

## The Implication of Caspian Basin Energy Politics Towards The Establishment of The United States Energy Security in Caspian Region

**Annisa Mahasti, Ade Marup Wirasenjaya**

Universitas Muhammadiyah Yogyakarta

[annisamwiandita@gmail.com](mailto:annisamwiandita@gmail.com)

### Abstract

*The energy politics of Caspian basin as its resources has become one of the main sources for world energy supplies has successfully provided beneficial for regional, national and international business area since the discovery of the myriad of oil and gas in the early 1990s after the dissolution of Soviet Union. Ever since, Caspian basin has appeared to be a source for international political and economic competitions and has appealed many states including the United States of America to its energy politics competition. This research tried to explain the implication that Caspian basin energy politics has brought to the establishment of the United States energy security through the lenses of securitization theory. This theory explained how the United States built its energy securitization in Caspian basin region through Speech Act that lied within Clinton and Bush's Administration Strategic Thinking and Foreign Policy by the establishment of alliances from states inside and outside the region.*

**Keywords:** *Caspian Basin, Energy Politics, Energy Resources, Energy Securitization Theory, Foreign Policy, Speech Act, United States.*

### INTRODUCTION

Caspian Basin or also known as The Caspian Sea is an endorheic basin—a basin without outflows— located between European and Asia. This area lies in the east of Caucasus Mountain and to the west of the broad steppe of Central Asia. It covers a surface area of 371,000 km<sup>2</sup> (excluding the detached lagoon of Garabogazköl) and a volume of 78,200 km<sup>3</sup> and lies amid Russia, Iran, Turkmenistan, Kazakhstan and Azerbaijan.



**Figure 1. Caspian Basin Map**

Caspian Basin has become a geopolitical rivalry among states, driven in large measure by the desire to control and exploit energy resources within this region since the discoveries of the myriad of oil and gas in the early 1990s. The innumerable of energy for oil and gas within Caspian Basin was, at that moment, estimated to be proven reserved a third of total oil in Iraq or Iran and about half total of gas in Qatar. It is one the main source of world’s energy resources and providing beneficial for regional, national and business area. It concerns the littoral states over finalizing boundaries and separating the sea, route diversification for oil pipelines, countries interests, investors’ concern over political and ethnic stability, and the role of international negotiations and agreements (Timothy L, T 2000). Caspian Basin is becoming a major issue in international arena of littoral states since the legal claim over the sea territory from all concerning parties. After that, the Caspian dispute has strived for settlement and agreement.

In the midst of its geographical complexity, yet the nature of a state to strive for power in order both to enrich itself and gain control over other state, Caspian Basin has appealed many states into this energy politics competition. Not only from inside the region but also outside, one of them is United States. The decision of United States to insert itself into this energy politics contestation despite its geography boundary occurs due to the hydrocarbon resources in the area have become a source for international political and economic competition. Since the Caspian Basin is a landlocked location, transporting oil to western market is complicated

ever since the dissolution of Soviet Union— during Soviet times, all transportation routes from Caspian Basin region were through Russia. Hence, the collapse of Soviet Union inspired a search for new routes.



**Figure 2. Distance between United States to Caspian Basin**

Paul Kubicek, in his journal argued, it consists of three main reasons why Caspian Basin urges the temptation of United States to spread its hegemony, despite its geographical distance. First, it is due to almost all states within Caspian Basin region are former Soviet states, which suffered from years of neglect while under Soviet rule and were in dire need of technology and capital in order to exploit their natural resources. Secondly, it is because of the geographical condition of this area— Caspian Basin is a landlocked area. It has created dependency upon pipelines or shipping arrangements through neighbouring states to get oil and gas to global consumers. Third, due to the political condition within this area, can be implied as the status of mainly states in this are newly gained their independence democracy countries and does not possess stable and steady of both political and economic power which resulted in needing to foster the stability (Kubicek, 2013). While most of the active players come from inside the region, they savour the advantages in terms of geography and historical to assert itself within Caspian Basin region, United States in other hand, was not granted that much benefits yet still decided to gradually insert itself into the region, where initially seemed content to let the region dominated by Russia.

Driven by economic factors in energy resources sustainability as to reduce dependency on energy supplies from Middle East which at the same time to ease the fears about the unipolar power of Russia and have triggered United States to consider striving to establish its securitization and power inside this region which under Bush administration was stated as energy diversification in sustaining market climate. Not only that, under Bush's administration, the decision of United States within region was also to offer diversity in the region as to constrain Russian decision-making by investing more in Caspian Basin projects and attempt to create a new construction of new pipes lines that would bypass Russia a major foreign policy priority. Yet, the involvement of United States somehow, in some point was more limited compared to other players from inside region.

Hence, in order to participate within this energy politics competition, the United States formulated an act of securitization in securing the Caspian basin energy resources. The energy securitization of the United States in Caspian Basin lied through the speech act carried by Clinton and Bush's Strategic Thinking and Foreign Policy in order to achieve their energy security in this region. Bush administration's approach to satisfying demand by increasing supply, rather than exploring alternative energy sources or conservation measures (Blum, 2001). The involvement of United States within Caspian Basin energy politics initially started through Clinton's administration as the development of Caspian Sea energy potential was formed as form of support to secure energy resources of the United States, so it could restrain over dependence on Middle East energy supplies. Not only that, the urge to foster newly independent states in the region which recently achieved independence and sovereignty. Even if total Caspian oil deposits are no greater than 4-5% of world reserves, the added increment may make a significant difference in aggregate market supplies and prices. In realizing the securitization on energy security, the United States established alliances with both littoral states inside the region— since the United States is not benefited with geography— and outside such as Turkey.

