NEW "GREAT GAME" IN CENTRAL ASIA AND CASPIAN REGION

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DECLARATION

I declare that the dissertation entitled "NEW "GREAT GAME" IN CENTRAL ASIA AND CASPIAN REGION" submitted by me for the award of the degree of Master of Philosophy of Jawaharlal Nehru University is my own work. The dissertation has not been submitted for any other degree of this University or any other University.

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We recommend that this dissertation be placed before the examiner for evaluation.

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Prof. Ajay K. Patnaik

Supervisor

Dedicated

To

My Spiritual

Master

And

My Parents

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Chapter I Introduction

CHAPTER I

INTRODUCTION

"I can't think of a time when we've had a region emerge as suddenly to become as strategically significant as the Caspian."

Dick Cheney, 1998

This study will examine the new trend of political, security and economic game which is being played among major powers of the contemporary world to acquire supremacy over the energy and mineral resources of rich Caspian and Central Asian region. It also emphasizes the pseudo efforts of raising helping hands by major powers towards Central Asian countries to get benefits out of it. This proposed study focuses on the shape of new geo-politics and challenges which took place after new emerging political equations of cooperation and struggle for the energy resources in the Central Asia after 9/11, i.e. petroleum, gas pipeline routes and other natural resources. This study will discuss the role of major powers (Russia, China, EU and the United states) in the Central Asian states and Caspian region. The reSearch also examines the changing role of major powers in Central Asian region after 9/11 in accordance with struggle against terrorism and their own political and economical interests. It also takes into account the relationship and competition among major powers which are shaping the new geopolitical processes in the region and which have been affecting the security of all five republics of Central Asia paving the way of co-operation among Central Asian states and Russia. In this regard the study will focuses upon the willingness of Central Asian republic to come together and make collective response towards their own challenges.

Central Asia, to a large extent, is important because of its neighbors. And given the internal weakness of its component states, coupled with the military power of the states surrounding it, there is a clear danger of turmoil in Central Asia adversely affecting Asian security as a whole. The Caspian region is witnessing two types of geopolitical equations on its East and West coasts. On the one hand Caspian geopolitics includes the US, Azerbaijan and Georgia and partly Caspian region is drawn into Caucasian Geopolitics. In Caucasia - Caspian it is Zero Sum game and on the other hand some of Caspian states are having different geopolitical situation. Here engagement with US is not zero sum. US, Europe and NATO engagement in Central Asia- Caspian region is making Russia and Central Asian states closer and co-operative.

Defining the new "Great Game":

The New Great Game is a term used to describe the conceptualization of modern geopolitics in Central Eurasia as a competition between the United States, the United Kingdom and other NATO countries against Russia, the People's Republic of China and other Shanghai Cooperation Organization countries for "influence, power, hegemony and profits in Central Asia and the Transcaucasia. It is a reference to "The Great Game", the political rivalry between the British and Russian Empires in Central Asia during the 19th century.

Central Asia which had been the centre of a Great Game in the 19th century between two great imperial powers, the Russian and the British Empires, today once again finds itself in the midst of a new Great Game between hosts of powers. The birth of five independent Central Asian states has opened opportunities not only for the new states in terms of development but also meant that other states both near and far have now a similar opportunity to interact and develop relations with them. Central Asia's link with the international community has been on the rise. They have become members of international organizations as the Asian Development Bank, International Monetary fund, UNO, OIC, ECO, IAEA, Interpol, WHO. These states were keen to shake off the Russian mantle at the earliest because they were apprehensive that continued linkages would rob their independence of real substance. The fact that these states are land locked also increases the possibility of outside powers to wield influence in this area.

As a result of Soviet disintegration all five republics suffered sharp economic dislocation. They were suddenly cut off from the Centralized command economic structure that had directed their resource allocation, long range planning, investment funding and management. Since independence the resource rich Central Asia states have attracted attention. This area has been the centre of subtle low political activity. Given its economic and strategic importance it became an ideal stage for the new Great Game to unfold. As is evident, Russian hold and linkages continue to be important but other powers such as China, Iran, and USA were all quick to develop stakes in the region. In fact American oil interest in the region reengaged them in Afghanistan; a country which they had casually abandoned after the Cold War objectives of defeating the Soviet Union was more than satisfactorily achieved. Low politics having failed to achieve the desired objective of American control of Central Asian oil and natural gas resources has today taken a more open and intense form with the installation of a friendly if not puppet regime in Kabul and military bases in Central Asian states.

Many authors and analysts view this new "game" as centering on regional petroleum politics. Now, instead of competing for actual control over a geographic area, "pipelines, tanker routes, petroleum consortiums, and contracts are the prizes of the new Great Game". (Mayer and Brysac: 2001, 72)

The Great Game: historical background

The Great Game¹ is a term used for the strategic rivalry and conflicts between the British Empire and the Russian Empire for supremacy in Central Asia. The classic Great Game period is generally regarded as running approximately from the Russo-Persian treaty of 1813 to the Anglo-Russian Convention of 1907. A second, less intensive

¹The term "The Great Game" is usually attributed to Arthur Conolly (1807–1842), an intelligence officer of the British East India Company's Sixtl. Bengal Light Cavalry. It was introduced into mainstream consciousness by British novelist Rudyard Kipling in his novel 'Kim' (1901). (Hopkirk, 1992:01)

phase followed the Bolshevik Revolution of 1917. The Great Game dwindled down after the United Kingdom and Russia became Allies in World War II. From the British perspective, the Russian Empire's expansion into Central Asia threatened to destroy the "jewel in the crown" of the British Empire, India.

From 1813 to 1907 Great Britain and Tsarist Russia were engaged in a strategic competition for domination of Central Asia, known in Britain as "The Great Game", and in Russia as the "Tournament of Shadows." (Germenis, 2006) The British Sea power and base in the Indian subcontinent served as the platform for a push North West into Central Asia, while the Russian Empire pushed into the region from the North. The powers eventually met, and the competition played out, in Afghanistan, although the two never went to war with one another.

The British feared that Russian control of Central Asia would create an ideal springboard for an invasion of Britain's territories in the subcontinent, and were especially concerned about Russia gaining a warm water port. The First and second Anglo –Afghan Wars were attempts to establish British control over the region, and to counter the slowly creeping expansion of Russia. Losing badly both times, the British signed the 1907 Anglo Russian Convention ² which divided Afghanistan between the two powers and outlined the framework for all future diplomatic relations.

The British feared that Afghanistan would become a staging post for a Russian invasion of India, after the Tsar's troops would subdue the Central Asian khanates (Khiva, Bokhara, and Kokand) one after another. The British curbed their

²Signed on August 31, 1907, in St. Petersburg, Russia the Anglo-Russian Convention of 1907 brought shaky British-Russian relations to the forefront by solidifying boundaries that identified respective control in Persia, Afghanistan, and Tibet. This agreement seemingly ended a long-standing struggle for power that had gone on at the expense of lesser-developed regions throughout Central Asia.

ambitions in Afghanistan following the humiliating retreat from Kabul. After the Indian Rebellion of 1857³, successive British governments saw Afghanistan as a buffer state.

Samarkand became part of the Russian Empire three years later and the independence of Bukhara was virtually stripped away in a peace treaty the same year. Russian control now extended as far as the Northern bank of the Amu Darya River. In a letter to Queen Victoria, Prime Minister Benjamin Disraeli proposed "to clear Central Asia of Muscovites and drive them into the Caspian". (Mahajan: 2002, 53). He introduced the Royal Titles Act, which added to Victoria's titles that of Empress of India, putting her at the same level as the Russian Emperor. By the 1890s, the Central Asian khanates of Khiva, Bukhara and Kokand had fallen, becoming Russian vassals. (Chahryar Adle and Irfan Habib, 2003: 153)

With Central Asia in the Tsar's grip, the Great Game now shifted Eastward to China, Mongolia and Tibet. In 1904, the British invaded Lhasa, a preemptive strike against Russian intrigues and secret meetings between the 13th Dalai Lama's envoy and Tsar Nicholas II. The Dalai Lama fled into exile to China and Mongolia. The British were petrified at the idea of a Russian invasion of their crown colony of India, though Russia – badly defeated by Japan and weakened by internal rebellion – could not realistically afford a showdown against Britain there. China, however, was another matter and the run-up to World War I; both Empires were alarmed by Germany's increasing activity in the Middle East, notably the German project of the Baghdad Railway, which would open up Mesopotamia and Persia to German trade and technology.

The Anglo-Russian Convention of 1907 brought a close to the classic period of the Great Game. The Russians accepted that the politics of Afghanistan were solely under

³ The Indian Rebellion of 1857 began as a mutiny of sepoys of the British East India Company's army on 10 May 1857, in the town of Meerut, and soon erupted into other mutinies and civilian rebellions largely in the upper Gangetic plain and central India, with the major hostilities confined to present-day Uttar Pradesh, Bihar, Northern Madhya Pradesh, and the Delhi region. The rebellion posed a considerable threat to Company power in that region,

British control as long as the British guaranteed not to change the regime. Russia agreed to conduct all political relations with Afghanistan through the British. The British agreed that they would maintain the current borders and actively discourage any attempt by Afghanistan to encroach on Russian territory. Persia was divided into three zones: a British zone in the south, a Russian zone in the North, and a narrow neutral zone serving as buffer in between. In regards to Tibet, both powers agreed to maintain territorial integrity of this buffer state and "to deal with Lhasa only through China, the suzerain power". (Hopkirk: 1994, 520)

The Bolshevik Revolution of 1917 nullified existing treaties and a second phase of the Great Game began. The Third Anglo-Afghan War⁴ of 1919 was precipitated by the ruler Habibullah of the then Khan. His assassination successor Amanullah declared full independence and attacked British India's Northern frontier. Although little was gained militarily, the stalemate was resolved with the Rawalpindi Agreement⁵ of 1919. Afghanistan re-established its self-determination in foreign affairs. In May 1921, Afghanistan and the Russian Soviet Republic signed a Treaty of Friendship. The Soviets provided Amanullah with aid in the form of cash, technology, and military equipment. British influence in Afghanistan waned, but relations between Afghanistan and the Russians remained equivocal, with many Afghans desiring to regain control of Merv and Panideh. The Soviets, for their part, desired to extract more from the Friendship Treaty than Amanullah was willing to give. With the advent of World War II came the temporary alignment of British and Soviet interests: in 1940, both governments pressured Afghanistan for the expulsion of a large German non-

⁴Began on 6 May 1919 and ended with an armistice on 8 August 1919. It was a minor tactical victory for the British. For the British, the Durand Line was reaffirmed as the political boundary between the Emirate of Afghanistan and British India and the Afghans agreed not to foment trouble on the British side. In the aftermath, the Afghans were able to resume the right to conduct their own foreign affairs as a fully independent state.

³In this agreement the United Kingdom recognized Afghanistan's independence, agreed that the British Indian Empire would never extend past Khyber Pass, and stopped British subsidies to Afghanistan. The Treaty of Rawalpindi is celebrated on Afghan Independence Day, August 19 as part of the Great Game between the Russians and the British that made Afghanistan a buffer zone between their Empires.

diplomatic contingent, which both governments believed to be engaging in espionage. Afghanistan complied in 1941. With this period of cooperation between the USSR and the UK, the Great Game between the two powers came to an end.

With the emergence of the Central Asian countries the New Great Game was started. The game has been playing among the regional and extra-regional players. China and Russia have been continuously trying to maintain their influence in the region. The New Great Game in Central Asia also refers to describe the geopolitics of pipelines. The Great Game was the political rivalry between the British and Russian Empires in Central Asia during the 19th Century. The New Great Game is a new term used to describe modern geopolitics. It also refers to neo-colonialism. However, it is a competition between regional and extra-regional powers. These players are encircling the oil and gas resources of the Central Asia. The major weak point of Central Asia is that it is a landlocked region. The Central Asian countries are unable to construct the road, railway and pipeline networks. The great powers are investing in the region to achieve their goals. They are picking up natural resources like oil, gas and precious minerals to develop their economy. The regional and great powers have focused their politics on the pipeline networks. The aim of individual power is to establish that route in Central Asia which provides more benefit to itself.

Strategic Geography of Central Asia

Central Asia is a core region of the Asian Continent from the Caspian Sea in the West, China in the East, Afghanistan in the south, and Russia in the North. It is also sometimes referred to as Middle Asia and, colloquially, "the Stans" and is within the scope of the wider Eurasian continent. Various definitions of its exact composition exist, and no one definition is universally accepted. Despite this uncertainty in defining borders, it does have some important overall characteristics. For one, Central Asia has historically

⁶ As the five countries generally considered being within the region all have names ending with that suffix.

been closely tied to its nomadic peoples and the Silk Road. As a result, it has acted as a crossroads for the movement of people, goods, and ideas between Europe, West Asia, South Asia and East Asia. In modern context, definitions of Central Asia consensually include these five republics of the former Soviet Union: Kazakhstan, Kirgizstan, Tajikistan, Turkmenistan, and Uzbekistan. Other areas often included are Mongolia, Afghanistan, Northern and Western Pakistan, Iran, Kashmir and sometimes Xinxiang in Western China and southern Siberia in Russia.

During pre-Islamic and early Islamic times, Central Asia was predominantly an Iranian region⁸ that included sedentary Sogdians, Chorasmians and semi-nomadic Scythians, Alans. The ancient sedentary population played an important role in the history of Central Asia. After expansion by Turkic people, Central Asia also became the homeland for many Turkic people, including the Uzbek, Kazakh, Kyrgyz, and, Uyghur and Central Asia is sometimes referred to as Turkistan. Central Asia had both the advantage and disadvantage of a Central location between four historical Seats of power. From its Central location, it has access to trade routes, or lines of attack, to all the regional powers. On the other hand, it has been continuously vulnerable to attack from all sides throughout its history, resulting in political fragmentation or outright power vacuum, as it is successively dominated.

To the North, the steppe allowed for rapid mobility, first for nomadic horseback warriors like the Huns and Mongols, and later for Russian traders, eventually supported by railroads. As the Russian Empire expanded to the East, it would also push down into Central Asia to move beyond towards the Sea, in a Search for warm water ports.

⁷The Silk Road, a network of trade routes across the Asian continent, connected East, South, and Western Asia with the Mediterranean world, as well as North, East and North East Africa and Europe. It began in central China & India and stopped somewhere near the Mediterranean Sea.

⁸. Excerpt from page 23: "Central Asia in the early seventh century was ethnically, still largely an Iranian land whose people used various Middle Iranian languages. C.E. Bosworth, "The Appearance of the Arabs in Central Asia under the Umayyad and the establishment of Islam", in *History of Civilizations of Central Asia*, Vol. IV.

The USSR would reinforce dominance from the North, and attempt to project power as far south as Afghanistan.

To the East, the demographic and cultural weight of Chinese Empires continually pushed outward into Central Asia. The Han, Tang, and Ming Dynasties would conquer parts of Xinjiang and Tibet, and the later Qing Dynasty of China consolidated Chinese control over this area. China would project power into Central Asia, most notably in the case of Afghanistan, to counter Russian dominance of the region.

To the South East, the demographic and cultural influence of India was felt in Central Asia, notably in Tibet, the Hindu Kush, and slightly beyond. Several historical Indian dynasties, especially those Seated along the Indus River would expand into Central Asia. India's ability to project power into Central Asia has been limited due to the mountain ranges in Pakistan, and the cultural differences between Hindu India, and what would become a mostly Muslim Central Asia.

To the South West, Middle Eastern powers have expanded into the Southern areas of Central Asia (usually, Uzbekistan, Afghanistan, and Pakistan). Several Persian Empires would conquer and reconquer parts of Central Asia; Alexander the Great's Hellenistic Empire would extend into Central Asia; two Arab Islamic Empires would exert substantial influence throughout the region; and the modern state of Iran has projected influence throughout the region as well.

In terms of strategic geography, Central Asia has several important routes through Eurasia, which conquerors would seek to dominate and utilize. In Passes Wakhan Corridor, in Afghanistan, with Tajikistan to the North, Pakistan to the south and China to the East, Khyber Pass: between Afghanistan and Pakistan Torugart Pass between Kyrgyzstan and China, Nathula, Jelepla Pass: between India and China, Khunjerab Pass, between Pakistan and China.

Strategical location of Caspian region

The Caspian – Caucasus region has come to occupy a significant place in the world economy and global politics. On account of the emerging global political scenario, the region ought to be clubbed together, and deemed as a "common area". Central Asia is a significant part of this so called "common area", and located at the epicenter of instability. After Soviet disintegration, five independent states Uzbekistan, Kazakhstan, Tajikistan, Turkmenistan and Kyrgyzstan, and three south Caucasian states, namely, Azerbaijan, Georgia and Armenia, appeared on the common space as one region. In addition to these states, Russia and Iran also share significant part of the Caspian basin, which has sizeable oil and gas resources. Thus five littoral states surrounded the Caspian Sea in the Caucasus: Russia, Iran, Azerbaijan, Kazakhstan and Turkmenistan.

As Strategically, Caspian region, where Azerbaijan is located, has been focused and given more importance by the West and the U.S. for transportation of energy resources. In this region, there is a game of pipeline politics. Russian dominated pipelines are passing through this region, However, Washington's objective is ultimately to weaken and destabilize Russia's pipeline network and its various corridor links into the Western Europe energy market. The U.S has succeeded to construct a pipeline to the Mediterranean, practically setup a new bloc with Azerbaijan, Georgia and Turkey. In the meantime, EU energy security policy is in fluctuation. EU has rushed to secure their energy interest in the more coordinated area where they have to maintain influence and hold on the energy supply. While Russia's energy strategy seeks to make Europe increasingly dependent on Russian oil and gas. Moscow prefers to deal with the EU member states separately rather than as a group. These policies are undermining the EU for long-term energy policies.

Azerbaijan is providing transport corridor between Europe and Central Asia. Azerbaijan is on 21st in world ranking in oil production. Azerbaijan also shares its border with Caspian Sea, the world's largest inland Sea. In current scenario, the New Great

Game is playing over the Caspian Sea. Azerbaijan is a very important country for Europe because European countries may access the Caspian Sea via Azerbaijan. The only passage to enter Central Asia by Western countries is Azerbaijan in the West of the region. This way Azerbaijan has got a gateway location to Central Asia. Kazakhstan is a more viable option than others. (Arvanitopoulos, 2002: 02)

However, Kazakhstan ranks 19th in the world in oil production. Kazakhstan has more potential for foreign oil companies to invest in its oil and gas sectors. It contains Central Asia's largest recoverable coal reserves. It also has the second largest uranium reserves and in top ten ranking for coal, iron and gold in the world. (Arvanitopoulos, 2002: 03). Tajikistan is a poor country which is growing its economy steadily. The primary sources of income of Tajikistan are production of aluminum and cotton and remittance from migrant workers. Tajikistan has great hydropower potential, and has focused on attracting investment for projects for internal use and electricity exports. Pakistan has showed interest to import electricity from Tajikistan to compliment its shortage of electricity. Besides these, illegal smuggling of drugs is one of the major unofficial sources of income of Tajikistan. Tajikistan has direct access to South Asia by Afghanistan. Tajikistan has close trading ties with Afghanistan as well.

