

# Free research paper on the caspian sea region towards 2025

[Government](#), [Corruption](#)



## **Introduction**

One of the most prominent issues in Economics today is the identification of the possible events that would occur in the Caspian Sea Region in the coming sequence of years or even decade. We are currently experiencing a lot of changes economically and it would really be hard to predict the possibilities even in the coming months due to such changes. The Caspian Sea basically houses countries that are energy-rich due to the presence of natural resources within their boundaries—natural resources that are commonly used for energy. Because of these, this issue that talks about the possible outcome-scenario of the countries in the Caspian Sea's economy cannot only be considered an interesting topic but also a significant one since one of the major issues in the world today is the non-stop increases in oil prices and other petroleum-derived commodities.

## **Is Caspian Sea Region's Natural Resources a Blessing or a Curse?**

According to the book, *The Caspian Sea Region Towards 2025* (Anker et al., 2010), the annual world economic growth increased by almost 4 percent since it was struck by a worldwide fiscal crisis back in 2008, where even the strongest economic powers were affected. Now, the question is, whether the Caspian region will remain as significant as it is in providing the world with most of the essential natural resources needed to run a country. The truth is, the region, the Caspian Sea Region, is home to a lot of countries with great access to both non-renewable resources such as gas, oil, coal uranium, etc., and renewable resources such as land and great potentials for hydroelectric

power. This makes it a region significant for economic studies and other researches.

Its existence itself could already be considered a blessing because what do you think would happen to the world's economy if all countries would solely rely on oil and gas supplies from miniature suppliers in the east rather than in a place where the world's biggest renewable energies supplier comes from —The Caspian Sea Region. The law of supply and demand is what's at play here. The fewer the supply is, the higher the price goes. Almost every country in this planet relies on oil and petroleum-derived products to run the whole economy and for transportation.

An increase in the price of these commodities would surely mean a lot, especially for developing countries with a huge population such as China and Singapore, although the latter is already a developed one. Oil and gas productions were also seen to be growing fast, but how long do the countries concerned think these progress to last? At some point, it is obvious that people today are relying too much in oil-derived products and not on any significant alternatives. Biofuels and other oil and renewable energy alternatives are not even so popular these days. Overall, the Caspian Sea region's natural resources could be considered a great blessing for it contributed a lot to the growth of the countries' economies, especially the ones that have access to the natural resources such as (Iraq, Iran, and other countries in the Middle East).

## **Agriculture in the Caspian Sea Region**

Countries in the Caspian Sea region as well as in most countries in Central Asia experienced a lot of difficulties maintaining agricultural stability especially after the world financial crisis that occurred back in 2008. Now, economists are checking on a lot of different factors that might have contributed to these agriculturally-related difficulties. Considering the fact that most countries in the Middle East are rich because of their almost infinite oil reserves (reason why most Arab countries in the Middle East are experiencing tremendous abundance of wealth), their agriculture should already be on a stable state because it's quite easier to maintain a stable level of farming import and export cycle compared to maintaining import and export cycles of high-demand commodities such as oil and natural gas. Some of the factors experts want to check so far are drought, pollution and disturbances in water supply especially irrigation. The countries of the region could really do nothing against nature's retaliation acts such as droughts and other natural disasters except to recover fast from their losses and be prepared for the next series of calamities to come.

Natural disasters such as locusts have also struck the region in the past years, making their annual agricultural yield even lower. Having a low or even poor agricultural index would usually result to a decreased domestic food production and would later on progress to a relatively higher selling price for food. This all comes back to the region's citizens, especially the poor.

“ An agricultural meltdown would have implications for regional politics” (Anker et al., 2010). This is true because surely, there will be countries that would be able to survive the food shortages and there will also be some who wouldn't be able to survive such difficulties. In Central Asia for example, Kazakhstan is known to be one of the biggest food producers because it basically has a lot more available land for agriculture. What would most likely happen as a result would be a political pressure within the region. The less agriculturally centered countries will be pressured to increase their export revenues to be able to import more food from food producing countries. This further makes other countries dependent on food imports. What's actually needed here is not an increase in export revenues for poorer countries but instead self-sufficiency, especially in edible commodities.

### **Caspian Sea Region Issue: Corruption vs. Petrodollars**

Most, if not all, countries in the Caspian region are rich, thanks to the abundance of petroleum and oil products over the entire water-covered region. “ Corruption is endemic, and not only in the resource exporting countries (Anker et al., 2010)”. A quote from the book “ The Caspian Sea Region towards 2025” states that corruption is rampant in most of the countries of the region. In fact, it was even stated there that these countries are among the most corrupt countries in the world. Corruption is most often linked with politics and other politically-related issues such as personal interests, etc. It remains a big question to a lot of people why in spite of the huge export revenues of the countries in the said regions receive annually; these benefits still do not provide a positive impact in the countries’

democratic development. Only a few countries in the region were seen to have significant growth institutionally and politically (in terms of democracy and institutional performance). What's surprising is the fact that the only countries who demonstrated institutional growth were the ones which were not blessed with oil and gas resources. Some of these countries were Georgia and Kyrgyzstan. This only shows that revenues from oil and gas reserves, no matter how bulky they could make a country's cash reserves become, could not automatically be equated with a good institutional policy and good governance. At some point, it could even hinder a supposedly stable and positive development towards democracy and just institutional policies (Anker et al., 2010).

## **Conclusion**

The Caspian Sea region is one of the most blessed places on earth. With proper governance and guidance from different groups and organizations, it could still prove to be of great help to the world economy (Anker et al., 2010). It may have experienced a lot of struggles, politically and economically in the past years or it may also encounter more in the coming years, but no one could change the fact that it was once the biggest supplier of the world's highly-demanded commodities and it could still be.

## **References**

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