## LITERATURE REVIEW

As to explain how the United States built its energy securitization in Caspian basin while at the same time spread its hegemony in the region by establishing alliances, the theory of securitization by Copenhagen School is used. To begin with, Securitization theory was coined by the prominent experts from Copenhagen Peace Research Institute or collectively known as

the Copenhagen School. The leading figures of Securitization theory consist of Barry Buzan, Ole Wæver and Jaap de Wilde. They elucidate the process of securitization as an act in bringing politics beyond the mainstream rules of politicization— since in mostly realist approach, security tend to be viewed as military becomes the main object and states as the main actor. Hence, Buzan, wæver and Wilde tried to shed new insight within Security approach by widening the fields as securitization theory tries to expose security—not only within traditional issues but also non-traditional— as the result of construction created by securitizing actor which in next process to be agreed by public as the target audience of the securitization process itself.

Generally, securitization theory tries to elucidate a process to form an issue in which initially viewed by public as a harmless matter to be a harmful one that could jeopardize the sustainability of certain value or material possession of the state. The main element of this approach is basically concerned with how security works in global politics, with the School proposing the broadening of Security Studies to focus on different sectors of the state and society beyond military. Moreover, in identifying significant new security threats with crucial security theories, these scholars have offered an innovative approach and developed new dimensions to the study of security, consequently altering the state-centric security understanding (Ozcan, 2013). Theoretically, the process of securitization could happen because there is securitizing actor who discursively carry out an act of securitization by discoursing an issue (speech act) which initially viewed as harmless matter towards the main objective of securitization (target audience). Speech act contains an accentuation of certain issue elucidating that there is an existential threat towards the matter that could harm the sustainability of certain object or entity so there must be immediate and measurable respond to overcome it (Hadiwinata, 2013).

According to Buzan, Wæver and de Wilde, within the process of delivering the speech act, it requires a clear differentiator between referent object, securitizing actor and functional actor. Referent object is—either real or abstract—an object, which is claimed, whose sustainability under an existential threat that need to be taken care cautiously. Securitizing actor is defined as the entity or a significant figure who carries out the process of securitization towards certain issue or discourse by declaring the presence of the existential threat that harms towards the referent object. Meanwhile, functional actor is elucidated as an entity whose influence plays crucial role in decision making process dynamic. Speech act, in other hand, refers to an entirety of acts performed by securitizing actor in term of initiating securitization

process. Existential threat appears as the result of discursing process by securitizing actor, which is claimed to endanger the sustainability of the referent object.

Given by the explanation about prominent aspects within securitization theory above, in order to understand the reason of why the United States builds energy security in the region, the understanding of the process within United States securitization on energy security in Caspian Basin region itself is required. It can be elucidated within this following conceptual framework. The process of securitization tries to be explained by this thesis is encapsulated within the implication of Caspian Basin energy politics which initially was perceived by the United States to have no vital interest both in region and resources. Moreover, starting from the lack of a vital United States interests at play in the Caspian area, it is also possible that the United States' policy towards the region—and hence the basin—has been largely a derivative of other objectives, that the United States never arranged a Caspian policy per se. However, the relevance of such objectives, accentuated by the strategic location of the basin—the convergence point of different and crucial regional security complexes—has made United States Caspian policy both strategic vector and a key tool for United States action in different Eurasian Scenarios.

The involvement of United States in the region was started through Clinton Administration—then was continued by Bush administration—strategic thinking and policies. Starting by the engagement of United States energy companies in attempting to develop Caspian offshore resources, which initially this private initiative received no support from the United States Administration—Various were the motivations behind this initial reluctance to be actively involved in the area, the most relevant being the will not to jeopardize the unprecedented entente with the Kremlin which, moreover, came to be regarded as a stabilizing force in the volatile post-Soviet environment, whose 'wrenching' economic and political transitions posed "troubling uncertainties" to the United States strategic planning. However, under Clinton Administration, the development of Caspian Sea energy potential was formed as the speech act in United States securitization process in Caspian Basin region. This energy potential was functional to the achievement of three core objective of Washington's foreign and energy policy. Above all, it represented a key tool in which to support and foster the newly independent states' which recently achieved independence and sovereignty, as well as help them overcome the tough economic crisis inherited at the end of the Soviet.

Indeed, concerns connected to state failure were paramount for the United States view of the region and, therefore, while the successful transition of the newly-emerged and emerging democracies in Europe and the former Soviet Union was considered to be “vital to world stability”, more specifically the Clinton Administration acted from the assumption that “a stable and prosperous Caucasus and Central Asia will help promote stability and security from the Mediterranean to China” (Talbot, 1997). Secondly and consistently with the approach institutionalized by the 1998 Comprehensive National Energy Strategy, the development of Caspian energy potential responded to the need to diversify hydrocarbon producing areas. Under this perspective Caspian resources would have allowed a reduction in over-dependence on Middle-Eastern suppliers and, at the same time, to limit OPEC’s grip on the oil market. The third and central tenet of the Clinton Administration’s Caspian policy was “vigorous promotion of United States business interests”.

Indeed, in the Administration’s view the engagement of national firms in projects aimed at the development and export of the basin’s hydrocarbons provided the ‘single best avenue’ for enhancing cooperation, as well as a favoured tool for fostering regional cooperation among the newly- independent states. Moreover, besides being functional to the enhancement of bilateral relations, United States – and, broadly speaking, Western – private initiatives were seen as a way to promote the reform of the national energy sectors as well as an incentive for producer states to improve business practices and the investment climate, thereby fostering the path toward the free market and, hence, toward regional prosperity and stability . Thus, supporting national companies meant advancing a logic of mutual convenience, allowing US companies to circumvent key constraints to activities in the area, and producer countries to attract Foreign Direct Investment (FDI).

