

CASPIAN CHESS: CONFLICT OR COOPERATION ?

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Discussing security and stability of Inner Asia presupposes the existence of an Asian Rim. A body cannot live without a heart, and it is therefore vital to secure the heart, but the reverse is also true: the centre cannot do without the fringes. The nucleus effects the outskirts and vice versa. For millennia the tide went from the Heartland to the Rimland and the other way around. Scythians and Sarmatians, Turks and Tatars, Mongols and Magyars invaded China and the Chalifate, Iran and India, Rome and Russia. And so did the sedentary empires, hunting the nomads back to their tents, till they burst out of their steppes again. But modern technology and modern nation building put an end to this endless tide and so the frontiers got frozen. But the impact of the one on the other never disappeared. This paper will deal with one of the major present-day insecurities in the Rimland that effect the Heartland: the status and the development of the Caspian Sea. That enormous inland sea, that might be regarded as a lake, containing huge hydro-carbon deposits, serving as a transit area of oil and gas, as a linchpin for shipping, as a unique cradle of caviar, and as a very sensitive political and environmental micro-cosmos at the South-Western edge of the Heartland. How to negotiate a stable Caspian, and thereby safety and security for the surrounding areas in an age of globalisation, war on terrorism, and a feeble world economy? What are the opportunities and pitfalls of this game of Chess on top of the Eurasian fault line?

Chess is a noble Persian game: Schach in German, because of the central - though not the most powerful - figure: the King or Sjah. Negotiation is often compared to chess. It has opening game, a mid-game and an end-game. And indeed, the metaphor is a good one. Though it is important to keep some things in mind. First of all culture. In different cultures the game of negotiation will be played in different ways. The North Americans and West-Europeans prefer a short opening game, a short mid-game of give and take and a short end-game of decision making. The Iranians, Turks and Arabs love an extensive opening session to explore as many options as possible, as well as an intensive phase of haggling. For them the give and take episode is close to playing games, to playing sports. The competition of getting the best out of a deal is as valuable - and sometimes more valuable - than the outcome. Processes - seen from this angle - are often seen as being as important as outcomes. East-Asians again perceive negotiation chess in another way. The Japanese often do not like the mid-games and prefer to play an extensive opening game, if possible directly followed by the finale. Chinese, however, see the game as an integral part of a whole series. The moment one game is over, they will immediately continue with a second one. In other words: the outcome of a negotiation is a stepping stone to another process and not a final 'deal is a deal' as the Americans would prefer. And more importantly the Chinese, who also claim to be the inventors of chess, prefer to play at more boards at the same time.

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And indeed, when we regard the negotiations on the status and the exploration of the Caspian Sea as a chess game, then countries will have to play the game simultaneously. Iran, for example, will have to play four games with the countries who sit around the chess board, called Caspian: Russia, Azerbaijan, Turkmenistan and Kazakhstan. Besides these countries are playing games with each other. But this is not all. Iran will have to play with at least four other opponents who are lurking behind the board, but who have substantial stakes in the games to be played: the US, Turkey, China and the European Union. Let us turn to the chess board, then to the players and their stakes, and the processes that might develop in order to get from the present lose-lose situation into a win-win one.

The Board: is the Caspian a sea or a lake? Or is it a Sealake? The countries bordering on the Caspian Sea do not agree on its legal status. There is not yet enough common ground to accept it as a Sea or a Lake. Would it be a Sea, then the territorial waters would be limited and those countries who have a long seashore feel that the Sea regime would be contrary to their needs and interests. Being a Sea, the Caspian could still be divided as far as the waterbed is concerned, while the water itself should be under a collective regime. This means that most of the oil wells can be exploited through a continental shelf partition, while the fisheries (caviar!) can be regulated through a quota system. Would it be a Lake, then countries could take their share of the spoils and no communal zone would remain. At least, this is the viewpoint of some analysts, but others are of the opinion that a Lake regime would, on the contrary, work much more in favour of collective water management. It has also been argued that a new regime should be developed, an extension of international law. The Sealake conception could be introduced as a solution to the problem of the status of the Caspian Sea. In the Law of the Sea a mixed regime for inland waters might be added to the existing rules and regulations. Those inland waters that are surrounded by more than one subject of international law, that go beyond a certain volume giving them characteristics open waters have as well, should get a regime where ownership and cooperation are mixed in a balanced way. The Sealake should then be owned by all surrounding states who divide it up according to their coastlines, but their rights on these territorial waters are limited by a collective regime being responsible for exploitation of water and waterbed, protecting the environment, etc.

