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SECURITY ISSUES OF THE CASPIAN SEA REGION

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Security Issues of the Caspian Sea Region

Lidiya Parkhomchik¹

Abstract

In the context of global security challenges that spread across the Middle East and North Africa dramatically reshaping the geopolitical landscape of the region more than anything else demonstrated the importance of ensuring international and regional security. The newly unstable security environment has created an array of challenges for Eurasia in general and for the Caspian Sea region in particular. Nowadays, the Caspian region has its own specific security related issues such as unresolved legal status of the Caspian Sea or continuing dispute over the offshore crossborder oil and gas deposits, which could also cause a number of complications. Combining with trend for the militarization of the Caspian Sea it has become obvious that littoral states should focus on the need for maintaining constructive dialogue and deepening collaboration in the sphere of security. Therefore, the working paper is dedicated to current prospect of cooperation among the Caspian Littoral states on the issue of security. The author studied the internal and external threats to the Caspian regional security indicating the possible forms of military cooperation between the countries of the Caspian Five and evaluating their Caspian Navy Forces potential.

Keywords: security, Caspian Sea region, militarization, navy forces, regional cooperation.

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Introduction

The Arab Spring protests of 2010-2011 that spread across the Middle East and North Africa dramatically reshaping the geopolitical landscape of the region more than anything else demonstrated the importance of ensuring international and regional security. Nowadays, we are witnessing the process of weakening of the principal organizations regulating international security relations, namely, the UN and the OSCE, which could not actively promote international peace, universal security and stability. Reducing the conflict management and dispute resolution ability existing international institutions face the problem of ensuring international security. The newly unstable security environment has created an array of challenges for Eurasia in general and for the Caspian Sea region in particular.

Nowadays, the strengthening of terrorist activity in the Middle East poses a direct threat to both the Caspian Sea states and its neighbors including the problem of domestic radicalization, as a result of which a large number of region residents traveling to Syria to join militant groups like the DAESH. Moreover, economic potential of the region could be harmed by strengthened criminal networks dealing with illegal trafficking of weapons and illicit drugs trade. Furthermore, the Caspian region has its own specific security related issues such as unresolved legal status of the Caspian Sea or continuing dispute over the offshore crossborder oil and gas deposits, which could also cause a number of complications. Combining with trend for the militarization of the Caspian Sea it has become obvious that littoral states should focus on the need for maintaining constructive dialogue and deepening collaboration in the sphere of security.

Actually, during the III Caspian Summit held in Baku in 2010 the Caspian Five made first attempts to establish balanced system of the regional security. By signing the Agreement on security cooperation in the Caspian Sea the coastal states wanted to demonstrate their intention to set up joint mechanisms to ensure security. However, it should be noted that without inking additional protocols, which will coordinate the Caspian Navy Forces activities, the aforementioned Agreement would still have a declarative nature.

Therefore, the main purpose of the discussion paper is to consider a policy of coastal states on the issue of further military interaction and

formation of balanced system of security in the Caspian Sea basin. In the first chapter I aim to highlight the internal and external threats to the Caspian regional security. In the second chapter, the possible forms of military cooperation between the countries of the Caspian Five are indicated. Finally, in the third chapter I focus on the development of the Caspian Navy Forces and militarization of the Caspian Sea. In conclusion, current strategies on the issue of both achieving military balance and establishing regional security system in the Caspian Sea basin are specified.

1. SECURITY THREATS IN THE CASPIAN CONTEXT

A wide range of issues that shapes the security environment of the region characterizes the current situation in the Caspian Sea basin. The coastal states ensure their national security by facing both internal and external threats and risks. Actually, the Caspian Five fill the necessity to improve their relationships in the sphere of military cooperation in order to deal with the direct or indirect involvement of the non-regional players. Moreover, in addition to these outside influences, the littoral states have to strengthen security measures at their onshore and offshore borders in order to have the ability to respond promptly to specific security threats that is typical only for the Caspian region.