Hence, the speech act here was carried by the statement within Clinton’s administration strategic thinking and policies— which at the same time played the role as both the securitizing actor and also functional actor— when he first started keeping an eye to Caspian Region as the administration stated that the United States viewed the stability of newly-emerged and emerging democracies in Caspian region— mainly former Soviet Union— could foster world stability and the assumption about a stable and prosperous Caucasus and central Asia will help promote and stability and security from the Mediterranean to China. Not only that, in reducing over-dependence on Middle Eastern oil supplies and to limit OPEC’s grip on Oil market. And those have become the existential threats for the energy sustainability of the United States and world peace— referent object. Moreover, within Bush’ administration Caspian region, the United

States interests in the Caspian region derive primarily from its security commitment to Europe's NATO members, the war against transnational terrorism, and the desire to check Russian and Iranian influence in the region.

While none of the Caspian countries are in NATO and therefore receive no security guarantees, Azerbaijan, and Turkmenistan are members of NATO's Partnership for Peace program. A more important consideration for the United States is the potential of Caspian oil and gas to offset much of Europe's dependency on Russia for its energy needs. This, in turn, directly affects Europe's security and, potentially, United States treaty obligations under NATO. The United States has four primary goals in the Caspian region:

1. Assisting the Caspian in becoming a stable and secure transit and production zone for energy resources;
2. Checking Russian and Iranian meddling in the region so the countries in the region are stable, sovereign, and self-governing;
3. Keeping radical Islam out; and
4. Resolving the frozen conflicts in the region because Moscow exerts most of its influence through these conflicts (Coffey, 2015).

Hence, in order to prevent those existential threats on stability and over-dependence oil, the United States carried out its securitization on energy politics in Caspian Basin by establishing allies with states from both inside and outside the region of Caspian such as Azerbaijan, Kazakhstan, Turkmenistan from inside and Turkey from outside the region within a Production Sharing Agreement (PSA) in developing the oil field or the pipelines in the region. The United States alliance formation is driven by the securitization that the United States carried in order to prevent existential threats for the energy sustainability of the United States and fostering world peace. Since, the United States was not benefited in terms of geography and history, the United States had to balance with littoral states of Caspian Basin such as Azerbaijan, Kazakhstan and Turkmenistan—and also Turkey from outside region—in order to tackle the boundaries imposed by Caspian Basin regime which challenging the United States entering into the region mainly due to Russian dominance in the region. Not only that, the fear of Iranian influence in the region also trigger the United States to insert more within the region— despite its desire to exploit natural resources.

The United States' alliances in Caspian Basin energy politics can be seen through— one of them— the establishment of BTC Pipeline which first initiated by Turkey and Azerbaijan.



BTC Pipeline or known professionally as Baku-Tbilisi-Ceyhan is a 1,768 kilometres long crude oil pipeline from the Azeri-Chirag-Gunashi oil field in the Caspian Sea to the Mediterranean Sea. It connects Baku, the capital city of Azerbaijan and Ceyhan, a port on the South-Eastern Mediterranean coast of Turkey, via Tbilisi, the capital city of Georgia.

The Clinton Administration stated that they actively supported the development of oil and gas resources of the Caspian Basin in 1995 which the United States declared support for the establishment of multiple energy export pipelines from region including BTC pipeline. This support was based on two simple reasons—the need to diversify for new export capacity and to restrain Russian domination— as well as its coalition with Iran in the region. The United States policy on Caspian energy is facilitating the export of Caspian oil and gas to world markets and at the same time fostering greater prosperity in the Caspian region.

## **METHODS**

This research used library approach with data collection technique by gathering from various relevant sources both primary and secondary sources. In this research, the data are analysed through literature review in order to gain a comprehensive understanding. A library research approach is needed to study implication of Caspian basin energy politics towards the establishment of the United States energy security in Caspian region because it required array of relevant sources in terms of historical motives, policies, economy and social politic. The researches were conducted through prior relevant journals and news discussing the efforts done by the United States in building its energy securitization in the region of Caspian Basin. Furthermore, in this research the provision of theoretical framework from securitization theory in order to analyse how the United States built its energy securitization in this region.

## **RESULTS AND DISCUSSION**

Caspian basin has become the United States of new project of Securitization. The American oil importation had periods in which it was a hot button topic among the American populous, starting as early as the late 1950s and was continuing through the 2000s. Oil crises had brought on by war, collusion from international oil unions, and global shortages among other reasons which have caused the country to panic over the quantity of oil that was imported by the United States . Nevertheless, the United States has not always been a major oil importer and oil has not

always been a national concern. Yet, since shortly after the First World War, the shift within the United States behaviour towards energy policy and foreign oil can be seen through the decision making of the United States that has been importing quantities of foreign oil. This has impacted the foreign oil dependency on American foreign and domestic policy.

The access to foreign oil has been a major factor both domestic and foreign policy decisions made by the United States for better part of a century. With the happening of events on the world stage that put into question the ability of the United States to maintain an adequate supply of foreign oil have caused American politicians to navigate the difficulty of international situations with the ultimate goal of preserving the economic interest of the country while maintaining national security and diplomatic relationships with allies. From the decision to go without access to Mexican oil for the sake of national security prior to the United States (Ryan, 2011), involvement in the Second World War to the decision to liberate Kuwait made with oil access being the primary motivator, what politicians prioritise has been largely situational and follows no general blueprint. However, it cannot be justified to say that the United States foreign policy decisions have not been greatly impacted by the need to access foreign oil is objectively false.

