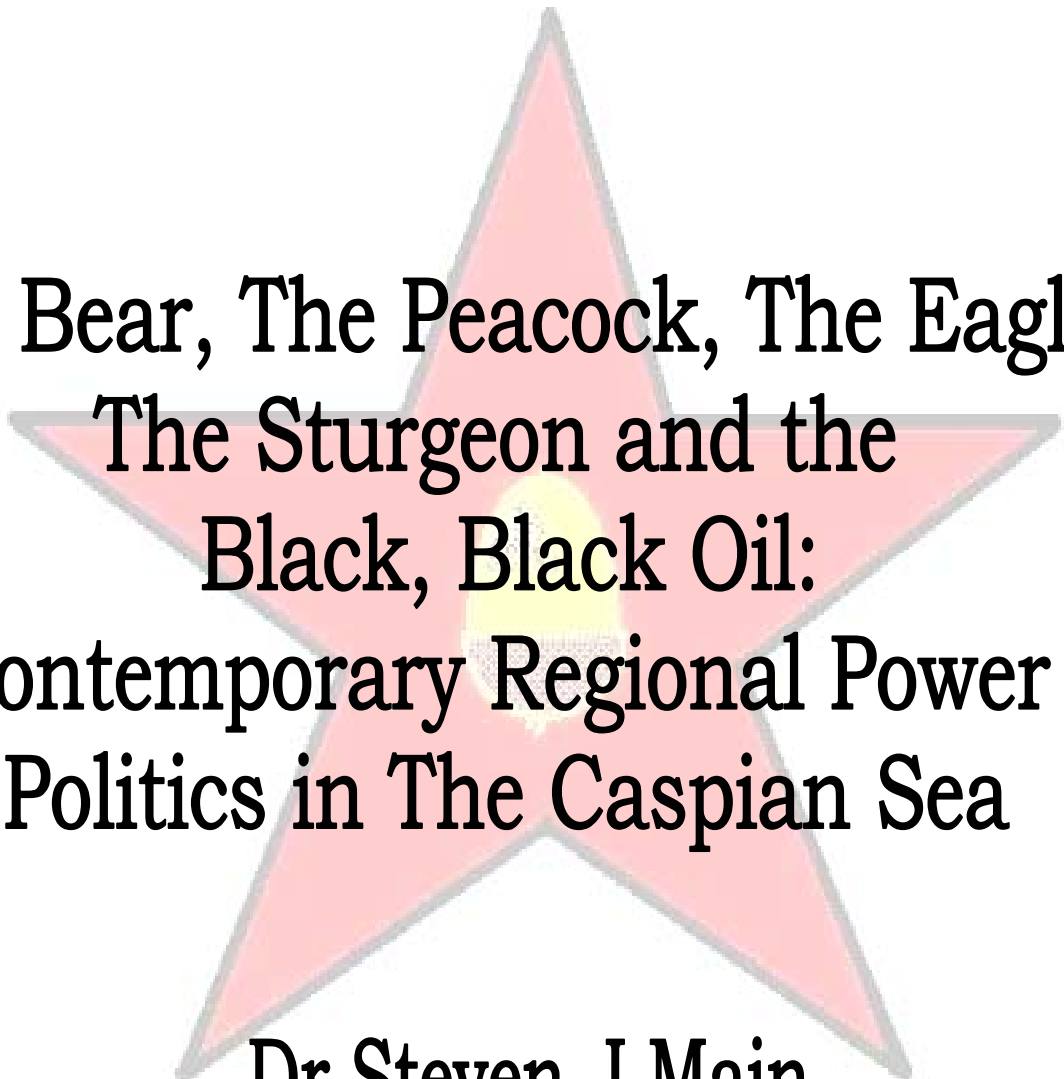


**Conflict Studies Research Centre**



**The Bear, The Peacock, The Eagle,  
The Sturgeon and the  
Black, Black Oil:  
Contemporary Regional Power  
Politics in The Caspian Sea**

**Dr Steven J Main**

**December 2005**

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## **Key Points**

- \* Russia will defend its interests in the region by conventional military force, if required.
- \* Russia is the key regional player and will not cede its dominance easily or willingly; it has been established over centuries.
- \* Iran's interests in the region are a mixture of economic and security and will likewise seek to maintain a creditable military presence to defend its national interests and forestall attempts by non-littoral players to become involved in Caspian Sea security matters.
- \* Russia's KASFOR initiative could be significant - an attempt to create a regional military-security structure involving ALL littoral states.
- \* US policy - and its Caspian Guard - in the region threatens to upset a very delicate balance of power.
- \* Azerbaijan is becoming the key, pivotal state in determining the region's medium to long-term security.
- \* Future prospects for the region do not look good. Without a comprehensive agreement on territorial demarcation and the exploitation of the Sea's mineral and biological wealth, sooner or later someone will fire shots in anger.

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# **The Bear, the Peacock, the Eagle, the Sturgeon and the Black, Black Oil: Contemporary Regional Power Politics in the Caspian Sea**

**Dr Steven J Main**

## **Introduction**

As Russia continues to come to terms with its reduced status in the international arena – made more galling with the seemingly ever-increasing power of its former arch-rival, the USA – it becomes ever more determined to maintain its influence in areas of the globe where it can still lay claim to be the dominant power. However, even in the post-Soviet space, Russia's influence is becoming less all pervasive, as former Soviet states seek new allies in their quest to create a non-Russian-dominated future. Russia, too, is beginning to look at a security picture which stretches beyond the geographical confines of the old USSR, hence its recent relatively small-scale military exercise with China and the possibility of a larger military exercise in the future involving India as well as China. In traditional areas where Russian influence was great and unchallenged – Ukraine, Caucasus, Central Asia – the influence of the West becomes gradually more apparent. For its part, Russia has not forcefully attempted to prevent any of the former Soviet republics from pursuing policies which, in Russia's eyes, would appear to be taking them further away from Russia's sphere of influence. This is not least because it has lacked the necessary military, political and economic levers. Things may change as Russia's economic position strengthens and neighbouring states look afresh at what Russia has to offer.

In the meantime, however, Russia may seek to draw a new red line in the sand, and the West would do well to pay heed, to avoid forcing Russia to sink further into an anti-Western, xenophobic, Great Russian mentality. Russia is not a "failed state" in the traditional meaning of that phrase. Since becoming independent in 1992, it has endured an enormously difficult period of political, economic and social change, but its political institutions function, however imperfectly; it is in control of most, if not all, of its border and it is still a power to be reckoned with. If Russia does decide to draw a new red line, it will do so in an area of vital strategic interest (in terms of its geopolitical position and/or material resources); it will be in a region where it can still lay claim to being the dominant power and where it can seek to limit the influence of non-regional players.

The one area which fits all these criteria exactly is the Caspian Sea region. This is a vital region for Russia and one which it cannot afford to lose, or where its influence cannot be allowed to be challenged without resistance. Unlike in many other regions of the fSU, due to its military presence in the area – most visibly represented by the Caspian Flotilla – Russia is in a strong position here. Compared to the other military forces in the area, the Caspian Flotilla is a significant strategic asset which helps Russia maintain its influence also in the wider Black Sea-

Caucasus-Central Asian sphere. This dominance, however, may be time-limited: Kazakhstan, Azerbaijan and Iran all have plans, over the next decade, to increase spending on national defence in an attempt not only to maintain their national armed forces at their current levels of capability, but to improve particularly their national naval units. Iran, for example, has a 25-year plan to improve its armed forces, at a current rate of \$1 billion annually. Curiously enough, Russia intends to “facilitate” Iran’s desire to improve its armed forces.<sup>1</sup> The US also has plans to develop the local Azeri and Kazakh naval units, as well as assist in the creation and functioning of the so-called Caspian Guard.<sup>2</sup>

In short, given current trends, there is every likelihood that the region will see a steady increase in the military presence of both littoral and non-littoral players and that sooner rather than later, a significant military incident will take place involving two or more of the main players. The incident may have ramifications far beyond the immediate environment. As will be discussed below, there have already been a number of flashpoints between littoral states and the potential for further, more serious, conflict does exist, the threat of which does not diminish with plans to increase defence spending.

There is also the added paradox that as the region enjoys increased prosperity over time as a result of increasing sales of its natural oil and gas wealth, more money will be spent on local armed forces, potentially resulting in, for example, renewed military conflict between Azerbaijan and Armenia over the still unresolved issue of Nagorno-Karabakh. Renewed fighting in an already tense region could lead to further destabilisation, forcing countries there – and possibly elsewhere – to become involved or to maintain a policy of strict neutrality in the renewed fighting. Given the complex nature of the relationship between Azerbaijan, Russia, Iran and Armenia, it is difficult to see how the two main regional powers – Russia and Iran – could view renewed conflict between Azerbaijan and Armenia without feeling obligated to become involved. Would Russia come down on the side of Azerbaijan or Armenia? Would Iran support Azerbaijan or Armenia? How would the US react if Russia openly supported Armenia against Azerbaijan? Economic prosperity aside, will increasing US military aid to Azerbaijan run the risk of further emboldening Azerbaijan in its attempts to bring Nagorno-Karabakh back under Azeri control? Will the proposed creation of a joint naval operating task force specifically for the Caspian Sea, KASFOR, successfully lead to a reduction in tension in the region?

In a sense, the traditional link between increasing economic prosperity and decreasing military threat does not seem to work here: it must be one of the few regions in the world where increasing wealth may, in fact, bring about resumption in hostilities. The Caspian Sea region represents one of the world’s most complicated regional security systems. There are more Azeris in Iran than in Azerbaijan and yet Azerbaijan is arguably the region’s strongest ally of the US;<sup>3</sup> Iran has very strong ties with both Russia and Armenia, despite their different religions. There is a large and powerful Armenian lobby in the US. Thus, everywhere you turn, traditional alliance politics does not seem to fit here. And the region does not yield readily to over-simplification. All the littoral states have much to gain and a lot to lose, both in terms of economics and political loss of face. As the single biggest player in the region, Russia’s interests are many and varied and its role here is crucial if the region is not to become yet another conflict zone.

Thus, what follows below is an analysis, largely but not exclusively based on Russian sources of the overall importance of the region, both within its local security environment, as well as on a more global stage. The problems outlined below are many, varied and complex and are not easily solved. It is also hoped that

this paper will add a much needed corrective to Western perceptions of the region and underline the fact that occasionally, complex issues cannot be reduced to simple solutions.

