

HISTORIC REGULARITIES OF DEVELOPMENT OF THE SOUTH CAUCASUS AND ENERGY AMBITIONS OF WORLD POWERS

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1. Regularities of the region's development

If we look back at the history of the region called South Caucasus, we shall notice certain regularities of development peculiar to the history of this area. At first sight it may seem that the history of this region, which stands out with ethnic and religious diversity, is chaotic. Investigation of historic regularities of the region's development is important, since it enables to understand the processes and political influences, which shaped the features of the region. Investigation of these regularities is important also because these are "in the habit" of repeating, and it is not ruled out that we'll still observe this reoccurrence.

Being geographically located on the most essential crossroad linking the West and East, North and South of the Eurasia, the South Caucasus has always drawn the attention of superpowers. Aspiring to strengthen their military-political influence, the latter one attached importance to taking control over the crossroad. We can say that during the past 2 500 years, the South Caucasus has always been under the influence of different powers – the Roman Empire, Persia, Byzantium, the Arabic Caliphate, the Mongolian Empire, the Ottoman Empire, and latter Tsarist Russia and the USSR. When shaping their policy, the ethnic groups residing in the region had to take into account the might of these powers and therefore their political interests, since these are the factors their existence and prospects of development depend on. The dependence on external political forces has left its negative influence on both the peoples of the region and the process of regular development of relations between them. Actually, the external political forces have been dictating the whole process of regional development, and the relations between the ethnic groups residing in the South Caucasus has been dependent on the level of influence of world powers. This historical prece-

dent led to the fact that in many cases weakening of the influence of external policy was resulting in local clashes and wars. Actually, we can assert that today the countries of the region face the problem of establishing relations of new quality with immediate neighbors, the development of which has been long deterred by the policy of great powers. Thus, we are in a situation that when forming political relations with our neighbors we have to consider the interests of superpowers and the strategic direction of their policy in the region. Throughout the time from the Roman Empire to Soviet Union, the peoples of the region and their state units, be it Kingdoms, Khanates, Melikdoms or Republics, had to take into consideration the interests and wishes of one or several powers while building relations with each other [1]. As it was mentioned earlier, such situation did not allow the countries of the region to develop their own policy directions, being obliged to subordinate their own interests or adjust these to the interests of world powers. The military clashes and wars in the region were in most of the cases unleashed by great powers and empires, which were aspiring to strengthen their influence this way. However, the paradox of the situation is that establishment of peace in the region and prevention of war also depended on the will of great powers. When as a result of severe struggle between the world powers this or that country manages to impose its influence on the people and state units of South Caucasus, the same power manages to stop or freeze the existing conflicts. We face a situation where the contradictions and conflicts in the region do not find their solution for centuries either through peace talks or wars. These unresolved conflicts are very advantageous especially to those countries, who consider the South Caucasus to be a strategic region. Therefore, the countries of the region depend on the will, political influence and the political struggle among superpowers. War and peace in our region start and end in parallel with the growth or decrease of external political influence.

The level of Influence of the Superpowers

The last superpower exerting full control over the South Caucasus was the Soviet Union. The weakening and collapse of the USSR's political influence resulted in the formation of new states and rise of existing conflicts in Karabakh, Abkhazia and South Ossetia. Under the conditions of the "strong hand" of the Soviet Union, the problems and unresolved national problems accumulated in the course of years and came to the surface resulting in local wars. The collapse of one of the most powerful empires of the world created a political vacuum, which neither the US nor the European Union were rushing to fill. The wars and particularly the one in Karabakh ended not only because there was a military outcome, but also because

there was a strong political pressure by the powers having interests in the region, in this case Russia, the United States and the European Union.

Thus, in this historical period of time reoccurred a precedent when external political influence brings to war or peace in the South Caucasus. One of the reasons of current peace in the region is that the countries competing for influence here have come to a certain agreement, and resumption of military actions will not benefit either of the powers. This means that either launching war or establishing peace in the South Caucasus is directly linked to world political processes. In fact, we can say that any change in the world, any geopolitical crisis or collapse of a power having influence in the region can result in a war in the South Caucasus. Namely, peace agreements on territories signed between the countries of the region and confirmed by world powers actually lose the force when these powers or at least one of them leaves the arena of world politics. The balance of power in the region shifts, and this can be used by states or ethnic groups unsatisfied with the agreement, which try to resolve important questions via military intervention. It's clear that all this can lead to new military clashes and wars in the South Caucasus, that is to say that any treaty on conflicts solution in the South Caucasus will have a temporary nature and there is a danger that it may be violated.