## **THE NEW ENERGY RESOURCES FOR THE UNITED STATES**

Throughout the history of the United States energy and oil policy, the American oil diplomacy was centred around the Middle East. Even though much of its foreign policy was impacted in the Middle East prior to the nationalisation of the oil industry by many Middle Eastern countries in which American companies had access to oil, the nationalisation of the oil industries and other key infrastructure in the Middle East was the driver for a substantial portion of the notable and controversial foreign policy decisions that have been made by the United States in the region throughout history. The domestic policies, such as the Mandatory Oil Import Program—The Mandatory Oil Import Quota Program was a program of import restrictions on oil into the United States. Created on 1959 by Presidential Proclamation 3279 by President Dwight Eisenhower, the scheme was intended to prevent a dependence of the United States on imported petroleum supplies—also tended to favoured importation of oil from Mexico, Canada, Venezuela due to cheaper costs of moving the oil and the better diplomatic relationship that the United States tended to have with these countries (Charles, 1973).

It was also important at that time to point out that demand of foreign oil in the United States had caused Middle Eastern nations to adopt new policies. For example, the creation of OPEC as a way to defend oil prices after oil prices plummeted with the fall in demand brought on by American import caps and price slashing by Western oil companies. It was a certainty for the Middle East produced a quarter of world oil supplies since it held between two-thirds and three-quarter of all known oil reserves (Telhami, 2002). Hence, for that reason, the United States and the West had continued to define the region as being vitally important. Then at the unexpected fall of the Soviet Union late in 1991 which resulted its Soviet Socialist Republics became independent states overnight. In fast response to it, the United States has begun to recognise Caspian region as their new focus of energy security and policy by recognising each of the littoral states of Caspian basin and established each one of new capital, and apportioned generous assistance budgets for each with the hope that Washington expected these new countries would quite become free-markets democracies.

In retrospect, that was highly unrealistic because these new countries had had almost no contact with the West and naturally built on their hundreds of years of Soviet and, before that, Czarist experience. The growing importance of the Caspian region to international energy corporations slowly began to translate into increased attention in Washington. Section 907 of the Freedom Support Act, which excluded Azerbaijan from a major source of the United States assistance, was beginning to face pressure from government officials and energy lobbyist that felt the United States industry was suffering from the lack of the United States in Azerbaijan. While the decade following the Soviet breakup, the United States involvement in the Caspian region merely mirrored that of Russia's reflecting old patterns of behaviour. Similar with Russia which was primarily concerned with internal issues following the Soviet collapse, it was also the primary concern as the involvement of Russia in the Caspian region more directly as a result of corporate interests from the West, the United States made the Caspian a more central focus of its own foreign policy. There were many analysts who predicted that Central Asia and the Caucasus was the most volatile area of the United States and Russian foreign policy since the end of the Cold War due to the strategic importance that it represented to both parties (Cornell, 2001). To the United States, the Caspian in particular represented energy diversity and gaining influence in a previously unattainable region, the United States interests shifted to reflect those of private interests which were already deeply involved with the Caspian Newly Independent States.

## CASPIAN BASIN ENERGY OF SECURITIZATION

Started initially by Clinton's Administrations and continued by Bush's Administration the development of Caspian Basin energy potential was formed as a support to secure energy resources of the United States as a mean in trying to restrain over dependence on Middle East energy supplies and at the same time to foster the stability of newly independent states in the region which at that moment had recently achieved independence and sovereignty. As a way to realise that, the act of securitization on energy security was established lies within Clinton and Bush's Administration foreign policy. Within the process in building its securitization on energy security, the United States tried to shed the matter of Caspian Basin which initially was perceived to have no vital interest both in terms of region and resources to be important matter that need to be secured. Moreover, starting from the lack of a vital United States interests at play in the Caspian area, the United States interests in the region developed into other objectives which resulted the United States Caspian policy both strategic vector and a key tool for the United States action in different Eurasian Scenarios.

In constructing the securitization, the process of it, is what in Copenhagen School is called a speech act. To begin with, the Copenhagen School of security is an academic school that employs a critical approach to security studies. The core of this school basically elaborating on the way in which many different types of security issues interact with domestic politics. Proponents of Copenhagen School speak of the issues of Security in terms of different facets of contemporary international politics and societies (Arigo, 2016). These facets can be taken as different areas, as well as the environment and the many changes within it and how it affects people and states. As such, as Copenhagen School (through security studies theory) addresses a truly wide spectrum of issues and events that events that affect the world today and people living within it. The depth analysis within each field can be significant and is therefore able to engage with and "widen" the materialist security studies practiced more traditionally.

One of the major problems of security concerns is that what is considered a threat in one country may not necessarily be considered a threat in another country. Different states are faced, in many cases, with their own unique set of issues that cannot easily be translated from one state to another or from one region to another. Thus, regional security complex theory, a theory of regional security attached to the Copenhagen School (put forward by the school's primary scholars), is used to approach the "clustering" of security in different geographical locales. The North Atlantic Treaty Organization and the South East Asia Treaty Organization constitute two

examples of regional security arrangements formed as a result of patterns of cooperation and discord or hostility securitization and de-securitization processes.

To begin with, within securitization theory by Buzan, security is defined as when an issue presented as posing an existential threat to a designated referent object (traditional, but not necessarily, the state, incorporating government, territory and society) (Buzan, 1997). The special nature of Security threats justifies the use of extraordinary measures to handle them. The invocation of security has been the key to legitimizing the use of force, but more generally in has opened the way for the state to mobilize, or to take special powers, to handle existential threats. Traditionally by saying “security “ a state representative declares an emergency condition, thus claiming a right to use whatever means are necessary to block a threatening development. Here, the consideration of the wider agenda that gives the right explanation of the terms existential threat and emergency measure is elaborating as only can be understood in relation to particular character of the referent object in question and not dealing with a universal standard based in some sense on what threatens individual human life.

