

ROLE OF THE CASPIAN REGION WITHIN THE CONTEXT OF ENERGY SECURITY*

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Abstract

Europe's dependency on energy resources—after the Russia–Ukraine war—has made the Caspian region a geographical area where regional and global actors particularly focus on. The Caspian region acts like a bridge between Central Asia and Europe while contributing to the stability and prosperity of the region. The EU's struggle to diversify its energy supplies and to overcome Russia's hegemony has forced them to benefit from resources in the Caspian region. Although energy security for the EU means stable flow of energy, for the Caspian states it means stable energy revenues. Türkiye, as a transit country has a key role in transferring resources in the region to Europe.

Keywords: Caspian, Energy Security, EU, Russia, Türkiye.

Öz

Rusya-Ukrayna savaşı sonrası Avrupa'nın enerji kaynaklarına olan bağımlılığı, Hazar bölgesini bölgesel ve küresel aktörlerin özellikle odaklandığı bir coğrafya haline getirmiştir. AB'nin enerji kaynaklarını çeşitlendirme ve Rusya'nın hegemonyasını aşma çabası, kendini Hazar bölgesindeki enerji kaynaklarından faydalanmaya zorlamıştır. AB için enerji güvenliği, enerjinin istikrarlı şekilde akımı iken, Hazar ülkeleri için ise istikrarlı enerji geliri anlamına gelmektedir. Türkiye, transit ülke olarak bölgedeki kaynakların Avrupa'ya aktarılmasında kilit bir role sahiptir.

Anahtar Kelimeler: Hazar, Enerji Güvenliği, AB, Rusya, Türkiye.

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INTRODUCTION

After the cold war, the “Caspian Sea region”—also referred to as the “Caspian region” or, simply, the “Caspian”¹—came to the fore front as a region where the struggle for power took place. Besides its energy resources, the region is important due to its geostrategic and geopolitical position as a hub for energy transit corridors. This has led to the intervention of both regional and global players and made the security of those transport routes crucial for export and import countries. All actors try to control regional pipelines that control the energy resources.

Uninterrupted availability of energy resources at an affordable price is key for energy import-dependent countries, and despite the limited resources, demand for energy increases day by day. Moreover, the EU’s sanctions on Russia’s energy exports, following the Russia–Ukraine war, conflicts in the Middle East, sanctions against Iran, and unstable oil and gas prices, worry consumer countries excessively. For this reason, energy import-dependent countries are struggling to find new alternatives.

Russia, Azerbaijan, Iran, Turkmenistan and Kazakhstan are countries that have existing energy resources as the riparians of the Caspian Sea. India, China and the EU are important energy importer countries from the region. The U.S. and Japan are other important energy players active in the Caspian region with their private oil and gas companies.

Apart from already-existing oil and gas pipeline projects, transportation of vast Turkmenistan resources through the Caspian Sea to the European markets via the Trans-Caspian Gas Pipeline (TCGP)² is still not realized, although positive progress has been made, namely, the signature of

1 Ilgar Mammadov, “Geopolitics of Energy in the Caspian Sea Region Azerbaijan’s Challenges”, The Fletcher School, Tufts University, (Unpublished Master of Arts Thesis), Medford 2009, p. 15.

2 The TCGP project is for the connection of Turkmenistan’s natural gas through the pipeline under the Caspian Sea to Azerbaijan’s Sangachal terminal and then to the South Caucasus Pipeline (SCP).

the convention on the legal status of the Caspian Sea in 2018 and the Memorandum of Understanding between Azerbaijan and Turkmenistan to develop jointly the mid-Caspian Dostlug oil and gas field in 2021.

The study aims to clarify the current scenario regarding energy links between the Caspian region and Europe while also looking at viable alternatives in terms of Europe's energy security. It does this by using pertinent data from national and international open sources and a qualitative document analysis methodology.