1.1 CONTEXT INTERNAL SECURITY FACTORS AFFECTING THE CASPIAN SEA REGION

Speaking on the issue of internal factors that affect regional security it should be mentioned that there are the following challenges and threats to regional stability in the Caspian Basin:

- *Territorial disputes over the offshore oil and gas fields.* It is widely known that one of the pillars of the littoral countries economy is production of oil and gas, which account a large share of their export flows. However, the importance of the Caspian offshore production varies significantly from one country to another. For instance, Iran has no substantial oil and gas production at the moment. Azerbaijan is a large producer of offshore oil and gas, while Turkmenistan, Russia and Kazakhstan each have a significant but more limited production (Verda, 2014). Therefore, it is rather important for the

littoral states to increase the number of deposits with significant amount of proved oil and natural gas. As a result, possible claims made by state actors to the same area or field should be considered as one of the most serious security threats in the region, which could cause a full-scale military confrontation in the Caspian Sea. Despite the fact that the possibility of military conflict between Caspian states is insignificant, 2001 incident with Iranian forces which threatened an Azerbaijani oil exploration ship operating in the Araz-Alov-Sharg² oil field clearly showed that it is acceptable for countries of the Caspian Five to demonstrate their military power in order to maintain the status quo;

New wave of militarization. The new wave of naval strengthening launched a few years ago, has forced other Caspian littoral states to build up their fleets in response (Valiyev, 2013). Led by the Russian attempts to strengthen its Caspian Flotilla, other littoral states launched the process of re-training and re-arming of their military forces in the sea aiming to build advanced naval infrastructure. Turkmenistan was the last among the Caspian Five to establish its own Navy Forces. Ashgabat held its first military drill in the Caspian Sea only in September 2012. Starting from that period we are witnessing a second phase of militarization in the region, which is characterized by launching facilities for domestic production of military vessels.

It should be noted that as a complex phenomenon, militarization is affected by events occurring within a country's borders as well as regional and international events (Institute for Economics and Peace, 2015). According to the Global Peace Index (GPI), which uses a set of variables that describe a state's military capacity³, Russia is on the list of countries with the highest militarization in 2015. Actually, Russia has been occupying third place in the GPI's militarization list after Israel and North Korea over the last few years. During the period

²Similar incident took place between Turkmenistan and Azerbaijan on the issue of Serdar (Turkmenistan)/Kyapaz (Azerbaijan) oil field. For instance, despite the 2008 bilateral agreement that bars work on the field until the ownership dispute is resolved, a Turkmen vessel made an attempt to conduct geological research near to the field and was stopped by an Azerbaijani border patrol boat.

³ The GPI variables are military expenditure as a percentage of GDP, number of armed services personnel per 100,000 people, volume of transfers of major conventional weapons, both imports and exports, financial contribution to United Nations peacekeeping missions, nuclear and heavy weapons capabilities.

from 2008 to 2015, the GPI slightly increased Russia's militarization scores from 3.065 to 3.067 while militarization scores of Israel were decreased from 3.853 to 3.708 (Institute for Economics and Peace, 2015). As a result, Russia has the highest GPI among all other Caspian States. For instance, Iran's militarization scores reached 2.409 in 2015, which make Tehran the most militarized country in the region after Russia. In 2015 Kazakhstan got the lowest GPI among all countries of the Caspian Five with militarization scores amounted to 2.008. During the same period Azerbaijan's and Turkmenistan's militarization scores stood at 2.325 and 2.135 respectively. Under these circumstances, Russian military involvement in Ukraine and Syria should be seen as the outcome of the military strategy, which has been consistently pursued by Moscow. Therefore, despite the official statements demilitarization has been taken off the Caspian agenda;

Organized criminal groups' activities. Due to the increased level of illegal migration, drug and arms trafficking over the coastal territories, the Caspian Five countries have to improve their border services, especially, when it comes to the issue of illegal fishing activity and caviar trade. Actually, the problem of poaching forced the littoral states to launch a moratorium on commercial sturgeon fishing. However, for the 5-years period the situation is not getting any better. It should be also noted that local criminal organizations have close ties with domestic terrorist groups. To specify, the majority of terrorist attacks that took place over the coastal territories of the Caspian states should be considered as acts of internal political violence against national government. For instance, the Republic of Dagestan, the largest republic of the north Caucasus, has become the epicenter of religious extremist terrorism in Russia in recent years (Franklin, 2014). Moreover, experts indicate establishing extremists network within the framework of the Western Kazakhstan Dagestan Azerbaijan triangle, which actively cooperates with both transnational terrorist groups in the Middle East⁴ and local organized criminal groups (Kazakhstan Institute for Strategic Studies, 2012).