### **Russia and the Caspian Sea**

Russia has been an integral part of the intricate Caspian Sea geopolitical space for centuries. Its relationship with the other powers and nations in the region has been a complex and profound one. Its policy of territorial expansion to the south in the 18<sup>th</sup> century brought it into conflict with that other great regional power, Persia. However, Persia was no match for the industrially more advanced and militarily better equipped Russian Empire, and throughout the 18<sup>th</sup>-19<sup>th</sup> centuries Persia was forced to cede its earlier dominance of the region to the Russian Empire – for instance, Georgia became part of the Russian Empire in 1801; a similar fate befell Azerbaijan 4 years later.<sup>4</sup> Russia's expansion south was also matched by its drive eastwards and, as it absorbed various khanates surrounding the northern and eastern coastline of the Caspian Sea, by the middle of the 19<sup>th</sup> century Russia had become the dominant power in the region. Largely due to the presence of the British in India, Russia and Britain competed to be the dominant power in Persia as well. Ultimately Russia lost, as the Persian shahs fell under the sway of the British. Russia's attempts to drive through to the borders of the British Empire in India were also thwarted; the first "Great Game" ended in failure for the Russians.<sup>5</sup> In other words, Russia's involvement in the region has been an involved and evolving one, developed over decades of war, imperial expansion and diplomacy.

It should come as little surprise that the Russian Navy have paid particular attention to Russia's national interests in the region. An article by two senior members of the Russian Navy was published in 2001 in the Navy's main journal, *Morskoy Sbornik*, and gave a detailed picture of why Russia is so very interested in this part of the world:

The interests of the Russian Federation in the Caspian Sea region are underlined by the important position of the Caspian Sea at the crossroads of the Central Asian and Western European continental regions, [the Sea is] unique in both the volume and quality of its mineral and biological resources. The reserves of oil in the Caspian Sea are estimated at 13 billion tonnes, gas – tens of trillions of cubic metres.<sup>6</sup>

They also noted the fact that 90% of the world's population of sturgeon, producing that other "black gold" – caviar – swim in the Sea. Its natural and mineral wealth plus its geopolitical position would be enough in themselves for Russia to seek to maintain its predominance in the area. The authors also listed a number of aims which, in their view, Russia has in relation to the region as a whole:

Regulation of the status of the Caspian Sea; maintaining stability in the region; developing mutually beneficial relations with Caspian Sea states; consolidating the efforts of the Caspian Sea states in the peaceful development and use of resources of the Caspian Sea; not allowing any state to dominate the expanse of the Caspian Sea; removing sources of international tensions; developing a system of collective security.<sup>7</sup>

It is also in Russia's interests that a comprehensive, commonly accepted legal agreement be drawn up concerning the status of the Sea. Without such an agreement, the possibility of clashes between the littoral states is real, especially as

natural resources become fewer and those that are recoverable become rarer still. There is a lot of money to be made out of the Caspian Sea: for most of these countries, the wealth of the Caspian Sea is more than just a bonus, but a vital factor in overall development. Without any comprehensive legal agreement, a few of the littoral states may feel desperate enough to declare areas of the Sea as sovereign territory, paying no heed to the claims of others, thus introducing the possibility of armed conflict between the states in the area. There have already been a couple of flashpoints, for instance between Azerbaijan and Iran over disputed gas and oil drilling areas.<sup>8</sup> The increasing likelihood of conflict in the region – as well as growing US interest in the area – is probably one of the main factors behind Russia's KASFOR initiative, an attempt to create a collective security system.

In the economic sphere, the officers listed Russia's interests in the region as follows:

The extraction and rational use of the natural resources for the socio-economic development of the country; guaranteed access to these resources, not allowing the squeezing out of the Russian merchant navy from the market; maintaining the freedom and right of passage of merchant shipping; creating and maintaining the effective functioning of the sea lanes; developing, reconstructing...existing ports.<sup>9</sup>

In the ecological sphere:

Not to allow the microbiological polluting of the enclosed body of water that is the Caspian Sea; regulating (by quotas) the extraction of the oil; the Caspian Sea has no natural link with the World's oceans and as a body of water with its own ecological system a change in certain areas would undoubtedly affect the system as a whole.<sup>10</sup>

Finally, in the military/security sphere:

Maintaining regional stability; neutralising and localising armed conflicts; the guaranteed defence of the entire spectrum of interests of the Russian Federation in the Caspian Sea.<sup>11</sup>

In protecting and defending its interests in the area, Russia has one visible and obvious asset – the Caspian Flotilla. The importance of the Flotilla has changed over the years, indeed as a result of the growing importance of the Russian South to Russia in general. It is to the Flotilla that this paper will now turn.

### **The Caspian Flotilla**

The Flotilla's antecedents go back to the reign of Peter the Great, through the passing of an imperial decree in November 1722. Initially, its home port was Astrakhan. The Flotilla took part in a number of protracted wars against the other great regional power, Persia (modern day Iran). The Russo-Persian War of 1804-1813 was of particular importance to the Flotilla, as the subsequent peace treaty – the Peace Treaty of Gyulistan, signed in October/November (Old Style/New Style) 1813 – granted Russia the exclusive right to operate a naval fleet in the Caspian Sea.<sup>12</sup> This 200 year old right is one which Russia guards zealously and will not give up easily. Russia will resist any attempt, especially by non-littoral states, to create a military presence which seeks to challenge Russia's traditional naval hegemony in the Sea.



The Flotilla's home port was moved from Astrakhan to Baku in 1867 – an ice-free, all year round warm water port.<sup>13</sup> Thus the enforced decision taken in 1992 to return the Flotilla to Astrakhan from Baku, now the capital of Azerbaijan, was, if nothing else, a historical curio.

Between 1918 and 1991, the interests of only two states in the Caspian Sea needed to be recognised – the Sea only had two littoral states, the USSR and Iran. Guaranteed by a series of internationally-recognised treaties (particularly those concluded in 1921, 1927 and 1940), both states exercised their rights to ship, trade and fish. From the military point of view, the sole right of the USSR to operate a flotilla in the region was not only upheld by the earliest of the three treaties – 1921 – but was even strengthened: Iran conceded the right to allow the USSR to send troops to Iran if USSR felt that Iran was being used by a third party as a base of operations against the USSR.<sup>14</sup>

In relation to the Flotilla, the effect of the collapse of the USSR was devastating. As the official commemorative history of the Russian Navy put it:

Before July 1992, the basic strength [of the Flotilla] was deployed on the territory of Azerbaijan. More than 80% of the Flotilla's strength was there, 15% on Russian territory, 5% divided between Kazakhstan and Turkmenistan (Bautino, Krasnovodsk). In June 1992, in connection with the withdrawal of Azerbaijan from the CIS and in accordance with the Protocol of the working-meeting of the CIS Heads of State, held on 16<sup>th</sup> January 1992 ...30% of the Flotilla's strength was transferred to the MoD of Azerbaijan. If the vessel strength of the Flotilla was divided according to Treaty (Russia - 70%, Azerbaijan - 30%), then the amount of material taken unilaterally was equal to it being stolen: in the first 4 months of the beginning of the legal transfer of material, 100 cars/trucks were stolen, as well as 50 railway wagon loads of the Flotilla's material-technical supplies. As a result of such activities, Russia practically lost the shore infrastructure of the Caspian Flotilla, including 600 buildings...practically, all its warehouses and storage facilities, more than 2,000m of mooring facilities and communication lines, 50% of its stores of ammunition and other material-technical supplies, located on the territory of Azerbaijan.<sup>15</sup>

According to a former Commander of the Flotilla, Vice-Admiral B Zinin, in comparison with what the Flotilla had in Baku, Astrakhan was “practically an empty space”. To make matters worse, “for the redeployment of the Flotilla, not one rouble was allocated from the federal budget”.<sup>16</sup>

Zinin's immediate successor, Vice-Admiral V Masorin, stated that:

The strength of the Flotilla was split between Russia, Azerbaijan, Kazakhstan and Turkmenistan. It lost 18 combat vessels, 62 support ships. The Flotilla lost 3 base areas and 18 combat-training areas. The ships left to Russia, after the split, were re-deployed to Astrakhan and Makhachkala. The main base once again became Astrakhan.<sup>17</sup>

Masorin did not underestimate the difficulties the Flotilla had to face in the immediate aftermath of this enforced re-deployment; to all intents and purposes, the Flotilla had to re-build, almost from scratch, all the necessary infrastructure. There were a number of other problems. As was the case with a number of the Fleets, Masorin also had to eke out more service life from a number of his surface vessels, some of which were already 25-30 years old; then there was the issue of the

impact on combat training of the lack of fuel for the ships (a problem which had a particular impact on the Flotilla's complement of Marines). Due to the large number of problems facing the Flotilla, the C-in-C of the Russian Navy allocated Masorin a "breathing space". Masorin was in no doubt about the vital importance of the Flotilla to safeguarding Russia's wider interests in the region:

I want to particularly underline that such 'housekeeping' problems do not deflect us from [our] main [task] – maintaining the defence of Russia's interests in the region. We do not consider the states which have access to the Caspian Sea our likely opponents. Russia has friendly relations with them. But a threat has arisen in relation to our economic security, in the form of unilateral actions by Caspian Sea littoral states in the creation of sea borders and sectors, as well as the uncontrolled extraction of the area's mineral and biological resources, which do not help to strengthen mutual understanding. [given] the unstable nature of the region, the danger of the appearance of conflict situations, [these factors] make it necessary to co-operate closely with the North Caucasus MD [Military District]...In essence, we are the naval flank of the District...Now, regardless of how the military-economic and political situation in the region unfolds, regardless of what political decisions are taken, the sole, real, strength able to defend the state interests of Russia in the Caspian is our Flotilla.<sup>18</sup>

Although the Flotilla has not been tested in a war situation since World War 2, nevertheless one commentator, analysing the role of the Flotilla in a large-scale naval exercise which took place in August 2002, noted that:

From the military perspective, the Caspian Flotilla is an operational grouping that is a force able to conduct its own independent operations. The strength of its 32 combat vessels is clearly excessive in eliminating several hundred terrorists. Potentially, the Flotilla is capable of establishing full control over naval activity in the Caspian.

