Quarterly Journal*, vol. 3, no. 2, June 2004, pp. 1-7.

Gosset, David, “Xinjiang and the Revival of the Silk Road”, January 26, 2006, electronic document retrieved March 1, 2006 from <http://www.atimes.com/atimes/China/HA26Ad01.html>

Hannes Adomeit & Anders Aslund (eds.), *Russia versus the United States and Europe- or Strategic Triangle*, Carnegie Moscow Center; Moscow, October 2005, electronic document retrieved March 8, 2006 from http://www.carnegie.ru/en/pubs/books/9479RussiaGMF_eng_Carnegie.pdf on June 1, 2006.

Hill, Fiona, “Pipelines in the Caspian: Catalyst or Cure- all?”, *Georgetown Journal of International Affairs*, Winter-Spring 2004, pp. 17-25, electronic document retrieved May 2, 2006 from <http://www.georgetown.edu/Issues/ws04/hilllocked.pdf>.

Hill, Fiona, “The Great Game: the 2020 Edition”, *The Globalist*, July 12 2002, electronic document retrieved March 1, 2006 from <http://www.brookings.edu/views/articles/hill/20020712.htm>

Hoffman, Stanley, “The High and the Mighty”, *The American Prospect*, vol. 13, no. 24, January 13, 2003, electronic version retrieved March 3, 2006 from <http://www.prospect.org/print/V13/24/hoffman-s.html>

Hoyos, Carola, “Big Oil Warns of Coming Energy Crunch”, August 5, 2005, electronic document retrieved May 3, 2006 from <http://www.energybulletin.net/7676.html>

Hunter, Shireen, “Iran’s Pragmatic Regional Policy”, *Journal of International Affairs*, vol. 56, no. 2, Spring 2003, pp. 133-147.

Igor Torbakov, "Putin in Baku: Changes in Azeri-Russian Energy Relations on the Horizon", February 24, 2006, electronic document retrieved March 1, 2006 from http://www.jamestown.org/edm/article.ph?article_id=2370816.

Interview with Russian Deputy Foreign Minister Vladimir Chizhov, "NATO has retained some of its Cold War Functions", April 1, 2004, electronic document retrieved March 8, 2006 from http://www.interfax.ru/e/B/0/29.html?mode=9&title_style=exclus&others=2&id_issue=9685493

Iskenderov, Mahir & Wall, Tim, "Caspian Sea Disputes Flare, Raising Doubts about oil and gas exploration", October 31, 2001, electronic document retrieved March 9, 2006 from <http://www.eurasianet.org/departments/insight/articles/eav073101.shtml>.

Jackson, Bruce P., "The Soft War for Europe's East", *Policy Review*, no. 137, June-July 2006, electronic document retrieved March 8, 2006 from <http://www.policyreview.org/137/jackson.html>.

Jaffe, Amy, "US Policy towards the Caspian Region: Can the Wish-List be realized?", June 2000, electronic document retrieved January 5, 2006 from http://www.rice.edu/energy/publications/docs/Jaffe_CaspianWishList.pdf

Jensen, Rian & Marquardt, Erich, "The Sino-Russian Romance", March 21, 2006, electronic document retrieved March 21, 2006 from http://www.atimes.com/atimes/Central_Asia/HC21Ag02.html.

Jonathan Elkind, "Economic Implications of the Baku-Tbilisi-Ceyhan Pipeline", in S. Frederick Starr & Svante E. Cornell (eds.), *The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West*, Central Asia-Caucasus Institute and Silk Road Studies; Washington D.C., 2005. pp.39-60, electronic document retrieved March 7, 2006 from <http://www.silkroadstudies.org/BTC.htm>.

Jones, Elizabeth, "US Caspian Energy Diplomacy: What has changed?", Caspian Studies Program, Harvard University, April 11, 2001, electronic document retrieved April 18, 2006 from http://bcia.ksg.harvard.edu/publication.cfm?program=CSP&ctype=event_reports&item_id=78&pv=yes.

Kaczmariski, Marcin, "Russia Creates a New Security System to Replace the CIS", December 21, 2005, electronic document retrieved March 3, 2006 from http://www.pinr.com/report.php?ac=view_report&report_id=416

Kagan, Robert, "Power and Weakness", *Policy Review* 113, June-July 2002, electronic document retrieved May 6, 2006 from http://www.policyreview.org/JUN02/kagan_print.html.