Uzbekistan is abundant in production of cotton, gold, uranium and natural gas. The economic policies of Uzbekistan have repelled foreign investment. Despite of these large amounts of, natural gas reserves of Uzbekistan made it very attractive country for the Western countries. Kyrgyzstan has no oil and gas reserves but has substantial deposits of coal, gold, uranium and other valuable metals. The country's potential in hydroelectric energy is a very visible factor for South Asian countries. Turkmenistan also known as Turkmenia shares border with Afghanistan in the South East, Iran in the South, Uzbekistan in the East and Kazakhstan in the North and North West and the Caspian Sea in the West. It is wealthy in natural resources. Turkmenistan has fourth position in world ranking in natural gas reserves.

Caspian is the world's largest inland Sea. Its natural reserves diverted the attention of the world towards itself. Geographical location of Caspian Sea created very complex situation in the region. The Caspian has become a center of international attention in the last decade. To understand the "New Great Game" it is needed to understand the geography of Caspian Sea, the policy agenda of Caspian countries, the policy of intraregional and extra-regional actors. Five littoral states, Russia, Iran, Azerbaijan, Kazakhstan and Turkmenistan are located clockwise around the Caspian Sea. All these actors and their behavior made the geopolitics of Caspian more complex and complicated. In 1998 Dick Cheney commented that "I can't think of a time when we've had a region emerge as suddenly to become as strategically significant as the Caspian." (Turnupseed ,2002) Azerbaijan's participation in Eurasian energy cooperation promoted by the US and Europe showed its readiness to strengthen ties with the West. Former President Heydar Aliyev made a strategic decision to build the Baku-Tbilisi-Ceyhan oil pipeline. Azerbaijan is a bridge between East and West. The main spoils in today's Great Game are the Caspian energy reserves, principally oil and gas. On its shores, and at the bottom of the Caspian Sea, lie the world's biggest untapped fossil fuel resources. Estimates range from 85 to 219 billion barrels of crude, worth up to \$4 trillion. According to the US Energy Department, Azerbaijan and Kazakhstan alone could sit on more than 110 billion barrels, more than three times the US reserves. Oil giants such as ExxonMobil, ChevronTexaco and British Petroleum have already invested more than \$30 billion in new production facilities. With potential oil production of up to 4.7 million barrels per day by 2010, the Caspian region has become crucial to the US policy of "diversifying energy supply." To get out of its dependence on Saudi Arabia, the United States has tried to secure access to other sources.

Caspian and Central Asian energy architecture in emerging frontiers of global energy space

Energy is playing a critical role in defining international relations in global terms. Caspian and Central Asian regions have got sudden importance in the same context, though many scholars do not have a common view about its increasing importance. There are also different views about intervention of major powers in these energy rich regions. Especially for US, the oil lobby and the US research institutions and the US policy makers are Great Game proponents. They believe the US interest over oil is secondary to the US direct strategic control and interest in region. They believe that energy security is not the core issue but energy security is the only US policy objective in the region that is uncontroversial. While control over pipelines would assist commercial and geostrategic interests, they argue that if the US fails to gain this strategic control, other countries would do so. These 'others' are primarily Russia, Iran, China, and others. American analyst advocate different policies to either "balance" or "contain" or "engage" these countries with the end plan being constant US domination. (Chenoy, 2007:119)

With the unfolding of the globalization process, the consumer market for hydrocarbons is expending and shifting as well. The shift is taking place in the global energy mix, with gas emerging as the fuel of the century. The new demand for oil and gas is not coming from the West but from Asia. (Pant, 2007:24). The high energy intensity GDP in the East has made the growth of countries highly dependent on hydrocarbons. On the supply side, the context has radically changed with the prospects of Central Asian and Caspian energy coming to global market; the technological advances making it possible to enhance recovery rates from the wells; and the transporting oil and gas through cross country pipelines and on large vessels, at very competitive rates across the continents.

There are five key drivers in the regional energy market: America, Russia, China, the energy corporations and the local governments. In addition to Japan, India also seeks a share for itself. The Caspian and Central Asian energy is hostage to geography. All these countries are keen to diversify their energy routes. Some of the proposed pipelines to transport gas include "the south Eastern Turkmenistan-Iran- Turkey, Trans- Caspian, Turkmenistan- Azerbaijan- Georgia- Turkey, Eastern Turkmenistan- Uzbekistan-Kyrgyzstan- Kazakhstan-China and trans – Afghan Turkmenistan- Afghanistan- Pakistan (TAP) pipelines. (Pant, 2007:26). These routes evolve major stakeholders and political

machinations. The second largest consumer of oil, China, according to the international energy agency (IEA) will be needing 14.2 million barrel per day by 2025. (Cooper, 2006:24) Given the magnitude of demand it is natural that China is pursuing a proactive policy to built energy relations with the Central Asian and Caspian countries. American stakes in Central Asian energy resources flow from the US global policy of consolidation of a unipolar world. This policy is based on three broad considerations: this region may minimize the US dependence on Persian gulf for its energy requirements, it will contribute in weaning the region away from Russian influence by providing alternative routes to the landlocked energy resources of the region and lastly, but importantly, the US intends to leverage its energy influence to have a direct presence in the region to be able to observer the rise of China. Since the USA and China rationalize their presence in terms of their respective energy needs, Russia has stakes in the regional energy market. The Russian energy diplomacy has been to consolidate and expand the energy ties with these countries by developing their energy regime to make it compatible to its orientation. The regional euphoria for American partnership initially made Russia worried about losing space in the regional affairs. Planned NATO expansion to Ukraine and Georgia, NATO troops in Afghanistan, and US bases in Central Asia created a great sense of vulnerability for Russia. While the West tries to draw the states in Caucasus- Central Asian region by diversifying their energy transport dependence away from Russia, the later has done everything to ensure that Russia remains the major factor in the energy sector development of the former Soviet republics.

While in Central Asia the state could follow multi-vector foreign policy, in the Caucasus, it was zero sum. Thus when Armenia joined the Russian led Collective security treaty in May 1992, the same month Azerbaijan withdrew from the Commonwealth of Independent States (though it rejoined later). Similarly, the urge by south Ossetia's and Abkhazians to join with the Russian Federation was construed by Georgia as a ploy by Russia to divide and weaken the country. The instability of Azerbaijan and Georgia to win in the conflicts created gulf between Russia and these two

Caucasian states. This created a huge opportunity for the US to give shape to its strategy of containment of Russia and encircling Iran. (Patnaik, 2010:314).

The Azerbaijan and Georgia which are not on a healthy relation with the Russia are those very two states which could be helpful to US, initiated containment policy in which US tries to build a good relation with these states to end Russia's monopoly in supply or transmission of vital gas and oil from these two regions to Europe. Thus US is planning to open a new pipeline (BTC) from the Caspian Coastal city of Baku in Azerbaijan to the Black Sea.

Transmission of energy to Europe, bypassing Russia, involves huge costs and rearrangement of the regional geopolitics. The Central Asian states like Uzbekistan and Kazakhstan which has a huge gas and oil reserves are landlocked countries and have advantage of having big markets in the form of Russia, China and Iran. Thus these vital resources rich countries have to be wooed towards Western countries to supply these vital commodities. Since Russia takes much of the Kazakhstani's gas and China had built a pipeline to Kazakhstan, the only option for US and the West has to get these resource rich countries to be inducted in US strategic partnership scenario otherwise Western nations would lose opportunity to exploit the huge reserves of gas and oil from these regions. For this Georgia and Azerbaijan in the Caucasus fits well into US interests as these Caucasus states has strained relation with Russia. It was the same reason of transmission of energy to Europe that regional security grouping called GUAM was created in 1999.

The BTC pipeline, due to huge cost involved and because of its passing through difficult terrain, can only be viable if there is a assured regular supply of energy through it. Here the zero sum game can be observed in which if US become able to lure post-Soviet independent states of Eurasian region in its orbit hence it will be a clear loss to the other party i.e. Russia. The same can be seen in Rose revolution of Georgia in which a pro-Western regime came to power with an ambition to take opposite path to Russia.

Thus through regime change, US is fulfilling its containment policy and securing energy needs for Europe.

The zero sum game is primarily US and Russia's security policy of getting post-Soviet Central Asian, Caucasus and other Post-Soviet states into their sphere of influence to obtain passport for future energy needs. US makes it possible through a more subtle method-like creating non-governmental networks to make regime change while Russia tries to make it through military intervention as it had done in Georgia in August 2008. Due to traditional US and Russian rivalry, the region of Central Asia and Caucasus has become more complex with more militarization and establishment of foreign bases, more defense spending and weapons acquisition despite the fact that these regions are still to recover from post-Soviet economic hardship. (Patnaik, 2010:322).

Chapter II Changing geopolitics of central Asia/Caspian region

CHAPTER II

CHANGING GEOPOLITICS OF THE CENTRAL ASIA AND THE CASPIAN REGION

Geopolitics is certainly about the rivalry between states, but it is also about other matter that flow across the states boundaries and require policy options of international cooperation and co-ordination rather than confrontation.

Simon Dalby

The 19th century Great Game over Central Asia was mainly explained in terms of the strategic significance of the region because of its geographical location as the gateway to the Indian subcontinent and the Persian Gulf. Even then, the Geographical or the geopolitical factor was but a façade for the economy –driven imperialist rivalry between the two European Great powers- England and Russia. In the 19th century, imperialist rivalry among the oceanic Euro –Atlantic and continental industrial powers, the struggle for colonies which were to supply raw materials for the metropolitan industries and also serve as markets for their manufactured products were the main factors. However, to reinforce their respective claims, geopolitical reasons were advanced by the ideologues of colonial expansion.

The struggle for the energy resources of Central Asia and the Caspian Sea basin may be traced back to the 19th Century to the days of the Great Game between the Russian and British Empires. The beginning of oil production in Baku is more than 150 years old. By the beginning of the 19th century, the Caspian region was supplying half of the world's oil. The Central Asian and Caspian region had been in the past, before the discovery of the Sea route in the 15th century, an important overland transit route between the West and the East. It was this region through which pilgrims and traders passed on

their way from China and India as well as from Europe to China and India. (Kaushik, 2007:76). From that period to now many geopolitical changes took place in Central Asia and Caucasus region and disintegration of Soviet Union accelerated these changes.

Impact of disintegration of Soviet Union on the Central Asian and Caucasus region:

Disintegration of the former Soviet Union has had varied global impact in particular on the Central Asian and Caucasus regions. It has created a new environment in which new parameters should be taken into consideration. The Soviet legacy still weighs on the newly established republics but this event has brought about many new changes at different levels. The main change is the fact that there has been an abrupt shift from a Central system into an open or so- called market system. (Eskanderi, 2010:263). New independent republics have emerged and there is a need for new arrangements. The Central Asian and Caucasus states were for many decades cut off from their historic and natural contacts with countries outside the former block. Gradually those contacts are being re re-established. Central Asia and Caucasus region is once again going to serve a bridge between the East and the West.

The stability of the region is important for sustainable development. The transition period has inevitable consequences on political, cultural, social, economic and other aspects of people's life. So, it is natural to observe certain ups and downs in the structure of the new states and it needs time to have a stable structure in place. The issues related to this region are interlinked with each other and each component is a function of other components, though every country in the region has its own specific situation. Privatization of the economies of new republics is progressing and the region is becoming an attractive market for different countries.

⁹The Greek writer Strabo testifies to the flow of Indian goods along the Oxus, The Caspian Sea, Trans-Caucasia and further West along the Black Sea coast to Europe. (Kaushik:2007, 77)

In an article entitled "Ten years after the Soviet breakup: disillusionment in the Caucasus and Central Asia" Charles H. Fairbanks argues that though Central Asian countries are failed states so they are obliged to get assistance from outer states. He writes: "....all the countries of the Caucasus and Central Asia now have Parliaments, elected President, and (Turkmenistan excepted) multiple parties,.....(however) the ruler is a powerful president who typically was the Communist first secretary during Soviet days. There is no effective power sharing, whether with Parliaments, local governments, or independent judiciaries..... While presidents and parliaments alike are chosen through multiparty elections, chicanery and vote- rigging are common. Parties other than successors to the communist party are mostly small and focused on personalities..... In abrupt contrast with the overly strong Soviet state, all the states in this group are weak or weakening; several have wavered in and out of the 'failed state' category" (cited in Mahapatra, 2007:165). After coming out of political influence of Soviet Union, Central Asian states are facing new challenges.

Changing geopolitics of Central Asia

According to American analyst Ariel Cohen, "Central Asia is a large field of cooperation if we focus on co-operation, and it is a large field of confrontation if we focus on confrontation". (cited in Tolipov,2010:27). Geopolitical transformation of Central Asia that has been taking place since the collapse of Soviet union and 9/11 incident just accelerated this process. Today Central Asia faces twofold geopolitical problems. First is new, post -Soviet Central Asian geopolitics of great powers and the overall geopolitical transformation of the region after 11 September 2001: one of the manifestation of this process is the US coming to the region of Central Asia- the heartland of Eurasia- that inevitably changes the status –quo in this part of the world and second is the Central Asian response to the first. Except US many other actors are also into the scenario for their own interests and also act as decisive factors in Central Asian Geopolitics.

There are atleast three main groups of actors in Central Asian and Caucasus region: great powers, international organizations and Central Asians themselves. When it comes to the equation with multiple unknowns, the international situation, especially geopolitical situation becomes much more sophisticated than that described by the balance of power model, indeed when the same Central Asian states is a member of the allegedly anti-Western (or atleast non-Western) alliance- The Shanghai Cooperation Organization, the SCO, and participates in NATO Partnership for Peace Program (PPP) or demonstrates its eagerness to establish strategic relationships with the US, then the balance of power will hardly work. Or, when the Central Asian states use the SCO or CIS formats as being, non-democratic states and at the same time, take responsibilities within the OSCE, then the balance becomes really a senseless concept. So, the world as a whole and Central Asia, in particular, is rather multilateral than multipolar. (Tolipov, 2010: 17)

Central Asia is triple isolated from the world from the world political affair and world trade- isolated by geography, isolated by superpower, and since 1991, self isolated due to failure of regional integration projects. The Great Game was the term that was used to describe the permanent geopolitical struggle between great powers for gaining control of the region. This term has served as the connotation of the dominant paradigm of power politics in this part of the world. Nowadays the very complicated process of geopolitical transformation in the region has coincided with the emergence of a new world order.

The reality of Hydrocarbon Resources of the Caspian and Central Asia:

The size of the proven reserves 10 (In billion of barrels) of the Caspian and CARs are as follows: Uzbekistan- 0.2, Kazakhstan- 10.0, Azerbaijan- 3.6, Turkmenistan – 1.5,

¹⁰The term "proven reserves" is defined as the quantity of oil which can be produced profitably, given current prices and technology from a proven field.

total-15.3¹¹ (Chenoy, 2007: 114). Based on these numbers, total proven reserves in the Caspian are one seventh of Iraq's and one – seventh of the Saudi Arabia's. But oil analysts believe that figures cited by the US are based on the concept of ultimate reserve and that the figure is commercially meaningless. They were derived for political purposes and for the US entry into the Trans- Caucasus and Central Asia.

Most geologists classify between 20-30 billion barrels of Caspian oil reserve as proven. Reserve numbers and unexplored areas can prove to be higher. At this point, however, it has been established that this region of Central Asia and Caucasus contains about 2-3 percent of the worlds proven oil resources. Other sources cite that 17.5 billion barrels of recoverable oil has already been established in the South Caspian, and that a further 20 billion barrels should be found in Azerbaijan and Turkmenistan, in already well defined traps. This yet to be found reserve is equivalent to the North Sea reserves. The Tenghiz oil fields hold proven resources of 8 billion barrels. There is confidence that the Caspian should deliver a further 40 billion barrels recoverable. (Chenoy, 2007:114). This projection is reflected as the common understanding in the oil industry. Kazakhstan is a leader among the Central Asian Regions in the amount of proven resources, and has the potential for new findings. It has 10 - 22 billion barrel of proven crude reserves and 53-83 trillion cubic feet of gas. Kazakhstanis territory is also the largest amongst the Central Asian regions and contains four different geological basins. Exploration activity is very high here. Azerbaijan has the second largest reserve amongst the CARs. It is a mature oil and gas country and will remain an important producer for decades. Turkmenistan has largest gas reserves- 95-155 trillion cubic feet (tcf) of gas. Large part remains unexplored. Uzbekistan does not have significant amount of oil but has a large amount of gas reserves. (Chenoy, 2010:114).

The CARs, thus, only represent approximately 2.7 percent of the world total proven oil reserves and 7 percent of gas reserves. The significance of these oil reserves

¹¹A public accounting of the total proven reserves of the Caspian region is provided in a report delivered to the state department to the United States Congress in 1997. (Chenoy, 2007)



for Western oil companies will lie in the pipeline route and accessibility. Hence hydrocarbon and oil reserves are not the only factors of interests of outer and regional powers into the region. The other factors are geopolitics, security, limiting the role of Russia, China and Iran, nuclear non-proliferation and, US interest in regular oil supply, etc.

US Interest in Central Asia/ Caspian region:

During the early years of the Clinton Administration, The Caspian Sea region and developments in the Caucasus did not receive much attention. The new geopolitical map of the Caspian Sea region marked by the emergence of newly independent states did present a useful opportunity for the US companies, strategists and diplomats. Besides the issue concerning a redefinition of relations with Russia, the new Caspian states also faced new actors seeking to make inroads into the region. First, countries such as Iran, Saudi Arabia, Turkey and Pakistan vied with one another to establish and promote a cultural, political and economic foothold in the region. Secondly, more powerful entities such as China, the European Union and the US were involved in making cost- benefit analyses to spread their influence into the region. (Huasheng, 2007:161). US Secretary of State Madeleine Albright stated that the Caspian Sea region was strategically located and energy rich. In addition to the question of energy security, American also calculated other traditional security benefits of the region. The end of cold war did not suddenly change the Cold war mind set in the US. It was argued that a carefully crafted Caspian policy could weaken Russia's influence in this region, prevent reemergence of a Russian Empire and forestall excessive Chinese influence in the region. Such a policy should include buttressing the national strength and sovereignty of the Caucasian and Central Asian states. Some Americans advocated that before the Chinese and Iranians make their entry into this region in a big way and secure their presence, the US must plant its flag in the Caspian Sea region. In fact Clinton Administration was already trying to stop foreign

companies from joining with Iran's national oil company, NIOC, to construct energy export outlet via Iran. ¹² (Mahapatra, 2007: 162)

The Caspian region has emerged as a Central strategic arena to protect and promote US global hegemony. It is the place that can check Russian resurgence, Iranian ambition, growth of Chinese power and provide a handle to control the US allies as well who are more dependent on Eurasian oil and gas than the US. The US policy can be summarized as constructive engagement with Russia with the ultimate goal of regulating its economic growth and its role in the global energy politics. The second goal is to contain Iran by seeking its international isolation and preventing it from developing leverages in the Caspian region and forging strategic ties with Russia. The US has been carefully monitoring the aggressive Chinese Search for energy security and tries to make use of the Caspian oil and other energy sources to develop leverages against China.

The social political and economic problems of the Caspian states provide a golden opportunity to the US to implement its policies in order to prevent any anti- US regional grouping in the region dominated by Russia, Iran or any other regional power from emerging Washington also have been trying to forge regional integration under its guidance and direction. The regional social geography, backward economies and regional political tensions will make it difficult for the regional countries to withstand the US pressure. In fact, the regional countries will be more vulnerable to US pressure and influence, as some of them already appear to be seeking an American connection as a bulk work against regional powers. Whether the US can emerge as the single most dominant player in this region is debatable. But it is most likely to succeed in preventing any other country or a group of countries from controlling this region. (Mohapatra, 2007:180).