The largest combat vessels of the other Caspian Sea states are trawlers, whilst Russia has 4 brigades of ships and cutters (2 Navy, 2 Border Guards). The Caspian Flotilla also has in its complement one new patrol vessel ('Tatarstan', project 11661), 5 missile cruisers, 7 landing ships and cutters (hovercraft-type) and several tens of artillery cutters and cruisers.<sup>19</sup>

Unlike larger Fleets, the Caspian Flotilla over the past 10 years has not been reduced, nor does it look likely to be: "as one senior naval officer admitted, 'the factor of force will become instrumental here, unless we come to an agreement with our neighbours, before the extraction of the Caspian oil begins in earnest'".<sup>20</sup>

Masorin's recent appointment as C-in-C of the Russian Navy should also help to ensure that his former command will not be neglected. Indeed, plans to increase the combat capability of the Flotilla were announced long before. In January 2004, the Russian Minister of Defence Sergey Ivanov stated that:

The 77<sup>th</sup> Independent Guards Brigade of Marines is to be professionalised. The air element of the Caspian Flotilla is to be replenished with new, upgraded Mi-24 and Mi-8 helicopters, as well as Su-24 and Su-25 planes...Before 2010, the Flotilla will have the latest ships, specially designed to take into account the peculiarities and specific features of the Caspian Sea. The weakness of the ship's ground-to-air missile systems...will be

compensated by powerful air cover...as well as the introduction of the S-300 ground missile system.<sup>21</sup>

In the words of one recently published analysis of the existing strength of the Flotilla: "In terms of combat strength, the existing Russian naval force in the Caspian exceeds anything that the USSR had in the region."<sup>22</sup> The planned upgrading of the Flotilla's combat capability would appear to underscore the fact that, despite Russia's current "good" relations with the other littoral states, Russia is prepared to protect its interests in the region by conventional military might. Given the instability in the region – the conflict in Chechnya; the possibility of renewed fighting in Dagestan; the simmering conflict over Nagorno-Karabakh – Russia is not taking any risks that its interests will be protected by international agreements alone, and as yet there is no comprehensive legal agreement on the Sea's status. The planned upgrade would also appear to justify the comment about the "excessiveness" of Russia's military capability in the region: what use would an S-300 missile system be against a bunch of terrorists?

The planned upgrade fits better with traditional perceptions of preserving and projecting great power status than the fight against international terrorists. The article by naval officers Shkiryatov and Khyaninen, published a couple of months after the terrorist outrages perpetrated against the USA in September 2001, outlined how they saw the future shape of the Flotilla:

Taking into account the military geographical peculiarities of the Caspian Sea, the range of possible threats to interests of the Russian Federation, the basis of the Caspian Flotilla must be small, multi-task capable surface ships, minesweepers and cutters, shore missile-artillery troops and strike aircraft. Along with these capabilities, in our view, the Caspian Flotilla would also need small assault-landing ships and cutters, missile and artillery cutters, marines and specialised aircraft (rescue helicopters, reconnaissance and target-location helicopters).<sup>23</sup>

It is not a question of the Flotilla simply flying the flag for diplomatic or power projection purposes. Beefing up its capability allows the Flotilla to maintain its independence as an operational force, able to counteract localised acts of aggression without having to wait for additional assistance. As demonstrated by military conflict over the centuries, speed of reaction is essential if an attack is to be repulsed.

Russia, either wittingly or not, is also helping to ensure that the other littoral states do not have to bankrupt themselves in attempting to maintain large-scale military forces which a number of them could not readily afford. Whether we in the West like to admit it or not, Russia's military presence in the Caspian Sea not only ensures that Russian interests in the region are safeguarded, but also guarantees that the other littoral states derive security benefits from having a creditable military force in the region, large enough to act as a deterrent, which they do not have to pay for and which ensures a degree of stability in the region as a whole. As one definitive study of the security picture in the Caspian Sea region put it: "If Russia is not able to guarantee security in the region, or provide a vehicle for economic development, the question is what other state, or states, would be prepared to fill that vacuum."<sup>24</sup>

It is hard to imagine the set of circumstances which would lead to a Russian withdrawal from the region, politically, economically or militarily. It has a clearly defined set of national interests: the need to maintain stability in a very important

area for Russia – the South; the natural wealth of the region, if properly exploited, could be a valuable source of income for generations to come, providing the impetus for the socio-economic development of one of the poorer regions of the Russian Federation; increased prosperity in the South may have important political consequences for Russia in the fight against home-grown terrorism; the region's geopolitical position could provide a valuable trade corridor between the ever expanding markets of Asia and the goods of Europe. Thus: "It is hard to predict what turns Russia's policy may take in the turbulent flow of the activities of the numerous actors in the Caspian, but one thing is beyond doubt: in the short run, the region will retain a conspicuous place on the scale of Russia's strategic priorities".<sup>25</sup>

### **Iran and the Caspian Sea**

Iran's interests in the area are a combination of strategic, economic, political and historic. Up until the collapse of the USSR in 1991, Iran's position in relation to fishing, navigation rights, etc., in the Sea was regulated by a number of treaties and conventions agreed between it and the USSR. Its position was strengthened by the fact that there was no major interference in the region's affairs by non-littoral states: as a land-locked sea, outside involvement was minimal, if any. It is also true to say that the region was not an area famed for providing the super-powers with another geopolitical base to flex their muscles. Thus, the revolutionary regime which came to power in Iran in 1979 had little to fear in terms of its own position in the Caspian Sea region: the USSR still existed; therefore, no outside force was willing to change the legal regime already in place. All of this, however, was to change in 1991.

For better or worse, the USSR had been one of the main guarantors of the region's stability. With it gone, the whole security picture changed, forcing Iran to re-focus its priorities. Iran now had to begin thinking about the nature of its relationship with the newly-created states of Azerbaijan, Kazakhstan and Turkmenistan. On top of that, the division of the Sea's natural resources became a major bone of contention. However, Iran is keen to maintain the previous *modus operandi*. As stated by one Iranian expert:

- a) The 1921 and 1940 treaties must be basic instruments for completion of the future legal regime.
- b) The principle of unanimity in all decisions made in relation to Caspian Sea affairs must be established.
- c) The demilitarised status of the Sea must be established.
- d) The Caspian must be a centre for trade, co-operation and economic convergence among the littoral states.
- e) Environmental principles must be observed and any measure that would be harmful to the environment, such as the laying of gas and oil pipelines on the seabed, prevented.
- f) The eventual regime must be defensible at the national level.<sup>26</sup>

Whilst Russia could probably find the majority of these points quite acceptable, the one concerning the demilitarisation of the Sea would be a stumbling block. It is

hard to imagine Russia agreeing to disband such a valuable military asset as the Caspian Flotilla. Even reducing its military strength in the region is not a viable policy option for the Kremlin, as any reduction would not only impact on its ability to act in an emergency, but could also give the wrong signal to friend and foe alike.

An article in the Caspian Flotilla's newspaper, *Kaspiets*, analysing Iran's military-economic potential, pointed out that, unlike previous opponents of the USA, Iran is no "beggar-state" – like Afghanistan – nor is it like Saddam Hussein's Iraq, "bloodless" and "weakened" by international sanctions and "its own leadership".<sup>27</sup> Of course, the article also had to point out Iran's unfavourable geo-strategic position within the wider Gulf region, especially given the US military presence in Iraq, Afghanistan, the Persian Gulf and possibly, in the future, Azerbaijan. Quoting Western sources, the article detailed the overall strength of Iran's armed forces (900,000 men), 45,000 of whom serve in the country's naval forces.<sup>28</sup> One of Russia's most prominent experts on Iran's armed forces, V Sazhin, published a series of articles in the 1990s, including one on the navy. In terms of the tasks for the navy, he listed 7 main tasks, of which the third most important was "defence of shore naval communications and disruption of enemy naval communications in the Persian and Oman Gulfs, as well as in the Caspian Sea". Sazhin also noted that Iran's Navy was divided into 4 operational commands, of which one, headquartered in Bandar-e-Anzeli, "is earmarked to carry out patrol duties and naval reconnaissance in the southern part of the Caspian Sea. According to data from foreign military press, the Enzeli naval base is part of the 4<sup>th</sup> Naval District, composed of a staff HQ, a division of patrol cutters (6), as well as a base trawler (Sal'man)."<sup>29</sup>

Iran's naval presence in the region is also further strengthened by the naval component of the Revolutionary Guards Corps, consisting of a "battalion of shore defence (more than 10 x Motor Torpedo Boats), based in the port of Nousakhr".<sup>30</sup> According to a more recent source, manpower strength of the naval units in the area amounts to 3,000 men, spread over some 50 ships – a mixture of combat and support ships. As well as a complement of marines and the shore defence force, there are also units of naval aviation. Along with Iran's economic modernisation programme – part of which is the construction of the nuclear power plant at Bushehr – Iran also has plans to bolster its defence capability by a long-term defence procurement programme, running into billions of dollars. The navy is to get its share.<sup>31</sup> With specific reference to the Caspian Sea:

It is planned to double the size of [the Iranian Caspian] flotilla. Presently, according to unofficial sources, plans exist to create in the Caspian an operational-tactical unit - squadrons [of ships] whose purpose would be, in the case of necessity, to carry out military actions in specific areas of the Sea. According to such a plan, in each of the squadrons, there will be a number of divisions, as well as independent divisions of surface vessels and submarines, other ships and military security units (naval aviation, infantry).<sup>32</sup>

To achieve this, Iran will partly have to rely on Russian assistance, in terms of purchasing equipment or the licenses to manufacture it. The most recent example of Russo-Iranian military co-operation was revealed in July 2005 when the Russian newspaper *Kommersant-D* published details of an agreement signed between Rosoboroneksport and Iran for the repair and upgrading of a number of ex-Russian submarines, currently serving in the Iranian navy. The contract is reckoned to be worth \$80-\$90 million per submarine, 3 submarines to be repaired and upgraded in total.<sup>33</sup> However, this would be comparatively small change if recent press reports

are true. It would appear that Russia has agreed to sell arms to Iran worth just under £600 million.<sup>34</sup>

Despite assertions to the contrary, Russia has to be careful that it is not re-equipping a potential competitor.<sup>35</sup> However, as long as both countries remain united in their aim of hindering the presence of military forces of non-littoral states, then Russia will assist Iran in the further development of its armed forces, especially if it means extra foreign currency flowing into the Russian coffers. Better that Russia re-arms Iran, rather than someone else! Iran's rearmament programme also allows Russia a degree of control over the future development of Iran's armed forces.