2. Oil ambitions of world powers

After the collapse of the Soviet Central Asia, the Caspian region and the South Caucasus became new playgrounds for the Russian-American competition. Such development of events was fully predictable, since the idea of exerting control over Eurasia had been elaborated as early as in the turn of the 20th century [2]. A whole generation of political scientists, theorists and analysts grew in the West, and particularly the United States, for which historian Halford John Mackinder's Heartland's Theory was a textbook [3]. The idea of moving towards the region and taking control over it was being elaborated by such political scientists and analysts having great influence on the White House policy as Zbigniew Brzezinski with his The Grand Chessboard [4], Lewis Libby, Paul Wolfowitz, the former adviser to the US Vice-President Dick Chaney for national security, the US former Deputy Defense Secretary and others. Thus, there was a theoretic basis for moving towards this region, which proved and justified the necessity of this step of the US for reinforcing its positions as the superpower number one and preventing the emergence (emersion) of other superpowers.

The South Caucasus and the Superpowers

In international relations in general and on CIS territory in particular energy issues are gradually acquire greater importance in the policy of developing interstate ties. These issues have grown from merely economic into political ones. In the Russia-US growing regional confrontation it was important who would control oil and gas production, and what is no less important, the routes oil and gas would be exported. Energy opportunities are the additional factor, which determines and dictates the political developments both in the CIS and the world political arena. The recent rise of gas prices by Russia prompts that having a powerful energy lever like gas, official Moscow is starting to build new political relations with CIS countries. Therefore, not only the economic, but also the political factor exists in Russia's aspiration to reinforce its positions in the region through pushing forward the energy issues. However, if the "gas policy" is a comparably new phenomenon in our region, then oil has been used as "weapons" for a long time, and certain experience has been accumulated in this sphere [5].

Pipeline Competition as an Important Factor in Controlling the Region

If in early 1990s only two oil pipelines were linking the Caspian Sea to world oil markets (Baku-Novorossiysk and Tengiz-Samara), than today the number of oil pipelines has reached seven [6]. They start from the Caspian shores and reached up to the territories of different countries or oil-refining factories. Three oil pipelines start from Baku and end in Novorossiysk (Russia), Supsa (Georgia) and the Turkish resort city of Ceyhan. Kazakhstan competes with Azerbaijan with the multiplicity of oil pipelines. One of the three oil pipelines starting from riparian oil rich regions, goes to the same Novorossiysk port, the second goes to the city of Samara (with this pipeline Kazakhstan joins the Russian pipeline network) and the third oil pipeline links the Kazakh shores with the Indian city of Alashenku and is meant for the oil market of China [7]. At last, the seventh is the Iranian Nika-Rey oil pipeline, which was put into operation in 2005. From the competition of these gas and oil pipelines one can assume that unlike 1990s Baku-Ceyhan has serious rivals today, and the question here is the maintenance and strengthening of control through construction of pipelines rather than oil itself. Therefore, it is not ruled out that a new pipeline may be constructed, and here the political factor will prevail over the economic one. To attach economic attractiveness to Baku-Ceyhan, Washington emphasizes Kazakhstan's joining the project. Unexpectedly, China has started threatening the effectiveness of Baku-

Ceyhan pipeline. With slow persistence China is strengthening its positions both in Central Asia and the South Caucasus. The rapidly growing market of the latter one needs more and more reserves. Construction of Kazakhstan-China oil pipeline has already been completed. It should be noted that in 2005 the Chinese marked consumed 127 million tones of oil and the figure is expected to grow this year. Thus, the pipeline to China is a serious rival of Baku-Ceyhan, and after the operation of the Kazakh-Chinese pipeline in 2006, Kazakh oil can completely change the route, flowing to China. Under such conditions, Baku-Ceyhan may become expensive scrap metal without Kazakh oil. The efficient operation of the oil pipeline is jeopardized also by the Iranian Nika-Rey pipeline, which links the Caspian port of Nika to an oil-refining factory near Tehran [8]. Currently the output capacity of the pipeline comprises 8.5 million tones. The project capacity is, however, 25 million tones. According to this program, Iran takes oil from the Caspian Basin, which it needs for Northern regions of the country. Instead, it exports oil from its oil wells of the Persian Gulf. Under this program Iran is exempt from the expenses of carrying oil from South to the North of the country, and the countries of the basin do not face the costly and challenging problem of exporting oil to the world market. With this step Iran opens the doors of the rapidly growing Asian market before the countries of the basin. Kazakh President Nursultan Nazarbaev, as well as the Russian and Turkmen sides, have already shown interest in the program. Baku-Ceyhan is endangered also by Kirkuk (Iraq)-Ceyhan oil pipeline, the reconstruction of which has been completed and it can transfer the high-quality and cheap Iraqi oil to the Mediterranean port [6]. Under these conditions, a question arises: will the private consumer give preference to the expensive Caspian oil or the cheap and high-quality Arabic one? The next threat is Burgas (Bulgaria)-Alexandropolis (Greece) oil pipeline bypassing Bosphorus and Dardanelles built under the sponsorship of Russia [10]. An agreement on construction was signed in March 2005 during Russian President Vladimir Putin's visit to Athens; in May 2005 in Moscow a joint oil consortium was created together with the Greek and Bulgarian, which will be engaged in the construction of the pipeline. This means that "Russian" oil will be able to bypass the "Turkish" obstacle, i.e. the Bosphorus and Dardanelles, and will reach the "world market" through the Aegean Sea.