¹²For detail Visit http://www. Our world. Compusrve. Com/ HOMEPAGES/ USAZERB/333.htm

According to R.R Sharma, though Caspian region is not such a major source of energy to be sole factor to involve US in this region. He points out two basic factors of US involvement. First is Geopolitics and second is Western oil companies' interest. According to well measured Western estimates, the oil reserves in the region are in the range of 18-34 billion barrels, which is barely 3 percent of the world's proven oil reserves. Major finds in the region are either offshore or in deep pressure reservoirs, or with sulfur-laden associated gas, which is required to be processed or the sulfur content removed. Investments required are "measured in billions or tens of billions Dollars" 13 (Chow, 2003). The Caspian basin is not a major source of diversification of global oil supplies. It remains a small player on the world market. Most estimates have come to the conclusion that "a price of atleast \$20 per barrel is needed to justify the Caspian investment projects. Additionally most of the existing oil and gas pipelines pass through Russia. Most of other routing options are "fraught with technical, financial, legal and political difficulties". In view of this, why are the United States and some other Western powers so keen to maintain their footprint in the Caspian region? (cited in Sharma, 2010, 98).

There are couples of major reasons. Firstly it is geopolitics, which is a major factor. In the so called Silk Road strategy Act of 1999¹⁴, Transcaucasia represents an important geopolitical isthmus, linking the black and Caspian Seas and providing a silk road to Central Asia. Apparently, the effort is to reanimate the so- called "silk road" to Central Asia, avoiding passing through Iran. Thus the US seeks to limit Russia's influence in the region, while at the same time, restricting the number of potential allies for Tehran. Secondly, Western oil companies seek to create the Caspian "energy

¹³ For detail See Edward Chow," united states energy Security: Russia and the Caspian," testimony before the US Senate, committee on Foreign Relations, April 30, 2003, available on, http://www.senate.gov/foreign/hearings/2003/hrg030430p.html

¹⁴ This bill never became law. This bill was proposed in a previous session of Congress. Sessions of Congress last two years, and at the end of each session all proposed bills and resolutions that haven't passed are cleared from the books. Members often reintroduce bills that did not come up for debate under a new number in the next session.

phantom" in order to drive their profit from the raising prices of their shares on the stock exchange. 15 "By participating in high profile Caspian project.......... oil companies improve their stock image, generating an instant profit without pumping a single barrel of oil." (Rasizade, 2003:01). Some observers have argued that an "articulated lobby" in the West has invented the mythology of the "Caspian bonanza" in the close collaboration with numerous think tanks, investment bankers, construction companies, big oil controlled politicians, aspiring academics, influential celebrities, etc. (Sharma, 2010:100). One more aspect of US interest in this region is its willingness to get secure energy reserves other than Middle East. The oil and gas from this region is more "strategic" than commercial because it is an alternative to the Middle East, in case of a shutdown from that resource. It can be used to control the Organization of Petroleum exporting Countries (OPEC) prices, and it gives countries and companies that control it strategic power. (Chenoy, 2007:117). Former US Secretary of state James Baker stated in New York Times: "Caspian oil may eventually be as important to the industrialized world as Middle East oil is today." (cited in Baker, 1997:17).

Paradiagmic shift in the concept of security due to geopolitical change of Central Asia:

Energy has gained a strategic significance in the post cold war context in the post-Soviet space. There is geo-economics and there is geo-politics concerning energy as a product, as a marketable commodity and as the driving force of economic growth the world over. The need for post-Soviet energy producing states, to reach out to the wider global market for energy revenues to restructure their economies, and the growing demand for energy the world over, as the driving force for the economic growth. All these factors have enhanced the significance of this region for global energy security. Pipelines are the carriers of this energy from the producer states to the markets across

¹⁵ Rasizade aptly argues that this is the very essence of Western business activity in the Caspian.

transit territories, initiating a complex and intertwined process of competition as well as cooperation, countering as well as balancing.

In the post-Cold war era, there has been a paradigmatic shift in the concept of security as non- traditional components of security gain wider attention and focus. The concept of energy security is such a non- traditional one and is a significant component of a country's overall security parameters. Energy security means, for the producing countries, a secure access to markets, whereas for the consumer countries, it is question of gaining sufficient and interrupted supplies of energy. Energy security is essentially linked with economic security of states and thus, is integrally linked with global security. Energy pipelines are said to be economic lifelines, as they create a bond of intra or interregional interdependency among the producers, the transit states and the market states. (Ganguli, 2010: 249).

Geopolitical change due to competition and conflicts into the Central Asia and Caspian Region:

The US pursues its policy of containment of Russia and encircling of Iran through the polarization of geopolitics of Caucasus region. Though energy remains the main objective of the US interest. The US also tries to get benefit from the internal conflict of the region as is evident from the Russo-Georgian war of 2008. Thus the vitality of this region gets sparked by the internal factories like the issues of ethnicity and the external factor of US interference.

In the Caucasus region, in particular, the state of Azerbaijan and in the Central Asian region three out of five states have huge hydrocarbon reserves, because of the presence of this huge natural resources in this regions could be transport to the European states or West, which is in US interests, on the one hand, and while on the other, how Russia would be able to establish monopoly over these resources. It is because if Russia fails to establish its monopoly over the resources or if US fails to transport it to European

market. There is one more option for these countries in the form of huge market such as energy hungry China, growing India as well as Iran, where these resources could be transported to. Thus there is three directional pull over these energy rich states in the form of US and other western states on one side, Russia on the other and huge markets of other developing nations still on the other side (Patnaik, 2010: 272)

In such a scenario, these energy rich states are unable to decide that which direction they should move. If they move towards US then they know that they can face potential Russian interference which is evident to them from Georgian experience where Georgia was punished for its ambition to join NATO. Therefore what these energy rich states could do is to maintain a delicate balance between major power like the US, the Russia and the emerging powers like China, India and Iran through forging various alliances in mutual exclusive forms bilaterally instead of being entrapped of jumped entirely to one major power or alliance.

The next agenda of the US is to change the geopolitics of the region by ending the Russian acknowledgment of its being the surrogate of these post Soviet states and to marginalize Russia from the power of conflict of this region. (Patnaik, 2010: 273)

M. Bhadrakumar, a strategic specialist in India, argues that Russia's success to sell its gas to Turkmenistan and to make a win-win agreement with Azerbaijan stunning blow to the US energy diplomacy, whereas US failed to get Kazakhstan to jettison its close ties with Russia. Washington cannot accept a situation where Russia remains Europe's principal energy partner, as that would enable Moscow to build up rapidly the sinews of a broad based economic and political partnership with major European powers, which are eventually bound to challenge the US trans-Atlantic leadership. (cited in Patnaik, 2010:273). According to Enghdahl, US strategy to get under its influence those former Eurasian Soviet countries which don't have energy resources, atleast not known yet, is the part of its geopolitics. To the East of the Caspian Sea, Washington in one degree or another today controls Pakistan, Afghanistan, potentially Kyrgyzstan and

Kazakhstan. These serve as a potential US-controlled barrier or buffer zone between China and Russian, Caspian and Iranian energy sources. (cited in Patnaik, 2010:274)

Coloured revolution added a new dimension in New Great Game or competition for influence in post-Soviet space. The US, to advance its geopolitical goals in the region played democracy plank. Regimes have gained or lost American favor depending on their usefulness in promoting the US strategic interests in the region. The most suitable example of this tendency is Georgia. Georgia has been the key link for the US to create the alternative Baku- Tbilisi- Ceyhan (BTC) pipeline that takes Azerbaijan oil to Turkey avoiding the Russian pipeline system. Georgia is also the leading force behind the US sponsored regional organization called GUAM, which includes countries that have either witnessed Georgia like regime change or have problematic relationship with Russia. Georgia has become a forward post to advance the US geopolitical strategy in the Caspian/ Caucasian region.

Post 9/11 Geopolitics

9/11 incident paved the way of direct involvement of the US into internal affairs of Post- Soviet states. States like Azerbaijan and other Caspian countries have come under intense US pressure to move away from Russia and accept US protection against 'America's enemies' in the region. In Azerbaijan US temporarily deployed mobile forces in April 2005. There were 300 US troops in Ajarbaijan in 2005. US is training the Caspian Guard where US officers holds supervisory position and some American special operations troops to protect the facility, will cover for surveillance and detection not only in Azerbaijan but also border areas of Iran and Russia, including Chechnya and the Caspian Sea with its heavy oil traffic.

Keeping Russia out of the security architecture in the Caspian and Caucasus would weaken the long term stability of the region. The members of GUAM are not capable to solve their problems of conflicts and lack of resources by themselves. Its

Alignment with NATO will further complicate the situation in Caspian -Caucasus region. According to Fiona Hill, Russia perceives itself as a country caught between an expanding NATO on its West and a chaotic world on its south. Azerbaijan and Georgia's proximity to the US means that Russia has lost in the Caucasus its strategic defensive structures against NATO's southern flank in Turkey. The Atlantic Alliance's willingness to use force in the extended European arena made Russia even more worried and angry about Azerbaijan's and Georgia's intention to join the Alliance. For Russia, southern tier is its most sensitive frontier; Central Asia and Caucasus are its most important security priority. (Patnaik, 2007: 280).

Russia has its ethnic, political and economic links with this region. American presence in the region will only provoke Russia. In CIS, deployment of US troops and bases advanced Russian efforts to establish its stations in different parts of the region. Collective Security Treaty Organization (CSTO), in 2003, decided to have a joint military command in Moscow which is a rapid action force for Central Asia. Russia has negotiated for a permanent base in Tajikistan. The troops will guard the Tajik –Afghan borders. Russian troops and aircraft are also stationed in the newly created air base in Kent in Kyrgyzstan for use by CSTO's Rapid Reaction force. Apart from these, Russia has acquired for use many strategic military facilities in Kazakhstan such as Sary-Shagan test site, the Engels air base and the Kputsin Yar test site. (Chung, 2006)

In response to growing naval presence of America in Caspian, Russia has increased its military presence in Caspian which is even stronger than that deployed by erstwhile USSR. In august 2002 Caspian Sea witnessed the biggest naval exercise since Soviet collapse, involving 60 warships and 10000 military personnel held. Iran is also building its Caspian navy in response to increasing American involvement there. Iran even showed for the first time its willingness to work jointly with Russia in the Caspian, including the creation of a rapid reaction force. Due to US intervention in Caspian/ Caucasus region and security concerns of Iran and Russia, the region has been converted into an arena of intense geopolitical competition. (Patnaik, 2007: 281). However, Harvard

Professor Boris Rumer pointed to relations with Russia for US as compared with CA countries and suggested that Russia should not be annoyed by the US activity in the region. As an advantage of American domination in this region, he mentioned short-term stability, access to energy resources and possibility to use CA republics for supporting military actions in Afghanistan. But he drew attention of US government to the misuse of American domination, such as support for authoritarian regimes, as reasons of future instability. So, Rumor suggests creating a 'joint venture' with Russia, such as the 'Russian- American consortium for social and economic development in Central Asia, for jointly solving the regional problems. (Rumer, 2002:61-62).

Problems created by the US presence in Central Asian/Caucasus Region

The US presence created some problems for regional development like war against terror that has been going on in Afghanistan since 2001, but Afghanistan is still a source of instability. Moreover, its neighbors, Pakistan and Tajikistan have problems with militant insurgence and overwhelming narcotic drugs trafficking. Central Asian countries are facing growing narcotic drugs trafficking and the still existing and spreading extremist Islamic movement. Coalition's military presence in CA countries, the beginning of which was defined in Central Asia during the war in Afghanistan, had ambivalent consequences. Thus Uzbekistan closed base in Khanabad after Andijan events, Kyrgyzstan has constant and sharp discussion inside its own civil society about Gansi base and all countries are forced to keep in mind the Russian reaction to their every step towards America. Infact Russia won in Russian American collision in Uzbekistan after Andijan events; however Uzbekistan, still following its own special course, now taking steps to woo USA.

Contemporary NATO policy in CA and US-CA countries bilateral agreements is an attempt to restrict SCO and CSTO influence in the region. Contemporary situation around the Iran nuclear programme and the US blockade of Iran, s external economic relations (especially in energy sphere) can lead to unpredictable scenario as well. One of the undisclosed priorities of Washington policy in CA can be the creation of counterbalance to China and Russia both in the regional and at the global scale. So US tries to keep minimal military and diplomatic influence on border countries. On the other hand, due to bases in Iraq, Afghanistan, Caucasus and Central Asian Countries, US can be in full control of the Persian Gulf and Caspian Sea hydrocarbon resources and handle the possible deteriorating scenario in Iran. (Dundich, 2010:338). The US wish to diversify energy transit through Nabucco¹⁶ and BTC and undermining Russia's and Iran's energy positions can create another source of instability. Kazakhstan is the most reliable partner for US and Russia and is also a gate for Russia to the region; so US led development of the infrastructure in the Western regions of Kazakhstan and strengthening Kazakh navy on the Caspian Sea can cause negative reactions from neighbor countries. Central Asian and other post-Soviet countries take the anti – terror coalition, American military help with enthusiasm. On the other hand, American politics in region threatens to make new cracks on the regional stability map.

Nabucco would be good for the US and EU in various ways. It would make Central and East European countries a lot less dependent on Gazprom and increase the energy security of the US and EU as a whole. It could help reduce intra-EU divisions over Russia. It would underpin stronger ties between the EU and potential supplier countries such as Azerbaijan and Turkmenistan. It could help improve EU-Turkey relations. It is easy to be pessimistic about the prospects of Nabucco, a pipeline designed to bring Caspian and possibly Middle Eastern gas to the EU. The financing is not yet secure, European gas demand is down, and the question of where Nabucco's gas will come from is open. Russia, meanwhile, is pushing hard for its rival South Stream pipeline. (Barysch, 2010)

Chapter III Involvement of major powers and competition for influence

Chapter 3

INVOLVEMENT OF MAJOR POWERS AND COMPETITION FOR INFLUENCE

"Central Asia and Caspian is the region of great strategic importance where American interests and values are engaged as never before.... Central Asia is an enduring priority for our foreign policy. The five countries of Central Asia are distinct from one other and our relations with each other, while important, will differ. In the region as a whole, the elements of our larger strategy meet, and we must pursue those elements simultaneously: promoting effective democracies and the expansion of free- market Reforms, diversifying global sources of energy, and enhancing security and winning the war on Terror". 17

Stephen Hadeley¹⁸

The collapse of Soviet Union in 1991 emphasized the geopolitical, economic, and cultural importance of Central Asia, a closed and hard to reach region of Eurasia once again achieved a significant position on Eurasia's map, with increased geopolitical and strategic weight. As a region that during the Cold War remained in the background of international politics, Central Asia has attracted the attention of the global and regional powers. It started to gain prominence in the strategic objectives and politico-economic ambitions of many global and regional powers. The withdrawal of Russia from the region in the critical period soon after the demise of Soviet Union gave rise to a host of problems. There were several major upheavals in Georgia, Armenia, Azerbaijan, Kyrgyzstan, Tajikistan, and Uzbekistan. The end of the Soviet era witnessed parallel rise in internal instability and conflicts in these successor states. The obvious outcome of these conflicts has been a confluence of separatist rebellions, border disputes and lawlessness. (Sharma, 2007:96) The larger picture that unfolded after the demise of the

¹⁷ Guardian, October 23, 2001.

¹⁸ Stephen Hadley was the national security advisor to former American President Bush.

USSR was that of internal disunity, and considerable activity linked to international terrorism associated with religious fundamentalism. (Sharma, 2007:90).

This chapter while focusing on the region's importance and growing positions in International arena examines Involvement of major powers and competition for influence in the Central Asia and Caucasus region.

When the Central Asian republics became independent, it was widely expected that their isolation from the Islamic world would end, and they would rapidly develop relations. But it soon appeared that, although the region's states have sought to expand relations with some Islamic countries, they have not tried to play the 'Islamic card' in their foreign relations. (Yazdani, 2010:415).

Central Asia itself and surrounding countries having majority of Muslims mainly have Islamic culture. The Muslim world's interests in Central Asia can be divided into three categories: political, ideological and economic. The motivations of Muslim countries in exploring the potential for new relations with the Central Asian republics are mainly political, though Central Asia's potential as a market and its resources of oil and gas have also played a part. Some Islamic states have attempted to deal with the region through their own ideological model; and there has been a kind of ideological competition between their political establishments, Turkey emphasizing its secular model, Saudi Arabia supporting strict Wahhabism and Iran showing little interest in political Islam. (Yazdani, 2010:415). The leading Muslim countries vying to maximize their influence in the region are Iran and Turkey, and to a lesser extent, Pakistan, Saudi Arabia and Afghanistan.

IRAN

Central Asia has been an essential part of manifestation of Iranian civilization. The national and cultural renaissance of Iran occurred in Central Asia, especially in Samarkand, Bukhara and parts of present day Afghanistan. The dessolution of USSR and creation of Central Asian states crafted new opportunities and threats for Iran so Tehran first established its relations with Central Asia in November 1991. The location of Iran is a bridge between Central Asia and Persian Gulf, has prompted Iran to seek an important role in the region politics and economics.

Iran's former foreign minister Kamal Kharrazi wished to replace foreign competition by regional cooperation in the Central Asian region. He said 'to stabilize this region we needed first to establish political relations with the countries of the region, second to develop economic cooperation...... Third to play an instrumental role in the region's security, and finally, Iran wishes that foreign competition in the region be replaced by regional cooperation.'(Yazdani, 2010:417)

Iran is seeking to maximize its presence into the region in which the US policy has aimed at limiting the cooperation and influence of Iran in the region. It is necessary for the new republics to reinforce ties with their neighboring countries as a proven mechanism of sustainable development. Iran tries to neutralize the fabricated obstacles by promoting cooperation and dialogue. Iran views the Caspian as a unified region, the fate of which must lie in the hands of the regional countries. The history of the region is tied with Iran during pre and post Islamic eras. The experience of the Silk Road proves that it is possible to establish such routes of cooperation and many problems are common and the key to solve them is cooperation. (Eskanderi, 2010:268).

There are two sets of concerns of Iran in the region, first economic and cultural and second political and security. In the cultural sphere, historical relations between Iran and Central Asia in linguistics, customs and religion could play a role; at the political and security level Tajikistan's conflicts and instability became great concern for Iran. Iran has viewed the region as an opportunity to develop its economic ties, and some of these landlocked states see Iran as a natural link and gateway to the high Seas. Iran's relation with Kazakhstan and Turkmenistan are based on mutual interest in energy and

transportation sectors. Iran could help these countries to develop their oil and gas industries and pipelines. Iran has common culture and language with Tajikistan, and was the first country to establish diplomatic relations with it. It played significant role in ending the Tajik civil war, beginning with ceasefire agreement signed in Tehran in 1994.

Iran's relations with Uzbekistan, however, have been more difficult. Uzbekistan was the last Central Asian country in which Iran established an embassy. Though Uzbekistan was the only Central Asian republic to support the 1995 US- proposed trade embargo against Tehran, this was in part prompted by Iran's purchase of Russian nuclear reactors. Iran has contributed to the economic development and political stability of the region, and is likely to continue to do so. One of the important dimensions of Tehran's policy towards this area is security. As Abbas Maleki, former Deputy Foreign minister of Iran has written: 'for the past two centuries, the greatest threat to Iran's security and territorial integrity was posed by the Russian Empire and its successor the Soviet Union'. Tehran has given priority to maintaining stability in the region and securing its borders as much as possible. (cited in Yazdani, 2010:417).

