

THE IMPORTANCE OF GEOPOLITICS: CANADA'S INTERESTS IN THE CASPIAN SEA BASIN

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Introduction: Conceptual Framework

This paper deals with the Caspian Sea basin and its attendant geopolitical and energy issues, and the conflicts that surround and complicate these issues. One might wonder what could Canada's interests in such a place be, and it can be admitted that vital national security issues are not at stake, and in fact Canada could probably get along relatively quite well if it ignored this region of the world altogether. But to set up the framework of this paper's argument, it should be noted not that vital national security issues are threatened by the conflicts in this region, but rather that the geopolitical antagonisms that currently comprise the political, military, and economic relationships both between countries within the area and between regional and extra-regional countries are important and need to be recognised. Furthermore, they offer a chance for Canada to play a role in stabilising the region, which of itself is a worthy goal, and thus extend its influence over a region of the world that is only beginning to enter the system of independent and viable states.

It should also be noted that this thesis does not try to disregard economic issues in place of focusing strictly on military and security issues, as some scholars who study the contemporary international system prefer to do; in fact, any examination of the Caspian Sea basin requires that economics be integrated into the discussion. There has been much discussion in the last decade or so of the "new world order" and economics as the driving force for global interdependence, which in turn negates the role of military power and geopolitics. There is no doubt that economic considerations are playing a greater role in states' calculations, and that because of this, as John Mueller has argued in a 1989 book, the costs of war are simply becoming too great to make the conduct of war worthwhile. One could agree that some wars are becoming unthinkable; war between the Western industrialised democracies has all but become a thing of the past. But this line of argument says nothing at all about the wars and violence that are erupting in other regions of the world; similarly, it says nothing about the geopolitical interests that still drive foreign policy which affect the manner in which Western countries deal with all other countries. In addition, non-Western countries have clearly demonstrated that geopolitical considerations (which can also include economic concerns as well) are very important to them and their relationships with neighbouring states.

Furthermore, many questions have arisen in the last decade as to the stability and conflicts of the international system after the Cold War, and how this has affected the concerns of the West now that the Soviet enemy is no longer. A very good example can be found in Central Asia and the Caucasus: this is an area of the world where authoritarian systems of government are the norm, where human rights abuses are abundant, where wars and violence, whether the underpinnings are ethnic, religious, territorial, or political in nature, occur on a daily basis, and where, as was seen in Armenia on October 27, 1999, assassination of political leaders remains a viable option

for many groups. In addition, the exploration for large amounts of energy reserves has led to an intense commercial and political competition involving both countries internal and external to the region. There can be no better definition of instability and the predominance of geopolitics.

The paper will consist of four parts. The first is the introductory section, which outlines the conceptual framework for discussion. The second segment will discuss the Caspian Sea basin itself, the geopolitical and energy politics that have become so prominent, and those countries involved in these issues. Next the current Canadian and American roles in the region will be highlighted, with some preliminary prescriptions about what can be done by Canada to both advance its interests and contribute to the stabilisation of the region. Finally, the conclusion will include some suggestions about the future of Caspian energy politics.

It would be appropriate here to define the term "geopolitics." Most definitions refer to the interplay between politics and geography; yet, there is much more that needs to be included, which may be implied but should be spelled out. Perhaps a more inclusive definition would be as follows: geopolitics refers to the connections between geography (a physical location), politics (the domestic and foreign policies pursued by states within this location), economics (the economic relationships between the regional states, which could be determined by the availability of resources in the region and the manner in which they are shared), and military/security (the ability of states to survive as intact, sovereign units, whether this involves defensive or offensive capabilities and the desire by some states to project their power over their neighbours).

Bearing this in mind, as the CDA's "Strategic Assessment" discusses throughout its pages, geopolitics has not faded from the significant role in international politics it has played in the past; in fact, this author would argue, geopolitics remains as important and valid a consideration as it has always been, and it is difficult to foresee a time when geopolitics will not occupy primacy of place in the conduct of state behaviour. The "Strategic Assessment" gives many examples of areas of the world where geopolitics remains the dominant determinant of state behaviour, but this essay will focus on the Caspian Sea basin in support of these assertions.