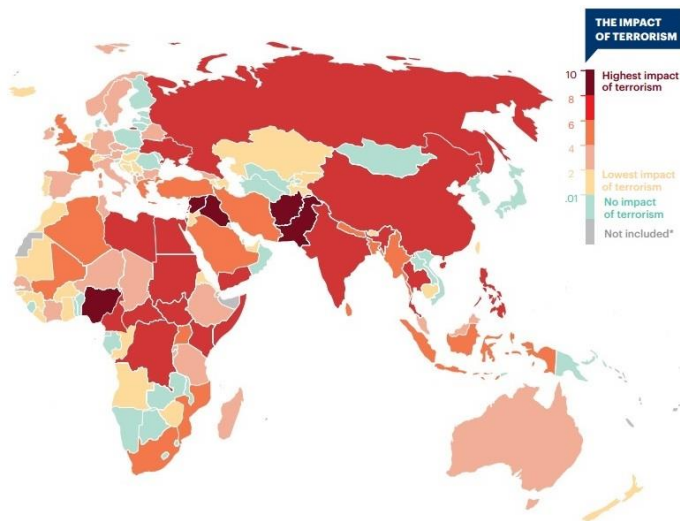
⁴According to the Head of Russia's North Caucasus Republic, Ramazan Abdulatipov, over 800 citizens of Dagestan are fighting alongside terrorists in Syria and Iraq.

1.2 MAIN EXTERNAL THREATS TO THE CASPIAN REGIONAL SECURITY

Despite the fact that the Caspian region is not a traditional hotspot for international terrorism, terrorist activity is considered to be the main relevant source of external security threat for the Caspian states. Actually, onshore and offshore energy infrastructure, which was mainly developed by the Western transnational companies, could become a potential target for terrorist attacks carried out by religious extremists. However, at the present stage the possibility that terrorist groups could attack the existing offshore infrastructures, which are generally located far from inhabited areas, is quite low unlike inland energy facilities and pipelines.

Actually, as shown in Figure 1, the Caspian Five states rank different places in the Global Terrorism Index (GTI), produced by the Institute for Economics and Peace. According to the GTI, in 2015 Turkmenistan was ranked 124 out of 162 countries, indicating that there was no impact of terrorism in the country, while Russia occupied 23rd place in the list, showing poor results in implementation of the security strategy. Iran, Kazakhstan and Azerbaijan were ranked 39, 83 and 93 respectively (Institute for Economics and Peace, 2015).

Figure 1. *The Global Terrorism Index 2015*



Source:

http://static.visionofhumanity.org/sites/default/files/2015%20Global%20Terrorism%20Index%20Report_2.pdf

It should be mentioned that the threat of terrorism in the Caspian Sea region intensifies periodically. In most cases, the catalyst for the worsening of the regional security environment came from the military conflicts outside the region. As shown in Table 1, each new cycle was launched every 3-years except the last few ones.

Table 1. List of the conflict, which worsened the regional security environment

Conflicts	Countries	Years
War in Afghanistan	NATO member-states	2001
Iraq War	U.S.-led coalition	2003
U.S.-Iran military tensions (possible military intervention in Iran)	Iran, U.S.	2005-2009
Russo-Georgian War	Russia, Georgia	2008
Arab Spring	Middle Eastern and African countries	2010-2012
War in Donbass	Ukraine, Russia	2014
Syrian Civil War	Syrian government, opposition, ISIL, Russia-led and U.S.-led coalitions	2014

Source: author's material

Moreover, the Nagorno-Karabakh conflict, which remains frozen, creates additional pressure for the Caspian region security. Despite the fact that the UN and the OSCE contributed in monitoring and mediating in the conflict between Azerbaijan and Armenia (Jonson, 2001) within the framework of the Minsk Group, which was established in 1992, there is still a huge gap and mistrust between the conflict participants. Therefore, there is no guarantee that the Nagorno-Karabakh issue would be resolved in the nearest future.

According to the regional experts, the second relevant source of external security threat for the Caspian states after the terrorist activities is growing pressure from key military actors, which try to launch single player oriented security system in the region, namely, (a) the Russia-oriented security system, which is based on the bilateral agreements between Russia and Kazakhstan; (b) an international community-led security system, which is based on the

UN and the OSCE mandates for conducting peacekeeping missions in the region; (c) a NATO-oriented security system, which is developed mainly under the umbrella of the Partnership for Peace program (Jonson, 2001).

Under these circumstances, it should be admitted that in the field of security the Caspian region states face the necessity to respond to the complex challenges of the ongoing transformation in the region.

2. SECURITY MILITARY INTERACTION BETWEEN THE COUNTRIES OF THE CASPIAN FIVE

It is widely known that the geopolitical situation in the Caspian region continues to change. Taking into consideration the fact that there is a strong need for joint international efforts in order to stabilize the security environment in the region, the Caspian Five states continuously made attempts to enlarge bilateral and multilateral military cooperation.

