

PRESENT-DAY TITANOMACHY OR THE NATURE OF ENERGY GEOPOLITICS IN CENTRAL ASIA

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After fifteen years of development the outlines of the new international system remain rather vague mainly because international cooperation (dominated by the globalizing economy) has not yet acquired definite features and the leading international actors are still readjusting their foreign policies. These processes have already affected the foreign policy of most states and their ideas about geopolitical strategy in today's dynamic world.

Rapid economic development in the world's leading countries requires an ever-larger amount of energy resources (oil, gas, coal, uranium, etc.), which has already affected the nature of international politics: political systems are growing increasingly dependent on energy sources and transportation routes.

We are living in a world where those who produce energy sources, those who transport them, and those who use them occupy the main niches. Recently, this hierarchy acquired another, and most important, structural element: the mighty powers resolved to keep the entire energy chain under their control and influence the geopolitical processes in every corner of the world by deciding where the

energy sources should be moved. Energy geopolitics and its central formula, “he who controls the energy sources controls the World,” have come to the fore as one of the geopolitical pivots. After all, the energy issue is indispensable for continued secure and sustainable development.

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Each of the geopolitical dimensions has specifics of its own rooted in local history, the geographic location of states and the place any given state holds in the world and the region, its competitive and innovation potential, the balance of forces between states or groups of states, and the corresponding checks and balances. In Central Asia, cooperation in the energy sphere reveals several critically important issues: first, the mutually acceptable status of the Caspian Sea and the related issues of energy source production and transportation. Second, the widest possible network of international transport communications needed to diversify the region’s contacts with the world. The ever-growing amount of energy resources produced and the related shifts in international relations are responsible for the militarization of the Caspian; they have already encouraged multisided cooperation and rivalry.

The Central Asian countries have to develop both longitudinal and latitudinal transport corridors, a task that affects the widest possible range of economic and geopolitical interests. In fact, the pipeline system and its potential development reflect the balance of interests among all sorts of actors: regional security obviously hinges on the geopolitical dimensions of Central Asia’s existing and future transportation lines.¹

The regional and world powers are actively exploiting the interest of the Central Asian states and Azerbaijan in the “pipeline games” to promote their tactical and strategic interests. Kazakhstan, one of the oil-producing leaders on the Caspian shelf, has to pay much attention to the transportation routes. Every time a new project is laid on the table, it has to coordinate what it wants with the varied and even contradictory interests of the Middle Eastern countries, Russia, the U.S., the West European and the Far Eastern states.

The year 2007 was dominated by the following dilemma: was it politics or economics that underlay the Central Asian oil and gas projects? Moreover, it was a time of mounting conflict between Moscow and the West. Russia stepped up its involvement, while Europe hastened to respond, not always skillfully, with attempts to move Central Asia resources to its markets. Moscow and Brussels are obviously moving toward an uncompromising trade war. The energy-related confrontation was exacerbated by the mounting political conflict between the West and Russia. Some politicians started talking about another Cold War.

Scared by the prospect of total dependence on Russia’s Gazprom and instigated by the anti-Russian sentiments of some of its new members, the European Union launched an open campaign against Russia and its energy policy. Dependence on foreign energy sources has already driven some of the EU members to hysterics, which does not do anything to improve the situation. The very fact that the Europeans have resorted to all the available tools says that Brussels fears Moscow’s potential gas monopoly in Europe. The countermeasures and their prospects are vague. It is not enough to contain Russia: it is much more important to achieve agreements with those oil and gas producers who have already signed corresponding agreements with the Kremlin.

The West is responding with attempts, not very effective so far, to set up a ring of loyal Central Asian and Caucasian states to put pressure on Moscow. This is being done at the energy transportation, political, and information levels; however, it can be said that, on the whole, the West is losing the

¹ See: V. Semenduev, *Energeticheskaia geopolitika Rossii v kontekste formirovaniia novogo miroportadka*, RAGS Publishers, Moscow, 2006, p. 8.

diplomatic battle for resources. It is engrossed in its own interests; this is too obvious to bring dividends in a mutually dependent world. Everything that is said in the European Union and the U.S. and everything that is registered in their energy-related documents focus on the interests of the West and its energy security. The battle is lost before it starts: the energy producers are expected to be concerned about the interests of the Western states and accept their conditions.