The Players: who are involved, who are the movers and shakers? There are five different types of players on this multi-dimensional chess board. The shore states, the other states with direct stakes, alliances of states which are active in the region, international organisations and private companies involved. As has been said, the shore states cannot yet negotiate an agreement on the status of the Caspian. This hampers the exploration and exploitation of oil reserves in and around the Caspian. Pipelines cannot be drawn over the seabed, some oilfields cannot be exploited or foreign companies are hesitant to do so, fishery rights are unclear, pollution cannot be tackled in an effective way. At the outset Russia and Iran were in favour of the Sea option, while Azerbaijan, Turkmenistan and Kazakhstan preferred the lake solution. But ever since roles reversed. Russia and Kazakhstan seem to be allies now in pushing for a solution that suits the interests of both states. Turkmenistan and Azerbaijan are quarrelling about the delimitation of their respective zones and Iran maintains its vision that the Caspian is a Sea and a strong regime should manage the collective interests of the shore states. The situation is more complicated, however. Several attempts have been made to come to partial collective solutions, like the protection and the use of the biological resources, but the best one could do was consensus minus one. In April 2002 a multilateral meeting on the Caspian Problem in Turkmenistan failed. This kind of demises lead to bilateral

agreements to move things ahead at least on an ad-hoc basis, like the one between Iran and Turkmenistan to swap oil. For Russia and Iran the stakes are not only economic, but also geopolitical. Both countries try to regain or gain influence in the Caspian region, that involves the Transcaucasus (Georgia, Armenia, Azerbaijan) on the one hand and the Transcaspian (Kazakhstan, Turkmenistan, Uzbekistan as far as oil and gas is concerned) on the other.

The United States, the European Union, Turkey and China are involved as well, leaving aside other potential players like Pakistan, India, Japan and Saudi-Arabia. For the US and the EU the involvement is strongly linked with the position of oil companies who are needed in the exploration and exploitation of the mineral resources. American (Exxon, Mobil, Chevron), British (BP, Shell), French (Elftotalfina), Italian (ENI) and Norwegian (Statoil) companies have a stake here, though the prospects are more futuristic than realistic, notwithstanding the large proven oil resources. For the United States geopolitical concerns are dominant however. They have to do with the US wish to curtail both Russian and Iranian influence. Turkey has interest in pipelines that will avoid both Russian and Iranian territory and end up at the Turkish Mediterranean coast (Ceyhan), thereby also avoiding oil shipping through the vulnerable Bosphorus. China has an interest in pipelines going East in stead of West, and both Turkey and China have their geopolitics concerning the Turkic states in Central Asia. International organisations like World Bank and IMF are players as well and finally we have the alliances like the Commonwealth of Independent States, the Shanghai Cooperation Organisation (SCO), the GUUAM group (Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova), the Organisation on Security and Cooperation in Europe, the Organisation of the Islamic Conference and the North-Atlantic Treaty Organisation through its Partnership for Peace Programme and its efforts to fight terrorism.

A non-transparent and enormous network of negotiation processes, bilateral and multilateral. Playing chess on a multitude of levels in a multitude of settings. What can be said about this from the perspective on international negotiation processes? First of all that many players and many issues (mineral and biological resources, geopolitics, pollution and terrorism) create a multitude of opportunities. Secondly that this multitude will have to be organised in a certain way. Structuring is necessary to channel negotiation processes leading up to certain outcomes. On the one hand the Caspian problem is beset by opposing interests and is therefore a recipe for distributive bargaining: negotiations that will be polarized by nature, that has a tendency to end up nowhere or in a win-lose outcome. But on the other hand it is very clear that the actors in the game cannot do without each other. No one is strong enough to impose his will on the others. The result of the present situation will be a hurting stalemate for all. This in itself will be an incentive for substantial negotiations. The disadvantage of so many cross-cutting cleavages can be used to come to integrative bargaining: a situation where all sides will win more than they lose. However, to get into an integrative negotiation situation on the Caspian certain steps have to be taken. To take these steps certain incentives will have to be present as well. Let us take a look at a possible scenario.