Although Iran's naval presence does not come close to matching that of Russia, it is the second largest naval contingent in the Caspian Sea. Similarly, as demonstrated by its actions against Azerbaijan in July 2001, Iran will not hesitate to deploy military units to safeguard its economic interests in the Sea. On 23 July 2001, an Iranian warship intercepted and forcibly expelled a boat conducting prospecting operations for BP, working under a mandate from the Azerbaijani government. To ensure that the boat returned whence it came, Iran also despatched a military aircraft to "escort" the boat back into Iran's understanding of Azeri waters. Azerbaijan reacted furiously to this and stated that Iran had violated Azeri territorial waters and airspace; allegations refuted, in turn, by Iran, which argued that it had been the other way round.<sup>36</sup> Although the figures vary enormously, Iran wants its fair share of the Sea's hydrocarbon reserves. According to Iranian estimates, the oil reserves in the Sea could amount to 29 billion barrels (or as low as 15 billion barrels), equivalent in size to the North Sea, but far short of the reserves held in the Middle East. Proven gas reserves range between 5.58-8.30 trillion cubic metres.<sup>37</sup> Earlier Western estimates of the region's hydrocarbon reserves, 200 billion barrels of oil and 279 trillion cubic metres of gas, have been largely discarded, as initial test borings have shown the region to contain considerably less than initially claimed.<sup>38</sup> Regardless of proven and recoverable reserves, one can already sketch out conflict scenarios involving one or more of the states in the region. Iran, for instance, has consistently proposed that, as one of the five littoral states, it should be allocated 20% of the Sea's waters, even though it does not account for 20% of the Sea's coastline.<sup>39</sup>

### **The Sturgeon**

Of course, there is much more to the Caspian Sea than its reserves of oil and gas - sturgeon, which produce the world-famous caviar. Of the 120 different types of fish which swim and breed in the comparatively pollution-free waters of the Caspian Sea, 40 are deemed "commercially viable" and, according to scientists of Caspian Sea Fish Scientific-Research Institute the commercial value of the Sea's biological wealth, if properly harvested, is 1.1 trillion roubles (\$37 billion), equivalent to the total market value of the Sea's recoverable reserves of oil and gas. However, unlike the oil and gas reserves, the biological wealth of the Sea is renewable, if properly looked after.<sup>40</sup>

Of the world's population of 25 species of sturgeon, the Caspian Sea is home to five of the most valuable, namely the Common Sturgeon (*A. stureo*), the Caspian or Stellate sturgeon (*A. stellatus*), the Bastard or Spiny sturgeon (*A. nudiventris*), the Giant sturgeon (*Huso huso*) and finally, the Sterlet (*A. ruthenus*). The largest of these are the common sturgeon and the giant sturgeon - not surprisingly, they also produce the largest number of eggs which, in turn, means that they attract the

most money, both legally and illegally sold on the world's market for caviar.<sup>41</sup> However, gone are the days when fishermen could drag in a catch containing specimens weighing in at 1.5 tonnes, containing, literally, tens of kgs of eggs. Now, fishermen are lucky to catch a sturgeon half of the size of such "monsters". Even so, an average female sturgeon can still be caught containing some 15-20 kgs of unfertilised eggs (black caviar).

For many of the inhabitants living along the shoreline of the Caspian Sea, despite the risks of being caught poaching, the profit to be gained in a night's fishing means that this is a risk well worth taking and, since the collapse of the USSR well over a decade ago, much damage has been done to the reserves of sturgeon in all areas of the Sea.<sup>42</sup> In the space of less than 20 years, officially recorded catches of caviar-producing fish have fallen drastically: in 1990, the catch stood at 15,000 tonnes; by 1997, this had fallen to a mere 477 tonnes. At the beginning of the 20<sup>th</sup> century, Russia alone used to catch some 42,000 tonnes per year.<sup>43</sup> Plundering of stocks of this valuable family of fish would appear to be going largely unchecked, and as long as the littoral states cannot come to a definitive agreement concerning the legal regime of the Sea and how best to control the exploitation of its wealth, both mineral and biological, it is likely to continue. If you concentrate on extracting the former to the detriment of the latter – which certainly seems to be the policy being pursued by most, if not all, the littoral states, then you are destroying the one commodity which could be producing significant wealth for all concerned once all the oil and gas has been thoroughly exhausted. Due to uncontrolled fishing and increasing pollution, the sturgeon population has dropped 90% since 1970 and, on top of that, there is now a severe sex imbalance in the population. Of the remaining sturgeon still swimming in the Sea, some 80% are reckoned to be male. Fewer females means an ever decreasing catch, as well as an ever increasing threat to the long-term survivability of the species as a whole.<sup>44</sup>

One Turkmen expert, reminding his readers of the air and sea poisoning of 10 million birds in the area in May 1998, warned that the Caspian Sea could become an environmental catastrophe, similar to the Aral Sea, poisoned and polluted beyond saving. The incentive not to kill the Sea is great: according to his calculations, if properly husbanded, the Caspian Sea could 'net' \$6 billion annually.<sup>45</sup> The scale of illegal fishing was a point made by Admiral Masorin, when he was still Commander of the Flotilla:

In the best years, the USSR produced 1,200 tonnes of caviar, a significant proportion of which went for export. In 1995, Russia produced only 90 tonnes, of which 40 went for export. Iran, in the same year, produced 200 tonnes of caviar, of which 146 went for export.<sup>46</sup>

The scale of illegal fishing in the Sea is huge: one concerted action by a number of the littoral states found 80 kilometres of illegal nets over a two-day period. So successful was the operation that local fishing and ecological leaders requested an extension of the anti-"fish mafia" operation.<sup>47</sup> According to one local source, however, 80% of the poachers are now armed with small arms and grenades; the more sophisticated are even using space tracking systems to locate the exact position of the shoals. This prompted Putin to remark that using such technology was not simply poaching but a clear example of "bioterrorism".<sup>48</sup> Even the local national park zone, expanded in the 1970s by common agreement between the RSFSR and Kazakh SSR, the Volga Delta Wetland, a vital feeding ground for the sturgeon, is now a testing ground for oil companies, carrying out seismic tests looking for oil and gas. During the Soviet period, it was forbidden to carry out such tests because of the damage this would cause to the sturgeon's feeding ground, as

well as to the sensitive nature of the fish itself.<sup>49</sup> In short, both the poachers and the relative inactivity of central and local governments are killing off one of the Sea's most valuable assets.

### **Russia, Iran and the Caspian Sea**

Given Russia's and Iran's economic and political interests in the region, as well as the need felt by both states to counter the growing influence of the US in the area, it is a foregone conclusion that Iran's military presence in the area will increase: the Caspian Sea is simply too important for Iran to ignore or to leave open to the machinations of less than friendly powers. Like any other state, Iran has its own national interests to pursue and protect: Iran's economic and military security are intimately bound up with one another, not least in the Caspian Sea region. Despite its huge reserves of gas and oil, Iran has to think about meeting future energy requirements and ensuring economic development in the years ahead, hence its controversial decision to embark on a civilian nuclear power programme – with Russian assistance. Greater use of nuclear power means less reliance on oil and gas which, in the long run, means reserves to sell or use in the future. Surrounded, as it sees it, by less than friendly states, Iran has to make sure that its military forces are capable and ready to repulse any encroachment on their interests in the region. In short, there is a commonality of interest between Russia and Iran in their perception of the future of the region: to hinder, by whatever means, the appearance of the military of non-littoral states and to encourage the region to create its own security system. This was clearly reiterated in a recent interview of Iran's ambassador to Russia, G Shafei:

In principle, the presence of military bases of non-regional states in the Middle East has, by itself, contributed to a deterioration of the situation in relation to the security picture and a stoking of the arms race between countries. In the opinion of the Islamic Republic of Iran, in the event of the withdrawal of foreign forces, our countries themselves will be in a position to maintain security and, in principle, there is no need for the presence of the armed forces of other states...Thus, the Islamic Republic of Iran, like Russia, is against the presence of military bases of non-regional states on the territory of neighbouring states.<sup>50</sup>

With the "global war against terrorism" providing the US with an opportunity to base US troops on two Iranian borders, Iran has again sought ways to counter the impact of its geopolitical isolation by the US. Its recent agreements with Iraq – a former military enemy – have shown a degree of pragmatism in the way that it is conducting its foreign policy, at least in this area of the world.<sup>51</sup> Interesting also is Iran's reaction to Russia's proposal to create KASFOR: according to one Russian press report, the Iranian military leadership "warmly supports" the Russian initiative.<sup>52</sup> There can be little doubt that part of Iran's policy is to limit as much as it can US influence in the area. In this respect, it has the unconditional support of Russia. However, the other littoral states have a different view of US involvement in the area, as will be described later.

Until the necessary legal regime is agreed and enforced, however, the territorial division of both the Sea and its riches is always going to be a contentious issue. Thus, KASFOR may prove to be a useful security-building measure, if it ever makes it off the drawing board. It could help to ease tension in the region by helping to demonstrate that the member-states can co-operate with one another, even if their national interests do not necessarily coalesce. For the time being, however,



KASFOR simply exists on paper – there is, as yet, on a wider political scale, no single regional organ which includes all the littoral states, so the creation of KASFOR would represent a significant “first” in itself, in allowing a forum where all the littoral states could discuss security issues and how best to resolve them. Similar to BlackSeaFor, on which KASFOR would be modelled, KASFOR could represent a significant breakthrough in relations between the littoral states.<sup>53</sup>

There is little sign of ideology being used as a brake on Iran striving to achieve as large a portion as possible of the wealth of the Caspian Sea for its own development. That it wishes to do so in concert with a number of the other littoral states, if not all of them, is further sign of Iran’s desire to maintain a degree of regulation and control over the exploitation regime to be established within the Caspian Sea. Iran is not interested in a quick “resource-grab”, with no thought of the consequences of such a disastrous policy for the future. Iran is in favour of the creation of a “condominium” of the littoral states, equally sharing the Sea’s wealth and ensuring that the process of extraction does not lead to the long-term degradation of the Sea itself.

Cooperation around the Caspian Sea allows the country to further undermine the USA’s attempt to keep Iran politically isolated. Iran, by co-operating with its neighbours in the area, can prove itself to be a reliable member of the international community on a range of issues, thereby thwarting attempts by the USA to further demonise the regime. Iran can demonstrate to the world that, in the words of the realist school of international relations: “states always seek to increase their security and international influence.”

USA may want the rest of the world to treat Iran like a pariah, but for countries in the region, such a policy would only undermine their own attempts at maintaining security in a very unstable part of the world. As a former deputy foreign minister, A Maleki, stated:

The foremost goal of the Islamic Republic of Iran in the Caspian Sea is the maintenance of stability and peace. In this course, sometimes, it is likely that some of the innovations may bring about added interest for Iran, but if this is to result in tension in the region, the priority will go to the maintenance of peace and stability.<sup>54</sup>

The Caspian Sea allows Iran the opportunity to be treated like a “normal” state that has national interests and can behave in a predictable and stabilising fashion. Iran has energy concerns for the future and is partly resolving its future energy deficit by co-operating with Russia in the development of a civilian nuclear power programme; it has security concerns, not least because of the situation in Iraq; it has co-operated with Russia and Tajikistan on a range of border-control issues. As a result and partly removing it from political isolation, it has been granted observer status of the Shanghai Co-operation Organisation and is seeking membership of the World Trade Organisation.

On a whole range of foreign policy issues, Iran is fighting hard to gain wider acceptance in the international community. It is therefore incomprehensible that the country’s President M Ahmadinejad should publicly advocate that Israel should be wiped off the map, knowing full well that such a remark would be condemned by all the other civilised nations of the world. The subsequent purge of the country’s foreign policy establishment, as well as the mixed signals now emanating from the recent invitation to the EU3 to resume talks about Iran’s civilian nuclear power programme, show that a power struggle is presently going on in the country.

