

## ARTICLES

### The growing geopolitical importance of the Caspian Sea

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Political developments surrounding this landlocked sea are attracting more and more attention not only on the regional level but on the international level as well.

We are referring not only to natural resources, which are very important, of course, and were studied from different points of views over the last decade, but to the Caspian Sea as a Eurasian transportation hub, which will become the heart of the North-South and East-West infrastructure projects.

The Caspian Sea is of great importance in the 21<sup>st</sup> century geopolitics and every political and strategic development in that region has a direct influence beyond that area.

In this article, we intend to analyze several aspects of the geopolitical importance of the Caspian Sea: legal developments, natural resources, security and military uses, logistics and transportation projects and at the end a view from Argentina in particular and South America in general.

#### *Convention on the Legal Status of the Caspian Sea*

Since the collapse of the Soviet Union lack of agreement among Caspian littoral states on the legal status of the Caspian Sea has been considered one of the most important regional issues.

During Soviet times, agreements of 1921 and 1940 signed by the USSR and Iran constituted the legal framework under which both states conducted their activities in the Caspian Sea. After the dissolution of the Soviet Union, new states obtained independence - Azerbaijan, Kazakhstan and Turkmenistan – and, there was a need to develop an updated legal framework for now five littoral states.

The final agreement was reached after more than 50 meetings of different working groups and four presidential summits (2002 in Ashgabat (Turkmenistan), 2007 in Tehran (Iran), 2010 in Baku (Azerbaijan) and 2014 in Astrakhan (Russia)).

Discussions, from legal perspective, were aimed at deciding if the Caspian should be considered a “landlocked sea” (inland sea) or a “lake” since regulations and political implications for the littoral and non-littoral states would be different depending on which position prevailed.

Fortunately, in August 2018 five Caspian littoral states – Azerbaijan, Kazakhstan, Iran,

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Russia and Turkmenistan – reached an agreement in Kazakh city of Aktau on legal status of the sea. Even though many remaining questions still have to be addressed, the importance of this agreement should not be underestimated.

“The Convention on the Legal Status of the Caspian Sea” intends to set the basis and general principles according to which littoral states must regulate their Caspian maritime activities.

One of the most important regulations is the increase, of territorial waters “up to a limit not exceeding 15 nautical miles set forth by the Montego Bay Convention of the Law of the Sea in 1982”<sup>1</sup>. We should bear in mind that until 1982, when the Law of the Sea was approved, territorial waters had a limit of three nautical miles, and then the Montego Bay convention extended it to 12 miles.

This increase of the area where a state exercises its exclusive sovereignty is an international norm and the increase of those areas is one of the most important trends in the 21<sup>st</sup> century<sup>2</sup>.

The Caspian Sea Convention also grants the right of navigation exclusively to the “ships flying the flag of one of the Parties”, i.e., the five littoral states.

It is important to stress that while the main issue is concluded, other issues such as the final status of the seabed and subsoil beyond territorial waters will be negotiated in the near future, which means that the process is far from being completed. The delimitations of the seabed and subsoil could be done by the parties directly involved as it was done before between Azerbaijan and Iran regarding Araz, Alov and Sharg or Azerbaijan and Turkmenistan regarding Kapaz.

### *Natural resources and infrastructure*

According to EIA estimates there are “48 billion barrels of oil and 292 trillion cubic feet of natural gas in proved and probable reserves in the wider Caspian basin area, both from onshore and offshore fields”<sup>3</sup>. Based on that the importance of the Caspian Sea resources due to their size and location between Europe and Asia is quite understandable.

The new legal framework will improve international investment environment but it is very clear that foreign oil and gas companies have been investing in this region for almost three decades without problems.

What we can expect is a more comprehensive level of cooperation among littoral states, which will lead to a better business environment.

There is, however, another area where the agreement about the legal status of the Caspian

<sup>1</sup> Convention on the Legal Status of the Caspian Sea, article 7.1.

<sup>2</sup> Columba Peoples, “The Securitization of Outer Space: Challenges for Arms Control”, Contemporary Security Policy, 32:1, 2011, pp. 76-98.

<sup>3</sup> Energy Information Administration, “Overview of oil and natural gas in the Caspian Sea region”, August 26, 2013, available at [https://www.eia.gov/beta/international/analysis\\_includes/regions\\_of\\_interest/Caspian\\_Sea/caspian\\_sea.pdf](https://www.eia.gov/beta/international/analysis_includes/regions_of_interest/Caspian_Sea/caspian_sea.pdf)

Sea will be extremely useful. Different transportation and infrastructure projects - from North to South and from East to West traverse the sea and have the potential to make it a crucial transportation route.

