

TRANSCAUCASUS AND CASPIAN REGION WITH PARTICULAR FOCUS ON ENERGY ISSUES

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A further comment on the paper submitted by Friedemann Müller

The Caspian region is very promising for European markets, given an expected capacity of 8 million barrels of oil per day by the end of this century. European countries have tried many times to get high quality Caspian oil (Britain during World War I and Germany during World War II). At present, more than 30 Western corporations are negotiating for oil licenses. Therefore, the Caspian region's potential for oil production is considered as a geopolitical factor of global importance.

Conflicts

Friedeman Müller in his report emphasised that the region is characterised by a high level of conflict. Today, this list can be expanded to include conflicts in Dagestan and Chechnya. The author is right in his opinion that the struggle over new infrastructure could just as easily exacerbate existing conflicts as stabilise the current conflict situation.

Projects and Measures to Ensure Security

States in the region endeavour to control the situation and believe that one of the projects that might help them to solve their economic problems is "TRASECA". To facilitate implementation of this project, the GUUAM organisation was established in 1996 by Azerbaijan, Georgia and Ukraine. Moldova in 1997 and Uzbekistan in April 1999 also became members of this organisation.

The objectives of this organisation - identified at a meeting in November 1997 - are as follows:

- to develop a common approach to conducting peacemaking operations;
- oppose separatism;
- render mutual support in settling regional conflicts;
- ensure reliable sources of energy supplies;
- set up trans-European-Asian transport and industrial corridors;

- work out common approaches to members' involvement in international organisations with respect to problems of mutual interest;
- jointly establish closer relationships with Western countries through preparation and subsequent incorporation into trans-Atlantic and Western European institutes.

At the same time, founders of the organisation believed that it should promote communication between its members and European economic structures and implement the transport project "TRASECA", which will connect European countries with the countries of South Asia through transport infrastructure and communications. The President of Uzbekistan in his speech at the Conference "Great Silk Road" held in Baku said that the development of a Europe-Caucasus-Asia corridor would ensure stability in the region and facilitate further economic development. Besides, the creation of new transport corridors as an alternative to the Northern Corridor will reduce dependence on the latter and provide an opportunity for customers to choose the most profitable option of transportation. Therefore, such projects can be considered as prospective and important policy decisions of the countries through which these corridors will pass.

As was emphasised in Friedemann Müller's report, if the region recognised that its welfare can be achieved on the basis of integration, cooperation, fair competition and peaceful settlement of conflicts, the region would be better able to guarantee future sustainable development and regional security - compared to other regions of the former Soviet Union and Asia. Unless a legal basis has been developed, ethnic conflicts and criminal distortions will prevail in the regions' economies. Only economic development of the region can protect it from instability and tension.

The subject of Friedemann Müller's report is very important for Uzbekistan because of the proximity of the Caspian region to Central Asia. Uzbekistan has substantial interest in the transportation of energy resources to world markets and in the possible use of new communication routes for its own trade with other states. The efforts of Uzbekistan to strengthen economic and trade cooperation, to develop transport communications, and to improve human and democratic values will all facilitate the sustainable development of the Caucasus, Caspian and Central Asian regions.

Finally, it is necessary to focus on the effects of energy policy on changes in climate. The exploration, exploitation and production of energy has an increasing impact on climatic changes, which has become a global problem. Given the fact that climatic changes seriously threaten sustainable progress, all countries should strive for implementation of the Plan of Action adopted in Buenos Aires to accelerate adoption of the Kyoto Protocol to the UN Framework Convention on climatic change. It is crucial to take measures to reduce exhaust emissions and other greenhouse gasses through the rational and efficient use of energy. It is also necessary to employ ecologically safe technologies of exploration, exploitation and production. Both legal measures and effective economic mechanisms are also required to ensure the rational use of energy.