Actually, the military security issue in the Caspian basin was firstly discussed during the meeting that touched upon the problem of determining the legal status of the Caspian Sea and held in Alma-Ata in 1995. During that period Kazakhstan, Azerbaijan and Turkmenistan as the newly independent states called for the demilitarization of the Caspian basin insisting that it should subsequently be used for exclusively peaceful purposes. However, few years later, Astana, Baku and Ashgabat revised their approach to the aforementioned issue considering establishment of national navy forces as an integral part of the country's policy on the security of the Caspian oil and gas production.

To date, Russia maintains the largest naval fleet on the Caspian Sea, while Iran has the second largest fleet in the Caspian Sea after Russia. Therefore, it is no wonder that the current situation in the sphere of ensuring security in the Caspian basin is determined by the actions of these two regional powers. In 2003, in order to strengthen its military influence over the region Russia put forward the idea of creating the Caspian Sea Naval Cooperation Task Force (CASFOR), which was supposed to unite the naval forces of the Caspian Five. According to the Russian proposal, the CASFOR group should have been created on the basis of an analogy with the BLACKSEAFOR. It was stated that CASFOR could take on the functions of some

collective forces, in particular the border troops and special purpose units designed to fight terror, drug trafficking and poaching (Mamedov, 2007). It should be noted that Russian initiative opposed the American project Caspian Guard put forward by Washington same year and aimed at the modernization of the naval forces of Azerbaijan and Kazakhstan, as well as their coordination with the US Central Command. Despite the fact that the Russian CASFOR project did not contradict the Caspian Five countries position of the non-interference of third countries in matters of regional security, it was not supported by the littoral states.

Actually, at the time the equal partnership between the Russian Caspian Flotilla and others Caspian Navies was not impossible for the wide range of reasons. Firstly, affected by unilateral and multilateral sanctions Iran had no interest in establishing the bounds of close military cooperation with the Caspian littoral states. Secondly, maintaining neutrality Turkmenistan made no attempts to become involved into the military interaction of any kind. Thirdly, Kazakhstan and Azerbaijan just began the process of building their national navies and did not seek for expanding their involvement into military cooperation. Finally, the prevalence of the Russian Navy in the Caspian Sea left the littoral states little choice but to establish the Russia-led Cooperation Task Force. Under these circumstances, it is understandable that it was not the right time for Russia to initiate military project such as CASFOR.

It should be mentioned that as was the case with the Russian military initiative the Caspian littoral states did not widely support the U.S. proposals to intensify the activities in the sphere of military-technical cooperation. For instance, the U.S. failed in their effort to create units of the Caspian Guard for the Baku – Tbilisi – Ceyhan pipeline and the Caspian oil reserves in order to protect them from the threat of international terrorism.⁵ It was planned to establish military group consisted of 120,000 servicemen from Azerbaijan, Turkey and Georgia (Mamedov, 2007). Moreover, the U.S. defence officials could not manage to agree with Kazakhstan on the issue of deployment of the so-called the “fourth site” of the Ground-Based Midcourse Defense (GMD) system, which has already been established in Alaska,

⁵ The U.S. intended to spend over \$130 million on the project, which involved plans to establish command and control posts and conduct naval and air military exercises.

California and Europe (Poland and the Czech Republic). Actually, Astana was offered to deploy the Sea-Based X Band floating radar station in the Caspian Sea, which was intended to become an integral component of the U.S. ballistic missile defense system in the South Caucasus (Panfilova, 2008).

However, it must be admitted that the U.S. has made some progress towards advancing military cooperation with the Caspian coastal states. Namely, Pentagon launched financial assistance program to assist the development of the first naval base and training center of Kazakhstan in the Caspian Sea (Karavayev, 2006).

Another attempt to sign an intergovernmental agreement on the issue of security cooperation was made by Kazakhstan in 2004. For instance, during the 14th session of the Special Working Group (SWG) for drafting a Convention on the legal status of the Caspian Sea held on June 9, 2004 in Astana, the former Minister of Foreign Affairs of Kazakhstan, Kassymzhomart Tokayev, suggested to establish the bilateral mechanism for arms control in the Caspian basin. The Kazakh high-ranked official noted that it is already impossible to launch the demilitarization of the Caspian Sea, therefore, the parties should ensure a stable balance of arms in the Caspian region.