The study focuses on the possibility that the Caspian region could provide an alternative solution for Europe's energy security. This was accomplished by first discussing the strategic importance of the region and giving a general explanation of energy security from the perspectives of supply, demand, and transit security. The legal status of the Caspian Sea as well as pipeline developments in the region were covered in the second section. After discussing the regional and global actors' policies toward the region, the conclusions are presented. It was concluded that the Caspian region might be a good solution for diversifying Europe's energy needs and enhancing its energy security.

STRATEGIC IMPORTANCE OF THE CASPIAN REGION IN TERMS OF ENERGY SECURITY

There are several approaches to the determination of geographical and geopolitical boundaries of the Caspian region. In a narrow sense, following the criteria of geographical proximity, the region includes only the states, namely, the territories of the states, which have access to the Caspian sea, i.e. Azerbaijan, Iran, Kazakhstan, Russia and Turkmenistan. In a wider geopolitical and geoeconomic context the Caspian region is comprised of all other countries of the Caucasus and Central Asia: Armenia, Georgia,

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Kirgizia, Tadzhiqistan, and Uzbekistan, as well as all adjacent territories where transportation routes are or may be built to connect the countries with a dense network of routes.³

The Caspian's strategic importance lies in its abundance of energy resources and its strategic position between China–Russia and the Middle East. It has a bridge function between the Caucasus and Türkiye, opening to the European markets. It contains large volumes of oil and natural gas reserves both in offshore deposits and in onshore oil fields. It is estimated to have “up to 3% and 4% of the world total⁴ [fossil fuels]”, making it a region of significant importance in world geopolitics. But the exploration of the oil and gas resources in the Caspian comes with various challenges, including its landlocked geography.

The landlocked status of the countries of this region has increased their reliance for export of their energy resources on Russian pipeline connections built during the Soviet era as well as on pipelines built in foreign territories in the last 15–20 years. Given that energy transportation routes can include more than two countries through which the routes pass, the security of transit routes through energy-transporting countries should be considered as an important component of security. Therefore, the Caspian's regional security depends on energy security and safe transportation of its energy reserves to the global markets.

Energy security is defined as “*the uninterrupted availability of energy sources at an affordable price*⁵” and encompasses demand, supply and transit securities. Indicators of energy security relate to energy availability,

3 Olga Litvishko et al, “Transport Factor in Shaping Greater Spaces: The Caspian and Beyond”, *Transportation Research Procedia*, 63, 2022, p. 1182.

4 Yaşar Sarı-Aiman Azmukhanova, “The Competition of Major Powers for the Caspian Energy Resources”, *Bulletin of L.N. Gumilyov Eurasian National University, Historical Sciences, Philosophy, Religion Series*, 2(131), 2020, p. 57.

5 Ulviyye Aydın-Dina Azhgaliyeva, “Assessing Energy Security in the Caspian Region: The Geopolitical Implications for European Energy Strategy”, *Asian Development Bank Institute*, 1011, 2019, p. 9.

accessibility, affordability, and acceptability (the 4As)⁶, and within this context, energy security has a broad meaning including the protection of pipelines, security of sea lines of communication and security of supply facilities. The energy politics of the Caspian are determined by the producers in the region, and by regional and global powers through competition. Cooperation and competitiveness are also one of the objectives of the EU's energy policy, together with security supply and sustainability.

The significance of enhanced energy security must be seen from both supply and demand perspectives, which are mutually supportive. The best way to ensure the security of energy supply is to diversify the supply options, which means that the greater the number of suppliers, the better for the energy market. That is why there are political tensions in and close to the hotspots, consequently raising the interest in Central Asia and the Caspian States.

Considering the fact that the main market for the Caspian energy resources is Europe, it is important to understand energy security from the perspective of Europe. Energy security in Europe suffers from a lack of reliable and sustainable access to energy, as well as from dependence on Russian energy supply.