This obviously infringes on the rights and interests of the energy producers (the Central Asian countries in particular) and has tipped the balance of forces on the Central Asian energy market.

The noticeable shifts on the Central Asian energy market testify that Russia has reconfirmed its position in the region by offering much better conditions and opening up much more tempting prospects than the EU and the U.S. What can the West do? So far it has either failed to grasp the meaning of the processes underway in the region or deliberately refused to accept the situation. The post-Soviet period is drawing to an end, which means that the Central Asian countries will follow their own roads (each at its own level). To become a strong and independent actor, Europe should devise a new Central Asian strategy; it needs a new format for its dialog and new innovational economic projects.

The approaches that worked in the 1990s are no longer applicable—the local countries need an equal dialog and equal economic cooperation. It looks as if Europe is still a “player of secondary importance” in the Western community; this is true of all areas: world politics and the world security agenda, as well as Europe’s own energy security. Moscow has assumed a fairly tough stance on all energy-related issues: this is the right move for a sovereign state looking after its national interests, development, and national security. Concessions and solidarity should not be limited to energy supplies—these principles should be extended to all other areas.

It seems that the West should forget about its geopolitical euphoria of the 1990s aroused by the victory in the Cold War. The globalized world demands rationality, pragmatic approaches, and fairness in economic relations. Today, all the markets have grown highly competitive; there are increasingly energy-intensive markets outside Europe (China, Japan, India, and Asia as a whole). The Western expert and political communities are paying a lot of attention to the Russian Federation as the key factor in Europe’s energy security.

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Stormy discussions about potential gas pipelines have been raging for some time now. This is probably explained by the growing share of natural gas in energy consumption and its much larger (as compared to oil) reserves. Gas is much kinder to the environment than oil.² The Russian Federation and the European Union supported by the United States are now locked in a diplomatic (read “gas”) battle in Central Asia and the Caspian area. 2007 marked a turning point in this confrontation.

The May 2007 energy summit attended by Kazakhstan, Russia, and Turkmenistan fortified Russia’s position as the main transit corridor for the Central Asian hydrocarbons moved to Europe; the presidents agreed on the long-term prospects of their cooperation in developing the region’s gas transportation capacities. The initialed document, which President of Uzbekistan Karimov signed the day earlier, confirmed the four leaders shared desire to ensure sustainable transportation of the increasing volumes of natural gas across Turkmenistan, Uzbekistan, Kazakhstan, and Russia. They discussed the possibility of modernizing the Caspian gas pipeline, which carries about 4.2 billion cu m a year, to move twice as much gas. The new Caspian gas pipeline and the modernized stretch-

² See: N. Baykov, G. Bezmel’nitsyna, R. Grinkevich, “Perspektivy razvitiya mirovoy energetiki do 2030 g.,” *Mirovaya ekonomika i mezhdunarodnye otnosheniya*, No. 5, May 2007, p. 19.

es of the Central Asia-Center pipeline system in Uzbekistan and Kazakhstan will make it possible to move at least 80 billion cu m of gas every year within the contract concluded until the year 2028. The project's practical stage is expected to start in the first half of 2008.³

Moscow is obviously satisfied with the results: the nature of discussions and the interest displayed by the sides were even greater than expected. The three presidents discussed in detail not only energy issues, but also the problem of the transportation infrastructure, the Caspian's status, and, most important, humanitarian cooperation. This suggests that the meetings held among Nursultan Nazarbaev, Vladimir Putin, and Gurbanguly Berdymukhammedov will mark a new stage in cooperation with Turkmenistan in the tripartite format.

Russia, which wanted a stronger position in its energy dialog with the EU, achieved its aim. The new pipeline along the Caspian shore, which will move Turkmenian gas across Kazakhstan and Russia to Europe, will add weight to Russia as the main supplier of energy resources to Europe. The West, which hoped to acquire oil and gas sources outside the Middle East and to detach the Caspian states from Russia, was dealt a heavy diplomatic blow. As could be expected, it responded in a negative way to the news from the Caspian shores.