Although Iran has sought to strengthen ties with Central Asia, it has been careful not to jeopardize its good relations with Moscow, which are important to its national and security interests. For Tehran close multi-dimensional relations with Moscow are more important than ties with the Central Asian states. In 1996 Foreign former minister Ali Akbar Velayati claimed that Iranian- Russian relations were 'at their highest level in contemporary history,' In other words, for Iran, relation with Russia as a strategic balancer, regionally and globally, as a source of trade and arms, and as a partner in political and economic spheres is significant. In Tajik civil war and the conflict in Chechnya, Iran's regional policy was 'Russia centric'. Perceiving US-led NATO presence in Central Asia as a potential threat and fearing that NATO's Eastward enlargement will escalate regional tension and crisis, Iran's former defense minister, Ali Shamkhani, had confirmed that closer defense relation between Iran and Moscow are both necessary and important. (Yazdani, 2010:419).

With Russia, Iran's policies has two main orientations, first, both the countries are trying to collaborate in military and nuclear components and secondly they share an increasing desire to influence the development of oil and gas resources in the Caspian Sea. Apparently, they are seeking to thwart Turkish and US influence over pipeline routes. It is natural that both countries share a strategic perspective to limit the US influence in their backyard. (Sharma, 2007: 98).

The US invasion of Iraq in 2003 alarmed Iran about cruciality of Moscow-Tehran coordination for its national security. Financial crisis (due to 8 years of war with Iraq in 1980-1988¹⁹) and representation of Shiite Islam by Iran are two major limitations in attempt to develop its influence in Central Asia. US has increased its pressure on Iran in recent years; in fact, in early 2005, then US Vice President Dick Cheney declared that Iran posed a huge threat to world peace and Middle East stability. He accused Iran of sponsoring "terrorism against Americans" and building a fairly robust nuclear programme. In March 2003, the US decided to extend its sanctions on Iran, and consequently, oil and gas development in Iran's sector of the Caspian basin has been stunted. However, Iran continues to promote itself as a transport route to the Persian Gulf for the Caspian oil and gas.

Mainly in Central Asia, Iran is concentrated on three tasks: economic cooperation, creation of joint transportation routes and then resolution of issues involving the Caspian Sea. (Yazdani, 2010:419). Two issues have challenged Tehran's policy in Central Asia. First, US effort to isolate Tehran from pipeline routes and energy resources. This has been Washington's policy since 1991²⁰. In response Iran joined SCO as an observer and started cooperating with Russia and China against Washington's interests there.

¹⁹ President George W. Bush officials have repeatedly cited Iraq's use of poisonous gas in the 1980-1988 Iran-Iraq War as proof –and justification – for an attack.

²⁰ In 1992 secretary of state, James A Baker emphasized that Washington planned to move quickly to open emphasis in the Central Asian republic of the former Soviet Union to counter expending Iranian influence in these newly independent Muslim states.

(Yazdani, 2010:420). Second, as mentioned earlier, due to concern about spreading influence of Iran in the region is US consider it as spreading of Islamic fundamentalism and sees the effort of some of regional states to develop closer relation with Tehran in this frame work, especially Uzbekistan. The former US secretary of state's Nicholas Burn's statement of March 2006 in the House of Representatives clearly points to the US views about Iran. He said:

"Successive US administrations have recognized that Iran's regime poses a profound threat to US interests in the Middle East and more broadly across the globe. Over the past six months, however, since the August 2005 inauguration of President Mahmoud Ahmadi- Nejad, this threat has intensified as Iran's approach to the world has become even more radical. Today the Iranian leadership is actively working against all that the US and our allies' desire for the region- peace in Lebanon, Peace between Israel and the Palestinians, and an end to terrorism. In fact no country stands more resolutely opposed to our hope for peace and freedom in the Middle East and then Iran.

Iran's leadership directly threatens vital American interests in four distinct and grave areas:

- Its pursuit of a nuclear weapons capability;
- It's role as the "Central Banker" in directing and funding terror;
- Its determination to dominate the Middle East as the most powerful state in the Persian region;
- Its repression of the democratic hopes of the Iranian people.

Crafting an effective response to these Iranian threats is as important as any challenge America faces in the world today. It is critical that we succeed. The endurance of the Iranian regime and its extremist policies and the alarming stridency of its leaders, who have spent more than a quarter- century leading chants of "Death to America" means that inaction or failure is simply not an option for this reason, President Bush and Secretary Rice have placed the highest Priority on opposing Iran's policies across the board in the Greater Middle East region" (Burns, 2006:67)

Although Iran as a regional power has tried to play a role in Central Asia, Islam as such has not in fact been a major dimension in Tehran's policy towards the republics; instead it has been motivated more by politico-economic and strategic variables.

CHINA and SCO

According to the international Energy agency (IEA) the second largest consumer of oil, China, will be needing 14.2 million barrels per day (mb/d) by 2025, with net import reaching 10.9 mb/d compared to less than 3 million mb/d in 2005. Given the magnitude of demand, it is natural that China is pursuing a proactive policy to build energy relation with the Central Asian and Caspian countries. It has sought increased leverage in Central Asia, especially Kazakhstan, which neighbors the critical province of Xingjiangg. Xingjiang is becoming primary source of energy for the Chinese economyand the region's oil resources are vital to China's future energy security (Pant, 2007; 26).

The Chinese policy in Central Asia is a part of the Global foreign policy. The main features of Chinese global policies are-

- Maintenance of a favorable international situation for development and modernization of the people's republic of China.
- To assure the world community that economic growth and military modernization of the People's Republic of China does not represents threat to the interests of other countries.
- Prevention of attempts of restoring power growth of the people's republic of China.
- Maintenance of isolation of Taiwan on international scene (to a lesser degree).
- Diversification of China's access to energy resources. (Kaukenov, 2010;
 447)

Central Asia centric China's policies are motivated by its interests in the region. First of all, the basic strategic purpose of China in the Central Asia is maintenance of its own safety. Here enters both maintenance of regional safety and aspiration to protect China from the possible sources of instability proceeding from territory of the states of region. The basic diplomatic mechanism in this case is participation in work of SCO and its subsequent development into a new format, tries not to lose the status of the main motive-power of the given organization. SCO allows the China to achieve the purposes and to distribute its own influences in region, not restraining interests of the Central Asian states and not causing their protest. The SCO is a tool by means of which China can carry out expulsion of the USA from the region, and reach parity and try to surpass Russia in participation in regional questions. (Kaukenov, 2010; 451)

In Central Asia Chinese policies can be summaries as-

- O Since over 80 percent of general commodity circulation of China with Central Asia is made through Xingjiang hence China is concerned about safety and development of Xingjiang and other Western provinces. In a view of events in Tibet from March 10-14, 2008, the given problem gets special importance.²¹
- o In context of counteraction to the US policy and oppositions to unipolar system, and leading position of the USA at economic, political and military levels, geographical prevalence of China in Central Asia is also necessary.

The 2008 Tibetan unrest, also known from its Chinese name as the 3•14 Riots, was a series of riots, protests, and demonstrations in the Tibetan regional capital of Lhasa and also Tibetan Buddhist monasteries outside the Tibet Autonomous Region. What originally began as an annual observance of Tibetan Uprising Day resulted in street protests by monks, that later descended into rioting, burning, looting, and killing by March 14 The violence was mostly directed at Han and Hui civilians by Tibetans participating in the unrest. Police intervened to prevent the conflict from further escalation. At the same time but also in response, protests mostly supporting the Tibetans erupted in cities in North America and Europe. 18 Chinese embassies and consulates were attacked.

insignificant. In this connection, the construction of the oil pipeline, opening access to deposits of the Caspian region²² and also construction of the gas pipelines, connecting large gas deposits of Turkmenistan with China, will allow China to influence the region strategically in the long term. Today the Chinese companies participate not only in the development of oil, gas and natural resources of the countries of the region, but also in such spheres as water- power engineering, telecommunications, transport sectors, etc. Expansion of railways and automobile highways connecting the region with the Western areas of China will promote further intensification of trade and economic relations between the sides. In March 2008, the agreement between China and Kazakhstan was reached on opening seven new direct auto routes ²³ in March 2007; Kyrgyzstan signed the contract with the Chinese company on rehabilitation of motorway Osh-Sarytash-Irkeshtam. The importance of given project is that apart from Kyrgyzstan, the neighboring Uzbekistan and Tajikistan will be in a zone of influence of this corridor. (Kaukenov, 2010; 451) China is rendering financial and economic help to the countries of the region.

As early as in 1997, China acquired the right to develop two oil fields in Kazakhstan, outbidding US and European oil corporations. China National Petroleum Corporation (CNPC)²⁴ has acquired a 60 percent stake in the Kazakh oil firm Aktobemunaigaz, which came with a pledge to invest significantly in the company's future development over the next 20 years. China's best acquisition in the region is the \$ 4.18 billion deal of the Canada based petro Kazakhstan. Another major energy project, the Turkmenistan–Chinese pipeline, envisages transportation of Gas from the bank of the Amudarya River, with estimates of 30 billion cubic meters. Turkmenistan is high on the

²² Oil pipeline Kenkiyak- Kumkol

²³ 4 cargo lines: Urumchi-Karaganda through checkpoints Horgos, Zimunai, Baketu and Alashankou; 3 passenger highways Urumchi-Karaganda through check points Zimunai, Baketu and Alashankou.

²⁴ CNPC is China's largest oil and gas producer and supplier, as well as one of the world's major oilfield service providers and a globally reputed contractor in engineering construction. With a presence in almost 70 countries.

preference list of China and China is assisting it with a package which includes establishment and modernization of oil and gas exploration and extraction facilities, and supply of related technology and equipment. In addition to the proposed pipeline project, China has offered to set up a silk fabric production facility and a velvet weaving plant in Turkmenistan.

China is also making a big investment in the energy projects in the region as mentioned above. One of the most visible projects has been the \$4.2 billion takeover of the Alberta-based oil firm petro Kazakhstan. With Uzbekistan, China has signed a \$600 million investment deal. Similarly, in Tajikistan, China is exploring investment in the construction of a 350 km long, south-North power transmission line. (Pant, 2007; 28).

As per as China's role in Caspian region is concerned, it is qualitatively different from that of Russia and Iran. First of all, unlike Iran and Russia, China is not a Caspian state, secondly, Russia and Iran are energy exporters, but China is a net importer of energy and its energy consumption is going to be enormous in the coming years in view of its galloping economic growth. Thirdly, China is viewed in several circles in the United States as an emerging powerful strategic competitor. On the contrary the US has robust economic ties with China and has a stake in further growth of the Chinese economy, because a Chinese economic crisis will have a negative impact on the US economy as well. China's increasing political and economical influence poses a rising Challenge to US policy makers. As the then Assistant Secretary of State Christopher Hill pointed out, in MARCH 2005-

"Dealing with China's emergence- its economic and political development, its engagement in a rules- based international world, its evolution as a major military presence in the region- will be a key challenge and an important opportunity for the United states and it's allies and friends over the next quarter of a century and beyond. For three decades, seven administrations have sought to integrate China and its people into the International system. We have succeeded in developing a bipartisan policy that has met with considerable success since 1972. Today's challenge is different from thirty years

ago: the key question is how a more integrated and powerful China uses its growing influence and whether it will do so in concert with the United States and its allies. Will it accept the challenge of the international community to help enhance the peace; prosperity and stability of the region and in doing so positively change the international system as we know it today?" (cited in Klare, 2001)

Considering this view about China, many scholars have skepticism about future behavior of China. China, which became a strategic partner of the US during the Cold War, lost its strategic relevance after the Soviet demise. The Tiananmen Square incident onwards²⁵, Sino-US relations were marked by cooperation and conflict and estrangement and engagement. Trade, Taiwan, Tibet and other human rights issues continue to impact political relations between the two countries. But, simultaneously, relations have matured in other areas, such as cooperation in WMD non- proliferation, trade and investment and the larger questions of peace and stability in the Asia- Pacific region. (Mahapatra, 2007: 176). Undoubtedly, the Caspian Sea energy politics will be affected by the US- China rivalry. Increasing Chinese appetite for energy, now and into the future, will be used by the US to maintain and enhance US influence and control over all those areas where there is any trace of oil and gas.

US and NATO

After dissolution of USSR, US was in full support of freedom, sovereignty, and development of newly independent Central Asian countries. Further this policy of US has been changed into the policy of freedom of states from Russian influence. Towards the end of 1990, a new dimension was added to US policy with regard to Caspian, Caucasus and Caspian region. It was designed to develop ties with the states in this region through

Tiananmen Square incident happened in June, 1989. The violent repression by the Chinese authorities of this peaceful student-led protest in the main square in Beijing (Peking) led to widespread international condemnation. The 100,000-strong gathering in Tiananmen Square had been the culmination of several months of pro-democracy demonstrations. When government demands that the students disperse were ignored, tanks and troops were sent in. Hundreds died, up to 10,000 were injured and widespread arrests, trials, and executions of pro-democracy leaders followed.

security. The obvious concern was to integrate this region into the so called "Trans Atlantic Security Framework". This meant a regular security dialogue with countries in the NATO as well as practical military and political cooperation in the context of NATO's "Partnership for Peace Programme" (Sharma, 2007: 96).

According to Strobe Talbott, the former deputy Secretary of the US, American policy in this region can be figure out as –

- There are four dimensions of US policy in the region: promotion of democracy, creation of free market economies, sponsorship of peace and cooperation.....and their integration.
- The region has the potential to become a breeding ground of terrorism, a hotbed of religious and political extremism, and a battleground for outright war. So US policy is to prevent all these by political and military measures.
- Since the region has its own strategic and economic importance, the US has its stakes in this region. It boarders China, Turkey, Iran and Afghanistan....so US policy will contribute to stability in a strategically vital region.
- Area contains as much as 200 billion barrels of oil so it would matter profoundly to the US.
- The people of Caucasus and Central Asia have been subjected to foreign domination for US. (cited in Sharma, 2007: 96).
- The US also wants to counter balance Middle East reserves, to keep oil prices and the traditional oil cartels in check.

US is working in close collaboration with the Organization for Security and Cooperation in Europe (OSCE), and non-governmental organization (NGO's) like the National Democratic Institute and International Republican Institute to provide training assistance to the nascent political parties in addition. The US was also providing support to several home grown NGOs. Talbott clearly argues that the US would seek to integrate

the region into the Trans- Atlantic Security Framework through NATO. And secondly, the US engagement has focused on securing the energy resources of the region.

The costs for the transportation of Caspian oil and gas resources are likely to be commercially too high for the US market. What the US now sees as an important strategy is to control the pipelines that will carry these hydrocarbons to European markets, and to the growing demand from East, South and South East Asia. US companies like Unocal, Exxon, Pennzoil and Halliburton are being encouraged in this enterprise. (Chenoy, 2007: 118).

The oil lobby, the US research institutions and the US policy- makers are Great Game proponents. They believe that US interest over oil is secondary to US direct strategic control and interests in the region. They believe that energy security is not the core issue. While control over the pipelines would assist commercial and geostrategic reasons, they argue that if the US fails to gain this strategic control, other countries would do so. These other are primarily Russia, Iran, China, and others. US analysts advocate different policies to either "balance" of "contain" or "engage" these countries, with the end plan being constant US domination.

The Russian claims that the Caspian is a lake not a Sea that gives them a legal claim over certain maritime resources has also irked US policy makers. US analysts thus believe that despite the changing policies and relations between the US and Russia, the Caspian are likely to be a region where US and Russian interests will be contradictory. Russian experts also resent American assertions in this region. All this has fuelled US-Russian rivalry and Russia is increasingly critical of US policies. (Chenoy, 2007: 120).

NATO

Since the emergence of New Independent States in Central Asia, NATO has become one of the American policy and American global stability order tools in the

region.²⁶ NATO security map in Central Asia was constructed on bilateral basis with states of the region; exclude such organizations like Shanghai Cooperation organization (SCO) and Collective Security Treaty Organization (CSTO). NATO, as a tool of US for the promotion of the US policies mobilized many Central Asian countries by different agreements, treaties and Peace Programmes. To exclude Russia from its sphere of influence in Central Asia is the objective of NATO.

Kazakhstan is the most prospective participant of NATO programme in the Central Asian region. In 1994 Kazakhstan joined 'Partnership for Peace' (PFP) and participated in training of Central Asian peace keeping battalion CENTRASBAT under the aegis of NATO. In 2004 USA and Kazakhstan signed a treaty on military cooperation for 5 years. The main purpose of the treaty was to develop security infrastructure and strengthen Kazakh navy in Caspian Sea. In January 2006 Kazakhstan became the first country which signed Individual Partnership Action Plan with NATO. Kyrgyzstan allowed a US base of anti –Taliban operations and had active cooperation with NATO. The lease of this base was reconsidered several times but continues till date.

Tajikistan participated in Partnership for Peace Programme (PFP) and provided American air forces the possibility of using aerodromes in Kulab (south of country), Kurgan –Tube (south of country) and Khujand (North of country). The main dimension of NATO-Tajikistan interrelation is to deal with the problem of drug. Turkmenistan practically did not participate in NATO activities. (Dundich, 2010:336). One of the undisclosed priorities of Washington policy in Central Asia can be the creation of counterbalance to China and Russia, both in the regional and at global scale. Bases in Iraq, Afghanistan, Caucasus and Central Asian Countries, US can be in full control of the Persian Gulf and Caspian Sea hydrocarbon resources and deal with the possible deteriorating Iranian scenario.

²⁶ According to NATO secretary general Jap de Hoop Schaffer, NATO is the "League of Nations" without US. Meeting with students of American University in Central Asia (AUCA) and OSCE Achedemy. Bishkek, Kyrgyzstan, 2004.

The US wish to diversify energy transit through Nabuccoo²⁷ and Baku-Tbilisi-Ceyhan (BTC)²⁸ and undermining Russia's and Iran's energy positions can create another source of instability. Kazakhstan is the most reliable partner for US and Russia and is also a gateway for Russia to the region; so US led development of the infrastructure in the Western region of Kazakhstan and strengthening Kazakh navy on the Caspian Sea can be a cause of negative reaction from neighbor countries. American enthusiasm for military help to Central Asian and other post –Soviet countries in anti terror coalition make new cracks on the regional stability map.

US agenda in Central Asian countries/ Caspian region after September 2001

US policy in Central Asia and Caspian region is oriented towards the US global policy of consolidation of a unipolar world, and reorienting regions within this framework. It is based on three basic considerations; first, the region should provide enough space in its energy firmament so that US could leave its dependence on Persian Gulf resources. It would contribute in weaning the region away from Russian influence by providing alternative routes to the landlocked energy resources of the region, and,

Nabucco is the new gas pipeline from Asia to Europe and the flagship project in the Southern Corridor. It will be a pipeline to connect the world's richest gas regions - the Caspian region, Middle East and Egypt - to the European consumer markets. The pipeline will link the Eastern border of Turkey, to Baumgarten in Austria - one of the most important gas turntables in Central Europe - via Bulgaria, Romania and Hungary. When completed the 3,900 km pipeline's annual capacity will be 31 bcm. The construction of the pipeline is supported by the 2009 Intergovernmental Agreement signed in Ankara in July 2009, which harmonises the legal framework and grants stable and equal transport conditions for all partners and customers. The main pipeline will be built in one phase from Ankara to Baumgarten. Construction will start in 2013, first gas will flow in 2017.