During the 19th session of the SWG held on November 2005 in Astana, Kazakhstan's Foreign Minister went even further. Actually, he proposed to develop the Stability Pact in the Caspian Sea⁶ aiming at creating favorable conditions for military cooperation in the Caspian Sea. In particular, during 2011 annual address to the nation, the President of Kazakhstan, Nursultan Nazarbayev, stressed the need for sufficient progress on the issue of the Stability Pact initiation pointing that in case of its inking the Stability Pact would have laid a firm foundation for stability throughout the vast region of Central Asia and the Caucasus.

However, positive steps towards establishing a system of collective security in the Caspian region were made at the III Caspian Summit held in Baku on November 18, 2010. Actually, the Caspian littoral states adopted the Agreement on Security Cooperation in the Caspian Sea. Nowadays, the Caspian Five countries have completed procedures for Agreement ratification. However, without additional

⁶ Previously, Iran has proposed similar initiative offering to conclude the Confidence-building measures and stability agreement.

Protocols, which would determine exactly how the border services and navy forces should provide multilateral collaboration, the aforementioned Agreement will not play a significant role at ensuring regional stability.

Nevertheless, the very fact of its signing gave a positive impetus to the negotiation process on the issue of strengthening multilateral military cooperation. In particular, in July 2015, the Commander-in-Chief of the Russian Navy, Viktor Chirkov, announced that he agreed to hold consultations on the establishment of the Caspian Sea collective security system with Azerbaijani, Iranian and Kazakh counterparts in October 2015. It is worth mentioning that according to the most optimistic scenario, the parties could establish a multilateral consultative body, namely, the Committee of Navy Commanders of the Caspian states (Azeri-Press Agency , 2015). However, it is hard to believe that such a Committee would be formed in the nearest future. The point is that such kind of international institution would be able to regulate the warships movements over the Caspian Sea including military drills and trainings. However, it is more than questionable whether Russia is ready to recognize other Caspian states as equal military partners. Having the most powerful navy among all Caspian fleets Moscow takes its military domination for granted. Therefore, there are serious doubts about the Russia's willingness to accept radical redistribution of power in the region. This is proved by the fact that Russia had not conducted official consultations on the matter of its decision to involve the Caspian Flotilla in the military operation in Syria with other littoral states except Iran. Actually, the Russian Caspian Flotilla has delivered missiles strikes on the targets within the Syrian territories in October and November 2015⁷ coordinating its attacks only with the Iranian partners. As a result, Russia is not ready to lose its influence over the regional security issues.

Therefore, it becomes apparent that the coastal states are still at the early stage of establishing collective security system in the Caspian region. Moreover, the Russian Caspian Flotilla involvement in the

⁷ On October 7, 2015, for the first time in the history of the Caspian region, the Russian Caspian Fleet launched missiles strikes on targets beyond the zone of its responsibility, located nearly 1,000 nautical miles away from the Caspian Sea basin. The second strike of the Caspian Flotilla's ships armed with missiles was launched on November 20, 2015.

Syrian conflict will definitely cause middle-term negative implications for the willingness of the coastal states to work together for both launching new legal regime of the Caspian Sea and establishing trusting relationship among the Caspian Five.

3. CASPIAN NAVY FORCES AND MILITARIZATION OF THE CASPIAN SEA

It should be admitted that at the official level all countries of the Caspian Five demonstrate commitment to establish reasonable and stable balance of military forces in the Caspian region. For instance, during the last Caspian Summit held in Astrakhan in 2014, littoral state presidents renewed their commitment to keep the non-Caspian countries from establishing a military presence on the sea and called for limiting military construction (Weitz, 2014). Wording of this nature, actually, means that the Caspian states see little scope for actions needed to demilitarize the region. Aware of the fact that it is impossible to prevent further militarization, the leaders of the Caspian Sea region decided at least to define the parameters within which the Caspian fleets would be developed. However, due to the fact that the newly independent states of the Caspian Sea region are still shaping their defense policies it is rather hard to imagine that the Caspian Five would be able to agree on a common approach towards effective fleets limitation.

Moreover, notwithstanding the fact that the coastal states are still going through a period of transition, their defense budgets continue to increase (Eaton, 2001). Actually, statistical data of the Stockholm International Peace Research Institute (SIPRI) clearly showed that defense spending of the Caspian states experienced a steady growth. As shown in Table 2, the most significant increase of the military budget was recorded in Russia, namely, from \$13.9 billion in 2002 to \$84.4 billion in 2014 (SIPRI, 2015). Despite the fact that there is no reliable data on Turkmenistan it could be concluded that the country has also increased its military budget, the part of which was directed towards establishing the Turkmen national navy in the Caspian Sea.