Moscow had to retreat on certain points: it increased the transit of Kazakh oil from the Tengiz oilfields to Novorossiisk. Previously Russia refused to do this to avoid competition between the Russian and Kazakh oil moved across the overloaded Bosphorus to the Western markets. This position forced the pipeline consortium to turn to the alternative offered by the Baku-Tbilisi-Ceyhan pipeline that bypasses the Russian Federation. Vladimir Putin agreed to let Kazakhstan use the Russia-controlled 280 km-long stretch of the pipeline that will connect Burgas in Bulgaria with Alexandroupolis in northern Greece.

Why did the Central Asian republics opt for the Russian (the Caspian pipeline) and not the Western alternative that bypassed Russia? The presidents of Kazakhstan and Turkmenistan explained their decision by purely pragmatic economic considerations: the gas prices the Russian Federation was prepared to pay. Today, Moscow pays \$100 per 1 thousand cu m to Turkmenistan and \$140-150 to Kazakhstan. Gazprom sells gas at a price of \$250 per 1 thousand cu m, which gives it a good margin despite transportation costs.⁴

Brussels is convinced that it will be much cheaper to move Central Asian gas across the Caspian. The European politicians disagree with Moscow, which regards the Trans-Caspian pipeline as a purely political project designed not so much for diversifying energy supplies to Europe as for diminishing the role of Gazprom in Central Asia and Europe.

We all know that the idea of the Trans-Caspian pipeline (TCP) born in the United States in 1996 was repeatedly doubted and rejected. After launching the Baku-Tbilisi-Ceyhan oil pipeline, the United States started lobbying a gas pipeline in the same direction. Early in February 2007, Assistant U.S. State Secretary Daniel Sullivan, one of the most ardent supporters of the TCP project, arrived in Kazakhstan and Azerbaijan to promote a project equally advantageous for Kazakhstan and Azerbaijan, as well as for Washington's "European allies."⁵ Moscow is sensitive about the very possibility of numerous actors crowding into the Caspian area; it did everything to diminish the possibilities of the BTC during its construction and of other projects at the discussion stage.

According to Washington, the stretch of the gas pipeline to be built in 2008 should go from Kazakhstan to Turkmenistan and further on to Azerbaijan to join the Baku-Tbilisi-Erzurum gas pipeline. In this way, Central Asian fuel was expected to reach Nabucco, a pipeline to be completed by 2010. In this way, Europe, leery of its dependence on Gazprom, which is steadily increasing its in-

³ See: A. Skorniakova, P. Orekhin, "Kaspiysky blitzkrieg," *Profil*, No. 19 (527), 21 May, 2007.

⁴ *Ibidem*.

⁵ K. Konyrova, "Marshruty, kotorye my vybiraem," *Ekspress K*, 13 February, 2007.

volvement in supplying energy to the Old World, should have received gas that bypassed Russia and its giant company.⁶

In the fall of 2007, the European Union offered new reasons in favor of its gas project. Within the framework of the diversification strategy, it studied the future pipeline's economic viability and discovered that transportation along it would be cheaper than along the Central Asian-Center pipeline. This was a logical continuation of the process launched in August 2007 when Washington moved to the practical stage. The U.S. State Department allocated money for feasibility studies of the stretch of the future pipeline between Turkmenistan and Azerbaijan. A grant of \$1.7 million was initiated in Baku. Assistant U.S. Deputy State Secretary D. Sullivan, who attended the ceremony, said that the money should pay for two feasibility studies: of the TCP that would move Central Asian gas to Europe and of the pipeline laid on the Caspian seabed to join the Kazakh oilfields and the BTC pipeline.

