

SCTMG 2020**International Scientific Conference «Social and Cultural Transformations in the
Context of Modern Globalism»****STRATEGIC PROJECTS AS A DRIVER OF INTEGRATION
PROCESSES IN THE CASPIAN REGION**

Anton Pavlovich Shmelev (a)*, Dmitry Alexandrovich Belashchenko (b), Adam Khasanovich Rakhmaninov (c), Olga Vladimirovna Safronova (d), Imomidin Fozilovich Shodzhonov (e)

*Corresponding author

- (a) Institute of International Relations and World History of Nizhny Novgorod State University N.I. Lobachevsky, 2, Ulyanov street, N. Novgorod, Russia, a.shmelev1975@gmail.com,
(b) Institute of International Relations and World History of Nizhny Novgorod State University N.I. Lobachevsky, 2, Ulyanov street, N. Novgorod, Russia,
(c) Institute of International Relations and World History of Nizhny Novgorod State University N.I. Lobachevsky, 2, Ulyanov street, N. Novgorod, Russia,
(d) Institute of International Relations and World History of Nizhny Novgorod State University N.I. Lobachevsky, 2, Ulyanov street, N. Novgorod, Russia,
(e) Institute of International Relations and World History of Nizhny Novgorod State University N.I. Lobachevsky, 2, Ulyanov street, N. Novgorod, Russia

Abstract

International political processes in the Caspian Sea region, due to many factors, actualize the topic of options and prospects for the development of the situation, especially in the context of signing the "Convention on the Legal Status of the Caspian Sea." This study was carried out in the framework of the "theory of international regimes" using a systematic approach. On this basis, the significance of the implementation of strategic projects concerning integration processes in the Caspian has been disclosed. The initiative of the People's Republic of China "New Silk Road"/"One Belt, One Way" can be considered as a catalyst for coordinating the positions of the countries of the region and building a model of constructive mutually beneficial relations. Interaction with other leading regional actors allowed the formation of a geopolitical space, within the framework of which the central goal-setting attitudes of the participating countries were agreed. The Caspian region, due to its geographical position, occupies a key position. Therefore, the Caspian region has become the object of influence of China, the Russian Federation, and India in terms of involving partner countries in the speedy determination of the status of the Caspian Sea. China, the Russian Federation and India are participating in the integration of implemented and planned local transport and energy projects into a single system in the Caspian region. Continued cooperation in this direction can potentially lead to the creation of a Eurasian logistics system.

2357-1330 © 2020 Published by European Publisher.

Keywords: Caspian region, integration processes in the Caspian.



This is an Open Access article distributed under the terms of the Creative Commons Attribution-NonCommercial 4.0 Unported License, permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

1. Introduction

On August 12, 2018, in the city of Aktau (Republic of Kazakhstan), the countries of the Caspian region signed the “Convention on the Legal Status of the Caspian Sea.” The appearance of this document was an essential achievement in the negotiation process in the format of the joint participation of all the countries of the "Caspian Five" –the Russian Federation, Iran, Azerbaijan, Kazakhstan, and Turkmenistan. The fact of the presence of Turkmenistan attaches significance to the signing of this agreement. Earlier, Turkmenistan distanced itself from participating in the activities of integration entities, including the states of the Caspian region.

Meanwhile, the signing of the Convention was the result of excellent coordination of the positions of the parties. However, this signing does not mean a complete resolution of all current controversial issues. Also, the fact of signing this document can push the actors of the system of international relations interested in destabilizing the situation in the region to intensify efforts in this direction. Including, and using the “compromise” nature of the Convention (Metelkina, 2018), on the one hand, the remaining controversial issues (Blank, 2018), on the other.

Accordingly, the study of the current situation in the Caspian region in several directions is becoming relevant. Such areas are the definition of interaction options and technologies that can become a crucial element in the system of combining the interests of not only the countries of the Caspian Five but also the states of neighboring regions, as well as leading states and international organizations. Interfacing elements of the system of international cooperation is possible provided that the participating countries are interested in maintaining stability and security in the region, in the further development of integration processes and constructive interaction.