The essential quality of existence will vary greatly across different sectors and levels of analysis; therefore so will the nature of existential threats. In other words, to securitised means there is an issue that being presented as an existential threat, requiring emergency measures and justifying actions outside the normal bound of political procedure. Unfortunately, this has been not the case for this issue. There was no declaration by the United States on energy emergency, per se. Yet, the United States still formed an agenda in blocking or preventing the threat to its energy security, which means implicitly that there is threat that could harm the sustainability of its energy security. Regarding to the United States securitization on energy security in Caspian Basin, the sectors that being securitised are economic and the political sectors in terms of energy resources and fostering the stability of the region. Since United States interests in this region were quite different— the economic and political sectors are interconnected— hence produced policies were mostly encompassing of many interpretations. For example, the decision of the United States to promote sovereignty and prosperity of the Newly Independent States in the region might seem as the process of securitization in political agenda sector, yet when it is perceived again through deeper lenses, economic motives are lied beneath; to support United States energy companies so they are able to invest in the Caspian energy industry through these littoral states as the Newly Independent States.

However, In terms of economic sector , the threat lies within the insecurity of the United States towards market economy on energy potential of political upheaval in one country or region to significantly affect oil supplies and thus to bring about a global economic crisis and at the same time to reduce dependency on any particular region— particularly on Middle East energy supplies . The switch to new exporters outside the Organization of Petroleum Exporting Countries (OPEC) also helps keep global oil process down which resulted the addition of Caspian oil could weaken the OPEC monopoly, providing greater leverage over the pricing policies of Saudi Arabia and other OPEC countries, ultimately contributing to lower world oil prices as one American expert told the United States House of Representatives . Moreover, the American firms are among the world’s largest oil producers, and their interests in developing and exporting Caspian energy resources neatly coincide with the United States desires to add the world’s sources of oil.

The speech act within this Caspian issues mostly derived through the United States commitment in economic and political sectors which carried by Clinton and Bush’s Administrations strategic thinking and foreign policy. While the triggers of the United States within Caspian basin region to form an act of securitization are mostly based on economic factors, yet, the formulation of the speech act within this process are based on the United States commitment to promote democracy, sovereignty and prosperity and to foster the stability of the littoral states, and the region— derived from the assumption of “ a stable and prosperous Caucasus and Central Asia will help promote stability and security from the Mediterranean to China” which also can be interpreted as the stability of market climate. For example, under Clinton’s Administration, a result of the proper development of the energy resources of the Caspian basin region which needed a provision an invaluable impetus to the economic development of all the nations of the region, the Foreign Operations Appropriations Act FY 1997 was established included a provision that proposed for the Administration to develop a plan of action for the Unite States government to assists and accelerate possible development and shipment of oil from the Caspian Sea region to the United States and other Western markets. This provision reviewing the prohibition on direct bilateral assistance to Azerbaijan which containing within the Section 907 of the Freedom Support Act which had an effect of limiting the influence of the United States in Azerbaijan, including the ability of the United States government to provide financial support, such as risk insurance and grants for pipeline studies and to companies that were involved with Azerbaijani government.

Moreover, under Clinton's Administration, the speech act here is translated by their support on the establishment of United States – Caspian Energy policy through the support of Baku-Tbilisi-Ceyhan (BTC) pipeline in 1995 where stated by president Clinton as "*The opening of the Baku-Supsa line fulfills a long-sought goal - a network of multiple pipelines to bring the Caspian region's oil and gas to world markets. But the benefits of this pipeline go far beyond the energy sector*" (Brenda, 2001). The line will serve as the cornerstone of an East-West corridor that can promote economic cooperation and growth among all the countries of the Caucasus and Central Asia". The Clinton Administration actively supported the development of oil and gas resources of the Caspian Basin. In 1995, the United States declared support for the established of multiple energy export pipelines from the region. the United States policy on Caspian energy is facilitating the export of Caspian Oil and gas to world markets; creating incentives to resolve regional conflicts; and fostering greater prosperity in the Caspian region. In addition, the Clinton's Administration has supported the positive role that Russian institutions can play in the development of Caspian energy resources. This administration has supported the construction of transport corridors through Russia, the Participation of Russian companies in several Caspian basin energy consortia, and the use where appropriate of Russian technical expertise, manufactures, and other capabilities in Caspian energy projects.

Under Bush's Administration, the shift in strategic reorientation was imposed due to the terror attacks of September 11, 2001 which resulted a more profound impact on the United States foreign policy than any event in over fifty years. The United States at that time had a willingness to act unilaterally. In the 1990s, many strategic of the foreign policy objectives of United States were carried out through multilateral institutions in cases ranging from military intervention in the First Gulf War to NATO activities in Balkans. In consequence, traditional long-term alliances had been replaced in some cases by ad-hoc coalitions which the Bush's Administration had also support pre-emption as well. Hence, in this process of securitization carried by Bush's Administration, the speech act here entrenched in promoting democracy as a way to further the United States in strategic goals which It is well known that democracy promotion in furthering self-interest in not a new tactic in the United States foreign policy. Yet, with the attacks happened, it was at that moment articulated as part of strategic agenda the United States had proclaimed itself as the champion of democracy throughout the world by pledging to make the world not just safer but better in the struggle against terror.