The “dependency rate” demonstrates how much an economy depends on imports to supply its energy requirements. It is determined by the percentage of net imports in gross inland energy consumption. The reliance rate in the EU in 2020 was equivalent to 58%, which means that net imports accounted for more than half of the EU's energy requirements.⁷

6 “A Quest for Energy Security in the 21st Century”, *Asia Pacific Energy Research Centre*, https://aperc.or.jp/file/2010/9/26/APERC_2007_A_Quest_for_Energy_Security.pdf, (Date of Accession: 08.11.2022).

7 “From Where Do We Import Energy?”, *European Commission*, <https://ec.europa.eu/eurostat/cache/infographs/energy/bloc-2c.html>, (Date of Accession: 05.12.2022).

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In 2021, the European Union imported 155 billion cubic meters (bcm) of natural gas from Russia, accounting for around 45% of EU gas imports and close to 40% of its total gas consumption.⁸

One of the main reasons for this increased dependence on Russian fossil fuels is the EU's plans to phase out coal and nuclear power plants. But after Russia cut off its natural gas supply to Europe, Europe had to rebuild coal power plants, the infrastructure of which has been gradually decommissioned in recent years, as an immediate response.

Europe's energy security is therefore considered to be quite low. In fact, despite geopolitical risks, it is thought that this energy reliance is the key factor behind Europe's first decision to forgo sanctions on Russia in the wake of the occupation of Ukraine, which began on February, 24.⁹

Especially after the Russia–Ukraine war, energy supply from the Caspian region—together with other energy sources, such as “green” energy, or providers, such as the U.S., Qatar, Norway, Azerbaijan, Algeria, Egypt and Israel—has been significant for Europe. However, none of these energy supplies are available in the volumes required to substitute for missing deliveries from Russia in the short term.

The energy politics of states and international companies are based on the security of the energy sources, security of the energy transport and stability in prices. Besides, it is also important to supply the required energy with the required amount at low costs. For instance, considering the pre-war conditions, Russia's Gazprom determined gas prices for EU countries according to their access to alternative supplies. Countries and

8 “How Europe Can Cut Natural Gas Imports from Russia Significantly within A Year”, *International Energy Agency*, <https://www.iea.org/news/how-europe-can-cut-natural-gas-imports-from-russia-significantly-within-a-year>, (Date of Accession: 05.12.2022).

9 Firdevs Korla, “Ukrayna Krizi Sonrasında Avrupa’da Enerji Sorunsalı: Alternatif Enerji Arz Kaynakları ve Türkiye”, *Journal of Economics and Political Sciences*, 2(1), 2022, p. 8.

markets without alternative supplies paid the highest prices, regardless of their distance from Russia. In 2013, the United Kingdom, the Netherlands, and Germany paid the lowest prices in Europe for Russian gas, despite being farther from Russia than many other European countries.¹⁰

There are contradictory understandings of energy security between energy-exporting countries and energy-importing countries. While energy importers focus on security of supply, which means “*sustainable energy production and uninterrupted oil and gas deliveries from energy exporters*”, producers are concerned with security of demand. For Azerbaijan, Kazakhstan, Turkmenistan, and many other energy-exporting countries, energy security is mainly regarded from the security of demand and security of energy transportation. That is why the political tensions in the Middle East created the tendency of reduction in dependency on energy from this region, while consequently raising interest in the Central Asian and Caspian states.

THE LEGAL STATUS OF THE CASPIAN SEA AND PIPELINE PROJECTS IN THE REGION

Since the collapse of the Soviet Union, all five coastal states of the Caspian Sea have been involved in a dispute over the ownership of the oil fields. Azerbaijan was one of the most adamant parties; its stance was to divide the Caspian Sea into appropriate sectors on a median line, by which all coastal states would have sovereignty over a section of the biological resources, seabed, navigation, water column, and surface.¹¹ The transformation of the political geography of the Caspian Sea divided

10 Bud Coote, “The Caspian Sea and Southern Gas Corridor, A View from Russia”, *Atlantic Council Global Energy Center Our Energy Policy*, Washington 2017, p. 3.

