

Chapter 2. The Caspian Region and its role in the foreign policy of international political actors

Abstract *The second chapter presents a clear picture of the geopolitical situation in the region by combining various topics. The chapter starts with analyzing the definition of the “Caspian Region.” The Caspian Region is relatively new to the geopolitical map, and notions such as “the Caspian Region,” “the states of the Caspian Region,” etc., are clearly explained. A significant part of the chapter is the analysis of the question-why does this region have such importance in the foreign policy of the “powers” like the USA, China, Russia, EU, and some other regional and international actors;*

The “Great Game” notion is also covered in the third chapter. The geopolitical meaning of the region in the new political constellation of Eurasia is often considered in the “new Great Game.” The second chapter’s short overview of regional conflicts is another task. It is evident that, without security, neither political nor economic progress can be achieved.

2.1 The downfall of the USSR and the new states of the Caspian Region

Notions like “the Caspian Region” and “the states of the Caspian region” are relatively new notions in the dictionary of modern politics. Not much research has looked into the relatively new concept “Caspian Region.” Moreover, the definition of the states that belong to the Caspian Region is varied. One explanation is that the Caspian Region states are based on their geographical nearness to the Caspian Sea. Suppose geographical closeness is considered the essential criterion for states belonging to the Caspian space. It means that the Caspian region encloses Azerbaijan, some parts of Russia, the western part of Kazakhstan, Turkmenistan, and the northern part of Iran. Going by this definition, Azerbaijan, Russia, Kazakhstan, Turkmenistan, and Iran are the Caspian region’s states. Therefore, after the SU’s breakup, the Caspian Sea is bounded in the northeast, west, and southeast by the newly independent states of Kazakhstan, Azerbaijan, and Turkmenistan, respectively. Also, it is bordered to the south and northwest by the two traditional countries of this region: Russia and Iran (see Map 3).

Map 3: The countries of the Caspian Sea¹

A critical factor that makes this region extremely important in the policy of different political actors is the presence of a significant amount of energy reserves,² which plays an essential role in the new political constellation of the region.³ Different scientists and energy experts stress the existence of significant oil and natural gas resources in the Caspian region. For example, the region has the third most important oil and natural gas reserves after the Persian Gulf and Russia. According to Ghafouri,⁴ the existence of abundant energy reserves in this region is one of the main reasons for some controversial regional initiatives to unite the areas and states into one united region. Some experts combine regions such as Central Asia, the South Caucasus, and the Near East into one unified area. For example, the Caspian Space is considered by G. Kemp as a vital part of the “strategic energy ellipse,”⁵ which encloses the two most crucial energy-rich regions of the world: the Persian Gulf and the Caspian Sea (see Map 4).

Another exciting and controversial definition of the Caspian Region is offered by the former Research Director of the Caspian Studies Program at Harvard University, Brenda Shaffer.⁶ She prefers the term “Caspian region” as a legal definition,

1 <https://www.bbc.com>

2 Makarychev, A. (2011). The Caspian Region.

3 Amineh, M. P. (1999). Towards the control of oil resources in the Caspian region (Vol. 60). LIT Verlag Münster.

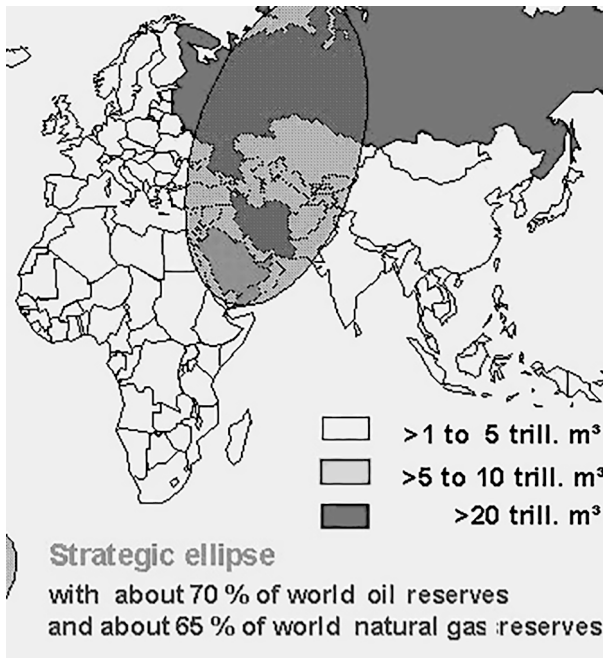
4 Ghafouri, M. (2008). The Caspian Sea: rivalry and cooperation. *Middle East Policy*, 15(2), 81.

5 Kemp, G., & Harkavy, R. E. (1997). *Strategic geography and the changing Middle East*. Brookings Inst Press.

6 An American and Israeli scientist, member of the American Association of the political sciences. She has also worked as a political researcher and the political analyst of the Israeli government.

even though its states are different both culturally and geographically. Shaffer argues that the description of the area using this flexible notion makes more sense than the Caspian Region states' simple determination utilizing geographic proximity. Factors such as how people live and their economic and security interests in different spheres have more sense than a simple definition of this region's states according to a banal geographic definition of states. Based on Shaffer's constellation, this region thus composes the following countries: Iran, Turkmenistan, Uzbekistan, Kazakhstan, Armenia, Azerbaijan, and Georgia.⁷

Map 4: The strategic energy ellipse⁸



Geographical concepts that encompass parts or whole areas like Central Asia or the South Caucasus are prevalent. However, often research that looks at the South Caucasus and Central Asia does not coincide with the concept of the Caspian region

7 Gewertz, K. (January 30, 2003). A different view of the Islamic world: Retrieved April 23, 2023, from <http://web.archive.org/web/20210125053031/https://news.harvard.edu/gazette/story/2003/01/a-different-view-of-the-islamic-world/>

8 <https://www.researchgate.net>

in full. Therefore, I am persuaded that the contrasts between these regions become more evident in the case of concentration only on specific concepts.