As strategic aims have become the primary focus of the United States foreign policy, in walking the speech act within securitization process, the United States had demonstrated a

willingness to assert itself where others powers have historically had the most influence— since Caspian region are dominated by Russian influence. Yet, the United States assistance to the Caspian states increased by as much as 50% since 2001. In overall, the average of the United States aid to the Caspian increased by 40-50% compared to pre 9/11 levels. Since Central Asia and the Caucasus are predominately Muslim, but due to Russian and Soviet domination, they are also ruled by secular regimes. Russia had become a strong supporter of the “war of terror”.

Country	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003 Budget	FY 2004 Est.	FY 2005 Req.
Kazakhstan	47.2	33	35.4	40.3	50.5	44.8	71.5	81.6	100.4	41.6	40.2
Azerbaijan	25	11.0	22.0	31.5	31.5	33.5	39	46	90	67.5	70.5
Turkmenistan	5.4	4	5	5.3	11.3	6.2	12.2	16.4	11	8.6	9.3

**Table 1. (U.S. Government Aid Allocation Fy1995-2005 (In Millions Of U.S Dollars)**

It was mainly focusing on military assistance than before. International Military Education and Training (IMET) and Foreign Military Assistance (FMF) programs nearly doubled on average in Kazakhstan, and being provided to Azerbaijan for the first time. Increasing military aid and training was intended to aid the struggle against terror, but in the Newly Independent States, it served to strengthen authoritarian regimes which having similarity to Azerbaijan to Uzbekistan the Southern tier republics had embraced this policy as well, despite their different motives.

COUNTRIES	FY1999	FY2000	FY2001	FY2002	FY2003
Kazakhstan	383	567	583	800	1,000
Azerbaijan	0	0	0	400	750
Turkmenistan	261	813	258	450	450

**Table 2. (International Military Education And Training)**

COUNTRIES	FY1999	FY2000	FY2001	FY2002
Kazakhstan	1,800	1,500	1,896	2,750
Azerbaijan				4,000
Turkmenistan	600	600	699	0

**Table 3. (Foreign Military Financing (FMF))**



In solidarity to eradicate extremism, the United States welcomed the assistance of Russia and the Newly Independent States from intelligence and basing facilities to support personnel and even a small number of troops. The United States foreign policy under Bush's Administration focused on Central Asia as the centre of the current campaign due to its proximity to several fronts. As its effort to hunt down Islamic extremists, the United States secured the cooperation of the Newly Independent States using increased financial and technical assistance, consisted of military equipment and training that, while it can be used to fight extremist elements, it also can be used to strengthen the leadership of these authoritarian regimes. Some in the State Department argued that increased military engagement in the region would help foster internal reforms by providing a sense of security for the regime, allowing them to become more tolerant.

Throughout its period of limited engagement in the region, the United States foreign policy achieved mixed results. With the economic success that had been tempered by political failures, yet, increased engagement and assistance was increasingly tied to the struggle against terror, which was narrow in scope and took precedence over concerns. The increased technical and military assistance that the United States provide to the Caspian had been used to increase the security of pipeline routes as well as of the Caspian Sea itself. This increase was derived with the perception of, when the level of aid decreases, it could affect the security of private United States energy interests in the region and at the same time could also affect the investment climate. Hence, the leverage that an energy producer had was that it had a number of potential buyers at any given time. Therefore, given that the energy industry is controlled by the state in the Caspian, political interests could easily interfere with those economic importance (Pascoe, 2002).

This was demonstrated by Russia throughout the 1990s when Russian energy contracts were cancelled for political reasons, such as cutting LUKoil and Rosneft out of a lucrative deal with Azerbaijan in 1997. Russia also stayed out of the Baku-Tbilisi-Ceyhan (BTC) pipeline for deal for political reasons. The regimes in these states were still much closer to Russia in form and mindset than they were to Western influence. Hence, a shift in the level of the United States could potentially lead to a return to regional influence like Russia or China. Any volatility in the Caspian energy industry may not affect the United States supplies, but energy corporations supply energy worldwide, therefore, they would be much more profoundly affected.

## NEW ALLIANCES OF THE UNITED STATES

Culture Starting by engaging its energy companies in attempting to develop Caspian offshore resources—which initially had receive no support from the United States Administration. In terms of the United States interests in this region, the Caspian energy industry provided an opportunity to strengthen United States involvement in the Caspian region. Hence, by the end of 1990s, the United States was entrenched in the Caspian both politically and economically. The energy sector was the prominent focus of the United States involvement. Nevertheless, the United States continued to fund bilateral and international efforts to promote political and economic reforms. While Kazakhstan and Azerbaijan continued to show signs of economic improvement, yet the political reforms were lacking. The early hopes in spreading democracy and the rule of law were replaced by the realization that these states existed under various degree of authoritarian rule, but efforts to promote these institutions continued. The United States involvement in Caspian basin region more concerned competing for influence with regional powers like Russia and Iran for influence, but there was some room for compromise in the joint involvement with Russia in some energy deals.

The involvement of the United States within Caspian Basin energy politics first initiated through the United States energy companies, since in terms of geographical and historical conditions, there was little possibility for the United States to involve directly within this region. Hence, the United States tried to establish an alliance in order to include the country into this energy politics competition. First initiated by The United States companies in creating an alliance to littoral states in the region by invested billions of dollars in the Caspian energy industry after the dissolution of Soviet Union. For example, Chevron invested almost \$20 billion in Tenghiz field in Kazakhstan, and a consortium of American companies provided almost half of the \$8 billion that was invested in what was called the “Contract of the Century” in Azerbaijan—the very first major investment by Western companies in former Soviet states. Since Azerbaijan gained independence in 1991 resulted the opening of its oil industry to foreign participation as a way to fund development and, through agreements with nearby countries, promote regional stability and growth. This contract was a national strategy developed by the government which was crowned with the signing of a ground-breaking production sharing Agreement (PSA) in September 1994, perceived as the historic day for Azerbaijan.