The Caspian Region and Its Geopolitics

Four regions of the world surround the Caspian Sea: Russia, the Caucasus, Central Asia, and the Middle East. Although it is currently best known for the recent discoveries or exploitation of energy deposits, it would be helpful to first describe some of the conflicts that plague the region and hamper regional development and security.

To begin with Russia: Detail is not needed here about Russia's internal problems, which range from the proliferation of crime lords, economic disasters, demoralised armed forces, rise of authoritarian and racist groups and political parties, and general inability to maintain internal stability and security. For the purposes of this paper, the most important aspect concerns the area of the northern Caucasus, namely Chechnya, although in mid-1999 Dagestan, too, had erupted into war, and the low-level ethnic violence between North Ossetia and Ingushetia, Chechnya's neighbours, that continues at the time of writing. These areas lie directly across or sufficiently near Caspian pipeline routes to have a serious effect on the ability of these pipelines to function.

Several times in 1999, the route that traverses Chechnya had been shut down, and it is likely to remain uncertain. The internal impulses and inter-ethnic tensions between these areas of the northern Caucasus, and the impotence of Russia in maintaining a stable and strong regional governance and, in fact, the exacerbation of already-existing pressures through its military campaigns, has fuelled regional discord and violence, which has made oil companies operating in the region hesitant about using Russian territory as a main pipeline route and led to further destabilisation in the independent countries of the southern Caucasus.

Turning to these countries, an examination of the currently ongoing conflicts between them is needed. First, Azerbaijan and Armenia: These two small states engaged in a bitter war between 1988 and 1994, from which time an uneasy truce has persisted, despite repeated minor exchanges of fire. The war was primarily fought over Nagorno-Karabakh, an enclave within Azerbaijani territory but populated mostly by ethnic Armenians. Stalin created this hybrid in order to prevent the unity of non-Russian ethnic groups from rallying together in opposition to centralised rule. He also created Nakhichevan, an Azerbaijani district separated from Azerbaijan proper by a strip of Armenian territory.

The war cost approximately 35 000 lives, much destruction, and hundreds of thousands of refugees. It has not been resolved as of the time of writing, although the two countries' rulers had met face-to-face 4 times in September and October 1999, and there are hopes an agreement can be reached. But this is difficult to predict, since only a few years ago, the former Armenian president, Levon Ter-Petrossian, was ousted by hard-liners who opposed him for even suggesting that Armenia would have to give up on Nagorno-Karabakh if it is to achieve peace. Without agreement with Azerbaijan, which along with Turkey is blockading it, Armenia will not be able to share in Caspian wealth and will miss out on substantial amounts of money and support from the United States and other Western countries.

Russia has been fuelling this fire, first by refusing to allow Western political intervention (until 1994) and then by stationing Russian troops on Armenian territory and supplying Yerevan with arms and state-of-the-art defences. This has irritated Baku so much, that at the beginning of 1999, a top foreign policy advisor to Azerbaijani president Heidar Aliyev offered a military base to Turkish, American, or NATO troops if they so desired. Although no party accepted this offer, and noted that they had no plans to do so, there was no outright rejection of such a request at some point in the future. This has led both Russia and Iran to vehemently warn against any such plans. In February 1999, there were reports that Turkish and Azerbaijani military experts had begun working on technical plans to set up a Turkish military base near Baku. Nothing seems to have come of this, but it would no doubt cause consternation and resentment within the major powers in the area.

Moving west to Georgia, another tiny country, one encounters even more strife. Two regions within Georgia, South Ossetia and Abkhazia, have sought secession from central Georgian rule; vicious wars have led to thousands of refugees and deaths, and made stability in Georgia a precarious commodity. Russia has only recently withdrawn all the troops it had stationed in Georgia as peacekeepers, but there have been accusations that Russia had actively supported Abkhazian rebels in order to undermine President Eduard Shevardnadze and his independent policies. In the face of Russian assistance and backing of rebellious groups within their countries,

Baku and Tbilisi have drawn closer, bringing Turkey in as well, and both have signed several agreements, including military co-operation pacts, with Turkey in hopes of maintaining a more independent line from Moscow and greater support from the United States. This has, of course, annoyed Moscow even more.