At this moment, there are oil and gas pipelines, railways and seaports that have turned the Caspian Sea into an area of growing international significance.

The recently completed TANAP (Trans Anatolian Pipeline) and the future TAP (Trans Adriatic Pipeline) to reach Europe, the already operational Baku-Tbilisi-Ceyhan and other initiatives such as the project of the Trans Caspian pipeline which will connect Turkmenistan with the Azerbaijani energy network to the West, increasing the importance of the Caspian Sea region to Europe.

The Chinese OBOR (One Belt One Road) initiative will make the most of the improvements of Caspian seaports such as Kuryk and Aktau (in Kazakhstan) and Alat (in Azerbaijan) and will allow a logistic integration of other projects, which, in the end, will connect China and Europe.

In October 2017, the Baku-Tbilisi-Kars railway became operational stretching from the sea port of Alat, south of Baku, to Kars in eastern Turkey. To stress the regional importance of this project, presidents of Kazakhstan and Uzbekistan attended the inauguration ceremony.

The Russia-Azerbaijan-Iran trilateral format, inaugurated in 2016, or the Turkey-Azerbaijan-Iran format, just to mention two of the most important, include presidential and ministerial summits where infrastructure cooperation is widely discussed.

Beyond different points of views regarding issues of the international agenda, those meetings reflect political will aimed at generating cooperation among the states of the region.

As we can see, many projects are developing in the Caspian Sea area and there will be many more in the near future.

### ***Security and Military activities***

The Convention signed by the coastal states only allows the five states to conduct military activities in the Caspian Sea (Article 3. Paragraph 6). Needless to say this wise decision will overcome the problem of foreign military activities that could lead to regional instability.

However this does not mean that military activities conducted by member states could not have a regional impact. We should consider, for example, the air route used by Russia to secure logistical support of its troops in Syria. In September 2015 Russian navy launched cruise missile attacks from the Caspian Sea at terrorists groups in Syria.

When considering Russian military developments we should bear in mind that the new headquarters of the Russian Caspian sea forces will be located in Kaspiysk (Dagestan) and, in

this regard, the Caspian is not a landlocked sea since it is connected to the Azov Sea through the Volga-Don Channel, which was built in Soviet times. This means that the Russian navy in the Caspian Sea has a direct connection to the Mediterranean (Caspian Sea – Volga-Don Channel – Azov Sea – Black Sea – Turkish Straits – East Mediterranean)

### *A view from Argentina*

The growing importance of the Caspian Sea and its littoral states should be addressed as a new area for the Argentinean foreign policy.

Argentinean President Mauricio Macri was invited to participate in the “Belt and Road Forum for International Cooperation”<sup>4</sup>, that was held on 14-15 May 2017 in Beijing (China). It could be seen as something odd - a head of state of a South American state attending to a meeting with the main objective of discussing future infrastructure and communications projects in Eurasia, but it is not. It is, actually, one of the key priorities for Argentina and other countries of the region (such as Chile, which was invited as well).

This connectivity project goes beyond Eurasia and it is framed as a link between continents and Argentina is very interested in developing contacts with the most active economies of the world which are based today on Eurasian continent.

From geopolitical point of view the development of these infrastructure and communications projects will allow Argentina to reach Asia through Europe (the Euro-Atlantic and traditional route) or via the Pacific route. Therefore, OBOR will become the link between China and Europe that will allow Argentinean products to reach Eurasian countries, mainly the states of Central Asia and Caucasus through both routes.

Based on this general framework, now it is time to participate in OBOR and related infrastructure projects and, which is equally important, to develop deeper and more comprehensive relations with hub states that are located at both ends of the OBOR: Turkey, Caucasian States and Central Asian states.

Improvements in logistical opportunities will become the first step towards more comprehensive and deep relations between Argentina and other South American countries and the Caspian Sea region.

The centrality of the Caspian Sea and the complexities of the geopolitical environment will require developing a comprehensive strategy toward the region, which should include economic, political and cultural objectives.

Argentina and other South American countries should take a closer look at the political and economic developments in the Caspian Sea region in order to take advantage of the possibilities and opportunities in the Caspian Sea countries.

<sup>4</sup> Official website of the Forum <http://www.beltandroadforum.org/english/>