Table 2. Military expenditures in the Caspian region 2002-2014 (US\$ million)

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Russia	139			27	34	43	56	51	58	70	81	87	84
	44	169	20	33	51	53	18	53	72	23	07	83	46
		74	95	7	8	5	4	2	0	7	9	1	2
			5										
Iran	32	37	52	67	87	93	11	12	13	14	12
	44	17	44	97	51	31	08	58	56	27	71		
							2	5	1	8	9		
Kazakhstan	24	31	42	59	79	13	15	12	15	18	21	25	23
	6.0	7.6	6.4	2.0	3	60	41	72	02	04	78	51	19
Azerbaijan	14	17	22	30	71	94	16	14	14	30	32	34	35
	0	7	8	5	7	7	08	73	77	80	46	42	83
Turkmenistan

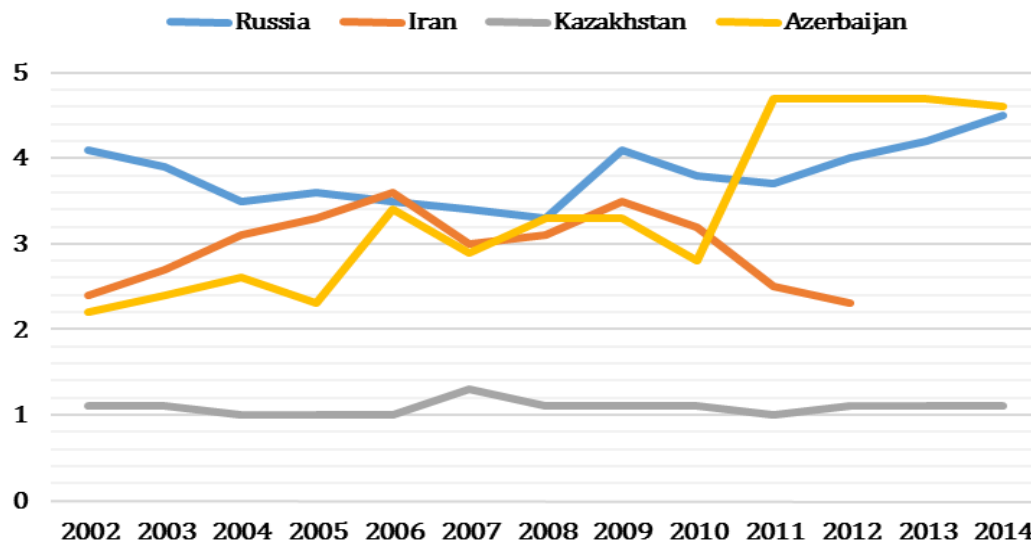
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Source: SIPRI military expenditure database

However, if we look at the military expenditures in the Caspian region as the percentage of GDP it becomes clear that recently Russia has reached Azerbaijan on this indicator. In 2014 the shares of the military expenditures in GDP of Russia and Azerbaijan amounted to 4.5% and 4.6% respectively. It should be noted that the share of the military expenditures of Azerbaijan in GDP has dramatically increased from 2.8% in 2010 to 4.7% in 2011.⁸ Baku could manage to keep it at the same level within next 2 years. On the other hand, the negative trend was recorded in Iran. The share of the military expenditures in GDP of Iran decreased from 3.5% in 2009 to 2.3% in 2012. As for Kazakhstan, aforementioned indicator remained stable at approximately 1% of GDP.

⁸ Azerbaijan's defense expenditure increase was motivated by ongoing tensions with Armenia over Nagorno-Karabakh and the desire to develop its military capacity.

Figure 2. Military expenditures in the Caspian region 2002-2014 (percentage of GDP)



Source: SIPRI military expenditure database 1988-2014.

It is noteworthy to mention that in the early 1990s Azerbaijan, Kazakhstan and Turkmenistan were opposed to the militarization of the Caspian Sea. However, confronted with large range of issues related to the growth of drug-trafficking from Iran or Turkmenistan to Russia, illegal trade of sturgeon and the terrorist risk, which might target the onshore and offshore oil and gas infrastructure, they have revised their positions (Laruelle & Peyrouse, 2009). As a result, the Soviet Caspian Flotilla was divided up among Russia, Azerbaijan, Turkmenistan and Kazakhstan under the agreement reached between parties in March 1992. It should be mentioned that during the Soviet period the basic strength of the Soviet Caspian fleet was deployed in the territory of Azerbaijan, namely, more than 80% of the fleet's strength was based in Baku, 15% on Russian territory, and 5% divided between Kazakhstan and Turkmenistan (Bautino and Krasnovodsk). (Kasatonov, 1996).