11 Yasaman Zeinolabedin et al., “The Geopolitics of Energy in the Caspian Basin”, *International Journal of Environmental Research*, 5(2), 2017, p. 501.

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the coastal states into two groups—Russia and Iran on one side and the newly independent states on the other—each side holding different views on the delimitation of the Sea.¹²

After years of discussions, the parties reached a final agreement in 2018 at the fifth summit of the Caspian heads of state in Aktau/Kazakhstan and signed a new Convention on the Status of the Caspian Sea. The Convention reserves all rights over the Caspian Sea and its resources for the five coastal states. From this perspective, the Convention authorizes coastal states to delimit the seabed according to bilateral and multilateral agreements, with due regard to the generally recognized principles and norms of international law.

As per the Convention, a party proposing to construct a pipeline only needs to agree (*on a bilateral basis*) with the other party through whose territory the pipeline will cross. However, the route of the pipeline must be communicated to the remaining signatories. The key condition for the construction of pipelines is compliance with environmental standards and requirements, including compliance with the Framework Convention for the Protection of the Marine Environment of the Caspian Sea.¹³ Thus, although a country has the right to construct a pipeline through the seabed of its territorial sector, due to environmental concerns, projects such as the TCGP between Azerbaijan and Turkmenistan, which has a bilateral nature, needs to be discussed with all the littoral states according to Russia and Iran.

The claim that the pipelines to be passed through the Caspian will have an adverse environmental impact is unfounded. In many regions of the world, pipelines have been passed under the water, and no ecological

12 Shamkhal Abilov et al, "Contested Waters: Implications of the 2018 Convention on the Legal Status of the Caspian Sea and the Future of the Trans-Caspian Pipeline", *Insight Turkey*, 22(4), 2020, p. 236.

13 "Convention on the Legal Status of the Caspian Sea: Implications for Oil & Gas Companies", *CMS Law Now*, https://www.cms-lawnow.com/ealerts/2018/08/convention-on-the-legal-status-of-the-caspian-sea-implications-for-oil-gas-companies?cc_lang=en, (Date of Accession: 06.11.2022).

problem has been reported to date¹⁴ unless any sabotage was made causing leakage. Therefore, a TCGP aimed at transporting natural gas from Turkmenistan to EU member countries via Azerbaijan, circumventing both Russia and Iran, can only be realized if a full consensus is reached among the littorals.

Azerbaijan, Turkmenistan and Kazakhstan are trying to preserve and not deteriorate their relations with Russia, while they are also trying in every possible way to strengthen their energy independence and take advantage of cooperation with Western countries.

The first example of cooperation among the regional countries is the Baku–Tbilisi–Ceyhan (BTC) pipeline. It links Azerbaijan’s Sangachal terminal on the shores of the Caspian Sea to the Ceyhan marine terminal on the Turkish Mediterranean coast¹⁵ via Georgia. In October 2013, British Petroleum resumed transportation of Tengiz crude oil from Kazakhstan through the BTC pipeline. Türkiye’s emerging energy hub at Ceyhan enables Azerbaijan and Iraq, together with Kazakhstan and Turkmenistan, to supply the wider region and ship to both Euro-Atlantic and Asia-Pacific markets. Moreover, the BTC pipeline enables Caspian production to reach world markets more directly, bypassing navigation in the Black Sea and the Turkish Straits, which means less tankers and increased safety.

Other significant crude oil export pipelines are the Caspian Pipeline Consortium (CPC), which transports Caspian oil from Kazakhstan’s Tengiz field to the Novorossiysk-2 Marine Terminal on Russia’s Black Sea coast,

14 Mehmet Seyfettin Erol, “The Changing Geopolitics of the Caspian and the Trans-Caspian Corridor: “What Kind of a Common Future in the Opportunities-Threats Dilemma””, ANKASAM, <https://www.ankasam.org/the-changing-geopolitics-of-the-caspian-and-the-trans-caspian-corridor-what-kind-of-a-common-future-in-the-opportunities-threats-dilemma/?lang=en>, (Date of Accession: 19.11.2021).