In 2007, Deputy Assistant Secretary of State for South and Central Asian Affairs Evan A. Feigenbaum stated that his country was involved in feasibility studies of a gas pipeline laid on the Caspian seabed. He added that America wholeheartedly supported the multifaceted policy of energy deliveries from the Caspian region to the world markets. According to the high-ranking official, this policy was purely "anti-monopolistic" and was not spearheaded against any country.⁷

The very fact that the money came from Washington rather than from Brussels, which is more interested than any other actor in diversifying fuel supplies, caused a lot of justified irritation in Moscow. However, Russian experts voiced their doubts that a pipeline that left Russia in the cold and the possible re-channeling of part of the Kazakh and Turkmenian gas would leave Gazprom's potential intact. They reminded everyone that the Turkmenistan-China pipeline that would cross Kazakhstan would be commissioned in 2009; it would move about 30 billion cu m of Turkmenian gas every year. The same figure was mentioned in connection with the Nabucco pipeline, the commissioning of which has been postponed until 2011.⁸

In August 2007, President of Turkmenistan Berdymukhammedov assured Brussels that his country would support the multifaceted option of transportation routes. This sounded like confirmation that his country would send its gas to the TCP.

Kazakhstan, in turn, remained devoted to its national economic interests rather than to political considerations, even though it is commonly known that it always prefers diversification of energy corridors. So far, it is demonstrating a lot of tact by refraining from unambiguous support of the TCP: it refers to the need to discuss the project with other countries. It looks as if Turkmenistan, its assurances notwithstanding, will have to honor its previous obligations and consult its neighbors and the key customers. Moscow and Tehran, dead set against the project, will use the Caspian's still vague status as a pretext.

In late September 2007, Brussels began another offensive designed to trim Russia's role on the energy market. The European Commission submitted a packet of five legislative acts related to the EU gas and electric energy market. Brussels suggests that the gas production and transportation functions of the European companies should be separated. This will affect some of the French and German energy giants. The new acts apply to the energy and gas suppliers outside the EU (Gazprom of Russia is one of them). The network companies with pipeline and power transmission line assets should be either sold or transferred to independent managers while remaining the concerns' property. A special monitoring commission should be set up. The authors were convinced that this would deprive the national companies of their control over the energy and gas transportation routes. These amendments are expected to boost competition on the corresponding markets and protect the customers against arbitrary market prices.⁹

⁶ See: I. Vorotnoy, "Transkaspiskiy gazoprovod: politika ili ekonomika?" *Izvestia*, 21 September, 2007.

⁷ See: K. Konyrova, *op. cit.*

⁸ *Ibidem.*

⁹ See: A. Kliuchkin, "Gazovaia oborona," *Izvestia*, 24 September, 2007.

The amendments are not limited to economic considerations: they impose the same limitations on the companies of third countries. To achieve Brussels' permission to buy transportation networks in the EU, any company should operate in its country according to European rules. A deal will not be closed unless the potential investor's state signs a special intergovernmental agreement with the EU. The European bureaucrats are not bothering to conceal the fact that the new rules are spearheaded against Gazprom, which has recently revealed its intention to become the main gas supplier to Europe by buying European assets. President of the European Commission José Manuel Barroso has stated that the EU members might be "open but not naïve" when it comes to dealing with foreign investors and that the recent amendments were intended "to protect our market's open nature." The fear of Gazprom split Europe: on the one hand, there are large companies investing in joint projects because they need Russian energy resources; while on the other, there are politicians exploiting "The Russians are Coming" rhetoric to promote their interests.¹⁰

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Oil prices are fluctuating mainly because of the current demand and supply disbalances; the amount of strategic and commercial reserves of "black gravy;" and the profiteering of middlemen, oil companies engaged in bear and bull operations in the interests of the oil-importing countries.¹¹ In the summer of 2007, the International Energy Agency confirmed that the mature ("brownfield") oil fields in Mexico and the North Sea are becoming rapidly depleted, while new projects are few and far between. In the next five years, the world will use 2.2 percent more oil every year, while the oil supplies outside OPEC will grow by merely 1 percent a year.¹² This means that Caspian and Central Asian oil will be badly needed and that geopolitical considerations will interfere with its transportation. It is commonly believed that the pipelines on post-Soviet territory are of political rather than economic importance, which makes them more expensive. Indeed, the route is first laid on the political map, and then it is for the project operators to make it profitable.