When Russia's late-1999 war in Chechnya caused extensive human and physical loss, both Baku and Tbilisi expressed unhappiness with Russian policy in the Caucasus, which can only make them feel more insecure.

Central Asia is a larger area, and some of its countries, while certainly unstable and volatile, do not occupy as much attention as others that border the Caspian Sea, but all face daunting conflicts. The five states in this area, Kazakhstan, Turkmenistan, Uzbekistan, Tajikistan, and Kyrgyzstan, primarily face internal opposition. Human rights, corruption, and oppressive Communist-style authoritarian regimes are the norm here, which has engendered profound mistrust and even violent opposition. It has become standard practice for the quasi-dictators that rule in these countries to use coercion, arrests, threats, exclusions, and outright violence to ensure their "re-election" during campaign years.

Islamic movements have become militant, particularly in Tajikistan and Uzbekistan. Tajikistan has only recently begun to take on a hue of normalcy, after a multi-year civil war that caused widespread destruction. Even now, extreme elements of the opposition continue to kidnap and murder Tajik officials. Dushanbe has accused Uzbekistan, from where many of the Islamist fighters come, as purposely fomenting instability; Kyrgyzstan has complained of similar allegations.

Finally, each of the Central Asian states contains numerous ethnic minorities within their territories. This in itself means that power must be shared with many different groups, and when it is not, resentment occurs and builds. Furthermore, many of these countries have significant ethnic Russian populations, transplanted there during the Stalin era, which has meant that Moscow keeps a close eye on events in the area, and has not been hesitant about using concern for its ethnic kin to intervene in the internal affairs of these countries.

The Middle East is a well-known area of tensions and hotspots. Aside from the Arab-Israeli conflict, the antagonisms that exist between the Arab and Muslims states themselves are quite serious. Turkey, a major player in the Caspian region and a country that has been flexing its military muscle in the past year, has been very supportive of Azerbaijan and Georgia, somewhat co-operative with Iran, intent on gradually developing stronger ties with the Central Asian Turkic states (thus earning Moscow's suspicious glare), and remains in conflict with Syria and Iraq over water rights of the Tigris and Euphrates Rivers. Also, Baghdad, while making sporadic attempts to enlist Turkey's aid in ending Operation Northern Watch, is still angry with Ankara for its role in the 1991 Gulf War and continued Turkish incursions into its northern territory to hunt down Kurdish rebels.

Iraq remains an isolated, resentful, and angry country biding its time to break out of its enforced and humiliating position, and it is difficult to predict with any certainty what policies it will pursue once it has achieved its freedom. If the past is any indication of the future, one can expect

more destabilising behaviour at least so long as Saddam Hussein remains in power. Iran, too, has been described as a rogue state, in its opposition to the Middle East peace process, its development of ballistic missiles and search for nuclear technology, and its desire to share in the development and profits of Caspian energy. In addition, about 16 million ethnic Azeris live in northern Iran, more than double the population within Azerbaijan itself, and a former president of Azerbaijan had openly advocated a Greater Azerbaijan based on a unification between the two groups. Tehran has remained suspicious of Azerbaijan's motives, including its willing to open its arms to American economic and political assistance, going so far as to support Christian Armenia against its fellow Muslim state. Moreover, Iran's internal problems remain a concern: internal hostility and strife between hard-line conservatives and reformers (if such broad categorisations can be made) have led to fighting in the streets, arrests, threats, and increased tensions. While it should not be argued that such events will have a profound effect on the Caspian Sea basin, it can be suggested that potential volatility and destabilisation within a country as large and geographically-well-placed as Iran does require attention. Iran does share borders with Azerbaijan and Turkmenistan, two of the three Caspian littorals that share the largest amount of natural resource wealth.

Finally, just to complicate these matters, to the list can be added Afghanistan, Pakistan, and India. While not directly involved in any Caspian energy issues (although some natural gas agreements have been signed between Turkmenistan, Uzbekistan, Afghanistan, and Pakistan, nothing has yet come of these agreements), they are close enough physically to have a potential effect on events within the wider region of Central Asia and perhaps the eastern portions of the Middle East. Conflict within Afghanistan has been continuous since at least 1979, and although the Taliban seems to have imposed relative passivity within the country, one cannot discount the likelihood of further rebellions and wars. India and Pakistan have been at daggers drawn since 1947, and with the production of nuclear weapons, a new ingredient is cast into the volatile brew. The military coup in Pakistan, while it has not seemed to exacerbate the tensions, can have a potential destabilising effect on India. Risk of inadvertent or intentional war remains a possibility.