Given the controversy surrounding any definition of the Caspian region, it is important to stress that an assertion that the Caspian, as a geographical region, exists needs careful scientific analysis. The first use of this term appears in modern political and geographic works, above all, after the SU's decay and proclamation of the new states by Azerbaijan, Kazakhstan, and Turkmenistan.⁹ The fundamental changes in the region's political map happened precisely after the breakdown of the SU, and this region emerged as an important region in world policy.¹⁰

2.1.1 The geostrategic significance of the Caspian Region

The access of western actors and energy enterprises to the Caspian region became possible only with the fall of the USSR and the gradual loss of the Kremlin's political influence over this region in the first years of the 1990s.¹¹ In the first years of independence, there were a few features common to the region's countries:

- A huge desire of the new states of the Caspian Region to stay independent;
- The interests of international political actors in this region;
- Weakening the Kremlin positions because of Russia's internal political problems and effort to solve its political crisis within the country.

Since the breakdown of the SU, the Caspian region, which encompasses the South Caucasus and Central Asia, is of tremendous interest in the geopolitical map of Eurasia.¹² Considerable energy reserves were the cause of growing attention to this region.¹³ US energy experts, in particular, considered the Caspian region as a critical oil region that could solve the energy problem of the US. Therefore, energy pundits characterized the Kashagan and Tengiz fields' enormous oil resources

9 ONeal, B. (2011). National Security & Caspian Basin Hydrocarbons.

10 Halbach, U. (2004). Öl und Great Game im Kaukasus. na.

11 ONeal (2011).

12 Čufrin, G. I., & Chufrin, G. I. (Eds.). (2001). The security of the Caspian Sea region (No. 1). Oxford University Press on Demand.

13 Ghafouri (2008).

in Kazakhstan and the Azerbaijani “Megastructure” as crucial for meeting US oil demand.¹⁴ For instance, Fortune writes:¹⁵

“Finally, there’s the Caspian Sea—a vast region that includes Kazakhstan, Turkmenistan, and Azerbaijan. When oilmen anywhere in the world gather, this area stirs talk of a Spindle top-like gusher. Indeed, when word reached Dallas in early 2000 that a test well in the north Caspian’s Kashagan field indicated major oil and gas deposits, Exxon Mobil’s normally reserved Harry Longwell raised his fists and cheered, “Score!” Outside experts like Esser say Kashagan is the biggest global oil discovery in 30 years, with the potential to deliver a million barrels a day by about 2010. Toss in other Caspian finds like Tengiz and the Azerbaijan Megastructure, and you’re talking another two million barrels a day. Together that’s equivalent to 15% of America’s daily energy needs.”

The Caspian Region, after the collapse of the USSR, has evoked considerable interest. For instance, the German scholar Rainer Freitag-Wirringhaus gives a progressive description of the Caspian region’s geopolitical situation.¹⁶ Even though his analysis was made almost 20 years ago, the key points are pertinent to the present moment because the political situation in the region has not changed dramatically since that time:¹⁷

- Energy resources play an essential role in the economic development of the new states of the Caspian region;
- New countries of this region perceive oil and natural gas as significant political leverage for the guarantee of their independence;
- Russia cannot consider this region as its backyard anymore;
- The USA undertakes active political involvement in the South Caucasus and Central Asia, particularly after the 9/11 terror attack in the USA.

Among the main political actors: USA, Russia, and EU, the countries of South and South-East Asia, India, and China are also involved in the region’s geopolitics. These

14 CNN.com. (November 12, 2001). Breaking OPEC’s Grip forget about energy independence. We will continue to be reliant on imported oil., but that doesn’t mean OPEC will always have us over a barrel. (2001, November 12). Retrieved April 05, 2021, from http://web.archive.org/web/20130402150940/http://money.cnn.com/magazines/fortune/fortune_archive/2001/11/12/313332/index.htm

15 Ibid.

16 A German researcher of the South Caucasus and Central Asia.

17 Freitag-Wirringhaus, R. (1998). “Great Game” am Kaspischen Meer.

countries have huge energy demand. China and India consider the Caspian region's oil and natural gas reserves as a source of alternative energy reserves.¹⁸

Active participation of international political actors and energy companies in the Caspian region's policy has undoubtedly brought a new dynamism to the region.¹⁹ It is helpful to divide the time after the SU's collapse into distinct political phases to demonstrate the differences in these stages. Consequently, the transformation process of the region should be divided into three periods in accordance with the individual political characteristics of each phase:²⁰

- *The first phase* spans the period from the decline of the SU until the middle of the 1990s. During the Soviet period, only two political actors, the USSR and Iran, had access to the Caspian Sea. However, three new states of the region started to share equal rights with Russia and Iran after the USSR's fall.²¹ There was no exact information on the actual amount of energy reserves in the region. For instance, according to John Brown, the former chairman of BP, this region was considered “the greatest unexplored and underdeveloped oil province in the world” in the first years of the 1990s.²²
- *The second phase* spans the period from the middle of the 1990s up to the first years of the 2000s. In this phase, it became clear that the Caspian region is one of the world's wealthiest energy areas.²³ The appearance of political competition between the USA (West) and Russia is another important aspect of this phase.²⁴
- *The third phase* spans the period from the first years of the 2000s until today. In the wake of 9/11, Western countries began taking a more active role in the region. The USA declared this region a zone of its vital interests. Therefore, this region turned into the center of a new “Great Game” between different political actors. The primary geopolitical competition is between the USA, Russia, and China.

18 Bimboes, D. (2000). Konfliktregion Kaspisches Meer. Der Kaukasus und Mittelasien—zwischen Erdöl, Krieg und Krisen; AG Friedensforschung der Universität Kassel.

