# CSS | ISSUE BRIEF

## THE POLITICS AND TUSSLE OF ENERGY RESOURCES

Taking a Closer Look at the Baku-Tbilisi-Ceyhan and The South Caucasus Pipeline

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#### **ABSTRACT**

What more is there, except just some energy pipelines running across regions? Various contenders in the international sphere have been fighting over one of the most if not the most valuable resource which makes the economy, a country's growth and even gives teeth to the big pockets, regional dominance and establishes independence, I'm not talking about a country's defense budget but rather the emphasis is on the natural resources which are the crude oil and the natural gas. The race to deliver, supply, dominate and establish a monopoly on the unearthing points has been vigorous in terms of these resources and the BTC pipeline delivering crude oil and SC pipeline delivering natural gas has time and again been used to assert power, strategic movement of international politics, regional tussle, economy and has seen the involvement of the big countries like the USA and Russia in what was supposed to be a regional affair but gradually became much more than that. This particular region and the issues associated are contemporary and ever-evolving, thus to tap into their next move or development will always be a task but to look at what has been played and how the hands have been played remains interesting to see with such volatile. So, we can examine how the laying out of the energy resources pipelines proves to be a tactic, how it draws conflicts and nations against each other, what has been the recent development keeping in mind the regional conflicts that have been going on between Armenia and Azerbaijan, how the big nations find their interest and what the future looks like. This article aims to contextualize and compress the political, economic, and regional escalations and de-escalations through the primary mode of observation of the BTC pipeline with a supplementary of the SC pipeline.

## **INTRODUCTION**

The richness of natural resources and the enrichment they deliver to any nation in the form of economy, consumption, and political gains have been undented and is a very well known topic in the international realm, from how the US became and is the standing largest oil producer of the world to how politically and controversially it gained in terms of the same oil between 2000 and 2019, this is just an example how politics, economy and resources and the supply and

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demand of the same influences dealings at various lengths. Bringing how the region of our focus works is somehow interesting to see the closely knitted borders at times overlapping with interests and competition to rival and de-throne each other from time to time and placing their aces over each other or at least trying to do the same, once known as the backyard of Russia which is the South Caucasus moved from a region dominated by a single country to hosting multiple interests due to the immense flow of oil through the channel and primarily has become of large interest for the three nations through which the BTC pipeline passes through, Azerbaijan in the shape of Baku which is the country's capital, Ceyhan where the line ends and is a port on the Mediterranean cost of Turkey and the line is routed through the standing capital city of Georgia making it the second largest oil pipeline, the basic structure is enough to say how conflicted the route stands as it posts

direct threat to Russia and it's regional dominance whereas in the recent years it has largely been seen that the US has also shown keen interest in the same region because of the tremendous oil flow that channelises through the region.

To their individual interests, the countries involved and the one's that accommodate the BTC pipeline face to keep the task running as a significant win on the energy corridor that they have built for themselves plus they claim to minimize their dependency on the west as well as minimize the Russian dominance, but since it's initial operations that started in 2006, BTC, in particular, has seen hiccups on the humanitarian aspect, Human rights issues, Environmental concerns and freshly the Azerbaijan-Armenia conflict has been no less for the same. The economy of Azerbaijan depends heavily on Oil and Gas concerning both the BTC pipeline as well as the SC pipeline thus the conflict is a key player that has entered the frame at a very crucial point along with all other concerning factors, hence keeping in mind the wide-area to be dealt with we shall focus on the following points:

- 1. The history of BTC and SC pipeline
- 2. The environmental, security issues, and political effects of the Oil and Gas chains.
- 3. The effect of the Armenia-Azerbaijan conflict
- 4. Conclusion

# THE BAKU-TBILISI-CEYHAN PIPELINE AND THE SOUTH CAUCASUS **PIPELINE**

To get to further discussion over the mentioned energy channels, we need to know the history behind the two mentioned corridors or channels, starting with the BTC pipeline which is short for the Baku- Tbilisi-Ceyhan pipeline, running across three countries with its starting point being Baku the capital of Azerbaijan from where the land touches the goldmine or the pot of oil and gas fields being the Caspian sea, then running across Azerbaijan to route through Tbilisi which is the standing capital of Georgia and ends it long journey across three countries in the very third country being Turkey, in the port city of Ceyhan. Back in the existence of the Soviet

Union, the Caspian Sea was a primary key under the same as all trade had to go through Russia but after the collapse of the then Russian structure, it promoted the idea of alternative routes and a chance to increase dominance through the same. Post the Ankara declaration, the project had gathered enough push for it to be actualized and following the declaration in 1999 the heads of Turkey, Georgia and Azerbaijan signed the agreement to formally go ahead with the construction of the pipeline.