The trade and economic wars between Russia and the West are adding problems to the Caspian oil transportation issue. In 2007, the sides could not start negotiations for several reasons: Russia's ban on meat imports from Poland; the de facto trade blockade of Estonia in response to the Estonian authorities' resolution to move the Soviet war memorial; and the ten-month gap of raw material deliveries to the oil refinery in Lithuania sold to a Polish rather than Russian firm. In principle, the problems could have been easily resolved had the political undertones been less obvious. Brussels is still trying, without much success, to convince the Russian veterinary service that the Polish meat is absolutely safe. Estonia probably acted rashly, but trade should not be tied to the moved monument. The oil embargo has exceeded the time potentially needed to repair everything that needed and did not need repairs on the oil pipeline through which oil reached the refinery.

The Russia-EU Samara energy summit, which began cracking under the heavy burden of unreserved problems from the very start and followed President Putin's successful Central Asian tour, convinced the Europeans that Russia was pursuing the "divide and rule" policy in its relations with the EU. No sooner did the European Union try to discuss the new partnership agreement than new obstacles appeared. Russia insists that the new EU members still harbor "childhood grudges," while the European experts are convinced that Moscow's disdain of the former vassals is adding fuel to the fire. The obstacles are obviously deeper rooted than was believed earlier.¹³

¹⁰ See: A. Reut, "Evropa nadela 'protivoGazprom'," *Izvestia*, 20 September, 2007.

¹¹ See: N. Baykov, G. Bezmel'nitsyna, R. Grinkevich, op. cit., p. 25.

¹² See: Mir zhdet energeticheskiiy krizis, 10 July, 2007, available at [www.profile.ru].

¹³ See: Energeticheskie igry: pobediteli i pobezhdennye, 18 May, 2007, available at [http://www.iamik.ru/?op=full&what=content&ident=34585].

In 2007, the repeated Central Asian tours of President Putin produced contradictory results. The local leaders assured their Russian colleague of their friendship; and they confirmed their willingness to sell gas to Gazprom and move the bulk of their oil across Russia. President Nazarbaev put it as follows: "Kazakhstan is absolutely devoted to the idea that the larger part (if not all) of its oil should be moved across Russia. We have said this before." Astana and Ashghabad want Russia to give them new transportation capacities. "I am convinced that Russia can offer us wider transportation possibilities for both oil and gas. In this case, we, and probably our neighbors, will stop looking for alternatives," said President Nazarbaev. He referred to the Caspian Pipeline Consortium (CPC) that pumps Kazakh oil to Novorossiisk. The prospects are not quite clear, but in any case Kazakhstan is prepared to exchange guaranteed supplies of its oil to the Russia-initiated Burgas-Alexandroupolis project for greater access to the CPC.¹⁴

Earlier, Russia tied the possibility of increasing the CPC's carrying capacity from 30 million to 67 million tons a year with the Burgas-Alexandroupolis oil pipeline designed to reduce the pressure on the Bosphorus and Dardanelles. A recent agreement between Bulgaria and Russia on the construction of the pipelines is being implemented. It will require much more oil than the amount that reaches the Black Sea ports today: an aim that calls for administrative methods. The Russian state and private companies should be convinced to send more oil to the south, and Kazakhstan and Chevron, the shareholder of Tengizchevroil, will need no persuasion to use the pipeline.¹⁵

In the next few years Kazakhstan will step up oil production and will need alternative transportation routes, some of them are already available.

I have in mind, first and foremost, the BTC oil pipeline commissioned in 2006 to decrease the Caspian oil producers' dependence on Russia's transit infrastructure. Russian officials spared no words to describe the line as economically ineffective; meanwhile oil prices have climbed, and Russia, in turn, alienated Kazakhstan by making it feel its dependence on the Russian pipeline network, thus pushing it toward the BTC. As a result, the BTC may become profitable; the Krakow "anti-Russian summit" came forward with the Odessa-Brody-Plock-Gdansk project. To achieve the desired results and receive Kazakh oil, a route must still be laid that will bring Kazakh oil to Baku in the first case and increase the carrying capacity of the Baku-Supsa oil pipeline to bring Kazakh oil to the Black Sea ports bypassing Russia in the second. Government experts are convinced that the pipeline between Western Kazakhstan and Western China is the second most important project. By the mid-2000s, China will need over 70 million tons of oil a year. Every year Beijing increases its oil imports to feed its developing economy; it is commonly believed that by 2010 it will buy about 130 million tons of oil every year.¹⁶