This PSA represents the first major investment by Western multinational companies in any country of the former Soviet Union. This agreement was signed between the States Oil Company of Azerbaijan Republic (SOCAR) and a consortium of 11 foreign oil companies from six nations for the development of an area that covered three major oil fields in the Azerbaijan sector of the Caspian Sea- Azeri, Chirag and Deepwater portion of the Gunashli field (ACG). This ACG PSA initially signed for only 30 years but in 2017 extended until mid-century which later was enacted into law by the Milli Majlis (Azerbaijan Parliament) on December 2, 1994, and became effective on 12th December 1994. Following ratification of the PSA the Azerbaijan International operating Company (AIOC) was formed as an effort to implement the agreement on behalf of the foreign shareholders working in partnership with SOCAR and the government of Azerbaijan. Initially, AIOC comprised 11 major foreign oil companies; BP, Amoco, Unocal, LUKoil, Statoil, Exxon, TPAO, Pennzoil, McDermot, Ramco and Delta Nimir. These companies representing six countries: United Kingdom, United States, Russia, Norway, Turkey and Saudi Arabia. The contract area of the ACG oil field lies offshore Azerbaijan in the Caspian Sea, approximately 100km east of Baku. The role of the United States government in these ventures in the form of risk insurance and legal assistance as well as diplomatic cooperation. By the growing importance of the Caspian region to international energy corporations slowly began to translate into the increasement of the attention given by Washington.

Section 907 of the Freedom Support Act, which excluded Azerbaijan from a major source of the United States assistance, where it was beginning to face pressure from government officials and energy lobbyist who felt that the United States industry was suffering from the lack of the United States support in Azerbaijan. Hence, by 1997, an open calls by members of the Clinton's Administration for the repeal of that provision— Section 907 Freedom Support Act. Democratic as well as Republican Congressmen were involved in the push to have Section 907 reviewed, as well as the Azerbaijani President himself. While still advocating democratic reforms, the Clinton's Administration also put greater emphasis on the energy industry in its discussions of its Caspian foreign policy which was best articulated by Strobe Talbott, Undersecretary of State in 1997. As he stated "if economic and political reform in the countries of Central Asia and the Caucasus does not succeed, if internal and cross-border conflict simmer and flare, the region could become a breeding ground for terrorism, a hotbed of religious and political extremism and battleground for outright war. It would matter profoundly to the United States if this were to happen in an area that sits on as much as 200 billion barrels of oil. That is

yet another reason why conflict resolution much be job number one for United States in the region: it is both a perquisite for and an accompaniment to energy development”.

Despite its geographical boundary, the United States formed an effort in building alliance to securitise Caspian Basin energy resources as their policy priority resulted they pushed multiple pipeline routes as was to ensure diversity of supply in the region. In doing so, the United States, particularly in the Clinton’s Administration attempted to influence the flow of oil by convincing Azerbaijan to send oil through a pipeline to Novorossisyk on the Black Sea, despite an already existing route through Russia. Not only that, the United States also lobbied Kazakhstan to abandon a southern route through Iran and negotiate a Caspian pipeline with Turkmenistan . However, the most significant accomplishment of the United States alliances at the same time also as the most accomplishment of their foreign policy in the energy sector was the successful construction of the Baku-Tbilisi-Ceyhan pipeline through Georgia and Turkey. The United States supported this route both diplomatically and financially, persuading private companies to build a longer pipeline that runs through historically hostile territory that is difficult to maintain.

A record of accomplishment towards Baku-Tbilisi-Ceyhan under Clinton’s Administration was established, was witnessed the signing, on November 18, 1999, of an International Governmental Agreement among the Government of Turkey, Georgia, and Azerbaijan that will provide the framework for BTC oil pipeline to support multiple routes connecting Caspian sea resources with world markets. In November 2000, a variety of interested companies formed a Sponsors Group for the project and initiated engineering studies for the one-million-barrels-per-day pipeline. This main export pipeline is intended to bring international markets the oil that being produced in Azerbaijan, Kazakhstan and possibly elsewhere around the Caspian Basin. The United States participated within this project by providing technical support, legal advisors and other assistance to support the brokering of this agreement which defines the commercial framework for the pipeline. This pipeline was predicted will supply refineries largely in the Mediterranean and Western Europe, but the line will also have broader positive impacts on international oil markets as it increases global supplies and incrementally reducing dependence on supplies from the Persian Gulf.

In 1996, the agreement between Vice President Gore and Russian Prime Minister Chernomyrdin was reached. This broke a longstanding logjam that had hampered progress on the Caspian Pipeline Consortium line, which was run from north-western Kazakhstan to the

Black Sea port of Novorossiysk across southern Russia and onward. The construction of the line itself was at that moment complete, with only testing, commissioning, and line-fill work ahead. The project at that time was already bringing far-reaching benefits to Russia and Kazakhstan in terms of expanded employment, manufacturing, and governmental revenues. The line principally serves the Tengizchevroil project, and the first shipment of oil from the line was scheduled to depart from Novorossiysk in mid- 2001. Persuaded international energy companies in 1995 to build both a western “early oil” pipeline from Baku, Azerbaijan to Supsa, on the Black Sea coast of Georgia, as well as northern “early oil” pipeline from Baku, Azerbaijan to Novorossiysk, Russia. The western line opened in April 1999 and was operating all its capacity of 115 thousand barrels per day. It principally serves the Azerbaijan International Operating Company (AIOC’s) fields in the western Caspian. The northern line opened in November 1997 with a capacity of 130 thousand barrels per day.