The discussion will now turn to the current primary concern of the region, the vast reserves of energy that lie beneath the Caspian waters, more specifically oil and natural gas. The amount of energy reserves is important to note. Previous U.S. government estimates had put the amount of Caspian oil reserves at somewhere between 100-200 billion barrels, which would not have been as high as Persian Gulf reserves (estimated at about 670 billion barrels) but still high enough to boost this region near the top of world reserves. This number was considered far too high, however, and recent evaluations, as a result of actual drilling operations and other, less enthusiastic sources, suggest there are only 15-29 billion barrels, more comparable to North Sea oil reserves. Some, particularly in the United States, believe that an additional 163 billion barrels remain to be discovered, but oil companies conducting operations in the region are more skeptical, as are reports filed by a number of independent and reliable institutions. The Geneva-based Petroconsultants, thought by many in the industry to be an independent, non-political leading provider of data on oil and gas exploration world-wide, has asserted that total proven oil reserves between Azerbaijan, Kazakhstan, and Turkmenistan is only 31.8 billion barrels: 4.7 billion barrels in Turkmenistan, 7.2 billion barrels in Azerbaijan, and 19.9 billion barrels in Kazakhstan. There are also reserves found in Georgia, Armenia, and Uzbekistan, but these are

much smaller in comparison, and have not generated nearly the same amount of attention and capital as the deposits in the three main countries.

The other natural resource to be found in the region is natural gas. Petroconsultants has calculated that proven reserves are divided as follows: 10.2 trillion cubic feet in Azerbaijan, 71.8 trillion cubic feet in Kazakhstan, and 92 trillion cubic feet in Turkmenistan. Although these energy reserves are only a small portion of total world deposits, they are significant for other reasons, which will be mentioned below.

There are four main issues that have thus far prevented major development of the Caspian oil and gas fields. These include the dispute over the legal regime governing the Sea; the low world price of oil; the position of Russia on remaining the primary transit country through which energy pipelines would pass; and, most important, and connected with the previous issue, the construction of export pipelines to transmit these resources to outside markets.

First, the five littorals have not yet agreed on a legal division of the Caspian and its munificence, which has engendered resentment among the states bordering the Caspian and hindered co-operation between these states and production and development of some of the off-shore energy fields. The dispute centres over whether the Caspian is a "lake" or a "sea." Under the 1982 United Nations Convention on the Law of the Sea, countries bordering on a sea can claim national territorial right those waters within 12 miles of their shores; yet can claim an exclusive economic zone up to 200 miles from the edge of their territorial waters. Doing so would prove an advantage to those states nearest the energy fields, such as Azerbaijan and Kazakhstan. Otherwise, the water can be designated a lake, in which case tradition and precedent assert that the lake's resources be divided equally among the littorals. Iran thus far has preferred the lake option, while Russia and Turkmenistan have shifted their positions at one time or another. Until this particular issue is resolved, however, division of the Caspian's riches will remain in doubt.

The second important issue is the price of oil. When most of the contracts between oil companies and local governments were being negotiated near the beginning and middle of the 1990s, world oil prices hovered around \$18-23 per barrel. Then, the price dropped to between \$10-12 per barrel. Many industry analysts do not believe that Caspian oil is commercially feasible at below \$10 a barrel; this complicates the issue by preventing those firms and governments involved from making a profit on the development of Caspian energy. This, in turn, forces oil companies to cut their losses and withdraw from the region so that they do not lose more money than they already would have. Some consortiums have already decided to cease drilling operations, citing disappointing drilling results and too high costs. Here the problems inherent in resource operations in the Caspian should be noted: The region itself is far from any infrastructure manufacturing centres, making it difficult to bring equipment to the area, particularly since U.S. sanctions on companies dealing with Iran prevent the use of Iranian equipment or facilities. In addition, the water itself poses numerous problems: geological obstacles, high reservoir pressure, sulphur in the oil, and the problem of transition zones between land and water all make the operations more demanding, time consuming, and thus expensive. However, world oil prices have risen in recent weeks, and in November 1999 reached over \$20 per barrel. This makes Caspian oil economically viable, and oil firms are likely to use this raise to continue with plans on building a Main Export Pipeline through which to transfer the bulk of Azeri oil.