The areas to the south of the Caspian are the fourth, potentially profitable, oil export direction, but Astana is demonstrating justified caution when talking about Iranian transit. At the same time, the Kazakh expert community agrees about its economic and geopolitical prospects. Astana and Tehran have already talked about increasing Kazakh oil exports via Iran. Aware of Kazakhstan's growing hydrocarbon potentials, Iran agreed to let Kazakhstan move up to 120 thousand barrels of oil a day across its territory. The Iranian side is convinced that as soon as Kazakhstan launches commercial oil production on the Caspian shelf its oil companies will take the Iranian transit potential into account.

The pipelines are costly ventures, but no one doubts that they will be put into operation. Analysts believe that as soon as the pipeline network is ready, companies will begin investing in the corresponding region, while remissions will partly compensate for their transportation costs. The same is true for nearly all the oil pipeline projects: they are not cheap, but they are too important geopolitically to be ignored. All the large powers are using them to promote their political interests.¹⁷

¹⁴ See: P. Orekhin, "Nefti slozhnye puti," *Profil*, No. 18 (526), 14 May, 2007.

¹⁵ See: A. Skorniakova, P. Orekhin, op. cit.

¹⁶ See: M. Kotlov, "Kitaysko-amerikanskije otnoshenia v kontekste strategii energeticheskoy bezopasnosti KNR," *SShA-Kanada. Ekonomika, politika, kul'tura*, No. 7, 2007, p. 67.

¹⁷ See: A. Skorniakova, "Zolotyie nefteprovody," *Profil*, No. 8 (517), 5 March, 2007.

Comparative Cost of the Pipeline Projects

Pipeline	Capacity	Length	Cost	Cost per 1 km	Country
East Siberia-Pacific Ocean (1st phase)	30 million tons	2,757 km	\$11 billion	\$3.99 million	Russia
Khariaga-Indiga	12 million tons	430 km	\$2.2 billion	\$5.12 million	Russia
Burgas-Alexandroupolis	35 million tons	285 km	\$900 million	\$3.16 million	Bulgaria-Greece
Unecha-Primorsk (BPS-2)	50 million tons	945 km	\$2.5 billion	\$2.65 million	Russia
BTC	25 million tons	1,767 km	\$4 billion	\$2.26 million	Azerbaijan-Georgia-Turkey
CPC	28 million tons	1,500 km	\$2.236 billion	\$1.49 million	Kazakhstan-Russia
Atasu-Alashankou	10 million tons	962 km	\$806 million	\$0.84 million	Kazakhstan-China

Sources: Transneft, CPC, Fitch Ratings, Argus, FSU Oil&Gas Monitor (see: A. Skorniakova, op. cit.).

Moscow will not only defend its position where the pipeline projects and Russian territory (and ports) are concerned—it will become more actively involved in the Caspian energy plans, which will bring more dividends in the form of the strategically sustainable relations with the region's states. Its economic involvement in the Caspian projects guarantees the region's stability and security. Still, Russia should not rest on the laurels of its recent victories in the "pipeline battles." It should devise a more substantiated strategy: by acting rashly, Moscow pushes its partners toward other alternatives. They are here to be used: the commissioned BTC, the planned Odessa-Brody-Plock-Gdansk project put forward by the "anti-Russian summit" in Krakow, and the Chinese pipeline (Atasu-Alashankou). Technical obstacles aside, they are being implemented outside Russia. This means that Moscow will not be able to repeat its gas-related triumph.¹⁸

The Russian officials and experts are jubilant: at first glance, the signed agreements gave the Kremlin complete control over the Central Asian energy resources. The diplomatic victories, however, call for a lot of thinking if Russia wants to become an energy power.