²⁸ The Baku- Tbilisi-Ceyhan oil pipeline is a 1760 kms long pipeline connects the Azeri-Chirag- Guneshli fields of Azerbaijan in the Caspian to the Mediterranean Sea port of Ceyhan. BTC is promoted as an integral part and the most important pillar of the East-West super highway or an integrated transport network to link Central Asia and the Caucasus with the Middle East and Europe. This project, along with the US sponsored East-West Energy corridors and the EU- sponsored TRACECA project, tries to provide alternative transport and trade options to the Eurasian states. (Ganguli, 2010:254).

lastly US wants its direct presence in the region to be able to observe the rise of China. Certainly, regional presence helps the US to promote its global unipolar regime and to consolidate its war against terror.

After 9/11, the US assured both Russia and Central Asian states that the US use of former Soviet bases in CIS was only temporary since the Uzbekistan, Kyrgyzstan and Tajikistan bases were needed for US operations in the Afghan war. As the outcome of the war became clear and the Taliban regime fell, the US secretary of state said in December 2001 that the US did not intend to withdraw from the region even after the war in Afghanistan since America had long-term interests in the region.

It is argued that energy acted as a factor in the regime changes that took place in this region through the "colour revolutions", so that with regime change, the energy map of the region could be reoriented. (Pant, 2007:28). In 2001 US leased bases in Central Asia to support the military campaign in Afghanistan. The primary US interest in Central Asia is more geostrategic. Which includes security, in preventing the "Afghanization" of Central Asia and the spawning of more terrorist groups with transnational reach that can threaten the stability of all the interlocking regions and strike the United States? As a result, in Central Asia, US focus is now on creating strong security ties with the states building on military- military contacts established in the late 1990's, and on securing long term access agreements to regional bases and military facilities, which can be used to respond to current and future security threats in Afghanistan. However, the goal of US policy also is supposed to enhance Central Asia's development not just its military role. Like Afghanistan, if they are to transform themselves from potential breeding grounds for transnational militants into viable, stable states, the Central Asia countries must follow the US conditionality to liberalize economically and democratize politically. (Makhmudov, 2010; 309)

Russian interest in Central Asia/ Caspian region

Russian policy towards the region is governed by two leading considerations, namely, to retain its influence, and to prevent the extra-regional powers, namely, the USA and China from dominating the regional architecture. Russian partnership with US made Russia worried about losing space in the regional affairs. (Pant, 2007: 29)

Central Asia has lost its former importance to Russia as a military buffer zone between the Russian and British influences, and then between the USSR and the US allies in Afghanistan and Pakistan, and between the USSR and China. After the collapse of the Soviet Union Russian military troops were withdrawn from all the Central Asian states apart from Tajikistan and some token forces on the Kazakhstan and Kyrgyzstan borders with China. At present Russia's paramount concern is mainly with the security an aspect. Russia's own territory has been threatened by movement from Afghanistan through Central Asia of religious militants groups and drug trafficking.

From the beginning of his presidency in January 2000, Vladimir Putin pushed the idea of a concerted campaign against terrorism with American as well as European leaders. Putin was one of the first to raise the alarm about terrorist training camps in Afghanistan, and to warn of linkages between these camps and well financed terrorist networks operating in Europe and Eurasia. Also Russia actively supported Northern Alliance in its struggle with the Taliban in Afghanistan. In December 2000, Moscow joined Washington in supporting United Nations sanctions against the Taliban, and later appealed for additional sanctions against Pakistan for aiding the Taliban all a precursor to cooperation with the US in the war against terrorism after September 11.

Russia's other major interest in the region is securing energy from the region to Europe and Asia. Together, Russia, Iran, and the Central Asian states hold more than half of world gas reserves. A key issue for Russia's energy industry is to retain major role in Central Asian gas production and export. According to energy analyst in future it would

not be possible for Russia to fulfill its domestic demand and growing ambitions for gas exports in the coming decades without having access to and influence over the flow of Central Asian gas (Makhmudov, 2010; 310).

Beyond energy sector, Russia is also interested in restoration of the communications and trade infrastructure from Soviet time between Russia and Central Asia. It is also investing in private sectors of the region to some extent. Russia has initiated a major project to revive and revitalize the former North –south transportation corridor from Russian Baltic ports down the Volga River, across the Caspian to Central Asia and Iran, and from there to Pakistan and India. All of this makes for a primary focus on economic background for enhancing the military and strategic issues for Russia in the region and, therefore, increased vulnerabilities of Central Asia's security system and development. (Makhmudov, 2010; 310)

Competition for Energy

The Caspian and Central Asia is poised to become a major player in the global energy market. The late Azeri President Heyder Aliyev was one such leader, who presented a mind- boggling picture of Caspian hydrocarbon deposits in the World Economic Forum in Davos in 2001. Armenian President Kocharian was provoked to retort: "is there any water in the Caspian, or it is only oil?" Edward Chow, a well known American energy expert, in his most significant testimony before the US Senate Committee on Foreign Affairs on April 30, 2003, stated

On the subject of oil and gas in the former Soviet Union, it is, therefore, particularly distressing to see the volume of misinformation and hyperbole, not only from governments and industry in the region, which may have a vested interest in exaggerating the significance, but occasionally from our own government..... It is one thing for the president of Azerbaijan to boast about his country signing the contract of the century, quite another for US officials to repeat this preposterous claim... US Policy must be based on a realistic assessment of the global energy situation and the potential role these

- O To intensify the trade and economic relations with the countries of Central Asia that would allow China to use economic and resource potential with a view to develop its Western territories. The markets of the countries of Central Asia are an ideal vector for the external economic activity as remoteness from world Sea communications complicates their access the world market and this makes them dependent on the manufacturers of the Western areas of China.
- O Energy resources of Central Asia represent greater importance for China. An arrangement with Central Asia in immediate proximity to China enables to transport hydrocarbon resources through ground pipelines. The importance of power cooperation of China with the countries of Central Asia is even greater in view of prospect of expansion of the Central Asian highways up to Northern Iran.
- Central Asia is also important as transportation corridor for China to reach Europe and Iran. In long run Central Asia can provide China an overland gateway of Europe. (Kaukenov, 2010; 448).

Maintenance of interests of energy security of the China is an important aspect of the Chinese policy in the Central Asia. Diversification of energy resources, and also aspiration to provide own Western provinces power resources and the enterprises on their processing and the further transportation have great influence on the policy of China in the region.

Other groups of interests of China in Central Asia include maintenance of its own economic interests. It also is the priority of the Chinese diplomacy in the region. While Russia is spreading the ideas of 'the Chinese threat', China makes the further economic penetration into region as a means of achievement of its own interests.

Today, the countries of Central Asia/ Caspian region are considered by China as potential supplier of hydrocarbon where share in the Chinese import of oil and gas is

countries can play, not based on unrealistic expectations or as a substitute for well balanced foreign policy in the region..... Central Asia and the Caucasus are important to US foreign policy interests whether these countries have any oil or not. (cited in Sharma, 2007: 100)

Here the point is, the US efforts to expand its military presence in the area have generated negative domestic processes in several regional countries. Moreover, it has radicalized the struggle for gaining influence in the regional states. This process has become evidently more vicious since late 2003. "The new Great Game" could end badly, particularly for the US. During the last 2-3 years (since 2004) there has been a dramatic change in the perceptions about US involvement in the Caspian and Central Asian region. The Great Game is not finished as yet and Russia is, apparently, gaining ground. Whatever the hype there are two real issues, namely, competition for influence in the region and control over the Caspian oil and gas resources and pipeline routes.

It can be argued that there are five key drivers in the regional market- America, Russia, China, the energy corporations and the local governments. In addition to Japan, India also sees a share for itself. The perceived high stakes from the diverse market have enhanced the strategic significance of the regional energy, unfolding the prospects of interdependence and conflicts simultaneously. The geography of Caspian and Central Asia is not vulnerable enough for transportation of energy to their logical destination. Thus all these countries are keen to diversify their energy routes. These routes depend upon the economic, political and security factors. (Pant, 2007; 25).

Russia, US and China declared their support for peace and stability in Central Asia and supported regional cooperation. These declarations were welcomed by Central Asian countries. But there are some contradictions between them. Russia traditionally views the Central Asia states as being within its sphere of influence and does not wish to see either China or US become deeply involved there; China expresses understanding of Russia's strong role in the region and at the same time considers US military presence in the region as endangering the safety of its own North-West region.

In the post-Soviet period there is also the growing role of other actors in Central Asia, including EU, which does not have unified strategy toward the region and the economic and political interests of the large European states also differ and diverge. This is both due to the internal peculiarities of European politics and the general geopolitical situation, including the relations of the EU with the US and Russia. At the same time, the events of 2000 and 2001 show that the dominant theme in the relation between Central Asia and Europe (and more generally, the West) has become the problem of regional security as well as the struggle against terrorism and drug trade. One of the reasons is that the EU countries are the main consumers of illegal Afghan drug production.

At the EU presidency programme 2007, Germany initiated a new programme on increasing political partnership with Central Asia. It was accepted that the new strategy towards Central Asia in 2007- 2013 was welcomed by Central Asian nations. There is also growing EU interest towards Central Asian nations to find alternative corridors for export of the energy resources and this could be one of the important aspects of mutual cooperation in coming years. (Rakhimov, 2010; 292)

Kazakhstan and Turkmenistan have major share of regional energy; the reserves of Uzbekistan are reasonable; while Tajikistan and Kyrgyzstan are commercially minor players. However to be in the game, energy from the region has to be transported beyond the region. Passages by the pipelines, thus, are crucial in harnessing it, which is technologically and economically feasible, but faces the question of political viability. It is here that the inter-state relations become the main factor in the making or unmaking of the energy regime.

The US proactive strategies in the region have led the regional polarization, increased conflicts, repressive regimes and rise of Islamic opposition. This polarization has increased regional instability and ignited old feuds and ethnic conflicts. The

possibility of peaceful settlement of the Nagorno Karabkha conflict²⁹, the Chechen War, and other regional issues has been jeopardized, since Russian perceptions of foreign policy are closely tied to the Caucasus region. The secessionist movement of Abkhazia region in Georgia gained momentum and Georgia blamed Russia for supporting this movement. The US has systematically increased its presence in the region, which is seen by Moscow as a containment policy towards not only Iran but also Moscow. (Chenoy, 2007: 124) The US military bases are being used for aggression in the Middle East. These bases give it effective access to the Middle East and encircle Russia and China. The US has been able to activate its plan for hegemony with these bases.

Russia is reacting actively on these issues. At the CIS summit in June 2001, Putin created a permanent body for security and cooperation known as the "Caucasus Four", consisting of Georgia, Armenia, Azerbaijan and Russia as the driving force. All these states need Russia to ensure their stability and Russia needs them for economic and energy reasons as well as markets, Under Putin, Central Asia and the Caspian region was given the highest priority.

Russia is facing several threats apart from US competition in Central Asia. While the first threat is international terrorism, as in Chechnya and Dagestan, the next most important threats are struggle for sphere of influence in the former Soviet republics, and US and NATO assertiveness. At the same time Russia would like to engage with US and do business with it.

²⁹ The recent phase of the conflict over Nagorno-Karabakh, a small region of 1,699 sq mi (4,400 sq km) with a population of almost 200,000, began in 1987. It started as a land dispute between the Soviet Republics of Azerbaijan and Armenia over the predominantly Armenian-populated autonomous region of Nagorno-Karabakh within Azerbaijani SSR. After the breakup of the Soviet Union the dispute was transformed into a full-scale war between two neighboring countries. The death toll is estimated at approximately 25,000 to 30,000 people and the number of refugees and internally displaced people is estimated to be over a million.

China is another player in Central Asia, though not in the Caucasus. In 1997, China's National Petroleum Corporation won a privatization tender to purchase a majority stake in one of Kazakhstan's oil production subsidiaries and another to develop a Kazakhstan oil field. They also pledged to make a pipeline from Kazakhstan to China. But China's success lies in the fact that it has conceded to Russia's preeminent role in Central Asia. The Chinese are working on largely commercial interests.

Iran wants pipeline via Iran to the Persian Gulf, and has lobbied with Unocal's competitors for this. Iran has old treaties with the Soviet Union of 1921 and 1940, which declares Caspian a common lake between the two. Iran has brokered a treaty with Russia to participate in Caspian Sea extraction without US involvement. Russia and Iran are comfortable working without the US oil companies and enhanced their ties.

Central Asian states are not just market for exploitation. Some regimes are authoritarian and used oil and gas resources to buy favors with oil companies and the US. Those who do not possess gas reserves, like Kyrgyzstan, and Tajikistan, remain closer to Moscow, but at the same time, have allowed the US to build long term air bases on their territory. Despite the oil and gas reserves, the CARs and Caspian Sea states have witnessed impoverishment, decline in employment, increase in corruption, and criminalization, and deterioration of public services. In these circumstances, the regimes keep their options open to both the US and Moscow. (Chenoy, 2007: 127)

The Oil Lobbies into the competition

The oil lobbies' approach differs from that of the 'Great Game' and geopolitics strategies since their interest is confined to economic profits and commercial interests. Competition between states and balance of power affect them only as far as they can get their contracts and safe passage for pipelines. They are equally interested in business with any of the game players. In fact, they believe that 'Great Game' can damage their interests and, this they have no permanent allies in the Caspian. Oil lobbies are, however,

deeply linked with governments and policy makers. The Azerbaijan case provides a clue to oil companies and national interests in the region, including those of the US, Russia, and the Europeans, the oil consortium, the Azerbaijan International Operating Company (AIOC), which played a strategic role to secure its economic interests. This consortium consists of BP, Unocal, Amoco, Socar, TPAO, Itochi, Delta Hess, Lukoil, Exxon, Penzoil. The AIOC advocates that the European Union takes the lead in the region, replacing the US leadership. ((Chenoy, 2007: 121). Azerbaijan became member of AIOC in 1994 and in 1996 Japan and the European countries also became investors.

Finally it can be argued that the US being the only Super Power of the world has an overriding interest in maintaining the status quo in the Caspian- Caucasus region and Central Asia. China, Iran and Russia having there distinct interests in these regions are playing safe game of cooperation and contradiction simultaneously. NATO, SCO and CSTO, as a political organizations are, promoting the policies and interests of their own member states. Central Asia/ Caspian region is getting benefitted by all. Central Asian states are on the one hand raising hands for support of one group; the other group has to assist it to get favor of it for their own interest and space in this region of strategic importance and oil wealth. Though outside interference in the region is beneficial for their development of infrastructure, on the other hand, it could create political, ethnic and cultural instability in the region.

Chapter IV Dynamics of cooperation

Chapter 4

Dynamics of Cooperation

"Central Asia is a large field of cooperation if we focus on cooperation, and it is a large field of confrontation if we focus on confrontation" (cited in Tolipov, 2010:27).

Ariel Cohen

In Central Asia/ Caspian Caucasus region cooperation and confrontation are taking place simultaneously. The economical and geopolitical importance of this region makes it vulnerable for energy competition. In this chapter the Dynamics of cooperation among major powers and institutions and the impact of all on the political and economical conditions of the region will be discussed. This chapter will deal with changing dynamics of co-operation in Caspian region and Central Asia and emphasize regional co-operation i.e. SCO, CSTO, EURASEC etc and bilateral relations i.e. Russia-U.S. evolving co-operation against terrorism.

Pipeline Diplomacy and cooperation

The complex inter linkages between geopolitics and geo-economics in determination of energy alliances that are centered round one or multiple energy pipelines, the significance lies in the fact that energy pipelines have become the pivot, around which new alliances are being evolved in Eurasia, a region where there have been only security and economic alliances so far. And energy, apart from being the driving force for economic growth, has become a vector in new alliance- building processes in Eurasia. (Ganguly, 2010; 260)

Russia is Trying to shape in the region 'Common Economic Space' between Russia, Ukraine, Belarus and Kazakhstan in response to neo- containment strategy³⁰, and also building bridge with European states like Germany through major economic projects like Baltic Pipeline System (BPS), The blue stream and the Tengiz- Novorossosk pipelines. The Tengiz pipeline is supposed to minimize the future importance of BTC pipeline.

By its military presence and diplomacy in Central Asia and Afghanistan, the US has successfully effected regimes changes in some states that could squeeze Russia out of Central Asia and Caucasus. The pro- American regimes in Ukraine and Georgia were becoming strong pawns in the US strategic game. US policy of drawing Azerbaijan and Georgia away from Russian dependence became successful. Russian diplomacy in Caspian and Central Asia denied the US total influence but Azerbaijan paid heavy economic price for overlooking Russia.

In 2002, the division of the Caspian Sea played a crucial role in improving economic cooperation between Astana and Moscow. Kazakhstan agreed to export 15 million tons of crude oil per year via the Baku-Novorossisk pipeline. In 2007, Kazakhstan exported 60 million tons of oil through Russian pipeline as per agreement signed in 2002. Both the countries signed bilateral agreements to develop three oil fields jointly in the North- West of the Caspian Sea- Kurmangazy, Tsentralnoe and Khalynskoe. (Patnaik, 2010; 317).

Neo –containment refers the Endeavour of Washington to prevent, at any cost, the emergence of a Eurasian power capable to contest its global benevolent hegemony and to acquire a prevailing position in Eurasia. For the American strategies, it is not only "to contain" and "to expel" (roll back) Russia (heartland) before she does not recover, but also to neutralize China power rise and at last to keep the European Union, "a soft zone", in its weak and dependent condition.

Trans- Caspian and South- Stream pipelines which, after crossing the Caspian to Azerbaijan, would follow the route of the Baku- Tbilisi- Erzurum pipeline to be extended to Europe could not be constructed and this was in the interest of Russia.

Turkmenistan, the largest exporter of gas, exports gas through Russian pipeline to Ukraine on the Russian price demands. Ukraine had to pay Russia more for gas. Russia signed a 25 year agreement with Turkmenistan in April 2003. This stipulates 'gradual increase formula' for the purchase of gas from Turkmenistan, Russia will be buying virtually all of Turkmen gas amounting to 80 billion cubic meters by 2028 and Russia will retain the exclusive right to re- export the gas beyond Russia.

Turkmenistan is negotiating with Kazakhstan and Russia and reconstructing the Prikaspiskey pipeline which will enhance Russia's control over Turkmen exports. Two other pipelines were to be constructed soon to China and Iran. It is in Russian interest because in coming future Turkmenistan gas availability will be insufficient for Trans-Caspian pipeline. The Karpege- Kerd- Kuy pipeline to Iran was completed in 1997. The world's longest pipeline to China has been complete. It has the annual capacity of 30 billion cubic meters and spans 7000 kms. It passes through Uzbekistan and Kazakhstan and is more significant for Turkmenistan.

Apart from BTC pipeline which bypass Russia and Iran, the Nabuccoo pipeline is proposed which links the gas fields of Azerbaijan to Western Europe without passing through either Russia or Ukraine. The first stage from Austria to Turkey is scheduled to be completed in 2013.

One more pipeline Odessa- Brody pipeline was completed in 2002 to diversify Ukraine's energy imports and to make the country a transit corridor for supplying Caspian oil to Europe.

Thus despite of new containment policies of US and NATO, Russian cooperation in energy field with Central Asian countries is growing because of its geo-strategic location. Russia remains sole supplier of not only Turkmen, but also Uzbek and Kazakh gas to Ukraine as a result of January 2006 agreement between NAK Najtogaz Ukrainy, Gazpram and RasUkr Energo. (Patnaik, 2010; 321).