Karon, Tony, "Why US Arrival in Georgia has Moscow Hopping Mad", February 27, 2002, electronic document retrieved March 4, 2006 from <http://www.time.com/time/world/article/0,8599,213413,00.html>.

Kemp, Geoffrey & Harkavy, Robert E., *Strategic Geography and the Changing Middle East*, Brookings Institution Press; Washington D.C., 1997.

Kendell, James M., "Measures of Oil Import Dependence", July 22, 1998, electronic document retrieved January 11, 2006 from <http://www.eia.doe.gov/oiaf/archive/issues98/oimport.html>.

Kenneth Katzman, "Iran: Current Developments and US Policy", US Congressional Research Service, Issue Brief for Congress, April 25, 2003 (IB93033), electronic document retrieved March 13, 2005, from <http://www.fpc.state.gov/documents/organization/23178.pdf>

Kielmas, Maria, "China's Foreign Energy Assets Acquisitions: From Shopping to Free Sale", *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, pp.27-30.

Kiesow, Ingolf, "Quest for Oil and Geostrategic Thinking", *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, pp. 11-17.

Kimmage, Daniel, "SCO: Shoring up the Post-Soviet Status quo", July 9, 2005, electronic document retrieved March 2, 2006 from http://www.eurasianet.org/departments/insight/articles/eav070905_pr.shtml.

Klare, Michael T., "Bush-Cheney Energy Strategy: Procuring the Rest of the World's Oil", January 2004, electronic document retrieved January 11, 2005 from <http://www.commondreams.org/views04/0113-01.htm>

Klare, Michael T., "Global Petro-Politics: The Foreign Policy Implications of the Bush Administration's Energy Plan", *Current History*, vol. 100, no. 652, March 2002, pp.99-104.

Klare, Michael T., "Imperial Reach", April 25, 2005, electronic document retrieved March 3, 2006 from <http://www.commondreams.org/views05/0408-32.htm>.

Klare, Michael T., "No Escape from Dependency: Looming Energy Crisis Overshadows Bush's Second Term", December 2004, electronic document retrieved March 5, 2005 from <http://www.commondreams.org/views04/1208-22.htm>

Klare, Michael T., "The Energy Crunch to Come: Soaring Oil Profits, Declining Discoveries, and Danger Signs", March 2005, electronic document retrieved March 6, 2006 from <http://www.commondreams.org/views05/0322-31.htm>

Klare, Michael T., "The Twilight Era of Petroleum", August 2005, electronic document retrieved October 11, 2005 from <http://tomdispatch.com/index.mhtml?pid=10216>

Klare, Michael T., *Blood and Oil: The Dangers and Consequences of America's Growing Dependency on Imported Petroleum*, Henry Holt and Company; New York, 2004.

Klare, Michael T., *Resource Wars: The New Landscape of Conflict*, Henry Holt and Company; New York, 2002.

Klare, Michael, "The New Geopolitics", *Monthly Review*, vol. 55, no. 3, July-August 2003, pp. 51-56.

Kuniholm, Bruce R., "The Geopolitics of the Caspian Basin", *Middle East Journal*, vol. 54, no. 4, Autumn 2000, 546-571, retrieved May 8, 2002, from Academic Search Premier Database (0026-3141).

Kupchan, Charles A., *The End of the American Era: US Foreign Policy and the Geopolitics of the Twenty-First Century*, Vintage Books; New York, 2002.

Layne, Christopher, "Offshore Balancing Revisited", *The Washington Quarterly*, vol. 25, no. 2, Spring 2002, pp. 233-248.

Lelyveld, Michael, "Kazakhstan: Deal brings Astana closer to Europe's Gas Markets", May 24, 2002, electronic document retrieved March 1, 2006 from <http://www.rferl.org/features/2002/05/24052002102330.asp>.

Lelyveld, Michael, "Russia: Moscow Promoting CIS Integration through Gas Alliance", June 21, 2002, electronic document retrieved March 3, 2006 from <http://www.rferl.org/features/2002/06/21062002155431.asp>.

Lobe, Jim, "Pentagon Reaffirms Globocope Role", March 22, 2005, electronic document retrieved March 4, 2006 from <http://www.commondreams.org/headlines05/0322-05.htm>

Marquardt, Erich, "Uzbekistan's New Foreign Policy Strategy", December 6, 2005, electronic document retrieved March 7, 2006 from http://www.eurasianet.org/departments/articles/pp120605_pr.shtml

Mazarr, Michael J., "Clinton Foreign Policy, R.I.P.", *The Washington Quarterly*, vol. 21, no. 2, Spring 1998, pp. 11-14.