19 Freitag-Wirminghaus (1998).

20 Zyuzin, Z.A. (2011). Interesi mirovoqo soobshestva v Kaspyskom regione [The interests of the world community in the Caspian Region], pp. 88–103.

21 Amineh (1999).

22 Halbach, U., & Müller, F. (2001). Persischer Golf, Kaspisches Meer und Kaukasus: entsteht eine Region strategischen europäischen Interesses?, p. 28.

23 EIA.gov. (September 11, 2013). Oil and natural gas production is growing in the Caspian Sea region. Retrieved April 23, 2023, from <http://web.archive.org/web/20210327022614/https://www.eia.gov/todayinenergy/detail.php?id=12911>

24 Labban, M. (2009). The struggle for the heartland: Hybrid geopolitics in the Transcaspian. *Geopolitics*, 14(1), 1–25.

While China pursues an active policy only in Central Asia, the USA and Russia engage in political activity in Central Asia and the South Caucasus.²⁵

Another essential aspect that shows an interest in this region is a noticeable enlargement of political actors in the established new political situation of the Caspian Region. The list of political actors contains “players” such as the USA, China, EU, Russia, Turkey, Iran, Saudi Arabia, and Pakistan. All the above-mentioned political actors are involved in the region’s politics at the state level or take part through their energy companies.²⁶

Abundant energy reserves are not the only factor making this region vital in the geopolitics of the area. This region is set in a critical geographical position. Due to its geopolitical location in the center of Eurasia, the Caspian region is perceived as essential to the system of land communications between the East and the West.

Some political experts²⁷ use the term the “Great Game”²⁸ to describe a modern political competition between different political actors in Central Asia and the South Caucasus.²⁹ It would be instructive to understand the “modern Great Game” in the Caspian Region in terms of the 19th century Great Game, a conflict between Tsarist Russia and the British Empire, for influence and power in this region.

2.2 “The Great Game” (“Bolshaya Igra”)

The political and diplomatic confrontation between the British and the Russian Empires over power and influence in Central Asia is famous in history as “the Great Game” (see Map 5).³⁰ The British military historian Sir John Kaye³¹ used the term “the Great Game” initially to define territorial competition between Russian and British Empires. However, in his turn, he was using Arthur Conolly’s³² definition. Conolly was an officer in the British army who served in Afghanistan during the

25 Bluth, C. (2013). US foreign policy in the Caucasus and Central Asia: politics, energy and security.

26 Ibid.

27 O’Hara, S. (2004). Great game or grubby game? The struggle for control of the Caspian. *Geopolitics*, 9(1), 138–160.

28 Karasac, H. (2002). Actors of the new Great Game, Caspian oil politics. *Journal of Southern Europe and the Balkans*, 4(1), 15–27.

29 Smith Stegen, K., & Kuszniir, J. (2015). Outcomes and strategies in the ‘New Great Game’: China and the Caspian states emerge as winners. *Journal of Eurasian Studies*, 6(2), 91–106.

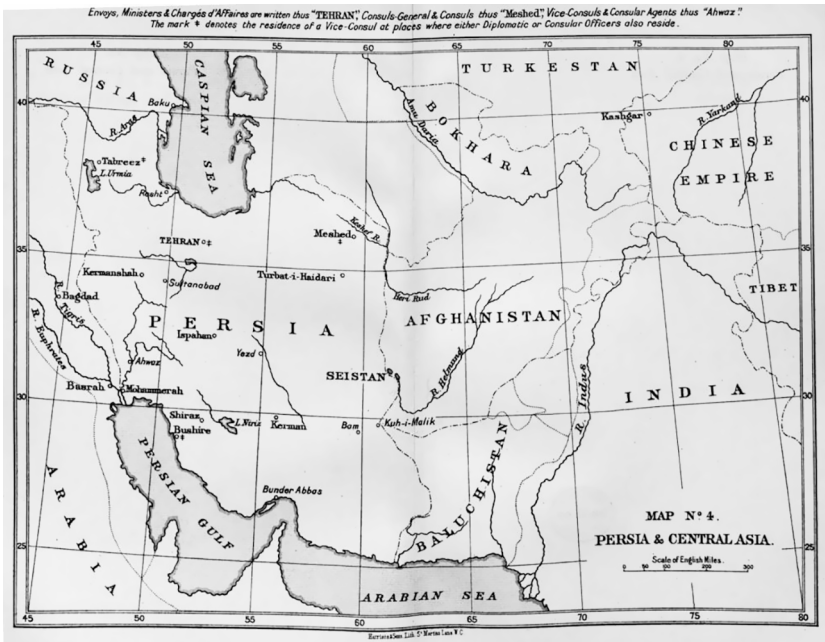
30 Halbach, U. (1999). *Moskaus Südpolitik: Rußland und der Westen im Kaspischen Raum*.

31 Sir John William Kaye was a British military historian, civil servant, and army officer.

32 The British officer was one of the very famous participants of the diplomatic struggle between the Russian and British empires in Central Asia. Captain Arthur Conolly and Colonel Charles Stoddart were tragically executed at the main square of Bukhara during “the Great Game.”

“Great Game.” He piously believed in his holy mission and was utterly persuaded that the British Empire must control Central Asia, so he characterized this rivalry between the two greatest Empires of his time as a “Great Game, a noble game.”³³ Nevertheless, the “Great Game” concept got its worldwide popularity after Rudyard Kipling’s very famous novel “Kim”.

Map 5: The territory perceived as a region for the political and diplomatic confrontation between the British and Russian Empires from the end of 19 to the beginning of 20 century³⁴



Historians also use other designations to define the historic rivalry between the two empires. For instance, one of them is the “tournament of shadows.”³⁵ It is believed that the Russian foreign minister Charles de Nesselrode initially brought this

33 Meyer, K. E., & Brysac, S. B. (2009). Tournament of shadows: The great game and the race for empire in Central Asia. Hachette UK, p. 37.