Within a couple of days of the President's remarks, the country's Spiritual Leader, A Khamene'i, publicly stated that Iran had no plans to commit aggression against any state.<sup>55</sup> But the damage had been done and with images in the West of mass demonstrations in the streets of Tehran, people burning Israeli and US flags, our perceptions harden that Iran is a country which seems to be a breeding ground for Islamic extremists. The Iranian president could not have done a better job for those eager to further stigmatise and isolate the Iranian regime had he been in the pay of the CIA!

### **US, Russia and the militarization of the Caspian Sea**

Although the US presence in the region, both physical and psychological, may be understandable, it is not justified. Prior to the collapse of the USSR in 1991, the US had only been interested in this part of the world when the Shah was in power. Following the revolution in Iran in 1979, the US displayed very little public interest in events in the Sea's littoral states: it was, rightly, not deemed an area of "vital strategic interest". However, with the shifting balance in power following the collapse of the USSR, the increasing need to secure alternative sources of hydrocarbon fuels, the "global war against terrorism", etc., the US has gradually developed an interest in the whole Caspian Sea area and is assuming an ever greater prominence in the region's affairs.

However, the situation here is very different from the one which existed, for instance, in the Baltic or even the Black Sea region in the 1990s. For a start, Russia is in a very strong position here, not least thanks to the Caspian Flotilla, but also because, unlike in the Baltic and Black Sea regions, there is also a fairly pronounced anti-American sentiment in the region, most notably displayed by Iran. Thus, to the north and south of the Caspian Sea are two states which not only want to limit as much as they can US influence in the area, but also possess the two most powerful naval forces in the region. Secondly, Central Asian leaders are insisting that the US sticks to its original declared intent and move out of that region altogether.<sup>56</sup> What justification would USA then have to establish a military presence in any other countries in the area? A US military presence would upset a very finely tuned balance of power in the region where one big power wields the big stick, as opposed to several smaller powers wielding littler sticks. Part of the reason for the current relative stability, other than the fact that none of the states in question could afford a major conflict, is Russian military dominance.

There is already a limited US military presence in the region - witness the recent statement by the US Ambassador to Baku, R Harnish, concerning the construction of two radar stations in Azerbaijan.<sup>57</sup> US plans concerning the further extension of the role of the Caspian Guard - as part of the force dedicated to protecting the pipeline running from Baku to Ceyhan via Tbilisi - may undermine Russia's military presence in the region, a move which, in itself, may encourage others to think about the need to beef up their own military forces in a region which could easily turn into the world's newest "hot spot".<sup>58</sup> This is no mere conjecture: according to one Russian expert: "during the past ten years, the sum total of naval warships has almost doubled in the Caspian; the shore defence structures have been strengthened."<sup>59</sup>

As Russia sees it, US interests in the region are two-fold: firstly, to secure access to non-Middle Eastern supplies of oil and gas; secondly, to secure influence at the expense of Russia. The USA seems to be less concerned about damaging the local security picture than pursuing its own national interests on a global scale. How

would USA react if Russia, for instance, were to declare the Gulf of Mexico an area of “vital strategic interest?” If there were no reserves of oil and gas in the Caspian Sea, would the US be committed the way it is? Thus, US military aid programmes to Azerbaijan, Kazakhstan and Turkmenistan – admittedly small at present – are a cause of genuine concern to Russia’s political leadership. For his part, the former chairman of the *Duma’s* security committee, V Ilyukhin, was in no doubt concerning US/NATO’s purpose in the area:

To assist the weakening of Russia’s position in the Caucasus and Central Asia...to place under its control the Greater Middle East, strengthen its hegemonic influence in the Caucasus and Central Asia, cut Russia off from its ports in the Black Sea – Novorossiysk and Tuapse, as well as from its ports in the Caspian – Astrakhan and Makhachkala, throwing Russia back into the 16<sup>th</sup> century, to the borders of Ivan IV.<sup>60</sup>

The quote may be six years old, but the feelings expressed are eternal: no Russian leader can contemplate the idea that Russia may be forced back to what it was almost 400 years ago. Any Russian leader contemplating that would not be a Russian leader.

Thus, the recent KASFOR initiative can be interpreted in a number of different, but not mutually exclusive, ways: first and foremost, it is an attempt to create a regional security structure specifically designed to meet the needs of the littoral states; secondly, “to pillar in” (“*zastolbit’ territoriyu*”) Russia’s territorial boundary.<sup>61</sup> And finally, as one Russian analyst put it, what seems to be currently uniting the region’s local military structures – with one obvious exception – is “the desire to forestall the USA and NATO, not allowing them access to the ‘internal Caspian reservoir’”<sup>62</sup>. But there are a lot of problems ahead if the Caspian Naval Grouping of Operational Naval Interaction (to give KASFOR its formal title) is to exist as an operational unit, not least concerning its command and control structure; what rights it would have in boarding “offending” ships; the rules in relation to the employment of force, etc. As there is no single, regional organisation involving all of the Caspian Sea littoral states, so KASFOR would be a significant political as well as military, step for all those concerned.<sup>63</sup>

In some respects, the *raison d’être* for such a force has already been undermined, both by the growing security relationship between the USA and Azerbaijan and by the US Caspian Guard policy which, according to one report, will eventually consist of 120,000 men, drawn from countries such as Azerbaijan, Georgia, Turkey and the USA, designed to help combat international terrorism in the area, as well as allow more intelligence to be gathered concerning the movement of international drug traffickers.<sup>64</sup> This would considerably change the balance of power in the Caspian Sea in favour of the West.

The consequences of such a huge shift would not only be local but, for Russia, would strike at the very heart of the Federation itself. This would be a severe setback and would be very keenly felt by all colours of political opinion. There would probably also be a backlash from the Russian people: whilst the South may have been the cause of much grief over the past 10 years for many Russian families – due to the war in Chechnya – nevertheless the human losses would not appear to have caused much of a dent in the current president’s popularity rating. Many Russians support the government’s actions in Chechnya, but would probably begin to have serious doubts about the president’s “southern” policy if the Western presence became too obvious and Russia was perceived to be losing out. KASFOR, even if it was brought into formal existence soon, may already be “too little, too late”

in practical terms. Despite the recent assertions made by both Russia and Iran that the Caspian Sea should be a zone of peace and that the Sea belongs only to the littoral states, the US looks set to enhance its presence in the region,<sup>65</sup> despite Putin's reassertion that "all the Caspian states, including Iran, must be involved in the organisation to maintain peace, order and security in the Caspian".<sup>66</sup> However, as will be detailed below, it is increasingly unlikely that Azerbaijan will be involved in the setting up and running of such a naval operational force, given increasing American influence in the country.

## **US and Azerbaijan**

There can be little doubt that key to further development of the US interests in the region is Azerbaijan. After the latest round of elections (November 2005), US interest in Azerbaijan is likely to become stronger. US needs Azerbaijan in a way unprecedented in the history of Azerbaijan, following Uzbekistan's decision to ask the US to leave its military base by spring 2006. Bordering both Iran and Russia, and a very useful interception point for monitoring the movements of terrorists to and from Chechnya, Azerbaijan is the lynch pin to protecting perceived US interests in the region. It can also help the US monitor air and missile traffic from inside southern Russia, as well as from deep inside Iranian territory.

Within the US Caspian Guard policy, Azerbaijan has a crucial role to play:

The Pentagon's 'Caspian Guard' initiative is designed to provide continuous protection of air, sea and land boundaries of Azerbaijan and Kazakhstan. 'Caspian Guard' is hardly new: the Defense Department began implementing the project in 2003. The program is under the control of the US European Command, headquartered in Stuttgart, Germany. An integral part of the scheme will be state-of-the-art radar installations in Baku to monitor Caspian air and sea traffic...The US government intends to spend \$100 million to form 'Caspian Guard' brigades over the next decade...Complicating the Pentagon's designs is legislation passed by the Azeri parliament in 2004, prohibiting the stationing of foreign troops on Azeri territory.<sup>67</sup>

Despite recent changes to the Constitution, Azerbaijan may yet permit the stationing of 'third party' troops within its country, especially if such a step would enhance its chances of becoming a full member of both NATO and EU (indeed, there has for several years been speculation in the region that men from US Armed Forces, as well as MOSSAD, are already stationed there).<sup>68</sup> Two US radar stations are already operating in the country: one in Astar and the other in the Hyzinsk region. The station at Astar allows the US to look up to 400-450 kms inside Iranian territory, whilst the one in Hyzinsk region allows the US to keep track of movements of various sorts in the northern half of the Caspian Sea region. One regional specialist has speculated that the US is applying pressure on Azerbaijan to allow the US to deploy one further US radar station in the country by the end of 2005, as part of US/NATO plan for the creation of a regional radar network covering the entire area from Iran to Turkey, called "Kavkaznet", to be in place by 2015. Half of the personnel operating the two new radar stations are reputed to be American nationals.<sup>69</sup>

The US has also allocated some \$30 million to strengthen Azerbaijani shore defence facilities and is preparing to allocate an undisclosed sum for the further development of Azeri naval units. This military aid, plus the monies allocated for the development of the Caspian Guard and military aid for Kazakhstan (see below),

is designed “to increase the power of these countries and achieve the maximum [level] of security for the Caspian basin”.<sup>70</sup> Underlying US global and energy interests was the admission by Ambassador Harnish that the Azeri and Kazakh sectors of the Caspian Sea – despite the fact that the Caspian Sea has still to be formally divided between the littoral states – could contain as much as 37 billion barrels of oil.<sup>71</sup>

Needless to say, Russia is taking USA’s growing interest in the region very seriously. Some view US policy towards Azerbaijan as being a further attempt to squeeze Russia out of a country which is important to Russia and to minimise Russia’s influence in the whole region. Such a view does attract a degree of support from a number of US commentators themselves, although unwittingly. A “high-ranking Pentagon official”, Lieutenant-Colonel S Switzer, writing in the US Army’s newspaper *Stars and Stripes*, is quoted by a Russian source talking about the US helping to establish “command points” in both Azerbaijan and Kazakhstan, as well as “centres for the conduct of naval and air operations”. These are all part of the Pentagon’s officially declared aims of “protecting regional stability” and “combatting terrorism”.<sup>72</sup>

There can be little doubt that the US will bring more pressure to bear on Azerbaijan to allow a more obvious military presence in the country. According to one US analyst:

We need territories for bases. If we have to leave Uzbekistan within 180 days, then someone should give a boost to the talks about setting up bases in Azerbaijan. If we take into account our existing ties with this country and that it is our ally in an important region, then Azerbaijan is a very good choice for us.<sup>73</sup>

### **Azerbaijan, Russia and Iran**

There can be little doubt that, for Azerbaijan, the issue of whether or not to allow the US a more obvious military presence within its borders carries a potentially enormous risk: “last week, Iran hinted that it would launch a preventative strike against the infrastructure and military sites of Georgia and Azerbaijan, should either of these states allow the deployment of US, or US-allied, troops on their territory”.<sup>74</sup>

Although this quote is from an article published two years ago, given the continuing destabilising influence of the war in Iraq and the change of government in Iran it still highlights a significant issue for Azerbaijan – would Iran strike at Azerbaijan in anticipation of a more dominant US military presence in the country? There is no doubting the fact that Iran has the capability to do so, both in terms of the range of its missiles and combat aircraft: Iran has 300 combat aircraft, all of which have the range to reach targets in both Azerbaijan and Georgia. It also has heavy artillery which could wreak significant damage on Azeri border positions.<sup>75</sup> Of course, capability does not prove intent, but Azerbaijan will have to think long and hard about allowing a more open US military presence in its country: this would be a move guaranteed to anger both the Russians and the Iranians.