15 Turkish Navy initiated “Operation Mediterranean Shield” on April 01, 2006, to ensure the security of strategic oil transportation from Ceyhan Terminal in the Eastern Mediterranean, to provide deterrence against possible risks and threats in the region, and to support the NATO maritime security efforts. To bring this national operation an international identity, dialogues opened up and with 9 Nations (Albania, Azerbaijan, Albania, Algeria, Georgia, Libya, Lebanon, Pakistan, Tunisia, and Jordan) and, Pakistan and Jordan participated in this operation with their naval assets and observers respectively.

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and the Baku–Novorossiysk pipeline, which transports oil through Georgia and world markets from Novorossiysk/Russia via the Turkish Straits.

With regards to the energy cooperation in terms of natural gas transfer in the region, the “Southern Gas Corridor” project, aiming to increase and diversify the European energy supply by bringing gas resources from the Caspian Sea via a pipeline passing through Azerbaijan, Georgia and Türkiye and to markets in Europe, has been of vital importance especially since after the Russia–Ukraine war.

The Southern Gas Corridor comprises the operations of the South Caucasus Pipeline (SCP) and its expansion, the Trans-Anatolian Natural Gas Pipeline (TANAP) passing through Türkiye from east to west and ending at the Greek border of Türkiye, and the Trans-Adriatic Pipeline (TAP) run directly through Greece and Albania before reaching Italy (See Figure 1). Among these subsystems, TANAP started its operations in mid-2018 and TAP at the end of 2020.

Figure 1: The Southern Gas Corridor (SCP, TANAP and TAP) Route¹⁶



¹⁶ Oiland Gas360

TANAP is being discussed as a potential emergency exit strategy for the EU. Türkiye's Minister of Energy and Natural Resources Fatih Dönmez stated that it was decided to double the capacity of the TANAP as a result of the negotiations between Türkiye and Azerbaijan, which currently, carries 16 bcm of gas per year. Of this total, 10 bcm go to Europe and 6 billion to Türkiye.¹⁷

Moreover, Marco Giuli, an associate policy analyst at the European Policy Centre (EPC), told Anadolu Agency that Europe's best chance of survival without Russian gas in the longer term lies in piped gas through the expansion of the TAP.¹⁸

However, as stated by Alparslan Bayraktar, Deputy Minister of Energy and Natural Resources of Türkiye, "there is no immediate solution" to finding a substitute for Russian energy. Even if such new supplies via pipelines are secured in the long term, they will still only make up about one-fourth of the 155 billion bcm of Russian natural gas supplied annually to Europe.¹⁹

REGIONAL AND GLOBAL POWERS' POLICY TOWARDS THE CASPIAN REGION

Super powers such as the U.S. (and the EU), rising powers such as China and India, and regional powers such as Russia and Türkiye all consider energy transit as a subject of security. The U.S. can be seen as being on the side of the EU and directly in support of the EU's benefits in order to weaken Russia's and China's involvement. All these actors have their policies towards the region as detailed below.

17 "TANAP'ın Kapasitesi İki Katına Çıkarılacak", *Doğalgaz*, https://www.dogalgaz.com.tr/yayin/1096/tanap-in-kapasitesi-iki-katina-cikarilacak_30877.html#.Y42yhMvP25c, (Date of Accession: 05.12.2022)

18 "Europe's Best Option for Pipeline Gas is via Trans Adriatic p/line Expansion: Expert", *Anadolu Agency*, <https://www.aa.com.tr/en/energy/natural-gas/europes-best-option-for-pipeline-gas-is-via-trans-adriatic-p-line-expansion-expert/34818>, (Date of Accession: 05.12.2022)

19 "Turkey Looks to Curb Energy Imports Through Nuclear Power, Local Gas", *Daily Sabah*, <https://www.dailysabah.com/business/energy/turkey-looks-to-curb-energy-imports-through-nuclear-power-local-gas>, (Date of Accession: 05.12.2022).