Even though it was periodically out of service due to the instability of Dagestan and Chechnya. It serves SOCAR, AIOC and other fields in Azerbaijan. The United States Government also played a facilitating role intended to ensure that these interests accommodate each other and maximize opportunities for the United States companies in all elements related to Caspian energy development, exploration and production activities, service providers and transportation companies. the development of Caspian energy resources requires the marshalling of diverse capabilities—both public and private—and the aligning of commercial, financial, political and technical interests. In consequence of the United States government’s support, the United States companies are prominently represented in the Caspian energy scene. Then, the United States government also appointed Ambassador Richard Morningstar in July 1998 to the newly created position of Special Advisor to the President and the Secretary of States for Caspian Basin Energy Diplomacy. This new position reflected the strategic importance of both energy development and geopolitical pluralism in the Caspian region. in July 1999, Morningstar was succeeded by Ambassador John Wold, and in November 2000, Elizabeth Jones succeeded Wolf.

In terms of legal bureaucratic, in 1998, the Clinton’s Administration announced the establishment by the United States Trade and Development Agency (TDA), the United States Export-Import Bank (EXIM) and the Overseas Private Investment Corporation (OPIC) of the Caspian Finance Centre in Ankara. The centre’s mission was to facilitate the development of energy and other infrastructure projects in the Caspian region by combining the forces of the United States Government’s three export credit agencies. In addition, the Clinton’s

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Administration also issued numerous technical grants from the United States Trade and Development Agency (TDA) for Caspian energy projects. TDA's cost-shared grants fund feasibility studies and other strategic analyses that pave the way for the export of the United States goods and services. TDA grants have helped the United States oil and gas companies and service providers to assess individual projects which have ensured that governments in the Caspian region had proper legal and financial expertise at their disposal for commercial negotiations and have allowed countries to undertake strategic assessment of energy production, consumption and export in order to clarify their own objective and help United States companies to meet those objectives.

## CONCLUSION

The United States had demonstrated a sustained effort in order to build its securitization as a way to secure its energy security while at the same time to spread its influence in the Caspian states over the last fifteen years. Hence, in this chapter, the explanation of what this thesis has shown will be delivered as to conclude the research about implication of Caspian Basin energy politics towards the establishment of the United States energy security in Caspian region. As the Caspian basin has become a geopolitical rivalry among states for its innumerable of energy for oil and gas after the breakup of Soviet Union. Therefore, it has become one of the main source of world's energy resources and providing beneficial for regional, national and international business area. In spite of its complication on geographical, historical and political conditions, yet, Caspian basin has appeared to be a source for international political and economic competitions and has appealed the United States to participate within as an effort in building its energy securitization.

This thesis has shown, the decision of the United States within energy politic competition in Caspian basin was started by the engagement of the United States energy companies in attempting to develop Caspian offshore resources, which initially this private initiative possessed zero support from the United States Administration which in the next process, this involvement of the government was pioneered through Clinton's Administration then continued by Bush's Administration. Moreover, the urge to diversify energy supplies as to foster energy resources sustainability in order to lift up market climate and to promote the stability of the region have become one of paramount reason on why the United States decided to build its energy securitization in this region. However, due to its geographical and historical boundaries,

the United States had to form a precise act of securitization by carrying the speech act within both Clinton and Bush's Administration strategic thinking and policies through the establishment of several alliances from both inside and outside states in the region.

Through Copenhagen School, there are few ways in perceiving this issue. *First*, in perceiving, it goes beyond military. This school places particular on the non-military aspects of security representing a shift away from traditional security studies. Hence, with the energy becomes the security sector, it has shown that energy also can be something that triggered a threat for a state, as Caspian basin does to the United States energy security. *Second*, in understanding security and defence issues, it cannot be universally established and exist in a fixed and objective way in reality, instead, it is built from a political and social context and from an intersubjective interpretation which driven by ideas and values that seek to interpret the material world. It means that, in this sense, understanding security and defence ends up with necessarily requiring of an understanding about political, ideological, historical and social dimensions that revolve around certain phenomenon and how security impacted by these aspects. Therefore, within Caspian basin energy politics, it has shown that in building its energy securitization, the United States forms the political approach by providing legal assistance (e.g. to Azerbaijan, Kazakhstan). In terms of ideological and historical values, the United States tries to assert democracy in Caspian states as these states has just obtain their independence, which easier for the United States to insert its ideological influence as a part of its securitization agenda to stimulate market climate.

The *third* one is the use of extraordinary mechanism and the justification for adopting unconventional and sometimes clandestine measures as necessary way to deal with the imminent threat, pointing the issue as a priority, requiring a large allocation of resources and allowing emergency measures to solve the problem. Even though, it is not the case in terms of clandestine measures within thesis, yet still, the United States needs to adopt quite unconventional measure as this country demonstrated a willingness to assert itself where other powers have historically had the most influence— Russian influence— after post terror attack under Bush's Administration in order to pledge in making the world safer by allocating its material assistance, dominantly in military assistance to littoral states of Caspian.

In building its energy securitization, the United States also adopting unconventional way by establishing alliances with littoral states because of its geographical and historical boundaries, that is why United States had to build alliances in order to assert its influence in the

region and participate indirectly within this Caspian basin energy politics. However, in this research, the lack of resources such as study literatures; other thesis, journal, article, that already discussing this matter are still need to be encouraged. The discussion of Caspian basin as both its resources and geopolitical aspects, in my opinion still taking important role in global energy politics cause when talking about energy, Middle East discourse are still dominantly occupied the field. Hence, it is encouraged to write about Caspian issue in the future both as energy politics or its geo-politics.

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