Third, Russia has remained an obstinate and unwilling partner in many of the regional ventures. The collapse of the Soviet Union produced 15 republics, 3 of them in the Caucasus and 5 in Central Asia. These are areas that have traditionally been part of the Russian and Soviet spheres of influence, and historically have been utilised as buffer zones to protect the heartland of the Empire. The end of the Cold War has not lessened Russian desires to hold on to these regions; Moscow views this area as part of its backyard. In particular, while eager for the economic benefits that would accrue from being a pipeline host country, Russia is intent on maintaining these recently independent states dependent on it, and having all, or most, or the major, pipeline routes running through its territory would provide an ideal method of achieving this. It has reacted with displeasure at the possibility of alternate lines; in November, on hearing reports that a pipeline running from Baku, the Azerbaijani capital, through Georgia, to the Turkish terminal of Ceyhan on the Mediterranean coast was to be agreed on, it began pressuring Azerbaijan not to accept this route. At the same time, the influx of Western, particularly American, commercial ventures and government interference threatens Russia with a loss of hegemony not only among the regional states themselves, but also to its former enemy and rival.

Finally, although the exploitation of energy reserves is itself an important and complex issue, the question of export routes is even more significant, primarily because they will determine which countries can share in lucrative transit fees and can play a consequential role in how free and independent local countries can be from Russia.

Currently, there are two pipelines exporting Baku crude: One runs from Baku through Chechnya to the Russian port of Novorossiisk on the Black Sea. The second runs from Baku to the Georgian Black Sea port at Supsa. Both carry smaller amounts of oil, and both external and internal countries are looking to construct a Main Export Pipeline (MEP) that will handle the bulk of Caspian oil, including Kazak oil. Russia has called for the MEP to run through its territory, while Azerbaijan, Turkey, and the United States have aggressively supported a line running from Baku to Turkey's Ceyhan terminal. The U.S. is keen on this issue, and has been pressuring oil companies, who are going to be paying for the construction of any pipeline, to choose the Baku-Ceyhan route. Unfortunately, this route is very long, lines to Novorossiisk and Supsa already exist, and, depending on the price of oil, could be too expensive to be economically feasible. In November, however, indications were that Turkey, Azerbaijan, and Georgia had all but agreed to sign final agreements on this route, and the Azerbaijan International Operating Company, the main consortium operating in the region, had, after some years of indecision and hesitation, decided on Baku-Ceyhan as the MEP, and that final agreements would be signed at the OSCE meeting in Istanbul on November 18-19. The decision on where the MEP runs will have profound effects on the ability of certain states, such as Russia, Iran, Turkey, and the U.S., to exert influence in the region; whether this puts to rest some of the questions that have plagued Caspian energy, or whether it will only exacerbate the situation, remains to be seen.

Canada and the United States' Regional Interests and Policies

Canada

Canada is indeed, as the "Strategic Assessment" points out, at a crossroads: should Canada remain a member of these international institutions and grouping, or should it withdraw somewhat from world-wide commitments and responsibilities? The former means influence and a greater say in the management of international affairs and the ability to set agendas according to Canadian beliefs, while the latter does lead to marginalisation in an increasing interdependent, or interactive, world, and an inability to promote those things Canada believes as necessary and desirable for countries and people to live in peace and prosperity.

As a major power in the world international system, a member of various organisations, conferences, alliances, and blocs, and a country that prides itself on the promotion of its values (which are deemed good and worthwhile), Canada has responsibilities and duties to maintain an international standard of stability and equality and to do what it is able to protect and encourage the growth of sovereign states, human rights, abolition of gratuitous violence and war, and, at the same time, maintain its share of influence and position in the system.