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Russia's main policies are to use energy as a tool for its diplomacy and to prevent the intervention of foreign actors in the region. Although the war in Ukraine has caused volatility of export and import prices and destabilized foreign trade, Russia has doubled its discounted oil export to the Saudi Kingdom, and while many European countries have banned or discouraged purchases from Russia, China, India, several African and Middle Eastern countries have increased their imports.

Moscow's dominant military strength in the Caspian Sea and its alliance with Iran in opposition to TCGP are the main obstacles to Turkmenistan and Kazakhstan joining the Southern Gas Corridor. One of the highest priorities in Russia's gas export and marketing strategy is establishing its own corridor. Moscow is considering selling natural gas sanctioned by the EU to China via Mongolia.

Iran, as a regional power and a Caspian Sea riparian, sees itself as a natural gateway for the distribution of oil and natural gas, a view that the US is opposed to. Iran has the capacity to transfer oil and natural gas through its ports to the world markets. Additionally, its long coastline on the southern edge includes the Persian Gulf waters and, beyond the Straits of Hormoz, gives Tehran strategic control over the waterways through which the majority of the world's oil travels.²⁰ However, the US is firmly against these prospects.

While Turkmenistan is a gateway for Iran to access Asia, Iran is another gateway country for accessing the Persian Gulf. Iran started its first transfer of crude oil via its strategic Goreh-Jask pipeline in early May 2021²¹, allowing the country to bypass the Strait of Hormuz. Moreover, Iran gas and oil may also be transported to Europe through Türkiye in future if nuclear negotiations with Iran get settled.

20 Aigerim Ibraeva et al, "Energy Export Potential in the Caspian Region and Its Impact on EU Energy Security", *Periodica Polytechnica Social and Management Sciences*, 25(2), 2017, p. 128.

21 Arsalan Shahla, "Iran to Start Oil Exports from Port Skirting Troubled Strait Bloomberg", *Bloomberg*, <https://www.bloomberg.com/news/articles/2021-05-19/iran-plans-oil-exports-next-month-from-new-port-beyond-hormuz?leadSource=uverify%20wall>, (Date of Accession: 06.11.2022).

The US priority is to diminish Russia's influence in the region by also benefitting from the strategic opportunity after sanctions imposed on Russia.²² From the US perspective, Russia's neighbors need assistance with finding alternatives to Russian imports and non-Russian export markets for their goods and services.²³ Therefore, the US strategic objective is to effectively displace Russian influence.

China wants to benefit from the energy supply of the Caspian region and sees its energy demand as a strategic security problem. China also aims to limit US intervention in the region, like Russia which increased its import after the war, and increase its influence on Kazakh and Turkmen energy resources. Another aspect of the energy transport through the Caspian to Europe is its link with the Middle Corridor of the Belt and Road Initiative. This will support the energy security of the Middle Corridor while creating opportunities for the East-West connection through the Caspian.

India, with its increasing population's demand for energy, also focuses on the region to decrease its dependency on the Persian Gulf. In this context, the Turkmenistan-Afghanistan-Pakistan-India (TAPI) project is aimed at monetizing Turkmenistan's natural gas reserves through gas exports to Afghanistan, Pakistan and India. The pipeline will go through the Turkmenistan/Afghanistan border to the Pakistan/India border.²⁴ While the TAPI project has been suspended in Afghanistan until the situation stabilizes, Kabul and Ashgabat have reached an agreement over implementation of the TAPI pipeline project, which is expected to resume in the near future.²⁵

22 Mehmet Seyfettin Erol-Sertif Demir, "Amerika'nın Karadeniz Politikasını Yeniden Değerlendirmek", *Gazi Akademik Bakış*, 6(11), 2012, p. 20.