Mazarr, Michael J., "Saved from Ourselves?", *The Washington Quarterly*, vol. 25, no. 2, Spring 2002, pp. 221-232.

McConnell, Artie, "Iran Announces Unilateral Decision to develop Caspian resources", September 4, 2002, electronic document retrieved March 5, 2005 from <http://www.eurasianet.org/departments/business/articles/eav060402.shtml>.

McFaul, Michael, "Russia and the West: A Dangerous Drift", *Current History*, vol. 104, no. 685, October 2005, pp. 307-312.

Michael A. McFaul, "What are Russian Foreign Policy Objectives", Testimony before the House Committee on International Relations, Washington D.C., May 12, 1999, electronic document retrieved March 4, 2006 from <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=424>.

Misra, Amalendu, "Shanghai V and the Emerging Alliance in Central Asia: the Closed Society and its Enemies", *Central Asian Survey*, vol. 20, no. 3, 2001, pp. 305-321.

Monbiot, George, "America's Pipe Dream: A pro-Western regime in Kabul should give the US an Afghan route for Caspian Oil", October 23, 2001, retrieved March 4, 2006, from <http://www.commondreams.org/views01/1023-10.htm>.

Moore, Jeff, "China's Kazakh Prize: The Expert Opinion", August 25, 2005, electronic document retrieved March 8, 2006 from <http://www.atimes.com/atimes/China/GH25Ad01.html>.

Mouwad, Jad, "Oil used as reward- and punishment", May 15, 2006, electronic document retrieved May 21, 2006 from <http://iht.com/articles/2006/05/14/news/pipel.php>.

National Energy Policy, May 2001, National Energy Policy Development Group; Washington D.C. Retrieved March 8, 2006 from <http://www.whitehouse.gov/energy/National-Energy-Policy.pdf>

Nichol, Jim, "Armenia, Azerbaijan, and Georgia: Political Developments and Implications for US Interests", US Congressional Research Service, CRS Issue Brief for Congress, May 9, 2006 (IB95024), electronic document retrieved May 16, 2006 from <http://www.usembassy.it/pdf/other/IB95024.pdf>

Nichol, Jim, "Central Asia: Regional Developments and Implications for US interests", US Congressional Research Service, CRS Report for Congress, June 5, 2006 (RL33458), electronic document retrieved June 12, 2006 from <http://www.fpc.state.gov/documents/organization/68821.pdf>

Nichol, Jim, "Central Asia's Security: Issues and Implications for US interests", US Congressional Research Service, CRS Report for Congress, January 7, 2005 (RL30294), electronic document retrieved May 6, 2006, from <http://www.fas.org/man/crs/RL30294.pdf>

Nimetz, Matthew, "Mediterranean Security after the Cold War" in Nikolaos A. Stavrou (ed.), *Mediterranean Security at the Cross-roads: A Reader* (pp. 45-56), Duke University Press, 1999.

Nunn, S. & Schlesinger, J.R. & Ebel, R.E., "Executive Summary" in *Geopolitics of Energy into the 21st century*, Center for Strategic and International Studies (CSIS); Washington D.C., 2000, retrieved July 9, 2005, from www.csis.org/sei/geopoliticsexecsum.pdf

Nye, Joseph S., "Limits of American Power", *Political Science Quarterly*, vol. 117, no. 4, Winter 2002-2003, retrieved March 6, 2006 from Academic Search Premier Database (00323195).

Olcay, Bülent H., "Russia's Place in NATO", *Eurasian Studies*, no. 22, Spring 2002, pp. 77-86.

Olcott, Martha B., "Central Asia: Common Legacies and Conflicts", in Roy Allison & Lena Jonson (eds.), *Central Asian Security: the New International Context* (pp. 24-69), Brookings Institute Press; Washington D.C., 2001.

Olcott, Martha B., "The Caspian's False Promise", *Foreign Policy*, Summer 1998, pp. 95-113

Olcott, Martha B., "US Policy in Central Asia: Balancing Priorities", Statement before the House International Relations Subcommittee on Middle East and Central Asia, Washington D.C., April 26, 2006, electronic document retrieved April 30, 2006 from MasterFile premier database (AN 32Y4287695027).