For a short period of time Azerbaijan became the second strongest naval power in the Caspian. In 1992 the country has received a significant part of the former Soviet naval facilities in the Caspian Sea

along with a major base in Baku.⁹ However, during the 1990s, Azerbaijan did not make any major investment in the development of its maritime forces (Flappi & Garibov, 2014). The situation has changed after the incident with Iran in July 2001. Azerbaijan became focused on the issue of establishing military facilities in Baku seaport. Due to the lack of financial reserves Azerbaijan was not able to create new military ports. Therefore, Azerbaijani authorities concentrated on modernization of ageing Soviet infrastructure in Baku. Of course it does not mean that the country did not enter into contracts to purchase military equipment for its navy, especially, the naval missiles.¹⁰ Moreover, Azerbaijani side is interested in addressing the problem of upgrading its military vessels. For instance, Azerbaijan has already announced its plans to launch construction of its own warships. Apart from building ships for the naval forces the Baku Shipyard will provide repairs, especially, of the old Soviet vessels.

As for Kazakhstan, during the Soviet period the country, actually, possessed five ports in the Caspian Sea, namely, Aktau, Atyrau, Kuryk, Bautino and Sogandyk, but none of them were ever equipped with any military naval infrastructure (Flappi & Garibov, 2014). This situation persisted without any fundamental change until recent times. For instance, within the frameworks of the expansion of Aktau seaport to the north, Kazakhstan's authorities have launched the project of construction of the offshore pier for parking military vessels (Kazakhstan 2050, 2015). It is expected that the construction of the naval pier will be completed by the end of 2016.¹¹

However, there still remains a problematic issue that Kazakhstan needs to solve. For instance, it is important to guarantee that the military infrastructure in the ports in Aktau and Bautino would be able to accommodate the large-capacity vessels. To date, Kazakhstan produced only warships of small tonnage, which were constructed in

⁹ Actually, Azerbaijan has three more ports in the Caspian Sea, namely, Lenkoran, Sangachal and Sumgait.

¹⁰ In 2010, Azerbaijan reached a \$75 million agreement with Russia to purchase the Uran-E shipborn missile systems. Moreover, in 2012 Azerbaijan made a \$1.6 billion deal with Israel for purchase the Gabriel-5 advanced naval anti-ship missiles.

¹¹ Currently the naval ships of Kazakhstan are stationed at a distance of 140 km from the Naval Base in Aktau on a chartered pier in the Bautino port.

the Zenit naval industrial complex in Uralsk inherited from the Soviet Union. For instance, the Zenit shipyard commissioned the 240 tons patrol boat Sardar (Bars class) and cutter Shagala. Moreover, in 2012 the Zenit plant produced the first Kazakh made the 240 tons missile and artillery ship named Kazakhstan.

Therefore, according to the established military strategy, for the shallow northern part of the Caspian Sea Kazakhstan is planning to create a network of small patrol boats with 250-300 tonnage, which can be produced domestically. However, for the deep southern parts of the Caspian Sea, ships with a tonnage of 500-1000 tons will be purchased from other countries (Global Security.org).

Turkmenistan was the last Caspian state to break off the defense cooperation with Moscow (1999) in the sphere of guarding of the maritime borders. In fact, the country possesses three seaports in the Caspian Sea, namely, Turkmenbashi (former Krasnovodsk), Bekdash and Cheleken. Without the ability to produce domestic military vessels, Turkmenistan is implementing the strategy of purchasing military ships from abroad. In this respect, Russia has become the major military vessels supplier for Ashgabat. For instance, Turkmenistan took delivery of Sobol class patrol boats and Molniya class missile corvettes from Russia. However, in 2013, the country signed a contract worth \$130 million with Hyundai Amco to build a shipyard and a ship-repairing facility in Turkmenbashi to start constructing their own Arkadag patrol boats (Flappi & Garibov, 2014). Speaking of Iran, it should be mentioned that until the collapse of the Soviet Union, Tehran paid little attention to the issue of its military presence in the Caspian Sea. Actually, under the Soviet – Iranian Treaties of 1921 and 1940 Tehran was prohibited to maintain the military fleet in the Caspian Sea. Therefore, it took time for Tehran to develop its naval military infrastructure. The Naval Base of the Iranian Caspian Fleet was established in Bandar-e-Anzali seaport only in 1994. Lately, Iran also accelerated naval armament development in other Caspian seaports, such as Nowshahr, Bandar-e Torkman and Babolsar. It should be mentioned that the Iranian fleet is commanded by both the 4th military-naval zone and the Navy Command of the Islamic Revolution Guard Corps (IRGC). Actually, it is relatively common practice in Iran that the IRGC coordinates its activities with all basic public services.