Hence, to overlook its overall construction a company by the name "The Baku-Tbilisi-Ceyhan Pipeline Company" was formed in 2002 whose construction began in 2003 and finished in 2005. 2006 saw the first traveling of Oil from Baku reaching Ceyhan and in the same year in the month of June from the Ceyhan port, the first Oil tanker sailed making the pipeline fully functioning and delivering the same. This was a big jolt to the dominating nations in the region involving Russia and Armenia but a big advantage played in favor of Turkey, Azerbaijan, and Georgia, and interestingly the USA saw huge interest throughout its construction from supporting the initial idea to being active while the operations go in till date. Similarly, the corridor between Azerbaijan and Georgia shares another pipeline but it transports not crude oil but does Natural Gas originating from the Shah Deniz field in Azerbaijan to the Georgian-Turkey border, this pipeline uses the same corridor as the BTC pipeline which was a decision taken to minimize the environmental effect of the same. These are not just the only energy pipelines that run in the region originating from Azerbaijan, Baku-Grozny-Tikhoretsk-Novorossiysk pipeline, Baku-Tbilisi-Supsa, Baku-Tbilisi-Erzurum pipeline, and the proposed Trans-Anatolian gas pipeline and the Trans Adriatic gas pipeline add to the long tally and history of Azerbaijan being a major channel or supplier of Oil and Gas using the Baku Oil Refinery(1878).

This shows the minor portion of how powerful and producing Azerbaijan has become in the field of producing large scale naturally occurring crude oil and natural gas and thus comfortably boasts of being very highly self-sufficient in the world rankings further aiming to reduce it's emissions by a drastic margin as well. The fascinating fact is that the relation between Azerbaijan being the primary country which was industrially drilled for oil wells in 1846 and similarly by 1899 became the producer of oil for half of the volume that was being produced for the then established world, so the industry of Oil and Natural gas goes way back and since then has been growing at a good rate and competes with the western Energy corridors. To interesting is to now see what effects it has on the sphere of International as well as domestic systems.

## THE SPHERE AROUND THE ENERGY CORRIDORS

Since Azerbaijan has been rattling the cages of the countries that hold power and authority and heavy monopoly in the sphere of international orders of resources as well as access to these resources there political environment shifted from being a minor player of the region to being a nation who holds the power to influence the working of the order in the region as well as globally, politically after the moves of constructing and using the BTC pipeline Azerbaijan found itself in direct conflict with Russia, be it announced or unannounced and thus Russia on the ground believed that their dominance in the region shall take a big dent because of the same plus the region has just seen a situation of an armed conflict if not a war in itself with Armenia being on par with Azerbaijan in the conflict in Nagorno-Karabakh where the ally of Russia found itself at par with Azerbaijan, this was not the first instance of political confrontation with Russia as Moscow has been upset about the future energy projects that Azerbaijan holds in the region adding to the existing energy corridors that Azerbaijan has (Olesya Astakhova, 2020).

Similarly at the advent of how Russia wanted to extend its influence over Europe with the help of pipelines was thwarted by US sanctions, thus the political instability has been an issue throughout the region primarily how the US finds alliance in the shape of Azerbaijan and Russia pitched with Armenia so the global sphere has it's power players in the frame concerning in and around the energy fields. The area is infested with hostility and loses grounds has a lot of negative scope in terms of security of the pipelines, the escalations with the KURDS, the conflict with Armenia and repeated Cyberattacks plus the Russia-Georgia war back in 2008 had implications in the region as a fact, repeatedly claims from the parring land have been made to destabilize the financial resource in the shape of these pipelines from Azerbaijan to weaken the nation as a whole hence posing more security issues or threats.

Similarly, when discussing the leads of issues of Environment several times it has been pointed out how the region is earthquake-prone and lies or places itself over active fault lines plus the discard being a threat to the natural springs as well as water bodies in Georgia is another environmental threat highlighted numerous time plus the discard of dangerous chemicals has been another highlight to be looked at while talking of how the pipelines function or under what environment significance they function. So, looking at the energy pipelines, the threats, and conflict in the shape of politics, environment, and security has been great as the odds have been high enough only to see that how they fair against the economically viable pipelines being a rock-solid contributor for the countries involved pushing their GDPs sky-high, thus the increase in contribution plus raise in commerce has resulted in deeper GDPs which has been a benefit and a point of concern as the great economic boom gives more substance to these countries as individual nations. Thus, keeping in mind all these factors let's try to take a look a closer look at how the conflict of Armenia and Azerbaijan played a hand in light of the energy pipelines.