2. Problem Statement

The Caspian Sea region is one of the critical regional systems of the Eurasian space. After the collapse of the Soviet Union, the Caspian Sea region became the object of close attention of various actors in the operation of international relations. In many ways, this attention was associated with territorial changes in the region itself. Instead of two states that distanced other countries from the Caspian Sea when the USSR dominated, independent Azerbaijan, Kazakhstan, and Turkmenistan appeared in the region. With the weakening of Russian positions in the Caspian and its European priorities in foreign policy, it was the newly formed states that became the object of attention of international political actors.

The critical issue was the determination of the legal status of the Caspian Sea. The economic factor has become decisive in the development of interaction between the "Caspian five" countries, both among themselves and with non-regional actors. The long-standing confrontation for gaining direct or indirect control over the region's oil and gas resources is associated with participants such as the United States, China, Russia, and the European Union. This confrontation has been defined as the "New Big Game" (Stegen & Kuszniir, 2015). The Caspian countries sought to use the situation with the geopolitical battle of leading actors for their purposes. One strategy was to look for specific preferences for yourself (Kubicek, 2013). Another approach was to claim, for example, Kazakhstan, for the role of regional leader,

if not in the Caspian, then in the Central Asian region. A sufficiently large influence on the processes was exerted by the political elites of the new Caspian countries, which predetermined the impact on them from external actors (Heinricha & Pleines, 2015; Guliyev & Akhrarkhodjaeva, 2009).

The geopolitical confrontation influenced the negotiation process on the legal status of the sea. In 1995, the Tehran Conference developed a provision on the principle of consensus as to the only way to make decisions on the Caspian. Despite the existing situation, the negotiation process rather quickly evolved into the format of bilateral and trilateral agreements of neighboring countries. There have been attempts to define their borders unilaterally.

The factor of geopolitical confrontation was reflected in the integration processes in the region. Using the Commonwealth of Independent States as a launching pad, the Russian Federation sought to develop projects such as the Collective Security Treaty Organization and the EurAsEC-TS-EAEU. The conjugation of the interests of Russia and China is reflected in the development of the Shanghai Organization. Western countries sought to implement the G11 / ODER-GUAM project.

At the same time, non-regional actors sought to strengthen their positions in individual states of the Caspian region. Non-regional actors have invested in local and regional projects with access, in the long term, to trans-regional logistics and pipeline routes. The countries of Western Europe proposed the TACIS, TRACECA, INOGATE, and NABUCCO projects within the framework of the idea of the East-West transit corridor. The People's Republic of China has actively developed the hydrocarbon markets of Kazakhstan and Turkmenistan, investing in pipeline construction and the development of the transportation network. The result of the initiative of India with the support of Western countries was the project of a pipeline for gas transit TAPI (Turkmenistan, Afghanistan, Pakistan, India) (Faraji Rad & Moradi, 2012). Examples of projects of a regional scale include the completed and no longer projects of the Iran-Armenia Tavriz-Araks oil pipeline, the Iran-Turkey project of the Kars-Igdir-Bazargan-Dzhulfa railway as an element of the BTK route (Baku-Tbilisi-Kars), a project of the Kazakh-Azerbaijani trans-Caspian oil pipeline in addition to the Baku-Tbilisi-Ceyhan route; Iranian-Indian marine transport project "Chabahar" and others.

As a result, on the one hand, in the Caspian region, one could observe the vigorous activity of various non-regional actors, together with regional partner states. They seek to implement necessarily competing for projects, many of which have reached the stage of practical implementation due to the lack of a clear understanding of their effectiveness and profitability (Tavanaa et al., 2011; Hafeznia et al., 2016; Miglioia et al., 2014). On the other hand, this situation has led to a reassessment by the regional states of approaches to solving urgent issues, already implemented projects have been considered in the context of the possibility of combining them.

3. Research Questions

The subject of this study is the integration processes in the Caspian region, taking into account their national specificity, multi-format, problem spaces, and controversial issues. A retrospective review made it possible to identify priority areas of interest for the countries of the Caspian region, the evolution of approaches to building a constructive dialogue and finding consensus on critical issues. The influence of the leading states of the area, taking into account their practical proposals on the process of interests

matching almost all interested actors, is revealed. The current situation in the Caspian Sea region, which developed after the signing of the Convention, was analyzed. The correlations of the interaction of the Caspian Five were considered and analyzed both in the negotiation process and in the implementation of joint projects, and the application of strategic plans of the PRC and the Russian Federation.