34 <https://www.loc.gov>

35 Grewlich, K. (2010). Pipelines, Drogen, Kampf ums Wasser-greift die EU-Zentralasien-Strategie?: Neues "Great Game" von Afghanistan bis zum Kaspischen Meer? = Pipelines, drugs, struggles for water usage-the EU Central Asia Strategy?: New/Great Game/for Afghanistan to the Caspian Sea. ZEI Discussion Paper No. 200, 2010.

term into use.³⁶ This definition is used very often in a literary context to describe the political tension between two empires.³⁷

The rivalry between Empires was about controlling this region and that it was vital for worldwide domination. Great Britain had naval superiority and was aiming to anchor its control over this region. Central Asia had tremendous meaning for the British Empire in terms of its authority in India. Consequently, the plan for further expansion to the East and the South depended on Great Britain's success in Central Asia. From its perspective, the Russian Empire considered this region as vital to its interests.³⁸ Peter I stressed the essential role of Central Asia in future Russian policy.³⁹ For the Russian Empire, Central Asia had tremendous political and economic importance.⁴⁰

Several writers in both Russia and Great Britain described this geopolitical rivalry. Rudyard Kipling, whose name is closely connected with the "Great Game," was one of the most active proponents of the idea.⁴¹ He is the author of the famous poem "The white man's burden."⁴² Fyodor Dostoyevsky emphasized Central Asia's enormous importance for Russia's future, as he regarded a conquest of Central Asia as an essential mission for the Russian Empire.⁴³

The "Great Game" ended in August 1907. The Anglo-Russian Convention of 1907, which divided Persia into a Russian-controlled northern zone, a nominally independent central zone, and a British-controlled southern zone, was signed in Saint Petersburg, Russia. The agreement created a block of three countries Great Britain, France, and Russia.⁴⁴ However, this was not the end of the Great Game. As Kipling's well-known phrase, which the author used in his novel "Kim," says: "*When everyone is dead, the Great Game is finished. Not before.*"⁴⁵

36 Charles de Nesselrode was a very famous diplomat of the Russian Empire of German descent.

37 Meyer & Brysac (2009).

38 Kreutzmann, H. (2005, June).

Paper 2: The Significance of Geopolitical Issues for Development of Mountainous Areas of Central Asia. In Strategies for Development and Food Security in the Mountainous Areas of Central Asia'international workshop sponsored by Inwnet, AKF, and GTZ, Dushanbe, Tajikistan, June (pp. 6-10).

39 Hauner, M. (1989). Central Asian geopolitics in the last hundred years: a critical survey from Gorchakov to Gorbachev. *Central Asian Survey*, 8(1), 1-19.

40 Saray, M. (1982). The Russian conquest of central Asia. *Central Asian Survey*, 1(2-3), 1-30.

41 Kreutzmann (2005, June).

42 Kreutzmann, H. (1997). Vom great game zum clash of civilizations? Wahrnehmung und Wirkung von Imperialpolitik und Grenzziehungen in Zentralasien. *Petermanns Geographische Mitteilungen*, 141(3), 163-186.

43 Hauner (1989).

44 Kreutzmann (2005, June).

45 Edwards, M. (2003). The New Great Game and the new great gamers: disciples of Kipling and Mackinder. *Central Asian Survey*, 22 (1), 83-102, p. 84.

Picture 1: *Second Afghan War, 1878. "Save Me from My Friends!" Amir Sher Ali of Afghanistan endeavors to stand between the Russian bear and the British lion as each eye the other with suspicion. Sir John Tenniel's cartoon, 1878, Shortly after the outbreak*⁴⁶



According to Matthew Edward, the classical "Great Game" consisted of three phases:⁴⁷

- The first phase (from the end of the 18 century to the beginning of the 19 century) was characterized by the Russian Empire's invasion of the Caucasus and Central Asia. This stage came to an end with the signing of the Anglo-Russian Convention.
- The second phase consists of the "Drang nach Osten"⁴⁸ of Germany. The secret services of Great Britain tried to manipulate local inhabitants and tribes, trying to establish control over this region and India.
- The Bolshevik Revolution characterized the third and last phase under the direction of Lenin. The Bolsheviks wanted to free the Central Asian states from feudalism and imperialism and change their fundamental nature. The "new Great Game" was implemented in the context of geopolitical interests, given the area's

46 <https://www.granger.com>

47 Edwards (2003).

48 "Drive to the East."

new political realities. Consequently, the current political situation in the region is compared to the “classic Great Game,” and there are some parallels between them. Drawing an exact analogy between the “new Great Game” and “classic Great Game” would not be a realistic approach because of the difference between the historical periods. However, it is worthwhile to make some general observations about the two periods.

2.2.1 “The new Great Game”

The “new Great Game,” which started after the end of the SU, is multifaceted and encompasses many areas such as economic, political, as well as social, and cultural. Unlike in the 19th century, the confrontation of not two, but many political actors for the region's political domination, is another essential aspect of this geopolitical competition. The “new Great Game” is perceived as a continuation of the historical “Great Game,” so the establishment of “the new Great Game” proves once more a very well-known dictum: *if “the Great Game” comes to an end, a “new Great Game” starts with its new rules and different actors.*⁴⁹

One of the most critical aspects of the geostrategic situation is an attempt by different political actors to exercise control over transport routes. Therefore, the control over transit and pipeline routes plays a tremendous role in the region's new political situation. For instance, the BTC oil pipeline (see Map 6) is an excellent example of transport routes' significance. This project was built with the close support of the American and Turkish governments. The project, which covers three countries' territory: Azerbaijan, Georgia, and Turkey, and has a total length of 1768 km, was accompanied by an inconceivable political resonance during and after its construction. Such severe political tensions were not part of any other project.⁵⁰

Consequently, the BTC building enabled Azerbaijan to transport its oil resources to Europe, bypassing Russia. The Russian government was seriously concerned with this situation, and the Kremlin demonstrated its discontent concerning the construction of this pipeline route.⁵¹ The BTC pipeline route bypasses a massive part of Russia and Iran, which increases the importance of this project for the West significantly.⁵²

49 Edwards (2003).

50 Cornell, S. E., Socor, V., & Tsereteli, M. (2006). Geostrategic Implications of the Baku-Tbilisi-Ceyhan Pipeline. *Oil, Gas & Energy Law Journal (OGEL)*, 4(4).