Like many other countries in the region, Russia and Azerbaijan have a complex relationship, developed over centuries. There is a large Azeri population resident in Russia and, for long enough, many Russians lived and worked in Azerbaijan itself. To this day, many Azeris still speak Russian almost as much as their native tongue.

Of course, the situation has changed since the demise of the USSR, but Azerbaijan still looks towards Russia, if not in terms of a “big brother”, at least in terms of a “close relative”. In a major interview, the current President of Azerbaijan, I Aliev – himself a former graduate of the prestigious Moscow Institute MGIMO – in answer to a question whether he saw any reasons for a split between the two countries, replied with a firm:

No, there are no such reasons. We have good relations and Russians who lived and live here have always felt at home and I, who for a long time lived in Moscow, never felt any negativity because of my nationality the fact that when he lived in Moscow in the 1980s, his father was First Party secretary in Azerbaijan may have been part of the reason – SJM]. And today many Azeris live in Russia and live very well there: I absolutely see no reasons which could cause us to fall out with one another.<sup>76</sup>

More recently, Putin himself made similar, very positive, remarks about the relationship between the two countries:

In Russia, we sincerely want to see Azerbaijan stable, secure and an economically strong state. Only economically independent countries can form and conduct an influential and, what is important for Russia, an independent policy, which means a policy of good neighbourliness, mutual respect and friendship. Russia is very interested particularly in such neighbours as Azerbaijan.<sup>77</sup>

However, despite the rhetoric from both countries, there can be little doubt that a more prominent US military presence would be a reason for major discord. Depending on its exact scale and nature it could easily incur the wrath of both Moscow and Tehran. Russia would be incensed if its own military facility at Gabala was downgraded or forced to close whilst, at the same time, the US was allowed to step up its military presence in the country. A year ago, there was further speculation in the Russian press that, despite a renewed rental agreement valid until 2012, the Azeri MoD, S Abiev, was behind attempts to close the Russian radar station at Gabala completely.<sup>78</sup> At the same time, according to recent reports from Azerbaijan, the agreement to base the US radar stations was signed in January 2004 and, in order to get round the constitutional nicety of no foreign military bases on Azeri soil, the Azeri Foreign Minister, E Mamedyarov, confirmed that the two US bases have not been accorded the status of military bases, but are simply part of Azerbaijan’s border control network.<sup>79</sup> Needless to say, this has not been taken at face value either by the Russians or the Iranians.

Iran will always view US military presence as a direct threat to its national security. Again, it is difficult to see what other step Azerbaijan could take to guarantee a further significant turn for the worse in its relationship with a neighbouring state. The ethnic Azeris in Iran may themselves be in a much more strained relationship with Iran than has hitherto been the case.<sup>80</sup>

Even within Azerbaijan, there is little public support for such a potentially dangerous policy: according to one opinion poll more than 50% who responded said that they would be against US military bases inside Azerbaijan; only 20% said that they would be in favour. In terms of supporting US military action against Iran, again a very small number stated that they would support such a move (11%); 60% of those polled said that they would not support such a policy.<sup>81</sup> These are important figures. The Azeri elite may consider themselves to be European but for the broader mass of the population, who have close blood ties with their neighbours

to the north and south, this “Europeanness” has a hollow ring.<sup>82</sup> The country still has a long way to travel before being considered “European” in terms of its political structures. Azerbaijan has to take a long-term view of things: in a nutshell, when the oil and gas have run out in the Caspian Sea, will the US still be there? Azerbaijan has a land border with Iran which stretches to just over 600km in length; its border with Russia is just under 300km, its border with the US is 0km.<sup>83</sup> Thus, when the oil and gas have gone, which of its current allies and neighbours will the country still have to deal with on a whole range of issues and on an everyday level?

### **Kazakhstan**

Of the remaining littoral states – Kazakhstan and Turkmenistan – the other significant player is Kazakhstan. Given that it not only borders Russia but also China, Kazakhstan is well-placed in terms of future oil and gas pipeline development. Containing the huge gas field at Tengiz, as well as the increasingly important oil field at Kashagan, Kazakhstan is set to become one of the world’s major players in the future oil and gas markets. Thus, it is not only important to the energy security of the region, but also potentially very important in ensuring stability in the area, if not beyond.<sup>84</sup> However, its military capability will never reach that of Russia or Iran, nor even possibly Azerbaijan. Nonetheless, it does have plans to expand its naval presence in the Sea.

According to one recent Russian analysis of Kazakhstan’s naval presence in the Caspian Sea, “there simply is no sense to talk about its combat potential – for the time being”.<sup>85</sup> For what it’s worth, the navy is headquartered at Bautino, numbers approximately 3,000 men – although there are plans to increase that figure within the next 5 years – and is made up largely of cutters of ex-Soviet, US and Turkish origin. The navy has an air component, consisting of 3 x Mi-8 and 6 x Mi-2 helicopters. To further expand its naval presence, Kazakhstan is looking for aid from USA, Turkey, Britain and Russia. Whilst it will partly rely on Russia to train some of its officers, it has opened a naval academy at Aktau.<sup>86</sup> Russia may also be contributing financially to the further development of the Kazakh armed forces thanks to its rent payments for the space complex at Baikonur. In 2004 alone, the rent for Baikonur amounted to \$190 million, a figure which represented 1/3 of Kazakhstan’s defence budget for that year. This may help to explain how Kazakhstan has been able to partly re-equip its air force with modernised MiG-29s, Su-27s, as well as the military transport helicopter, Mi-8. These are all very useful pieces of equipment if you have to defend national interests anywhere in the immediate vicinity of the Caspian Sea.<sup>87</sup>

The US is rendering some military-technical assistance to further develop the Kazakh navy: in 2004, this amounted to just under \$3 million, with an additional \$113,000 for training Kazakh naval officers.<sup>88</sup> Although these sums are comparatively small, US military aid to the Kazakh navy does not end there. The US also has plans to partly finance the continuing “modernisation” of Kazakhstan’s Caspian shoreline and the Kazakh armed forces as a whole. The latter are set to receive US “Humvees”, an S-130 transport plane and 4 x Bell-Huey helicopters.<sup>89</sup> However small the current allocation of aid is, it can always be increased if the US and Kazakhstan feel that more is required.

What alarms Russia most is not the current scale of what is being allocated, but for what purpose and against whom? Whilst some Russians are prepared to accept that, as a sovereign state, Kazakhstan has every right to protect its land, air and

maritime borders as it sees fit, others are concerned that, as with Azerbaijan, there is a long-term threat to Russian military hegemony in the region.<sup>90</sup> Even more galling is the fact that the US is gaining an ever greater foothold in the region. The Russians are looking at everyone's military capability in the region and are wondering what the intent behind the increased capability is.

Russia does not contest the right of either Azerbaijan or Kazakhstan to defend their national interests as they see fit but Russia is finding it difficult to adjust to the new geo-strategic climate, especially here where its power has gone unchallenged for centuries. Russia has also very firm suspicions that increasing Kazakh naval capability is simply yet another less than subtle device employed by the US to get even more involved in a region of the world which the Russians would prefer to keep the US out. But given Azeri and Kazakh plans to develop their own naval presence in the Sea, Russia will simply have to get used to the idea that other naval vessels will be patrolling there.

### **Turkmenistan**

If, according to one Russian analyst, it is not "serious" to discuss the combat potential of the Kazakh naval forces deployed in the Caspian – at least, for the time being – then even less so is it meaningful to discuss the naval forces operating under the Turkmen flag. According to the same expert, Turkmenistan's naval force, operating from what used to be the port of Krasnovodsk, subsequently re-named Turkmenbasha, consists of a number of cutters and part of the old Caspian Flotilla's 288<sup>th</sup> shore protection brigade. The total strength of the Turkmen navy is less than 2,000 men and in overall charge of the navy, is Captain (1<sup>st</sup> class) Repin, apparently a Russian officer. The navy has 1 missile cutter, a patrol cutter, a base minesweeper and 2 hovercraft-type cutters. However, it has placed an order with Ukraine for the purchase of 20 patrol cutters, a mixture of the "Grif" and "Kalkan" class. The US navy has also gifted a cutter, formerly known as "Point Jackson". Despite this, the Russian author remains "extremely doubtful" about the overall combat capability of this "armada".<sup>91</sup> The lack of seriousness intoned by the Russian author is underlined, curiously enough, by the Americans: of the three Caspian Sea littoral states which receive direct military-technical aid from the USA, in 2004 Turkmenistan received the smallest sum: only \$700,000.<sup>92</sup> It is unlikely that Turkmenistan will ever be in a position where it would be strong enough to support its claim to a national sector of the Sea by force of arms alone, hence its support for an all-encompassing legal agreement. Although it has had problems in the past, particularly with Azerbaijan, Turkmenistan is unlikely to force any issue.<sup>93</sup>

### **Conclusion**

The outlook for the future is not good. The lack of a comprehensive legal agreement on the Sea, despite more than a decade of negotiations, ensures that disputes can easily arise and, with no obvious way of conflict resolution within the region itself, run the possibility of becoming messy relatively quickly. With no clear definition of "national sectors", the potential of one country encroaching on another is always evident and, as has been shown on a number of occasions, both in exercise and for real, the national players in the area will defend their interests with force if need be. There is a real danger that a spirit of economic unilateralism may take hold, whereby each of the littoral states, regardless of the wishes and interests of others,



simply declares a form of economic independence and begins to exploit the natural wealth of the Sea located within “their” sector. Who, or what, is going to stop them?

There is no comprehensive alliance system in the region and unless KASFOR takes root, there does not look like there is going to be one able to meet the new security challenges of the 21<sup>st</sup> century. One of the main issues now is the appearance of non-littoral states on the stage of the Caspian Sea, helping to confuse an already confusing picture. Iran has a large population of Azeri-speakers within its borders and Iran and Azerbaijan have already clashed over the issue of drilling rights in the Sea. Azerbaijan is actively (if not officially) assisting America establish an ever firmer military hold on the region. Kazakhstan is helping to build up its naval force in the region – with US military aid – but who does Kazakhstan think its aircraft and ships will be used against?