4. Purpose of the Study

The study aims to implement an integrated approach to studying the real place and role of strategic projects of China and Russia in the development of integration processes in the Caspian region. The study intentions to uncover the interests of the actors of the system of international relations at various levels in the context of the prospects of creating a single Eurasian transport and logistics system. The participants' interest in the interaction contributes to maintaining a regime of stability and security in the regions adjacent to the Caspian.

5. Research Methods

The theoretical and methodological basis of the study is the concept of neorealism or structural realism. According to this concept, the Caspian Sea region can be considered as a platform for conflict of interest and projecting the positions of different-status actors. At various times, bilateral and multi-format treaties and agreements, international organizations, energy, and transport projects have become and remain instruments of the implementation of national strategies. These tools can be considered as a means of achieving their own goals by participants in international political processes.

Concerning the subject of research, the reference to the "theory of international regimes," the basic principles of which were formulated by S. Krasner, is relevant. By analyzing the text of the "Convention on the Legal Status of the Caspian Sea", we can characterize it as a classic example of the implementation of the principle of formation of the "international regime".

The study is based on the use of a systematic approach using the methods of system-structural and system-functional analysis. The entire set of transport and energy projects has already been implemented or planned by all participants in international political processes in the region. The combination of transport and energy projects can be considered as elements of a single Eurasian logistics system. The core components of the unified logistics system are the Chinese strategic project New Silk Road / One Belt, One Way, and the Russian strategic project North-South / MTK. The Russian plan was chronologically announced and presented later than the Chinese project. However, the Russian project is a kind of "vertical" complementing the Chinese "horizontal." This system is capable of integrating local projects, harmonizing the interests of the countries of the region and non-regional actors.

6. Findings

The changes that took place in the integration space in the 21st century are connected with the strengthening of the position of the People's Republic of China in it. The role of China has become a catalyst and driver for the determining process of the Caspian Sea legal status and integration operations in the region as a whole. China has attached strategic objectives to strengthen the eastern countries of the

region (Huirong & Hongwei, 2012). China, having solved these problems, increasing its economic potential. China has become more interested in processes in neighboring regions, for example, in Transcaucasia (Rumer et al., 2017), and has also begun to strive to create faster and cheaper transport communications with European countries, the Middle East, and the African continent.

The boundary of the first decades of the XXI century became a turning point. In 2008, construction began on the transcontinental highway Western Europe-Western China. In parallel, there was a negotiation process aimed at attracting such essential players as Russia and India to the implementation of the Chinese strategic project. This process was a process of reconciling the positions and requests of the parties. As a result, many agreements were reached that are of vital importance. In 2014, the International Silk Road Fund was created, where the dominant capital-guarantor was Chinese (Mordvinova, 2016). In 2015, a joint statement was made by Xi Jinping and V. Putin on cooperation in the framework of the project. In 2017, India became a full member of the SCO. In 2018, Iranian Press TV reported that India, Iran, and Russia are about to launch the North-South international transport corridor in the near future (Sokov, 2018). In 2019, the final version of the China-Europe railway (China-Kazakhstan-Russia-Belarus-Poland) (Gaevsky, 2019) was announced. Thus, we can say that the strategic initiatives of the PRC in the second decade of the 21st century took shape in the coordinated activities of the three leading countries.

In practice, a multi-format approach to the design of a zone of conjugation of interests was implemented. The leading countries had a decisive influence on the partner states, stimulating them to solve the most critical and fundamental issues of the Caspian region, which is becoming a crucial link in the Eurasian logistics system. For the states of the region that have close ties with other non-regional actors, the following two points have become attractive. The first is the availability of financial guarantees for the proposed projects. The second is the expansion of areas of cooperation through transport and logistics projects in parallel with energy. It was possible to interest such players as Turkey and the E.U. countries.