The urge of the energy producing countries to reach out to the markets that prompts them to be a part of as many pipeline projects as possible, that somewhat blurs geopolitical boundaries of the alliances. As Kazakhstan participates in all the alliances, Uzbekistan joins both Russia and China in energy initiatives and Azerbaijan's involvement as the main supplier of BTC project does not bar it from continuing energy relations with Russia through the Baku- Novorossiysk oil pipeline. Turkmenistan presents a slightly different case- it is a part of the alliance around Russia, and is not a part of SCO Energy Club, though it is developing bilateral energy relations with China through Turkmen-China gas pipeline project; with possible greater implications for the region- the Trans-Caspian pipeline to carry gas to Central Europe, bypassing both Iran and Russia. (Ganguli, 2010; 260).

There is also growing interest from Central Asia and outside to alternative pipelines. In December 2005 the construction of 988 km Kazakhstan- China oil pipeline from Atasu in West Kazakhstan to the Chinese border town Alashankou was completed and it enables Kazakhstan to export up to 10 million barrels of oil a year. In May 2006, the Indian government also officially approved its participation in the \$5 billion US Turkmenistan- Afghanistan- Pakistan- India (TAPI) gas pipeline project. In the perspective Central Asian countries could also participate at different international energy projects, including EU NABUCCO project. (Rakhimov, 2010; 290).

The Significance of BTC Pipeline as an alliance

According to Svante Cornell 'BTC pipe line is clearly the most strategic project that America has supported outside the security sector in the former Soviet space' (cited in Ganguli,2010:253). Oktav also commented that Baku-Ceyhan project is essentially, from Washington's perspective, a matter of geo-strategic and political significance rather than an economic one'. S. Zhinznin stated that in the 1998 Ankara Summit, 'the BTC pipeline was regarded as a strategic pipeline and political factors played a leading role in the declaration' (cited in Ganguli, 2010; 255).

BTC is promoted as an integral part and the most important pillar of the East-West super highway or an integrated transport network to link Central Asia and the Caucasus with the Middle East and the Europe. The projects BTC, US sponsored East-West corridor and EU sponsored TRACECA project are providing alternate trade options to the Eurasian states. The success of this project will help to develop some other projects like the Turkey-Greece-Italy gas pipeline and the Turkey –Austria gas pipelines. The proposed basic energy corridor is set to reduce the 'strategic dependence of the EU on Russian gas resources.

It is assumed that till 2020 EU's dependence on gas import will increase from 40% at present to 70-80%, Russia gas exports to the EU in the same period will increase from 26% to 40-50%. BTC will increase the mutual interdependence between Europe and South Caucasus by adding a million barrels of oil a day to the European market and the fact that the oil is 'neither Russian, nor OPEC in origin' will serve to diversify energy sources. (Ganguli, 2010; 254). This project is the crucial part of the US energy diplomacy and this pipeline is expected to lessen the US dependence on OPEC oil and on the other hand, the importance of the Caspian region as an energy exporter is bound to increase.

The project has proved to be beneficial for all three participating countries. For Turkey, the gains include securing supply options of oil as well positioning itself as an important transit state for energy flow from the Caspian to the European market; for Georgia a steady route of oil and also transit fees are guaranteed, and for Azerbaijan, new market in Middle East and Europe ensure economic benefits and political capital. This project also provides these countries with energy independence, as Georgia and Turkey get Azerbaijani oil. In this interdependence scenario, as Turkey and Georgia do not possess significant energy reserves. Azerbaijan has emerged as new source of energy supplies in the 1990's, apart from traditional sources like Russia and Egypt. The prospect of getting oil from BTC project and the pro US policies of allies are conductive to develop this alliance. (Ganguli, 2010; 255).

The exclusion of Iran from project is another notable factor. US rejection of Iran will make it vulnerable to go through the Persian Gulf and the Strait of Hormuz. The most significant feature is that this pipeline represents the Multiple Export Pipeline concept of the US government or the so called 'anti-monopoly concept' meaning not to allow Russia to have a unilateral advantage over the transport of the energy resources of the region to the external market.

Regional cooperation

Regional cooperation in Central Asia in general has very weak institutional framework. But Prospects of economic and political cooperation in Central Asia, and the speed and scale of these processes depend on the readiness of nations to work together in regional projects, to carry out proper reforms and introduce the forms and methods of economic regulations adopted universally, as well as on the political will of the government of the member states.

It is well known that in the post-Soviet period Central Asian republics have been co-founders of regional organizations including Central Asian Cooperation Organizations (CACO), Eurasian Economic Community (EURASEC), Commonwealth of Independent

States (CIS) and Shanghai Cooperation Organization (SCO), but their effectiveness is different.

CACO-EURASEC:

From the beginning of the 1990s the Central Asian states have sought a new model of development and integration. The countries of the region have common social, economic, environmental and political problems and cooperation is necessary to solve those problems. The Process of Central Asian inter-state cooperation began in 1994 when the presidents of Kazakhstan and Uzbekistan signed a treaty creating a common economic space between the two countries. Later Kyrgyzstan and Tajikistan joined them, and in 1998 this cooperation was named the Central Asian Economic Forum. In February 2002 the Central Asia Cooperation Organization was officially created at the meeting of the Presidents of Kazakhstan, Kyrgyzstan, Uzbekistan and Tajikistan.

There are many problems in the processes of the Central Asian integration, among which is the of national interests prevailing over the regional, different customs policies of Central Asian states and lack of information exchange programmes. In the last two decades Central Asian republics have stopped considering themselves as political and economic partners. For instance sociological survey in Kazakhstan shows that neighboring regional countries are not among priority economic partners. (Rakhimov, 2010; 288).

The main problems for regional cooperation are-

- Different national interests and economic development.
- Rivalry between Uzbekistan and Kazakhstan for leadership.
- Fear of sub- national structures.

But some experts think that CACO is the first step on the way to development and there are perspectives for future development and cooperation. The majority of specialists consider the EU and ASEAN as good models for regional integration in Central Asia but with local peculiarities.

In November 2005, at the meeting of leaders of CACO in St. Petersburg it was decided to include the CACO in Eurasian Economic Community (EURASEC). It was founded in 2000 to establish an economic zone comprising of Russia, Belarus, Kazakhstan, Kyrgyzstan and Tajikistan. Moldova, Ukraine and Armenia have an observer status in the group. In the official media the main reason for CACO joining EurAsEC and the creation of EurAsEC was the both organizations have similar purposes and joining would increase effectiveness. In January 2006- Uzbekistan became the 6th member of the Eurasian Economic Community at a summit in St. Petersburg, but in October 2008 Uzbekistan ended its membership. Main reason is probably the attempt of other member countries to build new hydro-energy stations in Central Asia, it's possible negative effect on ecology, the most important for agriculture and downstream countries, including Uzbekistan. (Rakhimov, 2010; 288).

CIS

Former Soviet republic also became founding members of the Commonwealth of Independent States (CIS) during the meeting held in Almaty on 21 December 1991. Representatives of the CIS member states meet regularly to discuss economic, military, political and social issues of common interest. More than 2000 agreements on various aspects of Intra-CIS relations had been signed by 2010, but most of these agreements exist only on paper. Lack of a clear purpose and different perceptions on the part of its members have called into question the future viability of the CIS as a supranational entity. (Rakhimov, 2010; 289).

In 1996 the Presidents of Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan established the "Shanghai Five" in order to resolve border disputes and to reduce the armed forces along their borders. On 15 June 2001 these countries founded the Shanghai Cooperation Organization and Uzbekistan also joined the organization. It is established to combat terrorism, separatism and extremism. SCO is mainly supported by China but for Central Asian countries the interest in the organization is to build an alliance with Russia and China and other countries in the struggle against militant Islamists, and to maintain stability in Central Asia. But SCO as an organization is facing some problems like, a majority of the projects are sponsored by Chinese investment and Russia and Kazakhstan also have investment potential and could more actively participate in the SCO. It is necessary to adopt regulation of new members and develop multilateral cooperation with different regional and international organizations including UN, NATO, OSCE and others. In future, the SCO should widen its activities in economy, transport, humanitarian and other fields. (Rakhimov, 2010; 290).

To coordinate energy policies of the member-states and to increase energy cooperation among them, in 2006 in Shanghai Summit, then Russian President Putin proposed Energy club under the aegis of the SCO. In 2007 SCO Summit in Bishkek, Kazakhstan submitted a plan for an Asian Energy Strategy. It was followed by the formal signing of the SCO energy charter at the August 2007 Bishkek Summit, to address energy cooperation among the members.

This initiative is natural to such development and trends like Eastern vector of Russia's foreign as well as energy policy; the growing energy demand for the Chinese economy³¹; the need for China to get steady and secure energy supplies from sources that

As in 2005 the need for oil doubled from 3 million barrels per day to 6 million barrels per day and China became the second largest net importer of the energy after the US, and as the International Energy Agency

are so close to its territory; whereas for Central Asian states, the advantage is of reaching the growing Chinese market (Ganguli, 2010:257).

For China there are various objectives for building up such an alliance- China's Search for alternative energy sources, apart from the traditional ones like Saudi Arabia, Iran, Angola, Oman, Yemen, Sudan and the need to avoid single supplier dependence as in the Middle East. The political volatility and instability in the Middle East during and after the US—led operation Iraqi freedom and the need to reduce the dependence on the US naval protection of the critical maritime routes to improve energy supply are other pressing needs for China to opt for energy supplies from Eurasia. The energy potential of Russia and Central Asia provides it with additional options to advance its energy security interests. It also enables China to further its geopolitical influence in Central Asia, considered as a 'geo-economic extension' of its territory. So far as Russia is concerned, China is an integral part of its Asian energy market and the Chinese alternative approach provides Russia with a better bargaining advantage against other buyers like the EU and Japan. SCO as an alliance accommodates two powers in the region.

Among the SCO members, there are whole lots of proposed pipeline projects like, Kovykta gas pipeline project from West Siberia to Xinjiang and from there to Shanghai, Turkmenistan-Uzbekistan-Kazakhstan-China; Uzbek-Chinese gas pipeline deal of 2007 to build a 530 km pipeline and the Almaty-Urumqui project. China is also helping the reconstruction of the Uzbekistan-Kazakhstan gas pipeline.

But the two most important pipelines in this context are: first, the Atasu-Alashankou oil pipeline between Kazakhstan and China with the current capacity of 200,000 barrels a day. This programme is a part of 3000 km long Kazakh-China Transnational pipeline network, involving Russia and other Central Asian states as well. The second one is the Angarsk-Nakhodka oil pipeline, which is now renamed as the East

suggested that by 2030 the volume of imported crude for China would reach more than 80 % of its total energy requirements. (Kong, 2005:30)

Siberia-Pacific Ocean line. This project is to carry oil in two stretches- one from Taishet to Skovorodino on words to the Russia port of Nakhodka to transport oil to Japan.

Kazakhstan has emerged as a growing power in this alliance in a number of ways. It acquired an indispensable place in both Russian and Chinese energy strategy by allowing Russian oil to flow through its pipeline to China. It also acts as a transit state for Turkmenistan and Uzbekistan to reach Chinese energy market. Also it wants to establish a Russo-Kazakh oil cartel to coordinate exports to Asian and European markets. Interestingly while China is not averse to the idea of such a cartel as that would be conductive to Chinese strategy to safeguard half of its imports from the 'strategic Northern rear', but it is apprehensive of a Russian –led Gas OPEC, as suggested by Gazprom. While then president Putin downplayed the idea of a formal gas cartel.

The concept of an evolving Energy Club provides SCO with another dimension, apart from its present status as a security cum economic cooperation organization in the region. Notably, the nature of the member states of the SCO presents a geo economic combination of energy producers like Russia, Kazakhstan and Uzbekistan with energy consumers like China; whereas Tajikistan and Kyrgyzstan are both producers of hydroelectricity and energy market as well. The possible inclusion of observer countries like Iran, India and Pakistan will help widen this concept of energy club under SCO format. And if the SCO Energy Club can be re-structured and re-organized in such a way, it has the potentials of becoming a formidable energy-alliance in Eurasia. (Ganguli, 2010; 259).

Cooperation in Regional and International Transport Communication

Central Asia has been using post-Soviet system of rail, road transportation, gas and oil pipelines and this communication went through the European part of the former Soviet Union. But in the post-Soviet era the Central Asia republics considered development of alternative regional transport communication as important for national and regional strategy and as a result it developed new transport communication to the

East and South and linked it with the transport system of neighboring countries like China, Iran, Pakistan and Turkey.

In particular, in 1996 a rail link Tejen- Serakhs – Meshkhed- Bandar Abbas was completed, which connected the railway system of Central Asia with Iranian ports on the Persian Gulf, and passes through Turkey to Europe. Reconstruction of the Tashkent-Andhizhan- Osh- Sarytash- Irkeshtam motor highway would create conditions for intensive economic exchange between the Central Asian countries and China and would promote the intensification of regional economic cooperation not only in Central Asia, but also within the framework of the SCO and organizations for economic cooperation.

Russia- Central Asia

L. Larsson pointed out that 'Russia has strategic priorities to keep its influence over the CIS and its energy policy is one of the means used for this region......... Russia uses its energy policy to create growth, extend influence, and avert geopolitical and macroeconomic threats and to reduce the risk of being blackmailed.' (Larsson, 2006; 05)

Russian policies towards Central Asia get shifted with time. In Yeltsin period Russia was preoccupied with sweeping internal reforms and intensively focused on joining Europe. Consequently Yeltsin had no apparent strategy for Central Asia. Rather it saw Central Asia as an obstacle to its quest to join Europe. Russia perceived the CIS merely as a tool for overseeing the dissolution of the USSR, thus Central Asian countries lost faith in Russia and actively sought external guarantors of regional security and foreign assistance.

During mid 1990's Russian foreign policy took new dimension under Prime Minister Primakov in 1996. Primakov doctrine was, 'Russian regional influence took precedence over integration with West. Russia made limited attempt to boost security and defense cooperation with Central Asia. During this period Chechnya was under control of

Islamic radicals and Afghanistan was under Taliban. Russia was only concerned for its national security.

Under Putin's leadership, Russian policy to Central Asia was more determined and proactive. It was according to Gumilev's concept of Russia's destiny³² as Eurasian power. Its foreign policy shifted from pro- Westernism and Atlanticism to economic interests in Central Asia especially regarding hydrocarbons that it is vital for trade with Europe. Russia tried to assert its monopoly on export pipelines and pressurize Central Asia's states to yield control of their hydrocarbons. Russia also reasserted influence in Central Asia by establishing and actively participating in several multilateral organizations. Medvedev further intensified Putin's policies.

Russian concerns into Central Asia can be classified in following ways:

Security-

- Threat to Russian security and territorial integrity emanated more from internal sources and from its southern borders, i.e. Chechnya and Dagestan.³³
- Non –military security threats like Terrorism, religious fundamentalism, drug trafficking, flow of weapon and refugees from the south bound for Europe.
- Linkage between Chechen rebels and Al- Qaida/ Taliban forces had posed long term political and economic challenges to Russia,
- Domestic fragility within the Central Asian states

³² L. Gumilev (1912-1992) created a very original and controversial historiosophical conception of Russian and world history based on the ideas of the "Euro-Asian" theory, implying a specific Russian way of historical and spiritual development.

The Islamist offensives in August 1999 in southern Kyrgyzstan and Dagestan, followed by the war in Chechnya, contributed to the 'Islamic threat' being redefined as a threat of 'international terrorism' in the National Security Concept published in February 2000 and moved to the forefront of the Russian political agenda. The events in Kyrgyzstan initiated a wave of Russian activity to promote military and security cooperation with Central Asian states." (Jonson, 2001:100).

Lack of resources and absence of durable peace in Central Asia is also Russian concern.

Primarily Russian security interests in Central Asia can be classified into Strategic and specific. In strategic terms, there are several challenges like prospect of political destabilization, Islamic radicalism, etc. by following the collapse of Soviet Union Central Asia freely connected with Middle East and became subject to an intensive Islamization which could undo the legacy of Soviet atheist rule. Hence opposing Islamic radicalism is the means of Central Asia's stability, according to Russian perspective. Russia is trying to prevent threats, deal with risks and enhance regional security. In specific Russia is maintaining, restoring and developing a security infrastructure in Central Asia.

Domestic stability-

Russia is facing many threats in the region. In Uzbekistan major opposition are militant Islamists, in Kyrgyzstan, increasingly active Islamic fundamentalists, in Tajikistan Islamists are a legal political force. After civil war of 1992- 97 currently Tajikistan is stable but it cannot take peace for granted. Russia is trying to establish secular regimes in Central Asia. Islamism can be intensely destabilizing and could threaten not only Russia's role in Central Asia but spread to Russia's own Muslim populated regions. Absence of democracy in Central Asia will either pave the way for Western presence and pro- American policies at the expense of Russian interest or open the flood gates to Islamism (Frankenstein, 2010). In 2003-04, Rose, Orange and other "colour revolutions" were part of a U.S. inspired plot that aimed to replace Soviet era elites with Pro- Western ones and thus forever limit Russia's influence in its neighborhood. Russian policymakers consider the promotion of democracy by the US as the real source of instability.

Containing Foreign Military Presence and Third Party Security Alignment

Moscow has been highly allergic to American military deployments and political activism in the Northern part of Middle East. Russian military doctrine of 1993 and 2000 declared foreign military presence in the former Soviet space and the third party security alignment with the new independent states a threat to Russian national security.

Basically US and NATO presence in Afghanistan was welcomed by Putin in 2001 due to following reasons:

- Russian realized it could not prevent atleast some Central Asian countries, i.e. Uzbekistan, from hosting Western forces. To try to block deployment and to fail could defame Russia.
- Whereas Americans would come and eventually go but if Chinese were to fill the vacuum, they would come and stay.
- some political thinker see Americans in Central Asia as the place holder for Russia until such time that Moscow would feel strong enough to dominate the region once again.³⁴
- Western presence in Central Asia is boon for stabilization of Central Asia.
- Analyst hope for NATO military to stay in Central Asia for 15 years until they can be properly stabilizes.
- Russian wanted to crush Taliban but they could not do what America and NATO aimed in Afghanistan (Haass, 2002: 16).

Maintaining interstate Stability

Main concern and Russia's long term interest is to prevent wars among the newly independent states of Central Asia. In 1992 CIS signed treaty to divide the Soviet military

legacy. The military became nationalized. Russia only finalized arrangement with its Central Asian neighbor Kazakhstan. 1998 land mark agreement on the Caspian³⁵ established the principle of dividing the Seabed while sharing the water and biological resources. In different border disputes Moscow took no public stand but probably trying to calm tension behind the scene. For example, in 1998, dispute between Uzbekistan and Tajikistan, 2004 dispute between Turkmenistan and Uzbekistan, 2005 between Kazakhstan and Uzbekistan. Russia, in order to avoid interstate confrontation, started guarding and policing the borders of non-CIS states.

Organized crime networks that operate drug trafficking rings in Russia and other CIS countries are major threats to their security. They have links with Islamic radicals, who use the proceeds from the narcotics trade to buy arms and recruit fighters and bribe government officials. Tajikistan, Kyrgyzstan and Turkmenistan has become involved in drug trafficking. In Russia's view, US and NATO have not responded seriously to its calls for active cooperation

Nuclear Non proliferation

Russia's concern is to stop competition for availing nuclear power in that region but it is concerned about American operations such as Topaz which was aimed at buying up nuclear material locally in order to prevent it's leakage to the unsavory regimes. Russia is also concerned with the uranium mining facilities in Tajikistan. Pakistan becoming a nuclear power in 1998 agitated Russia because Pakistan was founding member of CENTO and a base for US spy planes. During Afghan war Pakistan was the supply and support base for anti-Soviet Mujahidin. Since 1990 it supported Taliban.