In order to strengthen its naval presence in the Caspian Sea Iran deployed a number of Moudge class mini-destroyers, Peykan and Joshan class missile boats¹², Jamaran and Damavand¹³ guided-missile destroyer. Moreover, Iranian officials declared their intentions to deploy light submarines to the Caspian Sea (Flappi & Garibov, 2014), however, there was no further confirmation on this issue. It should be specified that the Persian Gulf Navy Forces is a priority for Iran. Therefore, it is not surprising that the Caspian fleet is equipped by residual principle. However, the Iranian defense officials repeatedly stated that if necessary additional military ships and equipment could be transported by land to the Caspian Sea from the Persian Gulf in a short period.

As it was already mentioned, Russia has the most powerful fleet of the Caspian Sea. Russia has three major military bases in Astrakhan, Mahackala and Kaspiisk¹⁴. The fleet has developed rapidly since the beginning of the 2000s, when the President of Russia Vladimir Putin decreed the Caspian Sea to be a zone of the Russian strategical interest (Laruelle & Peyrouse, 2009). In order to strengthen the Caspian Flotilla, which is mainly comprised of old ships transferred to the Caspian Sea from the former Soviet Black Sea fleet, the Russian authorities launched large-scale program of naval rearmament. Within the framework of this program, the Caspian fleet received such modern battleships as Tatarstan¹⁵ and Dagestan¹⁶ missile ships (Gepard class frigate). The Caspian Flotilla took delivery of a number of Buyan-M class small missile boats, namely, Grad-Sviyazhsk, Uglich, Velikiy Ustyuyq, Volgadonsk and Mahachkala. In 2014, Russia announced its plans to modernize the Caspian Flotilla by 2020

¹² The Iranian Peykan and Joshan warships are equipped with Chinese C-802 anti-ship missiles.

¹³ Also known as Jamaran-2, Damavand has a tonnage of 1,400 tons. The Jamaran-2 is the largest ship in Iran's Caspian fleet, and is designed to host an armed helicopter.

¹⁴ The Kaspiisk military base, operational since 2000, can facilitate all types of aircrafts necessary to monitor the fleet at the sea.

¹⁵ The Tatarstan is armed with Uran-E missiles, Palma anti-aerial artillery and torpedo launching equipment.

¹⁶ The Dagestan is armed with the newest Kaliber-NK missiles.

replacing ageing ships by more modern vessels (mainly small artillery ships classified as corvettes) produced in the Zelenodolsk A. Gorky Shipyard in Tatarstan. In fact, the Russian Caspian fleet was planning to accept into service 16 new military ships by 2020. However, due to the events in Crimea, the importance of Black Sea fleet for Russia has significantly increased. It caused some changes in the Caspian fleet rearmament. For instance, the first Buyan-M class missile boats capable of carrying Kaliber-NK missiles ordered for the Caspian fleet was delivered to Black Sea fleet. Nevertheless, there is no doubt that Moscow will continue to improve military facilities in the Caspian Sea widening the power gap between Russian and other littoral states' naval forces even further.

Conclusions

It should be highlighted that growing militarization should be considered as an essential factor of the current geopolitical situation in the Caspian region. There are still differences in the approaches of the Caspian states on the issue of military presence in the Caspian Sea, as well the absence of governmental regulatory mechanisms that could control the Caspian Five policies related to the military cooperation and determination of the size and composition of the Caspian Navies. To date, every state of the Caspian Five has already approved its own national strategy towards Navy Forces development highlighting their own goals and objectives, especially, on the issue of achieving the optimum balance of military vessels in the Caspian Sea. Moreover, the regional states are focused on strengthening their industrial facilities in order to develop the domestic production of military vessels. Nowadays, Russia, Iran and Kazakhstan are manufacturing their own warships. Therefore, there is a necessity to continue talks on the issue of the Caspian Navies collaboration identifying possible mechanisms of interstate cooperation.

However, as it has been already noted, currently the countries of the Caspian Five are at the very early stage of joint establishment of a system of collective security in the Caspian Sea region. The parties relatively recently started security consultations based on the five-sided format. Taking into account that Russia's joining the Syrian War creates new challenges for the region, further security

negotiations within the framework of the Caspian Five dialog can dramatically change its priorities in the middle-term perspective.

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