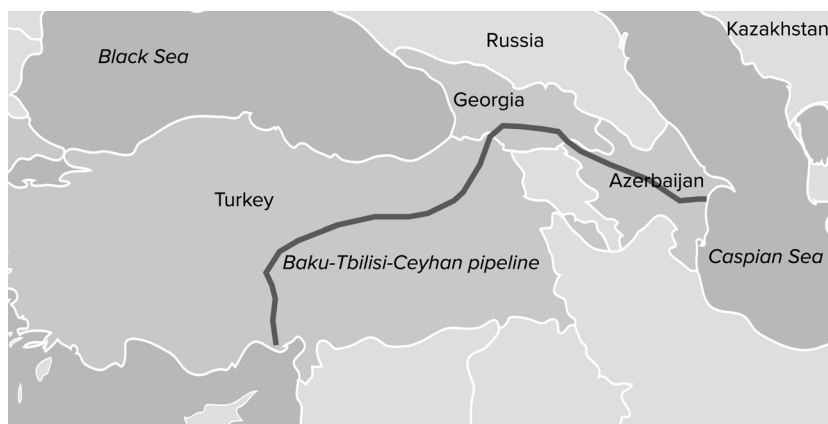
51 Spiegel.de. (2008, August 13). Fears over the stability of Georgian Pipeline: Russia should not have a stranglehold On Resources'. Retrieved April 23, 2023, from <http://www.spiegel.de/international/world/fears-over-stability-of-georgian-pipeline-russia-should-not-have-a-stranglehold-on-resources-a-571855.html>

52 Halbach (2004).

Former National Security Advisor Zbigniew Brzezinski analyzes this region's political situation and the involvement of different political actors in the region's geopolitics in the "Eurasians Balkans" chapter of his book: *"The Grand Chessboard."* He emphasizes the strategic importance of five Central Asian states, Iran, the Caucasus, and the Eastern part of Turkey, and defines these regions as the "Eurasian Balkans."⁵³ According to Brzezinski, this region serves as an arena for competition between different political powers because of its crucial geographical position.⁵⁴

There are several interpretations about the "new Great Game" in the Caspian Region. Above all, most scientists believe that the main political conflicts are between "great powers" or "large powers." The terms "great power" and "large power" signify the most influential political players, such as the USA, China, and Russia. However, some political experts also include the EU and India in the list of the states mentioned above. The second group of experts claims that it is not just one game being played in this region but also several "small games" between three states: the USA, China, and Russia, while another group is convinced that there is neither a "Great Game" nor a "Small Game."⁵⁵

Map 6: BTC pipeline⁵⁶



In the first years after the collapse of the SU, there was significant conflict between Russia and the USA,⁵⁷ while the interests of other actors such as the EU, In-

53 Brzezinski (1997).

54 Ibid., pp. 123–143.

55 Smith & Kuszniir (2015).

56 <https://www.eurasianet.org>

57 Halbach (1999).

dia, China, and Turkey emerged over the last 15–20 years.⁵⁸ The world's powers like China, the USA, and Russia claim leading roles, while for their part, the traditional political actors, Turkey and Iran,⁵⁷ follow their independent political course in the region.⁵⁹

China was not actively involved in the Caspian Region's geopolitics in the first years after the USSR's collapse. However, in recent years China has played a more prominent role, becoming one of the most active political players of the region, striving to maintain close economic relations with all countries in the area.⁶⁰ China has more significant interests in Central Asia than in the South Caucasus because of its prominent geographical position and abundant oil and natural gas resources.⁶¹

The Kremlin attempts to achieve its political and economic goals with all possible tools. Some of them are:⁶²

- Protection of the Russian population in these countries. In particular, in Kazakhstan;
- Control over production and transport of energy resources;
- Manipulation of natural gas and oil prices. In particular, in Turkmenistan. Moscow uses its organizations as a “soft power” tool to influence the regional states’ policy.

The Eurasian Economic Community (EAEC)⁶³ is a Russian project, which was established in 2000. The EAEC consists of Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Belarus. The Eurasian Economic Union (EAEU or EEU)⁶⁴ is another organization founded in 2014 with the direct support of Russia and Kazakhstan, and Belarus's participation. The organization was established to create a so-called “common economic space,” which assists economic integration between the member states.⁶⁵

58 Smith & Kuznir (2015).

59 Halbach (1999).

60 Grewlich (2010).

61 Smith & Kuznir (2015).

62 Olcott, Martha Brill. “China’s Unmatched Influence in Central Asia.” Carnegie Endowment for International Peace. last accessed 14 (2013): 14.

63 The economic alliance consisted of some former republics of the Soviet Union. Kazakhstan, Kirghizstan, Russia, Tajikistan, and Belarus are permanent members of the association, while Moldavia, Armenia, and Ukraine had the observation status from 2003 to 2014.

64 The union of economic integration was intended for the establishment of a common customs territory. The union consists of Armenia, Belarus, Kazakhstan, Kirgizstan, and Russia.