Paliashvili, Irina ; Smith, Richard & Danilov, Evgeny, "Caspian Legal Dimension: Investment Risk in South Caspian Delimitation", Presentation given at the International Energy Agency Roundtable on Caspian Oil & Gas Scenarios, Florence, April 15, 2003, electronic document retrieved January 18, 2006 from <http://www.iea.org/textbase/work/2003/caspian/Palias.pdf>

Pannier, Bruce, "Uzbekistan: Departure from Base underlines US-Uzbek Tensions", September 29, 2005, electronic document retrieved March 8, 2006 from http://www.eurasianet.org/departments/insight/articles/pp092905_pr.shtml.

Parker, Geoffrey, *Geopolitics: Past, Present and Future*, Pinter; London, 1998.

Partnership for Peace. Retrieved March 11, 2006 from the United States Joint Forces of Command Web Page, http://www.jfcom.mil/about/fact_pfp.htm.

Peimani, Hooman, "Russia Turns to Iran for Oil Exports", February 11, 2003, electronic document retrieved March 9, 2006 from http://www.atimes.com/atimes/Central_Asia/EB11Ag03.html.

Perovic, Jeronim, "From Disengagement to Active Economic Competition: Russia's Return to the South Caucasus and Central Asia", *Demokratizatsiya*, Winter 2005. Electronic document retrieved April 11, 2006 from http://www.findarticles.com/p/articles/mi_qa3996/is_200501/ai_n13640837.

Porter, Adam, "International Energy Agency Confronts Peak Oil", October 3, 2005, electronic document retrieved March 6, 2006 from <http://www.resourceinvestor.com/pebble.asp?relid=13358>

"Putin Calls for Eurasian Alliance of Gas Producers", December 21, 2002, electronic document retrieved March 3, 2006 from <http://www.gasandoil.com/goc/news/ntc20664.htm>.

"Putin Takes Swipe at US Policy in Central Asia", June 16, 2006, electronic document retrieved June 18, 2006 from http://www.chinadaily.com.cn/world/2006-06/16/content_618704.htm

Quadrennial Defense Review Report, February 6 2006, Department of Defense; Washington D.C., electronic version retrieved May 3, 2006 from <http://www.defenselink.mil/qdr/report/Report20060203.pdf>.

Ramazani, R. K., "Ideology and Pragmatism in Iran's Foreign Policy", *Middle East Journal*, vol. 58, no. 4, Autumn 2004, pp. 549-559.

Ramo, Joshua C., "The Beijing Consensus: Notes on the New Physics of Chinese Power", Foreign Policy Centre; London, 2004, p. 41, electronic document retrieved March 4, 2006 from <http://www.fpc.org.uk/publications/123>.

Rasizade, Alec, "The Mythology of munificent Caspian bonanza and its concomitant pipeline geopolitics", *Central Asian Survey*, vol. 21, no. 1, 2002, pp. 37-54.

Remarks by President Bush at 2002 Graduation Exercise of the United States Military Academy, June 1, 2002; West Point, New York, electronic document retrieved May 4, 2006 from <http://ics.leeds.ac.uk/papers/vp01.cfm?outfit=pmt&requesttimeout=500&folder=339&paper=380>.

"Rice Attempts to Secure US Influence in Central Asia", October 17, 2005, electronic document retrieved March 6, 2006 from http://www.pinr.com/report.php?ac=view_report&report_id=382&language_id=1.

Richard Heinberg, "How to Avoid Oil Wars, Terrorism, and Economic Collapse", August 2, 2005, electronic document retrieved March 7, 2006 from <http://www.energybulletin.net/7552.html>

Rierner, Andrea., "Outside View: NATO after Istanbul", August 10, 2004, electronic document retrieved March 3, 2006 from <http://www.washingtontimes.com/upi-breaking/20040810-013248-9656r.htm>.

Rivera, David W., "Engagement, Containment and the International Politics of Eurasia", *Political Science Quarterly*, vol. 118, no. 1, 2003, pp. 81-106.

Robert Freeman, "Will the End of Oil Mean the End of America?", March 1, 2004, electronic document retrieved April 15, 2006 from <http://www.commondreams.org/views04/0301-12.htm>

Rovshan Ismayilov, "United States Moderation as Azerbaijan's Parliamentary Election Approaches", October 26, 2005, electronic document retrieved March 6, 2006 from http://www.eurasianet.org/departments/insight/articles/eav102605_pr.shtml.