A few words need to be said about human security. Geopolitics remains the central feature of this region of the world, and indeed remains a fundamental aspect of international political life. However, it is the responsibility of those states who wish to maintain international stability to do what they can to prevent war and sustain the independence of the recently independent states of the area, and that concern for the innocents and civilians caught in the web of conflict and war can be another motivator for Canadian involvement.

As described above, there are several different conflicts raging or simmering in the Caspian basin, and all too often civilians are caught in the cross fire: the Armenian-Azerbaijani conflict has generated approximately one million refugees; the internal Georgian wars have killed an estimated 135 000 people, and driven close to 300 000 others from their homes. Suspicion, resentment, and hatred characterise many of the relations between the varying ethnic, religious, and state groups and units. Security, education, respect, and tolerance are all factors of both individual and international life that need to be enforced and taught to the peoples of this region. Canada has in recent years advertised its human security agenda, and although there are many regions of the world that require assistance to achieve such goals, Central Asia and the Caucasus are surely one of them.

Yet Canada's policy in the Caspian Sea area reflects none of these issues or concerns. The Department of Foreign Affairs and International Trade believes that Canada should take a "hands-off approach" to this region. Market forces, it is contended, will decide the process of what takes place. The intention is that if energy is going to be extracted and exported from the region, this will lead to new sources of development, new economic reform and change, and will spread to the widest extent possible. Otherwise, Canada has no significant involvement in the Caspian basin.

United States

Turning briefly to U.S. policy in the Caspian region: Most, if not all, of America's policies are commensurate with Canadian interests, and this opens up another avenue through which Canada can pursue its regional goals, by supporting and participating in America foreign policy and

private industry ventures in the region. The five main policy goals of the United States are as follows: One, support for the sovereignty and independence of the regional countries, where oil is seen as the key to doing so; two, support for its own commercial interests for their own sake and to facilitate economic reform in the local countries; three, diversification of world oil supplies; four, the containment of Iran from sharing in Caspian economic growth and, to a lesser extent, limiting Russia's involvement in and hold over the area; and five, promote development of internationally-accepted business practices and environmental protection.

In pursuit of these goals, Washington has given active diplomatic and political support to certain regional countries, increased governmental commercial bodies' involvement, and provided technical assistance and advice. There are two foundations for these policies, which the U.S. has not deviated from: First, support for multiple pipeline routes able to export Caspian oil to external markets, which will encourage competition and low tariff rates and avoid dependence by both these markets and the local states on any one route; and second, support for a Main Export Pipeline to run from Baku in Azerbaijan to Ceyhan on the Turkish Mediterranean coast, which would have the effect of augmenting the amount of Caspian oil that can be exported, avoid adding more congestion to the Bosphorus Straits, avoid the weather and capacity problems found at the Russian Black Sea port of Novorossiisk, and reduce or limit dependence on Russia and Iran.

Canada's Choices

This section is not meant to compare American and Canadian interests; it should be self-evident that the United States has far greater resources and capabilities than Canada, and thus by extension has far greater interests and responsibilities and influence. However, Canada can tailor its Caspian policy in accordance with U.S. Caspian policy, and work together to achieve their goals, as enunciated them above, which should be considered commensurate with Canadian values and foreign policy in general.

This paper's intention is not to suggest that Canada needs to do everything on its own; on the contrary, co-operation is perhaps a more effective means of accomplishing goals in this region. Some of the available options, and this is only a very preliminary outline, include government sponsorship and co-operation with private sector interests (which can itself consist of a number of various options) for such things as infrastructure building, technical advice, and training for police and military personnel (including not just security tactics but also respect for law and basic individual rights), co-operation with other countries in terms of joint projects, and educational and cultural institution-building and teaching, so that the countries of the region have a better sense of both themselves and how to best interact with other countries in the region and the entire international system.

Conclusion: The Future of Caspian Countries and Canada

It is difficult to predict with any certainty how the future will unfold in this volatile and violent region of the world. Certainly inter-state and intra-state tensions and violence will continue, and Russia's position in the area will determine how extra-regional countries proceed in their support for the Caucasian and Central Asian states. With the rise in oil prices, the export of Caspian

energy can become commercially feasible, which in turn can be used to support local countries' political and economic independence, and thus strengthen this sector of the international system. A resolution of the Armenian-Azerbaijani conflict will go a long way in contributing to regional stability and providing the necessary conditions for the Main Export Pipeline to be constructed in the cheapest manner possible.