65 Smith & Kuznir (2015).

Moreover, the existing and potential ethno-territorial conflicts⁶⁶ are used by the Kremlin skillfully to achieve its vital political ambitions in the space. For instance, a natural gas agreement between Russia and Azerbaijan was signed during Russia's former President Dmitry Medvedev's official visit to Azerbaijan in 2010. Due to this contract between the two states, Azerbaijan increased its natural gas transportation to Russia up to 4 bcm/a. According to Stephen J. Blank,⁶⁷ the agreement between these states was signed "thanks" to Russia's political pressure on the Azerbaijani government. The Russian government might have used the Lezgi and Avar minorities' issue, living in Azerbaijan, to apply pressure on Azerbaijan's government.⁶⁸

In particular, Russia's expansion and rebuilding of its control over the states in this region became very noticeable after Vladimir Putin's first term as a president of the Russian Federation (RF) in 2000. For this reason, the creation of the Collective Security Treaty Organization (CSTO)⁶⁹ as well as the establishment of Russia's economic project, the "Eurasian Union" should be considered as an attempt to get back the Kremlin's lost authority and influence in this region.⁷⁰

The following points sum up the political situation and interests of international and regional actors in the Caspian Region:⁷¹

- The West tries to offset its dependence on natural gas reserves from Russia and oil reserves from the Organization of the Petroleum Exporting Countries (OPEC) countries through the preservation of access to the energy reserves of the Caspian region.
- China's government considers this region as a potential area for the diversification of its energy import sources.
- Even though the Kremlin officially lost its control over the region's countries with the end of the USSR, the new states are still considered by the Russian government as its backyard and zones of its influence.⁷² For this reason, Moscow strives to achieve absolute political control over these states through its political and economic organizations, energy pipelines, use of conflicts, and other tools.

66 Freitag-Wirminghaus (1998).

67 Stephen J. Blank is a Strategic Studies Institute of the US Army War College professor. He studies Russian and the former Soviet Union policy.

68 Blank, S. (2013). Azerbaijan's security and US interests: Time for a reassessment. Central Asia-Caucasus Institute, Paul H. Nitze School of Advanced International Studies.

69 CSTO is a military organization. The member states are Armenia, Kazakhstan, Kirgizstan, Russia, Tajikistan, and Belorussia. Afghanistan and Serbia are observer states.

70 Cooley, A. (2012). Great games, local rules: the new power contest in Central Asia. Oxford University Press.

71 Cooley (2012).

72 Freitag-Wirminghaus, R. (2002). "Great game "am Kaspischen Meer. Eine Region zwischen Europa und dem indischen Subkontinent. na.

- Although states like India, Pakistan, and some others are active in the region's geopolitics, they are pretty weak in this region's political processes compared to other "powers" like the USA, China, the EU, and Russia.

2.2.2 Comparison between the "classical" and "new Great Game"

It has already been mentioned that there are some parallels between the "classical" and "new Great Games." For this reason, it would be pretty interesting to compare them. The most critical difference between the "classical" and "new Great Games" is the number of states or actors taking part in both "games." In the "historical Great Game," only two "great powers" took part: Great Britain and the Russian Empire. Both empires used other participants and actors, such as the local populations, to attain their political purposes.⁷³

Therefore, in contrast to the "classic Great Game," the number of political actors involved in the "new Great Game" in the Caspian Region is relatively high. China, Turkey, Iran are the new political actors competing for political domination in the South Caucasus and Central Asia. Additionally, once the nature of the "Great Game" was changed by the emergence of five new states in Central Asia and three in the South Caucasus because of the fall of the SU, the newly independent states also participate in the "new Great Game" on account of own interests.⁷⁴

Matthew Edwards has quite an interesting point of view concerning this issue. According to him, two parallels exist between the "Great Games." The classical "Great Game" should be considered within the context of "high politics," namely the colonization and military occupation of space, a vital aim of both empires. However, the "new Great Game" does not deal with the "high politics" concept and imperial policy of political actors. The most significant difference is the rules governing relations between the states. The "classic Great Game" cannot be played out in the contemporary world because, according to international norms, states cannot be controlled and occupied by other states. Consequently, the modern political constellation in the Caspian Region should be contemplated in the context of "low politics."⁷⁵

In contrast to Matthew Edwards, the work's author has an entirely different opinion. Taking into account Russia's aggressive policy⁷⁶ in the post-Soviet region, it is evident that the Russian government does not wish to give up its imperial ambitions. The typically aggressive imperial policy of Russia began to be felt clearly after

73 Edwards (2003).

74 Ibid.

75 Edwards (2003), p. 89.

76 Russia's ongoing aggression in the region and illegal occupation policy against Ukraine, Georgia, Azerbaijan, and Moldova are examples of aggressive Russian policy in the Post-Soviet Region.

Vladimir Putin came to power.⁷⁷ It means that there are still some elements of “high politics” in the “new Great Game” in the Caspian Region.

However, if the most determined purpose in historical opposition was territorial conquest and control over this space, the “new Great Game” is more about management. Today the political struggle is classified as a diplomatic confrontation between political actors.⁷⁸ There are critical differences between both games. For example, in the way, the politics, economics, and military situations in the “classic” and “new” games are hugely different.

2.3 Conflicts as the major impediments to the regional security of the South Caucasus

In contrast to Central Asia, where there are no active wars or conflicts, all South Caucasus states: Azerbaijan, Armenia, and Georgia, are engaged in disputes.⁷⁹ There are the Abkhazian and South-Ossetian conflicts in Georgia, while there is a conflict between Armenia and Azerbaijan over the Nagorno-Karabakh region.⁸⁰ These conflicts result from the post-Soviet identity of regional states that reached their apogee with “perestroika,” so the causes of the political disputes are found in the Soviet past of this region.⁸¹ According to German experts U. Halbach U. and F. Smolnik, “perestroika” and “glasnost” originally played an active role in the “stimulation” of the ethno-territorial conflicts in this space.⁸²

These conflicts have an extraordinarily negative impact on the democratic transformation of all regional states. They tend to halt the local and interstate cooperation between the states of the South Caucasus and the region’s economic progress.⁸³ Consequently, this region’s permanent stability is the first and most crucial factor for the region’s future.⁸⁴

77 McNabb, D. (2017). Vladimir Putin and Russia's imperial revival. Routledge.

78 Freitag-Wirminghaus (1998).

79 Kogan, E. (2013). The South Caucasus Countries and their Security Dimension. International Security Network, 5.

80 Grigas, A. (2016, July). Frozen Conflicts. Retrieved April 23, 2023, from http://web.archive.org/web/20210309042623/https://www.atlanticcouncil.org/wpcontent/uploads/2016/06/Frozen_Conflicts_web_0727.pdf

81 Meister, S. (2013). Sicherheitspolitische Stagnation im Südkaukasus: Berg-Karabach im Spannungsfeld regionaler und internationaler Akteure.