To clarify the point, let's take a look at what is going on at the Kashagan fields in Kazakhstan. The Mediterranean-oriented project is not only the central one for the republic for the next 5-10 years or even the next 30 or 40 years. It is equally important for the Southern Caucasus, Turkey, Europe, and the United States, as well as for Russia and China, which want to stay outside the BTC system and

¹⁸ See: A. Skorniakova, P. Orekhin, op. cit.

the Kashagan Consortium. On the whole, Kashagan and BTC can be described as the core of Caspian geopolitics for many years to come.

It was expected that commercial production would begin in 2005, yet the plans and assessments changed several times until, in 2007, the deadline was revised once more. This triggered contradictions between the Kazakh side and Eni of Italy, which suggested that the deadline be pushed back to late 2010. The Italian company doubled the initial cost of the first stage to \$19 billion. The government of Kazakhstan was especially irritated by the new appraised value of the project with a life span of 40 years: it was raised from \$57 to \$136 billion.¹⁹ When commenting on the readjusted costs of the one of the world's largest oilfields, Prime-Minister of Kazakhstan K. Masimov said that his government could dismiss EniSpA as the project's operator. Oil industry observers and local insiders agree that the Kazakh side is unlikely to do this—the project is not that easy to operate—but Astana might insist on a larger share of the profits at an earlier date.

There is the opinion that Kazakhstan came forward with this comment at a time when resource-related nationalism was mounting in all the oil-rich countries. The growing resistance is partly explained by the dissatisfaction of the oil producers with the early agreements (signed in the 1990s) when oil prices were low and the states had to agree to hardly profitable contracts with oil companies and investors.²⁰ I interpret this as a sign that all the foreign forces involved should bear in mind that the situation has changed and that the interests of oil exporters should be respected. Oil-related policy should take reality into account and display a lot of tact.

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It is becoming increasingly clear that the post-bipolar world has not yet acquired international political mechanisms; there is neither a stable and universal legal system nor ensured international security. The still growing community of states (there are over 200 of them) is too varied and too unstable to cooperate. In fact, what can be described as a geopolitical revolution caused “tectonic” shifts that added to the worldwide political, economic, social, cultural, and other chaotic trends and worsened all the various risks.²¹

Today, Russia has found itself in the very center of geopolitical intrigues, the aim of which is to cut back its monopoly influence on energy fuel transportation in the region. Seen from the West, Moscow looks like a “transport monopolist” and a potential “energy dictator,” which threatens the West's energy interests, and at the same time, it looks like a strategic energy partner. Europe berates and criticizes Russia, it is trying to scare it and is scared itself. Brussels knows that the West will not last long without Russia's gas and that Central Asia's resources will remain unattainable without Russia's consent. By maintaining constructive relations with the Central Asian countries based on their common history and cultural ties, Russia is still an important geopolitical power. In 2007 the Central Asian countries confirmed this.

In the current far from simple situation the Caspian and Central Asian countries are facing the very difficult task of achieving a consensus among themselves on the fuel transportation issue. In the presence of strategic mineral resources, this will test the local countries' independence.

¹⁹ [<http://www.kub.kz/article.php?sid=19346>]

²⁰ See: “Kazakhstan uzhestochaet pozitsii po nefianomu proektu,” *The Wall Street Journal*, 8 August, 2007, available at [www.inosmi.ru] (see also: “Kazakhstan Presses Eni Group for Better Terms on Oil Project,” *The Wall Street Journal*, 31 July, 2007).

²¹ See: K. Voronov, “Global'naia intersistema: evolutsia, struktura, perspektivy,” *Mirovaia ekonomika i mezhdunarodnye otnoshenia*, No. 1, 2007, p. 18.

The resource-rich countries should leave their old contradictions behind and avoid new ideological and political difficulties. Their relative independence rests on comparatively widespread and ramified (domestic and export) systems of pipelines and other transportation routes. Deprived of access to the world sea communications, the local states should stick to the strategy of maximum diversification of their international transport and communication lines. Their integration in the transport and communication sphere, even if it fails to liberate them completely from external influence, will keep in check the actors ready to put pressure on the Central Asian countries.