## ARMENIA AND AZERBAIJAN CONFLICT

Seeing how the region is infested with power politics and borders which have been erased and re-drawn regardless of their geographical positions, it is far from being an easy tackle of the on-ground situation but when we talk about recent developments of the region the tussle or conflict or a proper war between Armenia and Azerbaijan was supposedly over a piece or 'portion of land' in a lay man's language, without diving into the conflict let's see how the conflict posed a threat to these energy pipelines as a whole and what happened and not, heavily accused by the Azerbaijan government that the Armenian forces had attacked convoys and supplies of the BTC pipeline through missile attacks in an attempt to derail the pipeline (Rehimov, 2020).

The attacks saw not only targeted to cripple the pipelines or rather aimed at the pipelines with allegedly using banned cluster bombs to attack the BTC pipeline but instead resulted in killing civilians and escalating the issue, weapons claimed to be banned since 2008 were allegedly used (Sabah, 2020). Evidencing the same, Armenia has targeted or has been close enough to the pipelines of BTC and SCP and other similar corridors to actually damage the Azerbaijan stronghold, this being strategic know all of the region as well as the defending states strong points and week points as identified to being the energy pipelines primarily the large two being the BTC as well as the SCP (Krasinskaya, 2020). As an observation, while going through the different sources, the conflict with Armenia, it helped them identify these pipelines as being such a wealthy and important source for Azerbaijan that repeatedly they came close to attacking or directing a direct attack on the pipelines but somehow everted maybe due to International pressure or the simple idea of escalating beyond bounds as the attacks might have resulted in the involvement of the other nations involved in the pipeline being Georgia and Turkey who is a strong supporter of Azerbaijan.

#### CONCLUSION

Starting from the top, the basic observation was how energy resources which were once captured and had a monopoly over them by a certain regional power saw it's a breakdown and saw the emergence of new players come over and take up the same out of the existing scenario, the rise of Azerbaijan was not late it had been supplying Oil and resources since the second world war where the red army consumed an immense amount of Oil for their liking but gradually as international politics took shape, boundaries re-considered and re-shaped the individual emergence was due and bound to happen which it did in the

late 1980s, not liked by the regional powers it saw struggle but gradual opening and making alliances with the neighbors to establish a broad sense of eastern European or Eurasian dominant bloc backed by the suitors of the west saw the emergence of BTC pipeline and SC pipeline which are the two among a lot of pipelines within the region. This is a sign of how a country or a nation can make a lot out of a little, in the case of Azerbaijan, a country born out of difficult terrain yet yielding natural resources faced the wrath of regional Russia and even dominates the region now in terms of energy supply, thus acting as a driving force within the region, such countries deem themselves to be hard to shake off as the inter- connectedness of nations and the dependence of other nations on Baku and it supplies has immense importance for the global platform plus the economic implications of the displacement if it happens or not is also a point which is checked by the host country of Azerbaijan and even the receivers like the US, Georgia, and Turkey for starters.

The position of these energy sources or supply chains in the current world is as good as any other measure, ranging from the dependency on them for economic reasons or to fuel the sustainability of the nation, on many accounts the power of these have or are arguably more than what the power or significance of being nuclear-capable nation would have, if the weapons of mass destruction pose a damaging threat in the field of warfare these energy sources hold a greater significance when it comes to sustainability and the basis to run any nation because without making it obvious they do go from small industries to large scale industries, running and keeping them up from the scratch so they are the link in a very valuable chain of things or a set order. Hence, to sum up, the conflicts that arise are a very big example of how things are perceived in terms of Russia the conflict, on an obvious ground Russia sees these advancements as a big threat hence supports all anti operations on the front or with backing with another nation with similar interest.

However, the future looks even more interesting how Azerbaijan wants to maximize and increase their influence in the particular sector by extending the current corridors and also establishing new ones to strengthen its influence and dependency of others on its supply majorly from the west, though with the hit from the COVID pandemic, it has been seen that the progress or profit took a significant dip as the oil prices globally took a dip but again, but in a recovering world the significance of energy resources, as well as the economic as well as the strategic holding of the same, will be of great significance, especially the interesting part remains to be seen that how the smaller nations with an abundance of energy resources keep their policies as well as sovereignty in check when and if the powers of the west and the east even come knocking for the obvious.

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