Leading countries used possible institutional resources, the already existing backlog in terms of interaction with states within the framework of various integration entities, for example, the Shanghai Cooperation Organization. Speaking to the delegates of the First Caspian Forum, held in August 2019 (the venue is in the city of Turkmenbashi, Turkmenistan), SCO Secretary-General Vladimir Norov emphasizing the critical character of the region's location for the Eurasian logistics system. He proposed the development of individual projects similar to the achievements of the organization. In his speech, V. Norov outlined examples of successfully matching the interests of member countries of the Shanghai Organization, primarily China and the countries of the Eurasian Economic Union. At the same time, V. Norov outlined a promising vector for the development of cooperation within the Shanghai Organization, not only in terms of the attractiveness of this integration platform but in terms of the possibility of borrowing these initiatives by all participants in the interaction (Norov, 2019).

Concerning the Caspian Sea region, we can say that the activation of the People's Republic of China has become one of the reasons for the relatively quick resolution of the fundamental issue of determining the legal status of the Caspian Sea. Russia and India support China's initiatives in terms of building a consensus on the implementation of strategic projects. In 2007, in the Tehran Declaration of

the country, the "fives" officially designated a principled position concerning this issue and began practical activities to address it. And in 2018, the "five countries" adopted the "Convention on the Legal Status of the Caspian Sea." At the same time, they designed a mechanism for coordinating projects, discussing, and resolving contentious issues.

The Caspian Convention is a practical example of a "theory of international regimes." The Caspian Convention leaves the signatory countries with the full right to participate in the activities of international organizations of which they are members, but without violating specific provisions of the document. For example, regarding the inadmissibility of the military presence of extra-regional actors in the Caspian Sea. The space for the implementation of strategic projects can be regarded as a kind of "international regime".

This interaction is of particular importance in the light of the possibility of spreading in the territories of all countries participating in the interaction of a unified system of integrated transport management. In this case, potentially, integration communication in a similar format can contribute to the expansion and deepening of the integration process. The transport and energy sector has become the first space for the interfacing of interests. It can become the basis for the development of interaction in social, cultural, and political spheres. The cooperation of the participating countries in the development of the transport and energy sector will minimize the potential risks associated with unresolved and controversial issues. This interaction will allow overcoming the destabilizing influence on the situation in the region of individual actors of the system of international relations, who do not leave any hope to strengthen their positions and slow down the integration process (Pritchins, 2018).

7. Conclusion

Assessing the results of the study, we can draw some conclusions.

Firstly, the project of the People's Republic of China "New Silk Road"/"One Belt, One Path" can be considered as a kind of catalyst for integration processes in the Caspian region. China has proposed more than a regional development strategy. China also offered its financing. China is developing the existing transport and logistics infrastructure in countries with which the state has been interacting for quite some time – Kazakhstan and Turkmenistan. China has built relationships in a dialogue format, having achieved an agreement with the leading states of Eurasia. The Russian Federation received the main transport artery connecting China and the countries of Western Europe, as well as support for its own North-South / MTK project. Prospects for the implementation of the vertical component of a single transport and logistics system made participation in its construction attractive for India. Kazakhstan and Iran also received significant benefits, both in terms of economy and in terms of geopolitics. For example, Kazakhstan received economic benefits, since the intersection point of the leading logistics areas is formed on its territory. Iran was allowed diversifying options for the sale of its hydrocarbons to reduce its dependence on shipping through the Persian Gulf. Through interaction with partner countries of the Caspian region, both Turkey and the E.U. countries can benefit from participation in integration.

Secondly, the initiative of China is capable of shaping all participants' desire in the interaction to maintain and strengthen the regime of stability and security in the region. This opportunity is implemented through the integration of Chinese initiatives with other projects. Besides, the plans of

China include the idea of a transport and road network creating in Afghanistan involving Pakistan in the implementation of projects. One of the directions of the Russian North-South / MTK project provides for the creation of rail and road routes through the territory of Armenia. We can say that the development of interaction potentially leads to an increase in the number of participants.