Russia, China close ranks in Central Asia", May 31, 2006, electronic document retrieved June 2, 2006 from http://www.chinadaily.com.cn/china/2006-05/31/content_604635.htm.

"Russia has Misgivings about Shanghai Cooperation Organization", June 20, 2001, electronic document retrieved March 3, 2006 from http://www.eurasianet.org/departments/insight/articles/eav062001_pr.shtml.

"Russia wins Economic Battle with USA launching Blue Stream Natural Gas Project", November 18, 2005, electronic document retrieved March 2, 2006 from <http://english.pravda.ru/russia/economics/9254-bluestream-0>.

Rühle, Michael, "NATO after Prague: Learning the Lessons of 9/11", *Parameters, US Army War College Quarterly*, Summer 2003, pp.89-97, electronic document retrieved March 8, 2006 from <http://www.carlisle.army/usawc/Parameters/03summer/ruhe.pdf>.

Sahgal, Arun & Anand, V. K., "China and Russia, the New Shooting Stars", September 9, 2005, electronic document retrieved March 6, 2006 from http://www.atimes.com/atimes/Central_Asia/GI09Ag01.html.

Saidazimova, Gulnoza, "Bishkek Assures Rumsfeld that the US Air Base Can Stay", July 27, 2006, electronic document retrieved March 7, 2006 from http://www.eurasianet.org/departments/insight/articles/pp062605_pr.shtml.

Shahram Chubin & Jerrold D. Green, "Proceedings of RAND/GCSP Workshop on NATO's New Strategic Concept and Peripheral Contingencies: The New Middle East", July 15-16, 1999, electronic document retrieved March 6, 2006 from http://www.rand.org/pubs/conf_proceedings/2005/CF149.pdf;

Shlyndov, Alexander, "Certain Aspects of Russian-Chinese Collaboration in the International Arena", *Far Eastern Affairs*, vol. 34, no. 2, 2006, pp. 68-81.

Sokolsky, R. & Charlick-Paley, T., "Caspian oil and Energy Security" in *NATO and Caspian Security: A Mission too Far?* (chap.6), electronic document retrieved July 9, 2005, from http://www.rand.org/pubs/monograph_reports/MR1074/mr1074.chap6.pdf

Solana, Javier, "NATO and the Mediterranean", in Nikolaos A. Stavrou (ed.), *Mediterranean Security at the Cross-roads: A Reader* (pp. 35-44), Duke University Press, 1999.

Starr, Frederick S., "A Greater Central Asia Partnership for Afghanistan and its Neighbors", Silk Road Paper; Central Asia-Caucasus Institute, March 2005, Electronic document retrieved March 3, 2006 from <http://www.silkroadstudies.org/new/CACI/strategy.pdf>

Stephen J. Blank, Strategic Studies US Army War College, "Energy and Security Issues in Central Asia", Statement before Committee on House International Relations Subcommittee on the Middle East and Central Asia, Washington D.C., July 15, 2006, electronic document retrieved July 28, 2006 from the MasterFile Premier Database (AN 32Y3882316999).

Steve Le Vine "High Stakes" *Newsweek*, 17 April 1995, p.10

Stulberg, Adam N., "Moving beyond the Great Game: The Geoeconomics of Russia's Influence in the Caspian Energy Bonanza", *Geopolitics*, vol. 10, no. 1, 2005, pp. 1-25.

Sukhanov, Alexander, "Caspian Oil Exports Heading East", February 9, 2005, electronic document retrieved March 2, 2006 from http://www.atimes.com/atimes/Central_Asia/GB09Ag02.html.

Svante E. Cornell, Mamuka Tsereteli & Vladimir Socor, "Geostrategic Implications of the Baku-Tbilisi-Ceyhan Pipeline", in S. Frederick Starr & Svante E. Cornell (eds.), *The Baku-Tbilisi-*

Ceyhan Pipeline: Oil Window to the West, Central Asia-Caucasus Institute and Silk Road Studies; Washington D.C., 2005, pp.17-38, electronic document retrieved March 7, 2006 from <http://www.silkroadstudies.org/BTC.htm>.

Swanström, Niklas, "An Asian Oil and Gas Union: Prospects and Problems", *The China and Eurasia Forum Quarterly*, vol. 3, no. 3, November 2005, pp. 81-97.