It would be an exaggeration to say that former friends are now becoming enemies, but there is increasing tension between a number of the littoral states and it can only be speculated whether the region would be under greater tension than it currently is were it not for Russia’s military presence. As the clamour for recoverable fuel reserves grows, it is only a question of time before one of the littoral states decides to take matters into its own hands and begins exploiting its ‘sector’ without the consent of the others. Both Azerbaijan and Iran have come close; Russia actively exercises with a view to defending its economic interests in the region; even Turkmenistan has made threats to Azerbaijan, its president wondering aloud whether Azerbaijan was looking to create another Nagorno-Karabakh in the Caspian region!<sup>94</sup>

KASFOR may become a reality, but will it involve Azerbaijan, as the latter pursues its goals of NATO and EU membership and its strategic alliance with the USA? Caspian Guard is also a non-starter, in terms of an all-encompassing regional security system, simply because it would not include all the littoral member states: would the Caspian Guard accept troops from Russia or Iran? KASFOR already has a creditable and viable military force in place. Caspian Guard is very much part of the US global security network and, if developed further, would be aimed at further enhancing US influence in the region, rather than enhancing the security of the region as a whole.

No one country is solely responsible for the militarization of the region, each of the main powers has its share of the guilt to carry and the minor powers are simply responding as best they can. There is a regional arms race already - everyone is spending more on beefing up their military assets in the area, however slight – and it does not look like it’s going to abate. It does look increasingly likely that sooner rather than later there will be a shooting match involving at least two of the littoral states. There is tension in the region already – one only has to remember the war in Chechnya, never mind the simmering conflict between Azerbaijan and Armenia – but who is to say where the next shots may be fired in anger? Iran v Azerbaijan looks a potential candidate, given US interests in Azerbaijan and Azerbaijan’s expanding ties with USA and Turkey.

Iran is an important regional power and, similar to Russia, will not tolerate any reduction in its influence in the area. In this regard, Iran is keen to pursue a policy of regionalism and insists that the region should be left to sort out its own problems. This is a policy which finds ready support from Russia, both wishing to minimise, if not eradicate altogether, the activities of non-littoral states. If Russia views US influence in the region as pernicious, Iran views US policy in Caspian Sea as hostile. Iran is embarking on a massive military modernisation programme and

already has the capability to inflict damage on Azerbaijan. Would this provide the pretext for the USA to launch an invasion of Iran, in defence of its ally? How would Russia react in such a situation? Neither Russia nor Iran could sit back and watch the Caspian Sea become an American lake.

Key to the future security of the region is Azerbaijan. Courted by the US, former ally of Russia, sharing much with Iran, Azerbaijan is of great importance in understanding how things will develop in the Caspian Sea region in the future. If it throws in its lot, once and for all, with the USA and allows itself to be used as a base by the US military, then the die is cast and there will be conflict, sooner or later. If it joins Russia and KASFOR then, along with the support of the other Caspian Sea littoral states, security for the region may be enhanced, a legal agreement worked out and a proper *modus operandi* established for the exploitation of the region's wealth. Either it follows a global security path, or a regional security path. There is no other choice.

## Endnotes

<sup>1</sup> V Mukhin, "Militarizatsiya Kaspiya sposobstvuyet Rossiya. Resheniye ekonomicheskikh I territorial'nykh problem osushchestvlyayetsya s pomoshch'yu oruzhiya", *Nezavisimaya Gazeta*, 20/12/2004.

<sup>2</sup> V Ivanov, V Mukhin, "Kaspiyskiy strazh primeryayet amerikanskuyu formu", *Nezavisimoye Voyennoye Obozreniye*, no.15 (424), 22-28/4/2005.

<sup>3</sup> Azeri-speaking Iranians number 15-20% of the population, (M-Reza Djalili, "Iran and the Caucasus: maintaining some pragmatism", *The Quarterly Journal*, No.3, September 2002, 49-57; 50). Despite this, the Azerbaijani Defence Minister, S Abiyev, has called for the "maximum rapprochement with NATO" and dubbed the USA Azerbaijan's "strategic ally", (R Simak, "Maksimal'noye sblizheniye", *Krasnaya Zvezda*, 15/3/2005).

<sup>4</sup> M Gilbert, *Russian History Atlas*, L.1972; *The Times Atlas of World History*, London, 1993, p.158.

<sup>5</sup> For more on this particular topic, see D Wright, *The English amongst the Persians*, London 1977.

<sup>6</sup> Rear Admiral O Shkiryatov, Captain (1<sup>st</sup> class) V Khyaninen, "Zashchita rossiyskikh interesov v prikaspiyskom regione", *Morskoy Sbornik*, no.11, 2001, 12-19; 12; according to an analysis carried out by the Russian Academy of Sciences, by 2020, the Caspian Sea region could be producing 220 million tonnes of oil per year (V Danilov, "Energeticheskaya bezopasnost' na Kaspii", *Krasnaya Zvezda*, 20/11/2004.

<sup>7</sup> *Ibid.*, 13.

<sup>8</sup> In July 2001, Iranian aircraft and ships intercepted an Azeri ship, caught looking for oil and gas in an area of the Sea which, to all intents and purposes, Iran claims as its own (I Nazarov, "Azerbaijano-iranskiye vzaimootnosheniya segodnya i perspektivy na blizhayshiy gody", *Tsentral'naya Aziya I Kavkaz*, No.5 (23), 2002, 94-101; 96); D Malysheva, "Mnogostoronnoye sopernichestvo na Kaspii", *Tsentral'naya Aziya I Kavkaz*, No.2 (20), 2002, 25-35; 31.

<sup>9</sup> For more on this, see C W Blandy, *The Caucasus region and the Caspian Basin: 'change, complication and challenge'*, Conflict Studies Research Centre (CSRC), paper S36, April 1998; same author, *The Caspian: Comminatory Crosscurrents*, CSRC, paper S40, January 1999; S Akiner, ed., *The Caspian. Politics, energy and security*, Routledge 2004.

<sup>10</sup> Shkiryatov and Khyaninen, *ibid.*, 12.

<sup>11</sup> *Ibid.*

<sup>12</sup> *Sovetskaya Voyennaya Entsiklopediya*, vol.4, Moscow (M).1977, pp-113-114; *Voyennaya Entsiklopediya*, vol.3, M.1995, pp.505-506; *Diplomaticheskiy Slovar'*, vol.1, M. 1985, p.279.

<sup>13</sup> *Sovetskaya Voyennaya Entsiklopediya*, *ibid.*; "Na strazhe iuzhnykh rubezhey", *Kaspiets*, 11/11/2004.

<sup>14</sup> *Diplomaticheskiy Slovar'*, vol.3, M.1986, p.170.

<sup>15</sup> *Tri veka Rossiyskogo flota*, vol.3, M.1996, p.417.

- <sup>16</sup> Captain-Lieutenant O Polovenko, "Kaspiyskaya flotiliya: vchera, segodnya, zavtra", *Morskoy Sbornik*, no.10, 1996, 9-11; 9.
- <sup>17</sup> Vice-Admiral V Masorin, "Kaspiyskoy flotille-275 let", *Morskoy Sbornik*, No.11, 1997, 11-12; 11.
- <sup>18</sup> *Ibid.*, 12.
- <sup>19</sup> S Sokut, "Flot uchitsya zashchishchat' LUKoil", *Nezavisimaya Gazeta*, 12/8/2002.
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- <sup>21</sup> V Mukhin, "Voyennye voprosy kaspiyskogo regiona", *Nezavisimoye Voyennoye Obozreniye*, no.1, 16-22/1/2004, p.2.
- <sup>22</sup> K Chuprin, "Oдно morye na pyat' flotov", *Nezavisimoye Voyennoye Obozreniye*, no.25 (340), 25-31/7/20003.
- <sup>23</sup> Shkiriyatov, *ibid.*, 19.
- <sup>24</sup> Chufirin, ed., *ibid.*, p.31.
- <sup>25</sup> G Chufirin, ed., *The security of the Caspian Sea region*, SIPRI, 2001, p.135.
- <sup>26</sup> M M Mohsenin, "The evolving security of Iran in the Caspian region", in Chufirin, *ibid.*, pp.166-177; 170.
- <sup>27</sup> S Shurlov, "Vooruzhennyye sily sosednikh gosudarstv: voyenno-ekonomicheskii potentsial Irana", *Kaspiets*, 17/2/2005.
- <sup>28</sup> *Ibid.*
- <sup>29</sup> V Sazhin, "Voyenno-morskiye sily Irana", *Zarubezhnoye Voyennoye Obozreniye*, no.5, 1998, 34-42; 34.
- <sup>30</sup> Sazhin, *ibid.*, 39.
- <sup>31</sup> Anon., *Voyenno-politicheskaya rasstanovka sil v Kaspiysko-tsentral'noaziatskom regione*, Almaty, 2003, p.111.
- <sup>32</sup> *Ibid.*; V Georgiyev, "Kaspiyskaya neft' pakhnet porokhom", *Nezavisimaya Gazeta*, 11/4/2002.
- <sup>33</sup> A Gritskova, K Lantratov, "Eksport oruzhiya. Rossiya osnatit' iranskiye podlodki raketami", *Kommersant-D*, 4/7/2005.
- <sup>34</sup> "Russia 'in £580m arms deal to supply Iran with missiles'", *The Daily Telegraph*, 3/12/2005; "Russia plans to sell arms to Iran", *The Guardian*, 3/12/2005.
- <sup>35</sup> I Groshkov, "Iran ne mozhet byt' sopernikom. Novyy president Akhmadinezhad nastroyen na dal'neyshoye sblizheniye s Moskvoy", *Nezavisimaya Gazeta*, 12/7/2005.
- <sup>36</sup> M Reza Djali, "Iran and the Caucasus: maintaining some pragmatism", *The Quarterly Journal*, no.3, 2002, 49-57; 50; although it does not even mention the incident, for an Azeri perspective of contemporary relations between Azerbaijan and Iran, see I Nazarov, "Azerbaijano-Iranskiye vzaimootnosheniya segodnya i perspektivy na blizhayshiyeh gody", *Tsentral'naya Aziya I Kavkaz*, no.5 (23), 2002, 94-101.
- <sup>37</sup> Chufirin, *ibid.*, 168.
- <sup>38</sup> *Ibid.*
- <sup>39</sup> A Maleki, "Caspian Sea and the foreign policy of the Islamic Republic of Iran", *Jomhurieslami*, 23/10/2001, 3.
- <sup>40</sup> E Ustinov, "Bioterrorizm: mesto deystviya – Kaspiy", *Krasnaya Zvezda*, 25/6/04.
- <sup>41</sup> According to a recent article in *The Times*, 1 lb weight of caviar can legally fetch up to £1,500! ("Corruption and continuing police...", *The Times*, 2/12/2005).
- <sup>42</sup> For a more detailed analysis of this, refer to C W Blandy, *The Caspian: a catastrophe in the making. The destruction of a unique ecosystem*, CSRC, paper S32, September 1997; same author, *The Caspian: Communitary...*, *ibid.*; R Cullen, "The rise and fall of the Caspian Sea", *National Geographic*, vol.195, no.5, May 1999, 2-36.
- <sup>43</sup> Vice-Admiral V Masorin, "Problemy Kaspiyskogo moraya", *Morskoi sbornik*, no.7, 1997, 20-24; 23.
- <sup>44</sup> R Streshnev, "Kaspiyskiy uzel", *Krasnaya Zvezda*, 13/4/2004; "Corruption and continuing...", *ibid.*
- <sup>45</sup> M Aytakov, "Chto zhdet tebya, Kaspiy?", *Tsentral'naya Aziya I Kavkaz*, no.1 (2), 1999, 132-139; 139.
- <sup>46</sup> Vice-Admiral V Masorin, "Problemy Kaspiyskogo morya", *Morskoy Sbornik*, No.7, 1997, 20-24; 23-24.
- <sup>47</sup> E Ustinov, "Tralom po brakon'yerskim setyam", *Krasnaya Zvezda*, 14/8/02.
- <sup>48</sup> T Ivlen'teva, "V gosudarstvennoy morskoy inspektsii. Brakon'yry ozloblyayutsya I vooruzhayutsya", *Kaspiets*, 11/4/2002; "Putin sets out vision for development of Caspian oil fields", BBC Monitoring (BBCM), 25/4/2002.