82 Halbach, U., & Smolnik, F. (2013). Der Streit um Berg-Karabach: Spezifische Merkmale und die Konfliktparteien.

83 Halbach, U. (2010). Ungelöste Regionalkonflikte im Südkaukasus.

84 Gorgiladze, R. (1998). Georgian Politics and the Conflicts in Abkhazia and South Ossetia. *Demokratizatsiya*, 6(1)

Map 7: The South Caucasus⁸⁵

The Nagorno-Karabakh region of Azerbaijan was occupied by Armenian military troops, though Azerbaijan recaptured a significant part in 2020.⁸⁶ In these conflicts, economic factors do not play an essential role.⁸⁷ Consequently, the conflicts reached their apogee with “perestroika” and must be considered in the context of ethno-territorial conflicts.⁸⁸

The conflicts around Abkhazia, South Ossetia, and Nagorno-Karabakh are a menace to the regional security of the Caucasus and the whole of Europe. These conflicts minimize the efficiency of regional cooperation. Moreover, the region suffers from international and global problems like terrorism and illegal migration that are very widespread in conflict regions.⁸⁹

2.3.1 Russia’s role

Despite the fall of the SU, Russia still has a significant influence on regional governments. As a result, Russia’s role in continuing conflict and the regulation of the conflicts is crucial. Russia has adopted the strategy of the ancient Roman Empire.

85 <https://www.georgiatoday.ge>

86 USAN Factsheet on the occupation of the Nagorno-Karabakh region of Azerbaijan by Armenia, (2008, August 13).

87 Halbach, U. (2002). *Erdöl und Identität im Kaukasus*. Friedrich Ebert Stiftung Studie.

88 Halbach & Smolnik (2013).

89 German, T. C. (2007). Visibly invisible: EU engagement in conflict resolution in the South Caucasus. *European Security*, 16(3-4), 357–374.

The Russian government perceives the whole region with the slogan “divide et imperia” even after the USSR’s fall.⁹⁰

Frozen conflicts create some extra political levers for Russia, which the Russian government skillfully uses to influence this region’s independent states’ policy. The possible solution to the conflicts would mean the potential loss of Russia’s influence over the South Caucasian countries.⁹¹ Given its continued wish to play a vital role in the South Caucasus, Russia has no interest in regulating these conflicts.⁹²

For instance, even though Russia is one of three member states of the so-called Minsk Group, which is supposed to work towards a peaceful solution to the conflict between Azerbaijan and Armenia, the Kremlin is the primary weapon supplier to Azerbaijan as well as to Armenia. This fact proves that the peaceful regulation of the “frozen conflicts” does not suit the Kremlin’s policy in the South Caucasus.⁹³ Moreover, it is no secret that Russia’s government supports the separatist directions of Transnistria, Abkhazia, South Ossetia, and Nagorno-Karabakh politically, militarily, and economically.⁹⁴

2.3.2 The first Nagorno-Karabakh war between Armenia and Azerbaijan

The bloodiest conflict in the region occurred between Armenia and Azerbaijan around Nagorno-Karabakh (see Map 8).⁹⁵ As the result of the first war, which took place from 1988 to 1994, about 30000 people died from both sides.⁹⁶ Over million of people left their homes. Armenian military troops occupied not only Nagorno-Karabakh but also surrounding Azerbaijani districts. Therefore, Azerbaijan lost approx. 20% of its territory because of Armenian aggression.⁹⁷

There had been an official peace agreement between Azerbaijan and Armenia since May 1994.⁹⁸ To understand how complex any possible peaceful solution to the conflict can be, the following point must be understood. If official Baku promoted the resolution of the dispute in the frame of its territorial integrity, which all international organizations accept, before the second war, the Armenian government

90 Halbach, U. (2006). Säbelrasseln und Friedenspolitik in Europas neuer Nachbarschaft. *Stiftung Wissenschaft und Politik. Deutsches Institut für internationale Politik und Wirtschaft*. SWP-Aktuell, 32.

91 Kogan (2013).

92 Halbach (2006).

93 Meister (2013).

94 Halbach (2006).

95 Naumkin, V. V. (1994). *Central Asia and Transcaucasia. Ethnicity and Conflict*.

96 Halbach & Smolnik (2013).

97 Nuriyev, E. (2010). *The Geopolitics of Azerbaijan*. Universitäts- und Landesbibliothek Sachsen-Anhalt.

98 Halbach & Smolnik (2013).

offered only two possibilities in settlement of the conflict, either recognition of the independence of the Nagorno-Karabakh region or joining of the Nagorno-Karabakh to Armenia.⁹⁹ Consequently, no progress could be made in the peaceful regulation of “frozen conflict” because of an absence of any constructive dialogue between the governments and trust between both states’ people.