Swanström, Niklas, "China and Central Asia: A New Great Game or Traditional Vassal Relations?", *Journal of Contemporary China*, vol. 14, no. 45, November 2005, pp. 569-584.

Talbott, Strobe, Deputy Secretary of State, "A Farewell to Flashman: American Policy in the Caucasus and Central Asia", Address given at the John Hopkins School of Advanced International Studies; Baltimore, Maryland, July 21, 1997, electronic document retrieved March 6, 2006 from <http://www.state.gov/www/regions/nis/970721talbott.html>.

Talyshli, Alman, "Rumsfeld's Baku Trip Stirs Controversy", April 13, 2005, electronic document retrieved March 8, 2006 from http://www.eurasianet.org/departments/insight/articles/eav041305_pr.shtml.

"The Alliance's Strategic Concept", NATO Press Release, April 24, 1999, electronic document retrieved April 20, 2006 from <http://nato.int/docu/pr/1999/p99-065e.htm>.

The GUUAM Group: History and Principles, November 2000, electronic document retrieved March 1, 2006 from <http://www.guuam.org/general/browse.html>.

The National Security Strategy of the United States of America, September 2002, White House; Washington D.C., electronic version retrieved March 8, 2006 from <http://www.whitehouse.gov/nsc/nss.pdf>.

"The Shanghai Cooperation Organization is not an Eastern version of NATO", June 7, 2006, electronic document retrieved March 4, 2006 from http://www.caucaz.com/home_eng/depeches.php?idp=1120.

The Silk Road Strategy Act of 2006, 109th Congress, 2nd Session S. 2749, May 4, 2006. Electronic version retrieved June 1, 2006 from <http://thomas.loc.gov/cgi-bin/thomas>.

Tkacik, John J., "Pentagon Report on Chinese Military Power Deserves Careful Reading", July 27, 2005, electronic document retrieved March 4, 2006 from <http://www.heritage.org/Research/AsiaandthePacific/wm804.cfm>.

Torbakov, Igor "Uzbekistan Emerges as Russia's new Strategic Bridgehead in Central Asia", December 14, 2005, electronic document retrieved March 3, 2006 from http://www.eurasianet.org/departments/insight/articles/eav121405_pr.shtml

Torbakov, Igor, "Putin Faces Domestic Criticism over Russia's Central Asia Policy", February 12, 2002, electronic document retrieved March 8, 2006 from <http://www.eurasinet.org/departments/insight/articles/eav021202.shtml>.

Torbakov, Igor, "Putin in Baku: Changes in Azeri-Russian Energy Relations on the Horizon", February 24, 2006, electronic document retrieved March 1, 2006 from http://www.jamestown.org/edm/article.php?article_id=2370815.

Torbakov, Igor, "Russia Adapts Policy to Address Rift within CIS", September 12, 2005, electronic document retrieved March 6, 2006 from http://www.eurasianet.org/departments/insight/articles/eav091205_pr.shtml

Torbakov, Igor, "Russia focuses attention on Caspian Basin Issues", February 5, 2002, electronic document retrieved March 2, 2006 from <http://www.eurasianet.org/departments/business/articles/eav020502.shtml>.

Torbakov, Igor, "Russia to Flex Military Muscle in the Caspian Sea with an eye on Future Energy Exports", July 31, 2002, electronic document retrieved March 3, 2006 from <http://www.eurasianet.org/departments/business/articles/eav073102.shtml>.

"Transportation is a new Perspective of Kazakhstan: Caspian Exporters lay the Foundation of Strategic Routes to the Countries of Asia-Pacific Region and South East Asia", electronic document retrieved March 3, 2006 from http://www.caspenergy.com/18/transport_e%20.html.

Trofimov, Dmitry, "Russian Foreign Policy Objectives in Central Asia", *Russian Regional Perspectives Journal*, vol. 1, no. 2, pp. 14-16, electronic version retrieved March 4, 2006 from <http://www.iiss.org/publications/russian-regional-perspectives-journal/volume-1---issue-2/russian-foreign-policy-objectives-in-cenasia>

Tully, Andrew, "US: What is Strategy for Bases in Former Soviet Bloc", December 11, 2005, electronic document retrieved March 2, 2006 from http://www.eurasianet.org/departments/insight/articles/pp121105_pr.shtml.

"Turkish President Approves, Samsun-Ceyhan Pipeline set for 2008", May 21, 2006, electronic document retrieved May 25, 2006 from <http://www.today.az/news/business/26358.html>.