- <sup>49</sup> A Knystautas, *The natural history of the USSR*, London. 1987, 201-205; V K Zilanov, "Kaspiyskoye morye: ryba ili neft?", *Nezavisimaya Gazeta*, 22/8/1997.
- <sup>50</sup> G Shafei, "Iran veren svoim obyazatel'stvam", *Krasnaya Zvezda*, 30/3/2005.
- <sup>51</sup> G Smyth, "Iran extends \$1 billion credit to Baghdad", *The Financial Times*, 21/7/2005; G Smyth, "Iraqi delegation cements ties with Iran", *The Financial Times*, 19/7/2005.
- <sup>52</sup> P Belov, "Voyennye bloki. Kaspiyskaya gruppirovka budet borotsya s terrorizmom i amerikanskim voyennym prisutstviyem", *Kommersant*, 13/7/2005.
- <sup>53</sup> Russian analysts have quite a benign view of BlackSeaFor or, to give it its more formal title, the Black Sea Naval Grouping for Operational Mutual Assistance. Created in April 2001, it consists of the naval forces operating within the Black Sea and is largely concerned with search and rescue, assisting the victims of natural disasters, other humanitarian missions. More than likely, KASFOR would not be a mirror image of BlackSeaFor, being required to perform more of an internal security function – for instance, in combating illegal poaching – as well as a more obvious military security function, demonstrating that non-littoral powers need not concern themselves with the security of the region. For a Russian examination of BlackSeaFor, see Captain A Bodryagin, "BlackSeaFor – simvol regional'nogo sotrudnichestva i partnerstva na Chernom morye", *Zarubezhnoye voennoye obozreniye*, no.9, 2002, 47-48.
- <sup>54</sup> A Maleki, "Economic development of the Caspian Sea region", *Iran*, no.9, 25/6/95.
- <sup>55</sup> Y A-Brown, "Hitler couldn't have put it better", *The Independent*, 31/10/2005; R Naval, R Beeston, "Iran sacks diplomats in purge of reformers", *The Times*, 2/11/2005; "Khamene'i vows to keep peace", *The Independent*, 6/11/2005; D Dombey, N Bozogmehr, "Tehran seeks new nuclear talks", *The Financial Times*, 7/11/2005
- <sup>56</sup> I Gorst, D Dombey, "US on the back foot in the struggle for influence in Central Asia", *Financial Times*, 27/7/2005.
- <sup>57</sup> D Mamedov, "Interesy. Nam vidno I slyshno vsye", *Voyenno-promyshlenny Kur'yer*, No.39, 19-25/10/2005; M Zygar, "Resolution in Iran", *Kommersant*, 26/9/2005.
- <sup>58</sup> O Bowcutt, "Battle line", *The Guardian*, 29/1/2003
- <sup>59</sup> V Mukhin, "Voyennye vyzovy kaspiyskogo regiona", *Nezavisimoye Voyennoye Obozreniye*, No.1 (361), 16-22/1/2004, 2.
- <sup>60</sup> V Ilyukhin, "Ugroza bezopasnosti narastayet", *Nezavisimaya Gazeta*, 24/11/1999.
- <sup>61</sup> P Belov, "Voyennye bloki: Kaspiyskaya gruppirovka budet borotsya s terrorizmom i amerikanskim voyennym prisutstviem", *Kommersant-DAILY*, 13/7/2005.
- <sup>62</sup> Belov, *ibid.*
- <sup>63</sup> V Litovkin, "'Aktiv Endeavor' dlya Kaspiyskogo morya", *IA Novosti-Gruziya*, 19/7/2005.
- <sup>64</sup> V Bogdanov, "Dlya chego nuzhna 'Kaspiyskaya strazha'?", *Rossiyskaya Gazeta*, 27/10/2005.
- <sup>65</sup> "Russia, Iran agree to work together to make the Caspian 'sea of peace', BBCM, 24/10/2005; "President says special office to be formed for Tehran-Moscow co-operation", BBCM, 26/10/2005.
- <sup>66</sup> "Russian Foreign Minister discussing Caspian, nuclear power with Iran", BBCM, 24/10/2005.
- <sup>67</sup> 'Caspian Guard', 21/4/20005 ([http://www.blogel.com/2005/04/21/Caspian\\_Guard/](http://www.blogel.com/2005/04/21/Caspian_Guard/))
- <sup>68</sup> Mamedov, *ibid.*
- <sup>69</sup> *Ibid.*
- <sup>70</sup> *Ibid.*
- <sup>71</sup> *Ibid.*
- <sup>72</sup> V Bogdanov, "Dlya chego nuzhna 'Kaspiyskaya Gvardiya?' *Rossiyskaya Gazeta*, 27/10/2005. For an interesting Russian analysis of the more positive side of the contemporary state of Russo-Azerbaijani relationship, see "Nashi sosedi. Azerbaijan: chto vpered", *Kaspiets*, 30/10/2003.
- <sup>73</sup> Bogdanov, *ibid.*
- <sup>74</sup> M Timofeyev, "Iran oshchetinilsya", *Nezavisimoye Voyennoye Obozreniye*, no.19 (3340), 6-19/6/2003.
- <sup>75</sup> Timofeyev, *ibid.*
- <sup>76</sup> I Aliiev, "U nas vse poluchitsya", *Izvestiya*, 25/4/2002.
- <sup>77</sup> A Tikhonov, "Ne prosto sosedi, a druž'ya", *Krasnaya Zvezda*, 20/10/2004.
- <sup>78</sup> R Mikadyrov, "Sud'ba posledney rossiyskoy voyennoy bazy v Azerbajiane pod voprosom", *Nezavisimaya Gazeta*, 29/11/2004. According to the article, Russia pays Azerbaijan an

annual rent of \$7 million for the station and, despite the fact that Russia has an outstanding electricity bill to settle for the station covering the period 1992-2002, Azerbaijan and Russia were still able to renew the lease without any significant hiccups 3 years ago. However, on top of rumours that the MoD wants to shut the station earlier than planned, it has also emerged that the local Ministry of Ecology has begun monitoring the effect of electro-magnetic radiation from the station on people and the local environment: prelude to a future abrogation of the rental agreement by Azerbaijan?

<sup>79</sup> S Mamedov, "V Azerbajjane zarabotali amerikanskiye sistemy slezheniya. Vashington usilenno okhranyayet zonu svoikh natsional'nykh interesov na Kaspii", *Nezavisimaya Gazeta*, 10/10/2005.

<sup>80</sup> Reza-Djalili, *ibid*; according to one prominent Russian specialist on Iran, there are approximately 17-18 million ethnic Azeris in Iran (20-25% of the population), although other experts put the figure even higher, at 35 million. In Azerbaijan itself, there are only 8 million Azeris. V Sazhin, "K voprosu ob Irano-Azerbajjanskikh otnosheniyakh", *Tsentral'naya Aziya I Kavkaz*, no.4 (34), 2004, 97-105; 97.

<sup>81</sup> *Ibid*.

<sup>82</sup> P Stephens, "From east to west", *Financial Times Magazine*, 29-30/10/2005.

<sup>83</sup> "Protyazhennost' sukhoputnykh granits inostrannykh gosudarstv", *Zarubezhnoye Voyennoye Obozreniye*, no.11, 1998.

<sup>84</sup> V Mukhin, "Voyna marshrutov", *Nezavisimaya Gazeta*, 26/1/04; P Brown, "Oil money threatens to make killing fields of Kazakhstan", *The Guardian*, 4/12/2002; I Gorst, "Tightening rules of the game", *The Financial Times*, 15/12/2004; C Hoyos, "pipe dreams blighted by ice and taxes", *The Financial Times*, 3/12/2005.

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<sup>86</sup> *Ibid*. *Morskoy Sbornik*, no.5, 7, 2003; *Morskoy Sbornik*, No.2, 2005.

<sup>87</sup> V Mukhin, K Tanayev, "V Moskvu za deshevym oruzhiyem", *Nezavisimaya Gazeta*, 16/1/2004.

<sup>88</sup> Chuprin, *ibid*.

<sup>89</sup> V Mukhin, "Voyennye vyzovy Kaspiyskogo regiona", *Nezavisimoye Voyennoye Obozreniye*, No.1 (361), 16-22/1/2004.

<sup>90</sup> V Georgiyev, "Kaspiyskaya neft' pakhnet porokhom. Pretenzii na obladniye mestorozhdeniyami uglevodородного syr'ya mogut privesti k voyennym konfliktam", *Nezavisimaya Gazeta*, 11/4/2002.

<sup>91</sup> Chuprin, *ibid*.

<sup>92</sup> Captain (1<sup>st</sup> class) A Smolovsky, "Istochniki nestabil'nosti i vyzovov v baseyn Kaspiyskogo morya", *Morskoy Sbornik*, No.6, 2004, 66-69; 68.

<sup>93</sup> D B Malysheva, Rossiya i Kaspiyskiy region: problemy bezopasnogo razvitiya, M.2002, 21.

<sup>94</sup> *Ibid*., 21.



## **Want to Know More ...?**

See:

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