Map 8: Territories of Azerbaijan occupied by Armenia after the first Nagorno-Karabakh war¹⁰⁰



The region's industry was destroyed due to the occupation, which made a quick return of the Azerbaijani population to this region almost impossible. Another important factor that complicates the settlement of refugees' problem and returning refugees to occupied territories is the military and political support of Armenia by Russia.¹⁰¹

Russia stations its military troops in the zones of these conflicts. For example, there is an army base in Gumri, Armenia. According to Reuters Agency, the num-

99 Paul, A. (2010). Nagorno-Karabakh-A Ticking Time Bomb. European Policy Centre.

100 <https://barassociation.az>

101 Nixey, J. (2012). The Long Goodbye: Waning Russian Influence in the South Caucasus and Central Asia. Chatham House.

ber of Russian armed troops on Armenia's territory was more than 3000 soldiers for February 2021.¹⁰² However, due to some regional experts, the military contingent varies between 8000–10000 soldiers.¹⁰³ There is a bilateral military agreement between the Armenian and Russian governments. According to this agreement, Russian military troops may remain in Gumri at least until 2044.¹⁰⁴

Because this conflict remained unsolved, and there was no cooperation and political dialogue between the conflict sides, both countries paid acute attention to improving their military potential.¹⁰⁵ The military budget of Azerbaijan still comprises 20% of the whole budget of the country. In its turn, there is a military agreement between Armenia and the RF. Moreover, Armenia is a member of the CSTO.

As long as no final settlement in the Nagorno-Karabakh problem between Armenia and Azerbaijan was reached, establishing political and economic interstate relations between states seemed impossible.¹⁰⁶ Azerbaijan is not the only neighbor having closed borders with Armenia. Armenian-Turkish borders has also been closed for many years because of Turkey's protest against the Azerbaijani territories' occupation.

2.3.3 Madrid Principles

Before the second war, for the regulation of conflict between two states, the Organization for Security and Cooperation in Europe (OSCE) Minsk Group furnished the Madrid Principles in 2007. The governments of Azerbaijan and Armenia accepted

102 Reuters.com. Armenia seeks bigger Russian military presence on its territory. (2021, February 22). Retrieved April 23, 2023, from http://web.archive.org/web/20210314114528if_/http://www.reuters.com/article/armenia-azerbaijan-russia-base-int-iduskbn2am1dy

103 Menabde, G. (2020, February 19). Russia boosts its military contingent in Georgia's occupied territories. Retrieved April 23, 2023, from <http://web.archive.org/web/20210308204946/https://jamestown.org/program/russia-boosts-its-military-contingent-in-georgias-occupied-territories/>

104 Peña-Ramos, J. A. (2017). The impact of Russian intervention in post-Soviet secessionist conflict in the South Caucasus on Russian geo-energy interests. *International Journal of Conflict and Violence* (IJCV), 11, a464-a464.

105 Halbach & Smolnik (2013).

106 1news.az. (June 18, 2014). Karabakhskaya problema ne imeet otnosheniya k evraziyskim ekonomicheskim problemam [Karabakh problem has nothing to do with Eurasian economic integration]. Retrieved April 23, 2023, from <http://web.archive.org/web/20140713084315/http://1news.az/politics/20140618022408810.html>

the Madrid Principles as the basis for regulating the conflict between the two countries.¹⁰⁷ The principles included the following points:¹⁰⁸

- Return of the territories surrounding Nagorno-Karabakh to Azerbaijani control;
- An interim status for Nagorno-Karabakh providing guarantees for security and self-governance;
- A corridor linking Armenia to Nagorno-Karabakh;
- Future determination of the final legal status of Nagorno-Karabakh through a legally binding expression of will;
- The right of all internally displaced persons and refugees to return to their former places of residence;
- International security guarantees that would include a peacekeeping operation.

Even though both sides accepted the Madrid Principles as the framework for settling the Nagorno-Karabakh conflict a long time ago, no progress towards the peaceful regulation of the conflict had been achieved.

2.3.4 The second Nagorno-Karabakh war between Armenia and Azerbaijan

The recent escalation of the conflict between Armenia and Azerbaijan around Nagorno-Karabakh was the most severe escalation since the first war. The conflict in the South Caucasus had broken out again. Dozens of soldiers died from both sides due to the new tension between Armenian and Azerbaijani armed forces from 27 September to 10 November 2020. The second war changed the status quo, so the OSCE's Madrid Principles are not actual anymore. Both governments accepted a new reality around the conflict of Nagorno-Karabakh.

After the second war, Azerbaijan regained control over Agdam, Fuzuli, Jabrayil, Kalbajar, Lachin, Qubadli, and Zangilan, four settlements, and 286 villages.¹⁰⁹ Even though a second ceasefire agreement between Baku and Yerevan was signed on 10 November 2020, a renewed escalation of the conflict happened in September 2023. Azerbaijan regained control over its internationally recognized territories: Aghdara, Khojaly, Khojavend, and Khankendi. However, the conflict between Azerbaijan and Armenia is far from being over and can occur any time soon.¹¹⁰

107 Meister (2013).

108 OSCE.org. (July 10, 2019). Statement by the OSCE Minsk group Co-Chair countries. Retrieved April 23, 2023, from <http://web.archive.org/web/20210303235231/https://www.osce.org/mg/51152>

109 Ministry of Defense of Azerbaijan, <https://mod.gov.az/az/news/iscaldan-azad-olunan-seh-er-qesebe-ve-kendlerimiz-28583.html>

110 Semercioğlu, H. The New Balance of Power in the Southern Caucasus in the Context of the Nagorno-Karabakh Conflict in 2020. *R&S-Research Studies Anatolia Journal*, 4(1), 49–60.

To avoid the danger of a renewed escalation, the OSCE Minsk Group must engage more actively in a peaceful solution to the conflict. The fact that Russia uses this conflict as a political instrument to remain the mightiest power in the South Caucasus and possesses absolute control over the Azerbaijani and Armenian governments proves that the negotiations in the frame of the Minsk Group were insufficient. Therefore, the OSCE Minsk Group, which currently plays no significant role in regulating the problem, must take on greater responsibility to win back the lost trust on both sides of the conflict. Otherwise, the danger of another war in the near future is considerable.