23 Michael S. Repass-Darsie D. Rogers, "Caspian Policy Center, Now is the Time to Increase U.S. Security Engagement in the Caspian", *Caspian Policy Center*, https://api.caspianpolicy.org/media/ckeditor_media/2022/06/14/now-is-the-time-to-increase-us-security-engagement-in-the-caspian.pdf, (Date of Accession: 06.11.2022).

24 Mehmet Seyfettin Erol-Doğacan Başaran, "Afganistan Merkezli Gelişmelerin Türkiye ve Türk Dünyası Jeopolitiğine Etkiler", *Demokrasi Platformu Dergisi*, 10(35), 2021, p. 24.

25 "TAPI Project Expected to Resume After Acquisition of Land", *Business Turkmenistan*, <https://business.com.tm/post/8444/tapi-project-expected-to-resume-after-acquisition-of-land>, (Date of Accession: 07.11.2022)

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The EU's policy towards the Caspian is based on its alternative role for Russian energy. Therefore, the EU has recently started to enhance its relations with regional countries like Azerbaijan and Kazakhstan. Moreover, to prevent struggles and interruptions in the energy market created by Russia's invasion of Ukraine, the European Commission has developed the initiative "REPowerEU" which is the plan to make Europe independent from Russian fossil fuels before 2030, starting with gas.²⁶

The strategy calls for increasing pipeline and Liquefied Natural Gas (LNG) imports from non-Russian suppliers as well as increasing production and imports of biomethane and renewable hydrogen. REPowerEU also includes intensifying cooperation with Azerbaijan in the light of the strategic importance of the Southern Gas Corridor and scaling up the TAP capacity.

Azerbaijan, as one of the energy-rich countries in the region, is being monitored closely by the regional and global powers and seen as a country to have influence on. Although these external powers try to put Azerbaijan under political, economic and military pressure, it has so far managed to take decisions independently of its foreign policy successfully. Its first priority is to transport its natural resources to the world market effectively. Its other priority is to be both an energy and transit hub in the coming years by transporting Turkmenistan and Kazakhstan oil & gas resources via existing and planned pipelines to the West. In an interview with the Italian newspaper "Il Sole 24 Ore", Azerbaijan President Ilham Aliyev stated that Azerbaijan would support the idea of building a TCGP if the Turkmen government decides to do so.²⁷

26 "REPowerEU: Affordable, Secure and Sustainable Energy for Europe", *European Commission*, https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/repowereu-affordable-secure-and-sustainable-energy-europe_en, (Date of Accession: 05.11.2022)

27 "President Ilham Aliyev Was Interviewed by Italian "Il Sole 24 Ore" Newspaper in Cernobbio", *Azerbaijan State News Agency*, https://azertag.az/en/xeber/President_Ilham_Aliyev_was_interviewed_by_Italian_Il_Sole_24_Ore_newspaper_in_Cernobbio_VIDEO-2277167?ysclid=lai8zykhbo552188366, (Date of Accession: 12.11.2021).

Turkmenistan has the fourth largest quantity of natural gas resources in the globe and the third largest in the Caspian region. The explosion of the gas pipeline carrying Turkmen gas to Russia, the Russian-Ukrainian gas dispute, and the reduction of gas supplies to Western European countries caused Russia to stop gas imports from Turkmenistan in 2009, leading Turkmenistan to begin exporting its gas to China.

It was decided to restart the gas trade between Turkmenistan and Russia in 2019 with small purchases in the beginning and then continued to increase in the following years. Moscow's dominant military strength in the Caspian Sea and alliance with Iran in opposition to TCGP are the main obstacles to Turkmenistan and Kazakhstan joining the Southern Gas Corridor. Turkmenistan's priorities are: to gain access to Pakistani, Indian and European gas markets via planned pipelines, to complete the construction of relevant pipelines including the East-West pipeline in Turkmenistan, and to be able to transport South East resources to Caspian Sea markets.