"Turkmenistan, China to sign Gas Supply Deal", November 24, 2005, electronic document retrieved March 1, 2006 from http://www.chinadaily.com.cn/english/doc/2005-11/24/content_497576.htm

Tyson, Ann Scott, "Ability to Wage Long War is Key to Pentagon Plan: Conventional Tactics De-emphasized", *Washington Post*, February 4 2006; A01, electronic version retrieved May 1, 2006 from <http://www.washingtonpost.com/wp-dyn/content/article/2006/02/03/AR2006020301853.html>.

US Senior Advisor on Caspian Energy Speaks at Jamestown Forum, March 11, 2005, electronic document retrieved March 2, 2006 from http://jamestown.org/press_details.php?press_id=14

"Uzbekistan Casts out America: Setback or Opportunity for Washington?", *Strategic Comments*, vol. 11, no.6, August 2005, electronic document retrieved March 6, 2006 from <http://www.iiss.org/publications/strategic-comments/past-issues/volume-11---2005/volume-11-issue-6/uzbekistan-casts-out-america>.

Van der Leuw, Charles, *Oil and Gas in the Caucasus & Caspian: A History*, Curzon Press; Richmond-UK, 2000.

Verrastro, Frank A., CSIS Director, "Emerging Global Energy Trends and Their Implications for US Energy Needs, Security and Policy Choices", Testimony before the Committee on Energy and Natural Resources United States Senate, Washington D.C., February 3, 2005, electronic document retrieved March 6, 2006 from <http://www.csis.org/media/csis/congress/ts050203verrastros.pdf>.

Verrastro, Frank A., CSIS Director, "Energy Security in a Changing Global Market Place", Report given at JDA Executive Program, Center for Strategic and International Studies (CSIS); Washington D.C., March 20, 2006, electronic document retrieved June 2, 2006 from http://www.csis.org/media/csis/pubs/032006_verrastros_energy_security.pdf

Wallender, Celeste A., "US-Russian Relations: Between Realism and Reality", *Current History*, vol. 101, no. 658, pp. 307-313.

Wallender, Celeste A., Director of Russia and Eurasia Program-CSIS, "Russian Foreign Policy: The Implications of Pragmatism for US Policy", Testimony to Europe Subcommittee of the House Committee on International Relations, Washington D.C., February 27, 2002, electronic document retrieved March 4, 2006 from http://www.globalsecurity.org/library/congress/2002_hr/wall0227.htm

Wallerstein, Immanuel, "The Eagle Has Crash Landed", *Foreign Policy*, no. 131, July/August 2002, retrieved August 3, 2003 from Academic Search Premier Database (00157228).

Wallerstein, Immanuel, *Geopolitics and Geoculture: Essays on the Changing World System*, Cambridge University Press; Cambridge, 1991.

Weinroad, Bruce W., "The US, NATO and the Mediterranean Region in the twenty-first century" in Nikolaos A. Stavrou (ed.), *Mediterranean Security at the Cross-roads: A Reader* (pp. 89-104), Duke University Press, 1999.

Weinstein, Michael A., "UNOCAL Bid highlights globalist-nationalist conflict", July 20, 2005, electronic document retrieved September 3, 2005 from <http://www.atimes.com/atimes/China/GG20Ad01.html>.

Weinstein, Michael A., "US Quadrennial Review Reveals a Strategy Void", February 15, 2006, electronic document retrieved March 1, 2006 from http://www.pinr.com/report.php?ac=view_report&report_id=441.

Wiarda, Howard J. (ed.), *US Foreign and Strategic Policy in the Post-Cold War Era: A Geopolitical Perspective*, Greenwood Press; Connecticut, 1996.

William Engdahl, "Revolution, Geopolitics and Pipelines", June 30, 2005, electronic document retrieved March 3, 2006 from http://www.atimes.com/atimes/Global_Economy/GF30Dj01.html.

Yermukanov, Marat, "Astana Gets Chinese Trojan for PetroKazakhstan", September 7, 2005, electronic document retrieved March 6, 2006 from http://www.cacianalyst.org/view_article.php?articleid=3634.

Ziyadovs, Taleh, "Europe Hopes to Revive Trans-Caspian Energy Pipelines", February 24, 2006, electronic document retrieved March 2, 2006 from http://www.jamestown.org/edm/article.php?article_id=2370816.