Thirdly, expanding the geography of countries interested in maintaining stability and developing integration processes can shape the desire of participating countries to project a stability and security regime in the regions adjacent to the Caspian. The countries interact in terms of creating a single Eurasian logistics system. Partner countries can potentially change the technological component of their achievement, prioritizing national interests. And in parallel with this, strengthen cooperation in areas of collaboration aimed at minimizing risks to the security stability regime in the Caspian and neighboring regions. For example, in terms of counteracting drug trafficking and terrorism, de-escalation, and settlement of interstate conflicts, distancing the actors of the system of international relations that can potentially destabilize the situation.

References

- Blank, S. (2018). *Two cheers for the new Caspian convention. A new deal helps Russia and Iran decide whether the Caspian is legally a lake or a sea.* <https://www.lowyinstitute.org/the-interpreter/two-cheers-new-caspian-convention>
- Faraji Rad, A. R., & Moradi, G. (2012). TAPI pipeline and its impact on the regional and interregional rivalry. *Central Asia and the Caucasus*, 15(2), 100–106.
- Gaevsky, D. (2019). *Already officially: The New Silk Road will bypass Ukraine.* <https://easaily.com/en/news/2019/01/25/uzhe-oficialno-novyy-shelkovyy-put-proydet-v-obhod-ukrainy>
- Guliyev, F., & Akhrarkhodjaeva, N., (2009). *The Trans-Caspian energy route: Cronyism, competition and cooperation in Kazakh oil export.* <https://www.sciencedirect.com/science/article/pii/S0301421509002298>
- Hafeznia, M. R., Pirdashti, H., & Ahmadipour, Z. (2016). An expert-based decision-making tool for enhancing the consensus on Caspian Sea legal regime. *J. of Eurasian Studies*, 7(2), 181–190.
- Heinricha, A., & Pleines, H. (2015). *Mixing geopolitics and business: How ruling elites in the Caspian states justify their choice of export pipelines.* <https://www.sciencedirect.com/science/article/pii/S1879366515000044>
- Huirong, Z., & Hongwei, W. (2012). *China's energy policy towards the Caspian region: in the case of Kazakhstan.* https://www.ias.asia/sites/default/files/nwl_article/2019-05/IIAS_NL62_28.pdf
- Kubicek, P. (2013). *Energy politics and geopolitical competition in the Caspian Basin.* <https://www.sciencedirect.com/science/article/pii/S1879366513000171>
- Metelkina, S. (2018). *Aktau Convention: Risks and Prospects of the “Eurasian Sea” of the Caspian.* <https://www.geopolitica.ru/article/konvenciya-v-aktau-riski-i-perspektivy-evraziyskogo-morya-kaspiya>
- Miglioa, R. D., Akhmetbekov, Y., Baigarin, K., Bakdolotov, A., & Tosatoc, G. C. (2014). *Cooperation benefits of Caspian countries in their energy sector development.* <https://www.sciencedirect.com/science/article/pii/S2211467X14000406>
- Mordvinova, A. E. (2016). *Silk Road Fund: Results of the first year of work.* <https://riss.ru/analytics/26095/>
- Norov, V. I. (2019). *Speech by the SCO Secretary-General V.I. Norov at the First Caspian Economic Forum.* <http://rus.sectsc.org/news/20190813/567415.html>
- Pritchins, S. (2018). *What Comes After the Caspian Sea Deal?* <https://thediplomat.com/2018/12/what-comes-after-the-caspian-sea-deal/>.

- Rumer, E., Sokolsky, R., & Stronski, P. (2017). *U.S. Policy Toward the South Caucasus: Take Three*.
<https://carnegieendowment.org/2017/05/31/u.s.-policy-toward-south-caucasus-take-three-pub-70122>
- Sokov, K. (2018). *Will the North-South corridor become a competitor to the Suez Canal?*
<https://www.ritm Eurasia.org/news--2018-11-06--686322-39416>
- Stegena, K. S., & Kuszniur, J. (2015). *Outcomes and strategies in the «New Great Game»: China and the Caspian states emerge as winners*. <https://www.sciencedirect.com/science/article/pii/S1879366515000032>
- Tavanaa, M., Dennis, M. P., Kennedy, T., Belaudc, J.-P., & Behzadiand, M. (2011). *A hybrid Delphi-SWOT paradigm for oil and gas pipeline strategic planning in Caspian Sea basin*.
<https://www.sciencedirect.com/science/article/pii/S0301421511008044>