³⁵ In July 1998, Kazakhstan signed a bilateral agreement with Russia dividing the Northern Caspian Seabed only along median lines between the two countries, with the waters (covering issues such as shipping, fishing, and environment) remaining under joint ownership. Under this accord, Russian agreements with Iran on the division of the Caspian that date back to Soviet days would remain valid until an overall agreement is reached among all Caspian littoral states.

Russia is also concerned about Iran. If Iran will be a nuclear power, it would become a major regional power and America's preventive attack will increase militant Islamists who could sweep away the secular regimes in Central Asia. (Ottolenghi, 2009)

Consolidating Moscow- led security alliance.

To strengthen its role in Central Asia, Russia has been seeking to upgrade the Collective Security Treaty Organizations and regional security pact. In 1992 Collective Security Treaty connected Russia to Central Asians countries except Turkmenistan. In 2000 Uzbekistan opted out and joined GUAM³⁶ group which was backed by US. In 2003 CSTO was established and Russia's goal was to include Uzbekistan in CSTO. CSTO failed to control Tulip revolution in Kirgizstan and its members, including Russia, participated in the NATO led Peace Programme. Russian claims to regional leadership are more seriously challenged by SCO. Russia failed to include NATO to establish alliance—to—alliance relation with CSTO. Moscow views this failure as US effort to keep out Russian influence from Central Asian states and spread US influence. Alongside CSTO, Russia is trying to create a security arrangement in the Caspian, which will counteract America's plan for a Caspian Guard. Russia has proposed Caspian Sea force CASFOR. (Haas, 2006:34)

Central Asia is also dependent on Russia for its space programmes. Central Asia looks to Russia for launching space crafts. In Tajikistan, Moscow rents a space monitoring radar station 'OKNO' at Nurek and uses Kazakhstan's Baikanour cosmodrome.

³⁶ GUUAM (Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova) Group was formally founded as a political, economic and strategic alliance designed to strengthen the independence and sovereignty of these former Soviet Union republics. During the five years of cooperation GUUAM group became an important structure, which looking to enhance regional economic cooperation through development of an Europe-Caucasus-Asia transport corridor. It has also become a forum for discussion on various levels of existing security problems, promoting conflict resolution and the elimination of other risks and threats.

Defense Industrial Cooporation and Arm transfer

After fall of Soviet Union military technical cooperation between Russia and the Central Asian States decreased. One of the major reasons was financial problem of Russia. Later Russia started many new cooperation schemes:

- RUSSIA –Uzbekistan agreement of 2005 for the joint production of lliushin- 76 transport planes for sale in China. (Bin, 2009).
- Russia opened its military and security alchemies to Central Asian Students to promote pro- Russian sentiment among the Central Asian military elites.
- From 2000 Russia agreed to supply arms and equipments to CSTO members at Russian domestic prices.

Russia was involved in different wars like Afghan war and Chechnya war etc and its prestige as a military power sank to an all time low in Central Asia. Russia realized that it must improve and enhance its own assets and power projection capabilities. Hence Russia initiated:

- In south Siberia, 50000 strong rapid reaction corps with headquarters established at Omsk.
- The strategic aviation base at Engels, Saratov Oblast.
- The air defense test range at Ashaluk, in Astrakhan Oblast, that regularly hosts Central Asian forces for joint exercises.
- Strategic Rocket Force division at Novosibirsk.
- Missile force test range at Kapustin Yar.
- Regular Navel exercises in Caspian.
- Establishment of Caspian flotilla in August 2002 to protect the oil and gas infrastructure in and around the Caspian from terrorist attacks (Main, 2008).

Russia- Caspian

The great powers, whether Britain and Russia during the 19th century or Russia and the USA today, have often perceived the Caucasus and Central Asia as a single strategic entity (Maksimenko, 2000). The major changes in the Caspian region during the 1990s followed from the internal dynamics of the former Soviet Union—for example, the centrifugal force and after the dissolution of the Empire. The Caspian states define themselves and their foreign policy in relation to Russia. As Russia failed to attract them into functioning cooperation in a Commonwealth, they were moving away from Russia. As the Russian factor weakened, new dividing lines appeared in the region. Groups seemed to be in the making.

During the first half of the 1990s Russia tried a policy of integrating all the Caucasian and Central Asian states into the CIS structures, but in 1996 this policy had to be revised. Instead policy became diversified with regard to individual CIS member states. As a consequence Armenia developed as a Russian stronghold in the Caucasus, and Kazakhstan and Tajikistan became Russia's key partners in Central Asia. Azerbaijan, Georgia and Uzbekistan played a subordinate role in Russian policy and distanced themselves from Russia. This trend was clearly demonstrated when these states withdrew from the Tashkent Treaty in April 1999. For all the CIS member states (except Tajikistan) the share of in their trade with Russia (both import and export) fell during the 1990s. The share of CIS countries in Russia's total foreign trade fell from 54.6 per cent in 1991 to 18.7 per cent in 1999 and the share of non-CIS members' increase. Russia's fear that the USA would fill the power vacuum left by Russia infected its relations with the USA in the region. (Jonson, 2001). Deteriorating Russian-US relations on the European scene in the late 1990s also had a direct impact on the degree of tension in the Caspian region. After the NATO intervention in Kosovo in April 1999 Russia feared that NATO's new Strategic Concept would imply NATO intervention in conflicts also in the Caspian region. The Russian reaction was reflected in the new doctrinal documents signed in the spring of 2000—the military doctrine, the national security doctrine and the Foreign

policy concept to counter the trend of rapidly diminishing influence in the Caspian region.

As, during Prime Minister Yeltsin, Putin initiated the campaign in Chechnya, indicating a new determination to act and capacity to mobilize. This was followed up by a more active policy on CIS territory. The fight against terrorism became a platform for Russian initiatives in developing security cooperation first of all with Central Asian states. Putin took a more active stance on the issue of the transport of Caspian energy and requested a more active engagement by Russian companies in the oil and gas sectors of the Caspian in order to counter foreign/ Western investment, projects and proposals. The Russian Government initiated more active diplomacy in mediating in the frozen conflicts of the South Caucasus (in Abkhazia, Nagorno-Karabakh and South Ossetia). As a result of a new awareness that multilateral CIS cooperation had come to a definite stand-Russia's second military campaign in Chechnya, initiated in September 1999, indicated a new determination to take control of developments in the region but at the same time reflected the long-term trend of a decline in influence.

When Vladimir Putin came to power—first as prime minister in August 1999, then as acting president in December 1999 and as elected president in March 2000—Russian policy became more active. Russia explicitly put more emphasis on developing bilateral relationships, as was evident at the CIS summit meetings in January and June 2000. The government clearly gave priority to winning back those CIS states which were on their way to leaving the Russian orbit and were considered by the USA as Strategic key states in the Caspian region—Azerbaijan and Uzbekistan. Uzbekistan has the largest population in the region, the strongest army and a capacity to influence its neighbors. Azerbaijan is a small state without comparable strength but is nevertheless regarded as a key to the gate for the West into the Caspian Sea; a pro-Moscow government there would change the geopolitical balance in the region. In 1998 Russia's position had started to change on the issue of the legal division of the Caspian Sea.

Russia's June 1998 agreement with Kazakhstan on the division of the North Caspian Sea into national sectors was followed by a Russian suggestion in June 2000 of an interim solution dividing the Seabed into national sectors while preserving general use of the Sea's waters and surface. This stronger support for the principle of national sectors in 2000 was perceived by several Russian commentators as part of an effort to approach Azerbaijan. Some critics considered Putin's new policy in the Caspian region counterproductive. The policy was formulated by the Russian Security Council in the spring of 2000; officials in the Ministry of Foreign Affairs remained skeptical.

Observers commented that the tougher Russian policy, its concentration on antiterrorism and its emphasis on Azerbaijan and Uzbekistan could result in a backlash by undermining the support of Russia's traditional allies. The response initiated by Putin in late 1999 was a clear effort to turn the tide and win back influence. The Russian Government reacted as if the Caspian region were part of a zero-sum game and tried its best to win that kind of game. (Jonson, 2000: 186)

Russia's view about Caspian is that Caspian should be exploited jointly by all the littoral states. Kazakhstan's view is to divide it along the median line. According to this modified median line principle, Kazakhstan was allocated 29% share in Caspian Sea. Azerbaijan and Turkmenistan over 19%, Russia 18.5% and Iran 14%. In spite of loss of 1.5% share Russia made the pragmatic policy choice to help the process of official demarcation of the national sectors in the Caspian Sea as well as to project itself in a role of a mediator in the region to avert possible international arbitration in dispute. The formal demarcation of the of the Northern Caspian Sea among Russia, Kazakhstan and Azerbaijan was declared in the 2003 Almaty Meet of the Special Working Group on the legal status of Caspian Sea. All these moves show Russia's efforts to make itself relevant in the energy scenario of the region, and through this, to build up a bond of interdependence in the region. (Ganguli, 2010; 251).

US- Russia alliance for war against terrorism

The September 11 attacks on the Pentagon and the twin towers of the World Trade Centre elicited an unprecedented outpouring of Russian sympathy and expressions of Russian solidarity with the United States. The NATO-Russia Permanent Joint Council announced that "NATO and Russia are united in their resolve not to let those responsible for such an inhuman act to go unpunished. NATO and Russia call on the entire international community to unite in the struggle against terrorism. NATO and Russia will intensify their cooperation under the Founding Act to defeat this scourge." (Perruncio, 2002:1). During a visit to Armenia on September 15, Putin stated that the recent attacks could "be compared in scale and cruelty to what the Nazis were perpetrating" (Perruncio, 2002:1), perhaps implying that the U.S. and Russia should cooperate as they did in World War II to face a common enemy.

The declarations of Russian support for the U.S. in this time of crisis lend hope for improved relations with Russia, atleast in the area of anti-terrorism. As the U.S. develops a strategy to prevent from future terrorist attacks and bring the planners of the September 11 attacks to justice, strategists worked to explore ways to further U.S.-Russian and NATO-Russian cooperation. Both the U.S. and Russia have strong interests in ensuring the safety of their citizens and both nations recognize terrorism stemming from militant Islamic fundamentalism as a common threat to these interests. In a syndicated column published in the Washington Post on August 14, 2001, Henry Kissenger discusses factors influencing post-Cold War international relations, and asserts that "on the political plane, the challenge of Islamic fundamentalism is probably the dominant Russian concern." (Perruncio, 2002:2) Russian interest in countering militant Islamic fundamentalism stems from violent uprisings in the Russian republic of Chechnya and the potential spread of similar problems throughout Russia's sphere of influence in Central Asia. The Russian government has attributed the 1999 explosions in Moscow, which killed over 300 civilians, to the work of Islamic terrorists associated with the Chechen uprising. These violent acts coalesced Russian support for further military

intervention in Chechnya. Vladimir Putin's handling of what has been called the second Russia-Chechnya war won high ratings from the Russian people, and appears to have been an important factor in his rapid rise to the Presidency.

Afghanistan is of special concern to the U.S. and Russia due to the presence of the militant Islamic fundamentalist group Al Qaeda, which has been linked to violence in Chechnya and terrorist attacks against U.S. and Russian citizens. Despite the resolve of the NATO-Russia Permanent Joint Council "not to let those responsible for such an inhuman act to go unpunished"³⁷, there are several constraints to U.S. and Russian cooperation in military operations in or around Afghanistan:

- 1. Over 15,000 Soviet soldiers were killed during the failed intervention in Afghanistan between 1979-1989. This memory is still fresh in the minds of many Russians, and the Russian government would probably find little public support for new troop deployments to Afghanistan.
- 2. The U.S. would presumably consider the lessons of the failed Soviet invasion of Afghanistan and rely more on air power and the deployment of Special Operations Forces than on larger, conventionally equipped ground forces. Perhaps the Russian Army Chief of Staff, General Anatoly Kvashnin, was considering this likelihood when he stated that "the U.S. has powerful enough military forces that it can cope with this task (revenge against the perpetrators of the September 11 attacks) on its own. (Petruncio, 2002: 6)
- 3. Since 1994, the Russian military has been trying to suppress the separatist movement in Chechnya. The apparent disregard for civilian casualties and the use of extortion, torture, and extrajudicial executions by Russian troops in this conflict

³⁷ "Meeting in extraordinary session of the NATO-Russia Permanent Joint Council at Ambassadorial level", NATO Press Statement, 13 September 2001.

has drawn criticism from numerous human rights groups, and may result in reluctance on the part of the U.S. to be associated with Russian military tactics.

- 4. The large number of Muslims in Russia (one in seven, according to a 19 September USA Today article by Bill Nichols) raises the possibility of further unrest within Russian borders if troops were to overtly attack the Taliban militia. (Petruncio, 2002: 6).
- 5. Russia needs to be prepared to provide military assistance to the Central Asian republics, particularly the members of the SCO, should fighting spread to their regions.
- 6. While it does not appear likely that combined U.S.-Russian military operations will be forthcoming, it is conceivable that Russia could aid the U.S. by helping to coordinate the forward basing of U.S. planes and support equipment in Uzbekistan and Tajikistan, and by putting pressure on the Taliban through support of the Northern Alliance, which is battling the Taliban for control of Afghanistan.

There is an opportunity to explore ways in which NATO and Russia can coordinate smoothly to use the informational instrument of national power (in the form of intelligence gathering) against a common enemy.

Successful cooperation in this manner might have the added benefit of easing Russian concerns regarding the future enlargement of NATO, if Russia begins to see Western military intelligence as a potential asset instead of a threat. The application of economic power to weaken terrorist organizations and their support infrastructure will be an important part of the strategy to defeat international terrorism. Russia and the U.S. have already begun cooperation in this area, through the sanctions and trade embargoes imposed on the Taliban by the U.N. Security Council. The U.S. and Russia could continue to lead the formulation of Security Council resolutions in this regard and could

explore further ways to use economic power against supporters of terrorist organizations. Given these potential areas for cooperation in the application of military, informational, economic, and diplomatic power in the war on terrorism, the U.S. and Russia could pursue the following near term objectives:

- 1. Share intelligence on the identity, whereabouts, and plans of Al Qaeda members, with the aim of capturing them or destroying their organization.
- 2. Share information on opium smuggling operations and other sources of income for Al Qaeda, and coordinate efforts to cut off these sources.
- 3. Share information on the Taliban's "centres of gravity", with the aim of punishing them for harbouring terrorist groups in Afghanistan. Continue to apply U.N. sanctions against the Taliban.
- 4. Coordinate with and offer assistance to neighbouring countries of Afghanistan (Pakistan, China, Tajikistan, Uzbekistan, Turkmenistan, and Iran) in tightening their borders and making air bases available to the U.S., in hopes of bottling up and capturing Al Qaeda members. (Petruncio, 2002)

During the Cold War, the United States and the Soviet Union rarely had common views on security threats: nuclear nonproliferation was one of the very few areas of substantially common definitions of the problem which led to serious security cooperation. After the Cold War, and especially after the September 11, 2001 terrorist attack on the United States, there was hope that the space for common understandings of threat had grown to encompass terrorism as well as nonproliferation, creating the opportunity for meaningful cooperation in key security issues facing the United States and Russia in the 21st century. Instead, security cooperation has been very weak. There have been important areas of success, most notably Russian assistance for the war against the Taliban and Al Qaeda in Afghanistan in 2001. But the United States and Russia have

not been able to cooperate meaningfully on terrorism, nonproliferation, and the intersection of the two threats, despite numerous statements by officials in both countries that cooperation in this vital security arena is a bilateral priority.

In order to assess why cooperation has not been fruitful, Robert Einhorn of the Center for Strategic and International Studies and Celeste A. Wallander Concluded through a Survey, (Wallander, 2005:24) the following points-

- For Russia, nonproliferation is a priority, but not a top priority, and it is secondary to increasing Russia's political influence with important regional powers and to commercial relations. The Putin government's immediate priority is further economic growth in order to reestablish the country as a great power. Commercial and political relationships are key to that objective. Military technology is one of the few economic sectors in which Russia is competitive globally and from which it can derive financial resources. Russia's political standing as the United States' equal on the world stage as a nuclear power gives the Russian government an incentive to engage on nonproliferation issues, but this does not mean that nonproliferation is the top priority in its foreign policy.
- The costs and benefits of proliferation are viewed by Russian leaders in geopolitical terms. This is most often cast in terms of a geopolitical framework for Russian nonproliferation policy. That is, Russia cares about balancing the United States' global power and countering U.S. unilateralism by fostering military and political multipolarity. This does not mean that Russia will sell WMD (weapons of mass destruction) in order to create new nuclear power states to balance the United States. But it does mean that Russia views the potential spread of nuclear weapons capability with less alarm than the United States and more ambivalently. It also means that Russia is disinclined to risk political relationships with important regional powers in pursuit of a nonproliferation objective that it does not consider to be a priority

- Russian officials question U.S. nonproliferation motivations and assess they are as likely to be based on containing and weakening Russia as on genuine security vulnerabilities Mainstream Russia foreign policy thinking sees U.S. policy since the breakup of the USSR as primarily driven by the desire to weaken and encircle Russia: a neo containment policy. U.S. policy toward the Yeltsin government, in this view, was not motivated genuinely by any desire to reform the country and make it secure and prosperous, but to urge upon Russia "shock therapy" and related policies in order to break apart the Soviet/Russian economy so that it could not serve as a basis for Russian power. The enlargement of the North Atlantic Treaty Organization in this view was driven primarily by the desire to create a favorable Western military balance vis-à-vis Russia. And NATO intervention in Kosovo outside of legal United Nations rules, while not directed militarily against Russia, was directed politically to weaken Russia's position in Europe and Eurasia. It was also a warning of how Western military coercion could be used for political purposes in the region, with Russia as a potential target. U.S. bases and military cooperation programs in the Caucasus and Central Asia are seen in the same light. In this sense, nonproliferation would serve such a U.S. strategy by weakening Russia's economy and nuclear industry through limiting its opportunities to grow and develop. It would also weaken Russia's political relationships with important countries, primarily Iran, and force Russia to forego strong relationships with countries likely to be important to its future security.
- Russian leaders and analysts do not believe that Russia is a likely target of potential WMD by proliferating states or non-state actors. Russian officials and analysts point out that Iran and North Korea do not fear Russia that their security concerns focus on the United States or U.S. allies and that while their acquisition of WMD may not be desirable, it is not a likely security problem for Russia. Similarly, U.S. concerns that Al Qaeda might acquire a nuclear device (though considered unlikely) were acknowledged by most analysts and officials in Russia

but, in terms of Russian security, dismissed as a realistic security threat. Despite trying to draw a connection between Chechnya and Al Qaeda, Russian analysts and officials in private for the most part dismiss the possibility that an Al Qaeda WMD threat could mean that Chechens would acquire and use WMD against Russia. Statements making this connection in public by Russian officials arise not from genuine belief or evidence, but from Russian interest in linking their policy in Chechnya to the U.S. global policy on fighting terrorism in order to inoculate Russia from U.S. criticism (Wallander, 2005: 25).