Kazakhstan, although with some boost to its economy due to increasing oil income, has the disadvantage of a limited population despite its vast landmass. Its priorities are: to increase Kazakhstan's oil output by expanding production at Tengiz-Karachaganak onshore gas fields and Kashagan offshore oil field over the next decade²⁸, and looking for means to establish an alternate route after Russia cut off the supply of Kazakh oil through the CPC.²⁹

Türkiye, as a transit country via which Caspian resources are relayed to Europe and aiming to function as a logistics hub for the Bridge and Road Initiative's Middle Corridor (Trans - Caspian International Transport

28 "Kazakhstan 2022 Energy Sector Review", *International Energy Agency*, <https://iea.blob.core.windows.net/assets/fc84229e-6014-4400-a963-bccea29e0387/Kazakhstan2022.pdf>, (Date of Accession: 12.11.2021).

29 Sabir Askeroğlu, "The EU's "Central Asia Strategy" and Its Relations with Kazakhstan", *ANKASAM*, <https://www.ankasam.org/the-eus-central-asia-strategy-and-its-relations-with-kazakhstan/?lang=en>, (Date of Accession: 15.11.2021).

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Route), has a critical role. The Middle Corridor that runs from China through Kazakhstan, the Caspian Sea, Azerbaijan, Georgia, Türkiye and further to Europe is an intermodal freight route that aims to become a viable alternative to the long-established northern route through Russia, whose European section has been non-operational due to sanctions. The Türkiye–Azerbaijan connection of the Middle Corridor is provided via the Baku-Tbilisi-Kars railway, which also may open the door to an important opportunity in energy transportation for Türkiye.³⁰ Use of Middle Corridor as a gas transport project from Central Asia to Europe can also help Türkiye to become an energy hub in the future if other conditions³¹ are met.

CONCLUSIONS

The relevance of the Caspian region as an alternative to energy supply from Russia has increased significantly after the Russia–Ukraine war. This is undoubtedly a geostrategic advantage in terms of the region’s energy supply and transit security, including both regional countries and those of transit countries like Türkiye.

Lack of sustainable energy sources and reliance on Russian energy supplies endanger the energy security of Europe and the security of oil and gas transportation is a common issue for both the Caspian region and the EU. The necessity to gradually lessen its reliance on Russia is the most crucial lesson that Europe has taken away from this crisis.

Although the EU’s gas deal with other countries is important for the diversification of Western suppliers, these new suppliers most probably will not meet the energy requirements in the short term. Given this

30 Mehmet Kara, “Demiryolu ile Orta Asya Petrolü Getirmek”, *Dünya*, <https://www.dunya.com/kose-yazisi/demiryolu-ile-orta-asya-petrolu-getirmek/390882>, (Date of Accession: 19.11.2021).

31 Zeynep Elif Yıldız, “Rusya-Avrupa Birliği-Türkiye Üçgeninde Enerji”, *Gerçek Gündem*, <https://www.gercekgundem.com/yazarlar/dr-zeynep-elif-yildiz/4911/rusya-avrupa-birligi-turkiye-ucgeninde-enerji?ysclid=la8d0uvt2880935249>, (Date of Accession: 15.11.2021).

context, the support of Azerbaijan and Turkmenistan gas seems the most reasonable solution. And it seems unlikely that EU Member States will abandon fossil fuels quickly, especially given the current severing of ties with Moscow.

Therefore, increasing the capacities of the TANAP and TAP pipelines, diversifying and combining them with new lines to be established with various natural gas reserves in the area is crucial for a long-term and sustainable solution for Europe's energy security.

The TCGP, if realized –by eliminating the political-financial problems– and connected to the Southern Gas Corridor, will help increasing the amount of gas carried through TANAP and TAP, together with an increased supply of Azerbaijani gas.

Different actors in the region have varying interests, but the fact that two of the five coastal governments were the targets of sanctions propelled the other three nations to the fore.

Finally, Türkiye has the most direct route for delivering gas from the Caspian region to Europe, holding a crucial geostrategic position between the world's major producers and consumers of oil and natural gas.

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