Institutions often support forward-looking, problem solving integrative outcomes. Therefore a first step, initiated because of the hurting stalemate at the moment, could be the creation of a Caspian Cooperation Convention (CCC, even in French!) between the five shore states. In a second step other interested 'states' - like China, Japan, the US, the EU and Turkey - will have to be involved. However, as long as there will not be a substantial US-Iranian rapprochement, the extension of CCC to CCC+ is not likely, so the first and the second step

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should not be mixed up. This separation of steps is really a pity as the cleavage between the US and Iran gives the Russian Federation a possibility to use its dominant position and this in its turn makes equal negotiations on the Caspian difficult, but not impossible. In order to compensate for the impossibility of a widened CCC it is recommendable to draw in a group of observing partners. One might think of representatives of the OSCE and the SCO, thereby indirectly involving the stake holders like other Asians, other Europeans and the Americans. Further observers could be representatives of oil companies, IMF and World Bank.

The first step taken by the Caspian Cooperation Convention should be a proposal for a Sealake Regulation to be included in International Law. As soon as an agreement on a balanced definition of the status of the Caspian has been reached further agreements can be worked out. CCC should remain the dominant regulatory body of Caspian questions and should therefore be well organised. It should see to it that bilateral and partial agreements will be made under the auspices of the CCC. Decisions will be taken by consensus, probably. If it would be possible to decide by qualified majority voting, would be much more effective, but the chances for this are extremely dim. In order to diminish the likelihood of stalemates, a strong secretariat is an absolute necessity. The United Nations could be given a role here and a special envoy of the Secretary-General of the UN could serve as - at least - the first Secretary-General of the Caspian Cooperation Convention.

But as has been said, not only the shore states, but also the other involved states and organisations should get their act together. It is also in their national and global interest to start real substantive negotiations on the status and the exploitation of the Caspian. Instability in the heart of Eurasia is in the long run a bad thing for all the states involved. To make a long story short: the creation of a Caspian Cooperation Convention is a necessary step in creating a balanced international negotiation process on the future of the Caspian. However, negotiations between Russia and Iran, Iran and the US and the US and Russia would really be instrumental in the establishment of an extended CCC. As a preparation for an enlargement of the CCC to a CCC+, serious bilateral negotiations between the United States and Iran are crucial. Without a workable relationship between these two countries a second step cannot be taken and the value of the first step will be undermined. Normalisation of the relationship between the US and Iran will also back-up the reformist forces in the Islamic Republic and this will in turn provide the region with a more stable and manageable country on the southern flank of the Caspian and of the Asian continent.

So a CCC pentagame will have to be played between Russia, Iran, Kazakhstan, Azerbaijan and Turkmenistan. It is in their interest to play the game: no game, no outcome. These countries then should try to involve interested outsiders through international organisations in which they are represented. Problem: who is going to take the initiative? The UN, a neutral country, a country indirectly or directly involved? This is a vital question, both to start and final outcome. It should be an actor that has enough at stake to take the trouble of pushing the project forwards, while it should not be perceived as a threat by the potential partners. International Organisations could take the lead but, unhappily, they are often too divided and too weak to be successful. A country should be the initiator.

The countries, then, that should take the initiative for the creation of a CCC are to our mind the Russian Federation and the Islamic Republic of Iran. For three reasons: 1) they are the main players in and around the Caspian, 2) the initiative shows their concern for the interests of countries inside and outside the Caspian who's support is needed for indirect participation by OSCE, IMF and World Bank, 3) the action will integrate Russia and Iran

further in global networks that will fortify their international position in the longer run. The Russian and Islamic Republics, with their high level experts and its well organised civil service can easily live-up to this task. Provided they perceive their interests being at stake here, their role in the Caspian will bring stability to the region and to its Hinterland.

As we have seen, this first initiative by Russia and Iran will have to be followed by a second one of all five littoral states involving major stake holders outside Caspistan, prepared through American - Iranian talks, maybe with Russia as a mediator. Time for this CCC+ is running out, economically and ecologically. For the security and stability of the Heartland one does not need to restore the Khazar Khanate, but one must restore a viable and sustainable Khazar Sea, as the Caspian Sealake is called in both the Russian and the Farsi languages.

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