- Putin has an incentive to appear not to be simply following U.S. wishes and priorities on proliferation.
- Russian officials would be interested in revision of international law and the nonproliferation regime, but only if revision redresses perceived asymmetries that favor U.S. political and economic relations with WMD dual-use customers.
- On Iran and other cases, Russian officials and analysts emphasize insecurity and vulnerability as motivators and, thus, reassurance and engagement as nonproliferation policies.

Consistent with the trend in overall Russian foreign policy that sees U.S. power and unilateralism as a main factor in the international system, Russian officials and analysts argue that potential proliferators, especially Iran, are motivated primarily by insecurity and a desire to acquire military technology for defensive purposes. In this view, the source of any proliferating action on the part of regional powers such as Iran is aggressive U.S. counter proliferation policy itself. In this view, the United States should pay more attention to fixing the demand side of proliferation (insecurity and fear of U.S. policy) and less on the supply side. Russians argue that the European approach for engaging Iran with carrots and sticks is better suited to addressing the sources of proliferation. They further argue that cutting off countries motivated by insecurity from

peaceful commercial markets in nuclear technology creates an incentive for such countries to create their own capabilities outside of IAEA inspections which, while imperfect, offer some monitoring. They argue that incremental changes such as requiring the return of spent fuel can be part of a policy that better addresses the supply and demand balance, and that Russia is fully justified in taking this approach. The Russian Government sees the issue of proliferation primarily in geopolitical terms and doubts that the United States is motivated primarily by nonproliferation goals. It is important for understanding Russian assessments of cost-benefit tradeoffs on whether and how to pressure countries like Iran to maintain their non-nuclear status. Furthermore, understanding that nuclear technology sales and assistance serve high priority Russian ambitions to be a global political and economic leader should help U.S. officials understand Russia's hesitation to adopt American views on the urgency of dismantling the Soviet nuclear weapons legacy (Wallander, 2005:26).

Perhaps most importantly, U.S. nonproliferation policy and attempts to cooperate with Russia would be better served if the issue were framed and managed more as a high priority foreign policy concern and less a matter for technical nonproliferation experts. Relegating policy in this issue area to nonproliferation assumes that the United States and Russia have essentially common goals, prioritize objectives in the issue area similarly, and conceive of the role of nuclear weapons in twenty-first century global politics in essentially similar terms. The findings reported here strongly contradict that assumption and highlight the complicated foreign policy aspects of the issue, which require that officials and experts responsible for U.S.-Russian relations in a broader foreign policy context have to take the lead in finding a basis for cooperation on nonproliferation. (Wallander, 2005)

However, despite of all, regarding the U.S.-led anti-terrorist campaign, Russia has repeatedly stressed the primary importance of wide multilateral cooperation in addressing global security challenges and making the maximal use of the UN's potential and other international/regional organizations for these purposes. At the same time, as

demonstrated by post–September 11 experience, Russia's practical cooperation with the United States as the leader of the anti-terrorist coalition has been most effective when exercised on a bilateral basis. This cooperation proved essential for Russia to gain new prominence in the international political arena and become an internationally recognized player in the global anti-terrorist campaign. This, in turn, helped Russia to promote its wider foreign policy interests, such as further and deeper political and economic integration into international community. (Stepanova, 2002)

US- Central Asia/ Caucasus region

Senator Alan Cranston mentioned in his report to the committee of foreign Relations-"Central Asia is remote, economically backward and ethnically doesn't bind with US, however Central Asia should not be ignored due to the presence of natural resources. Another goal of US in Central Asia is to promote a model of American democracy as an example for the Central Asian countries and not to promote the model of other country." (Cranston, 20; 1992). In Central Asian region US policies have changed several times which reflects the intensity of American policies in the regional level. Following the 9/11 incident US activities got intensified into the region. This region became a strategically important territory for support of Afghan operation. Here it was important for US to negotiate with Central Asia countries for development of anti-Taliban military bases in Central Asia. US had established its base in 'Manas' near the Bishkek in December 2001. In Uzbekistan the Kharshi- Khanabad base was created, where about 1.5 thousand soldiers were deployed.

US- Uzbekistan

In the begging of 1999 Uzbekistan dropped out of the CSTO led by Russia and became a member of the US supervised GUUAM. The Taliban activity near the Uzbekistan border compelled this country to look for reliable help. Uzbekistan became

the main US partner in this region. During a visit of Uzbekistan's president Karimov to Washington DC, the declaration on strategic cooperation between US and Uzbekistan was signed. US later became a critique of Uzbekistan's undemocratic means of governance. The result of this policy was the cooling down of the US-Uzbekistan relations. (Dundich, 2010; 335).

Andijan unrest and its suppression, by Uzbekistan government in May 2005, was strongly criticized by US. In July 2005, Uzbekistan demanded withdrawal of the Kharshi-Khanabad base within 6 months. Finally at the end of 2006 US troops were withdrawn from Uzbekistan.

The US stepped up its "interests" in Transcaucasia after the removal of the Taliban regime and installation of the Karzai government in Afghanistan. The US defense secretary announced lifting of military aid and sanctions in the Azerbaijan, Armenia and Georgia regions. This ban had been placed earlier because of the conflict between Armenia and Azerbaijan and the ethnic conflicts in Georgia. In Georgia the two autonomous republics of Abkhazia and South Ossetia had initiated secessionist movement against Georgia and had also expressed their intentions rejoin Russia. Russia had shown open sympathies with these two provinces much to Georgia's anger. Georgia, on its part, has been sheltering Chechen rebels who had waged war in the Pankisi and Kidori Gorge in Georgia. (Chenoy, 2010; 122). Despite the fact that there has been no change in these conflicts, the US has initiated a process of selected aid and military support. Then US Defense Secretary Donald Rumsfeld initiated military cooperation with Azerbaijan and Georgia and even sent American troops to assist the Azerbaijan border troops. The US had proposed military contacts between Azerbaijan and Turkey. Given the fact that the relations have been long strained between Armenia and Azerbaijan. The US had also promised some peace- keepers to Armenia, as part of the "battle against terrorism "The US has carved out military base for itself in this region and is gradually stepping up its own role in local conflicts.

Afghanistan- Central Asia

Stabilization and positive changes in Afghanistan creat new opportunities for its cooperation with Central Asia. Improvement of transport connection between Central Asia and Afghanistan would be a significant contribution toward future economic recovery and political stabilization of Afghanistan and also development of transport communications of Central Asia countries with South and East Asia. In June 2007 Uzbekistan, Iran and Afghanistan signed agreement "on creation International Trans-Afghan corridor" and the agreement comprises the construction of a 2400 km highway road through Termez- Mazar- e Sharif -Herat to Iranian Seaports of Bandar-e Abbas and Chahbahar. This road will allow Central Asian countries to reach the Persian Gulf and increase interlinks of Central Asia, Russia (West Siberia), and China (Hinjiang) with the Middle East, Southwest Asia and Europe. Another Trans Afghan project is a transport corridor- Uzbekistan- Afghanistan and Pakistan is important for Central Asian Trade through the Arabian Sea to South, South West Asia and Middle East. This will reduce the distance by 1200-1400 km. (Kazi, 2001) The Transport road project Murghab-Kulma will connect Tajikistan with the Karakorum highway in China and Pakistan, and allow Central Asian nations access to the Pakistan ports of Karachi and Gwadar. These transport projects will develop alternative transport projects and will make positive changes in the geo-strategic and geo-economic situation in Central Asia.

From 2001 there has been growing economic relations between the Central Asian republics and Afghanistan. Tajikistan and Uzbekistan are exporting electro energy to Afghanistan and also Uzbekistan built 11 new bridges in the country. Kazakhstan is exporting wheat and other goods.

The dynamics of growing Uzbek- Afghan trade can be seen in the table below.

Table No. 1. Uzbekistan- Afghanistan Trade, 2001-2008 (in million US \$)

	2001	2002	2003	2004	2005	2006	2007	2008
Trade	11.4	61.7	89.9	130.4	171.5	163.7	332.4	533.1
Export from Uzbekistan. To Afghanistan 11.1		61.5	89.	3 127.	7 170.4	161.7	7 331.4	4 530.5
Import from Afghanistan to Uzbekis	tan. 0.3	0.2	0.6	2.7	1.1	2.0	1.0	2.6

(Source: Rakhimov, Mirzokhid, (2010), "Central Asia: Challenges of Regional and International Cooperation" in Anita Sengupta and Suchandana Chattergee (eds.) Eurasian Perspectives: In Search of Alternatives, Kolkata: Shipra Publication. p. 291)

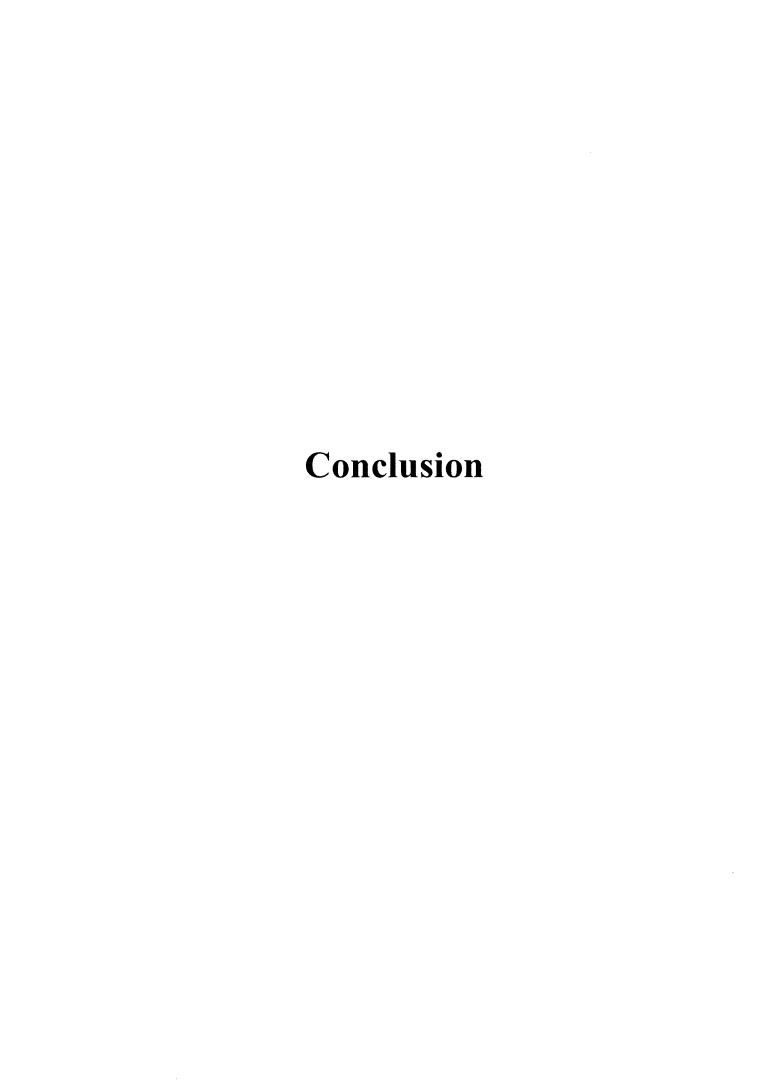
A well developed regional transport system in Central Asia will lead to greater potential for regional prosperity and good opportunity to develop regional and international transport network and substantial trade relations and facilitate foreign investment.

Stability and security in Central Asia is affected by the direction of integration, patterns of regional cooperation, and institution building. It is important that the Central Asia nations build strong bilateral and multilateral relations with international and regional organizations and move towards economic reform in order to attract foreign aid and direct investment. Central Asian republics- Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan as well as China, Iran, Pakistan, India are involved in the process of organization and harmonization of the transport arteries and communication connecting Europe and Asia, the West and East, and providing the access to midland states, including Uzbekistan, to the world's Oceans. The perspective planning for transport development will depend on the degree of optimum correlation of global, regional, inter- regional and national interests in realization of the projects. There are many problems among different actors in Central Asia and Afghanistan, including

NATO, EU, OSCE and other international organizations, because they have different approaches and understanding of the situation. For greater cooperation between the Central Asia nations, major powers, international and regional organizations on Central Asian issues the following could be suggested.

It is necessary to develop an institutional framework of regional cooperation in Central Asia and concentrated on regional projects, including transboundary water sharing and other issues and to promote regional cooperation and integration in such way that it become a tool for better economic and trade relations and promotes stability and economic development. International organizations and major power and have to channel funds and external support to Afghanistan to help restore its economy and try using also technological and reconstruction potential of Central Asia republics and other neighboring countries. They should also increase partnership with Central Asia nations in solving a wide range of security problems.

The EU, NATO, OSCE require strong relations and joint projects in Central Asia and Afghanistan along with CIS, SCO, Eurasian Economic Community, CSTO. Challenges of the 21st Century require broader partnership and cooperation. Future prospects of multilateral regional and international cooperation in Central Asia will depend on correlation of national, regional and global interests. It is necessary first of all to have strong dialogue between Central Asian republics itself. All Central Asian geopolitical, political, economic, and cultural and security challenges to Central Asian states are connected and solution should come jointly. Future regional cooperation, strong international partnership would promote more stability, economic reforms and democratization to the region and beyond.



CHAPTER V

CONCLUSION

How the geopolitics of the Eurasia will look like in near future is primarily dependent on energy as a strategic asset for which a Great Game is going on primarily between two major powers US and Russia, while others include regional and emerging powers.

Being geographically landlocked and with lack of infrastructural development Central Asian/ Caspian region is vulnerable and looked towards West for economic assistance and to shake off Russian mantle as soon as possible. They were apprehensive that continued linkage with Russia would rob their independence of real substance.

Though major powers like the US, the EU and Russia are eying the region's energy resources through strategic partnership; however the final decision to transport these energy resources to countries of their own choice would be taken by these states as these resources are primarily under the control of their respective states. The Region has witnessed negative development in the form of huge militarization through energy diplomacy and also through externally backed regime change such as "colour revolution".

Now ideological competition between East and West has changed into economic competitions. Central Asia/Caspian region is a common field of competition among powerful players. The players are many such as US, Russia, China, Iran, Turkey, EU, oil companies and other organizations. This so called new 'Great Game' which, on the one hand, is responsible for exploitation of this energy rich area, on the other hand, also leads tp development of infrastructure and creating opportunities for bilateral and multilateral cooperation among Central Asian states and outside powers. (Obviously, in their own interest), by which the region is getting benefits.

There are two real issues, namely, competition for influence in the region and control over the Caspian oil and gas resources and pipeline routes. The war against terrorism by the US and NATO against Taliban in Afghanistan has given legitimate opportunity to them to establish military bases in the energy rich region. After 9/11, the alliance of regions states started taking shape intensively. Russia is an old hand in this game. While it disengaged with Central Asia between 1991-1995, President Putin has reasserted Russian position very seriously in the Central Asian region and the Caspian basin. Russia's advantage is that it has traditional security ties with the region and has a network of pipeline routes with them. Where the pipeline could go through other regions, like Iran and Afghanistan, Russia is keen to have a share and control.

Energy game is deepening polarization in the region. The conflicting interests of US and Russia are aligning countries into opposite camps which is affecting adversely the stability, security and development of the region. US military support to both Armenia and Azerbaijan pushed some of the beneficiaries to opt for military solutions to the ongoing inter-ethnic and inter-state disputes. Additionally, the US backed "revolutions" in some CIS states have facilated greater Western interventions in the CIS and intensified polarization of post-Soviet republics. Other states in the Central Asia and Caspian region are seeking to protect their interests by joining either Russia led or the US-led military alliances.

Azerbaijan and Georgia are in the camp of US, Though Azerbaijan and Armenia are taking help of Russia to resolve their problems. Iran is with Russia. As a regional power Iran has tried to play a role in Central Asia. Islam as such has not infact been a major dimension in Tehran's policy towards the republics, instead it has been motivated more by politico- economic and strategic variables. China's policy in the region is primarily regulated by internal priorities, such as necessity to support steady economic growth and internal political stability. Minor players like Pakistan and Turkey are asserting their interest over routes and are furthering their tries to the region. Afghanistan has become a victim of these rivalries.

In the Caspian- Caucasus region which includes Russia and Azerbaijan, the involvement of external players to control the political, economic and energy dynamics of the region, is creating a Great Game like Scenario, whereas in the Central Asia- Caspian region, which includes Kazakhstan and Turkmenistan, the multi-vector/ neutral policy and the continuing instability in Afghanistan have created chances for co-operative engagement of different powers in the region. After 9/11 US has made a dramatic move officially which aimed at cleansing militants and their infrastructure from Afghanistan and to establish, a stable political regime. The US, one of the powers in the so called "Great Game" of South Caucasus- Caspian region, is trying to show the world through its policy of war against terrorism that terrorism, which has become a global phenomenon, needs to be fought under US leadership. However the American interest of being in the region for a long time to come has a hard real interest of exploiting huge natural resources in the Central Asian/ Caspian region to fulfill its growing energy needs.

The region is witnessing two types of geopolitical equations on its East and West coasts. On the one hand Caspian geopolitics includes the US, Georgia and Azerbaijan and partly Caspian region is drawn into Caucasus geopolitics. In Caucasia-Caspian it is zero sum game and on the other hand some of the Caspian states (Central Asian states) are having different geopolitical situation. Here engagement with US is not zero sum. US, Europe and NATO engagement in Central Asia- Caspian region is drawing Russia and Central Asian states to closer and co- operative relationship. Thus the US is pursuing a dual policy in Afghanistan, where it wants co-operation in the name of War on Terror while on the other and within the table it is pursuing confrontational attitude towards Russia aimed at energy resources from Central Asian/Caspian region where Russia has strategic interest because these states have been former Soviet republics.

It is not that Russia's strategic concerns are only with the US and its allies like EU, because of their energy policy, but one major tension, Russia has, is with the growing energy hungry China which boarder these Central Asian states and takes

leverage in accessing natural resources of this region through respective bilateral relations. This is evident from various pipelines China has build or is building to transport energy to China, to meet its industrial demands. Thus Russia is confronting not one but two great centre of powers, both from West and from East, in its sphere of influence, but it is unable to provide alternative to these Central Asian states to pursue independent relations and therefore is playing the so-called "Great Game".

Globalization, as a new phenomenon, is also important to understand the external linkages of the landlocked region. The correct discourse on Eurasian region is a product of refinement through a long process in tune with the global phenomenon of globalization. The Scholars have tried to space their debates for this region in parallel with the globalization because territoriality is an important aspect of sovereignty where as cultural identities are not confined to or associated with a particular region but spread in far flung areas due to this very globalization. The phenomenon of globalization has helped these Central Asian nations to forge bilateral and multilateral relations with the outside world.

There is no denying the fact that the Central Asia and Caucasus- Caspian regions are theatre of competition between great powers and other emerging powers, each trying to propose its stakes into the region to extract mineral and hydrocarbon resources as much as possible. But there is a point of convergence on which stake holder can come together and cooperate in different fields and matters. These are issues of democracy, human rights, federal structure, equality, liberty etc. since the USSR is no more in the scene and does not provide an alternate to capitalism and democratic institutions. There is a possibility that democratic institutions could grow in these regions, the institutions which are not copied from West entirely but originating from regional situations and ground realities, or democracy which is not given as a gift or imposed from above but a democracy which emanates from the local populace; a democracy which in the long run takes it shape taking consensus into considerations. Thus there is no doubt that the area of confrontation can be converted into area of cooperation where any nation state of this

region would be free to align with any major power whether Western or Eastern out of their own convictions rather than out of fear.

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