Security for these countries is also difficult to achieve, given the ethnic tensions that exist. Again, how far Russia continues to involve itself is a main variable in this equation; if it continues to take actions that destabilise countries from within and without, there will be less that Western countries can do to help. If, however, Russia is convinced of the need to take a more hands-off approach, and can be included more substantially in the economic agreements over Caspian energy, then the West can play a greater role, as it has through the OSCE.

Of course Canada cannot be expected to have its fingers in every pie, and even in places where Canada does have interests and has acted on them, some issues and regions garner more attention and resources than others. The argument here has been that, as the CDA's "Strategic Assessment" notes, geopolitics continues to play an important role in the interaction of states, and the Caspian Sea basin, which includes Central Asia and the Caucasus, is a good example of the interplay between military security, politics, economics, and geography. Furthermore, as the "Strategic Assessment" also points out, and was in fact mentioned at last year's Symposium, Canada stands to be marginalised in international politics if it does not learn to have a greater say in the management of international affairs. This is not to say that Canada needs to become the United States' deputy global policeman, or that it must stick its nose in every possible region and issue of the world; it is obvious that Canada does not have the resources to do so even if it wanted to. But Canada does have a responsibility as a democratic, industrialised, wealthy state to contribute to the progress of human development throughout the world.

Some might argue, very plausibly, that the Caspian basin is a far off land, the energy resources being developed there can be had for less cost and trouble from other sources, and that there are issues and countries closer to home that should be attended to first. These are all excellent points. Canada gets two-thirds of its oil from the North Sea, some from Mexico, some from Venezuela, and little bit from North Africa; none from the Caspian Sea, which is too far away (and thus too expensive). This is not to argue that Canada needs to spend millions of dollars in the Caspian or become heavily involved in development of the region; as mentioned above, it can play a role through private investment, co-operation with other countries or private firms, and/or provide advice or training. International institutions and regimes are also viable options.

But what is so important about the Caspian basin? There are three basic points that need to be borne in mind: One, it does contain significant amounts of energy resources, and while it may seem unlikely at this moment that Persian Gulf, North Sea, or North American sources will dry up or otherwise become unavailable, there is always a possibility for such an occurrence, and it would certainly not be irresponsible to keep other options and sources open. Furthermore, diversification of sources is good business, and if Canada itself will not be using the energy, then its allies and friends in Europe and Asia certainly will, and this will provide overall benefits to Canada, if indirectly.

Two, the region is made up of recently independent states that require economic, political, diplomatic, and humanitarian support to remain independent, viable, and productive units in the international system. Without meaning to imply that Canada should fund all these various needs, in the interests of Canadian values such as promotion of democracy and human rights, everything possible should be done to ensure that citizens of these countries are given support to maintain themselves as free and safe as possible. Human development, progress, safety, and protection are always worthy goals.

Three, military security remains of top priority for the states in the region. Without security, states cannot provide for their own citizens and are in danger of dissolution as well; the secessionist movements rampant throughout the region and the tension and antagonism that characterise inter-states relations will not fade away in the near future. This generates instability which not only affects the development of Caspian energy, but can have a destabilising effect on other regional states, such as Russia, China, Turkey, Iran, and Pakistan, which in turn can affect wider geographical areas, such as the Middle East. These are fundamental threats to international stability and, by extension, Canada's interests.

The Caspian Sea basin, as has been seen, has numerous enormous and unwieldy problems to deal with. These are certainly not going to fade away in the near future; in fact, they will likely worsen. Instability in such a key geostrategic area can have a profound effect on neighbouring regions, which include other strategically important or volatile zones. Canada, while lacking in resources to play as great a role as, for example, the United States, does nevertheless have the capabilities to contribute in many ways. The realities of geopolitics, however, prevent any easy resolution of these problems; yet these very geopolitical realities offer Canada the opportunity to, at the same time, enhance its position in the international milieu and contribute to a more harmonious interaction between states, which is certainly something worth striving for.