The South Caucasus and the pipeline control over it

How much oil is there in the Caspian Basin and particularly in riparian regions of Azerbaijan? According to the “Statistical Review of World Energy” periodical of the British Petroleum Company, oil reserves of the whole Caspian region comprise 3.2% of world oil reserves [11]. Seven billion barrels or 0.6 % is centered in Azerbaijan (this is the greatest share among the countries of the region), about 0.8 is concentrated in riparian regions of Kazakhstan. For comparison, Kuwait possesses about 8.4% of world oil reserves, which is more than all the countries of the Caspian Basin together. Thus, speaking about serious oil reserves and, moreover, reinforcement of political influence through these reserves is un-serious. Currently, the whole region supplies only 0.8% of world oil consumption and only by 2010 it can reach 1%. In comparison, OPEC countries supply about 35-40% of world consumption. Number one superpower – the US – is interested in the region not as much for oil reserves, but rather from the perspective of strengthening its own influence through this oil. Oil is just a means, which enables Washington to take control over the South Caucasus, the Caspian Sea and the countries of Central Asia. The program of construction of Baku-Ceyhan should be considered from this very viewpoint. First and foremost, Washington needs it to control the oil flows in the region and thus strengthen dependence. Baku-Ceyhan does not only provide the opportunity to put out to the Caspian Sea, but first of all, according to American “strategists,” it enables to link the oil economies of Azerbaijan and Kazakhstan, as well as Turkmenistan and Uzbekistan to the oil pipeline. And since these countries have nothing to suggest the world except oil and gas, the US is trying to do its best to take full control over oil production – the most important and, perhaps, the only branch of economy, on the global scale exerting control not only over oil production, but also transportation. In this regard Baku-Ceyhan is indispensable for Washington and has strategic importance. However, implementation of these programs will become possible in case this pipeline transports not only Azerbaijani oil, but also those of other countries of the Caspian Basin and Central Asia. Up to now only Kazakhstan has promised to send a certain amount of oil to Baku [12]. This promise, however, has not been affirmed by an interstate agreement; there are only preliminary arrangements and a memorandum. It should also be considered that Kazakhstan has long-term agreements on oil export with Russia and China. Therefore, it will face great problems with pumping oil to Baku-Ceyhan. Besides, the annual volume of oil export in Kazakhstan comprises only 45 million tones, and unless oil is extracted from the Kashghan well, it is senseless to expect that serious reserves of Kazakh oil will appear in Baku-Ceyhan pipeline.

Conclusion

Thus, the oil factor is important in interstate relations in countries of both the South Caucasus and the Caspian Basin. The struggle for oil production and exportation, featuring not only the countries of the region, but also Russia, the US, the European Union and China “promotes” the formation of relations between these countries. Oil reserves and the struggle about the status of the Caspian Sea result in serious disagreements between Azerbaijan, Kazakhstan, Turkmenistan and Iran. The latter do not manage to come to a common conclusion on the status and the belonging of this or that oil well. Up to now Azerbaijan, Iran and Turkmenistan have been disputing the question of whom the numbers of wells belong. Up till now the Caspian Sea has no internationally recognized status; there is only a de facto agreement on the status signed between the USSR and Iran in 1940 [13]. The absence of this document aggravates the quarrel about the belonging of oil wells. Russia’s separate agreements with Kazakhstan and Azerbaijan make the relations tenser in the Caspian Basin. The West and particularly the United States is interested in the South Caucasus as an essential route to a region of strategic importance – Central Asia. In this regard the question of maintaining the stability in the South Caucasus is an important one for the West. Therefore, any abrupt step that can jeopardize the regional stability and the opportunity for the West to reach the Caspian Sea and Central Asia is unacceptable for the West and for the US, in particular. Therefore, the latter ones are interested in maintaining stability in the region at any cost. In its turn, this situation impacts the process of establishment of relations between the countries of the region. The latter ones will not be able to normalize their relations without taking into account the oil factor and the struggle of superpowers. Thus, neighboring countries have to build relations with each other, considering the interests of world powers. This, for its part, impacts both the integration processes and the peace talks on the conflicts existing in the region. Thus, we can conclude that energy issues and the growing struggle between the great powers have negative influence on resolution of problems and establishment of normal relations between the countries of the South Caucasus and Central Asia.

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