

Energy paradigm of the Black sea region

Nina Dyulgerova¹

Abstract: The world has been actively transformed, passing through different political, diplomatic and military formats. Configurations have been changing but the main players remain in the field of the energy strategic confrontation. These processes, however, determine the terminological diversity, allowing a better reference for the changes occurring in the regional and global space. It is an undeniable fact that the economic globalization is accompanied by political fragmentation. The interests of the transnational corporations are increasingly and categorically overcoming the weak protection of the national governments.

Index Terms: energy, energy paradigm, Black Sea region, energy corridors, transnational corporations, pipelines, interests, Europe, Eurasia, Middle East.

I. INTRODUCTION

The world has been actively transformed, passing through different political, diplomatic and military formats. Configurations have been changing but the main players remain in the field of the energy strategic confrontation. The bipolar confrontation is gone now. It has highlighted the tendencies in every area of the social development. In 21st century, especially after the “Arab Spring”, the dynamics have strengthened, increasing the speed of restructuring the international stratification.

These processes, however, determine the terminological diversity, allowing a better reference for the changes occurring in the regional and global space. It is an undeniable fact that the economic globalization is accompanied by political fragmentation. The interests of the transnational corporations are increasingly and categorically overcoming the weak protection of the national governments. This process is consistently manifested in the energy sector, which makes it possible not to outline the geopolitical, but the geoenergy borders. They are much more mobile and strategically justified.

The term “paradigm” gives a clear vision for the energy pattern that emerges in the Black Sea Region. The concept “zone” is not chosen randomly. Given the increasing political instability, economic turmoil and social unrest, it helps to make an analogue with the “buffer” zone (or the so called frontier since 19th century), which allows the analysis of the processes in a large geographical perimeter where these trends have a sustainable, multivector character.

II. ENERGY PARADIGM OF THE BLACK SEA REGION

Energy issues in the Black Sea area unite/divide political entities in Europe, Eurasia and the Middle East. The growing energy needs of European societies create

better conditions for corporate alliances that, through political and diplomatic actions of regional and global actors, fill the energy paradigm in the Black Sea Region with dynamic content.

The battle is focused on projects for transiting conventional raw materials (oil and gas) and expanding the usage of renewable and alternative sources. And while the last two kinds can be seen as a part of the local solution of energy needs, the struggle in the gas sector and in the construction of nuclear power is becoming a major geopolitical corrective.

For almost a decade in the Black Sea Region, the political and diplomatic energy has been concentrated in “for” and “against” projects for constructing the gas pipeline “South Stream” and “Belene” Nuclear Power Plant. This process runs in parallel with the tolerated by EU and USA project on “Nabucco” pipeline. The political aspect of both projects is strongly manifested in Bulgaria, helping to escalate the political confrontation. The trends in this direction are intensified after the attempts of the American company “Chevron” to obtain a license for shale gas studies in Northeastern Bulgaria.

This policy is a part of the so called American shale diplomacy through which Washington is included in the energy race in Europe. The unsuccessful attempts in Poland, the prohibition of using shale technology in France and Bulgaria, but Romania as well, which has given up, are a part of the battle for energy, meaning political influence. In European institutions there are also intensive negotiations that have been held. A result of them is two resolutions of the European Parliament since the autumn of 2012 and the strong support of the European Commission President Jose Manuel Barroso. According to him, by the end of 2013 the European Union has to prepare a draft regulation on shale gas yield that would allow the “safe and secure shale gas produce in Europe”.

The political support for using the shale technology is an element of the resistance of Brussels against the rising Russian energy dependency. The very limited flow of conventional raw materials from the Arab world as well as the absence of still a real alternative to the Russian transport energy system compels the European Commission to look for different ways of eliminating the monopoly of “Gazprom” in Europe. These measures include the banking crisis in the “offshore paradise” for Russian oligarchs – Cyprus, periodic searches in the offices of “Gazprom” in the European Union, unsuccessful attempts on legal regulation of bilateral relations of EU member states with Russia, etc.

In 2012-2013 the emphasis in the gas sphere is placed on finalizing the two competing projects for pipelines “South Stream” and the modified “Nabucco”.

“Nabucco” project underwent major adjustments since it was restructured into two tracks – “Nabucco – West”,

¹Nina Dyulgerova is with International Law and International Relations Department, Law and History Faculty, South-West University “Neofit Rilski”

(through Bulgaria) and “Trans Adriatic Pipeline” (TAP, through Greece, Albania towards Italy). With a reduced capacity but ambitious aims, the consortium “Shah Deniz 2” on June 28, 2013 announced that it began the construction of TAP, which eliminates Bulgaria from the transformed “Nabucco” project. This decision has a strategic importance as it creates good conditions for gas diversification, increasing Europe’s capacity to solve its energy needs. Since the beginning of June 2013 the Azerbaijani COSAR, which holds 10 % of “Shah Deniz 2”, has made a strategic move by the purchase of the subsidiary company – the operator of the Greek gas network DESFA. The hopes Brussels has regarding this project are based on the fact that in the coming years the development of the open gas fields around Israel and Cyprus in the Mediterranean will be able to increase the capacity of the otherwise slim volume (10 billion cubic meters of gas) TAP.

The energy race in the diversification area continues through the escalation of paces for constructing the “South Stream” pipeline. Regardless of the political support “Nabucco” project receives by the European Commission, the presence of the shareholding company of “South Stream”, of the Italian concern ENI, the German Wintershall and the French EDF, except for the Russian “Gazprom”, are a serious European guarantee at corporate level.

The last day of October 2013 was the day when the official start of the pipeline “South Stream” on Bulgarian territory took place. This coincided with a number of political events in the Black Sea area, which outlines the geoenergy parameters in the region. The presidential elections in Georgia put an end to the era of “Saakashvili”, which ended the period of the so called “Color Revolutions” in the post-Soviet space. The Georgian elections were preceded by the choice of Viktor Yanukovich for a President of Ukraine in 2010 as well as the completion of the “Tulip Revolution” in Kyrgyzstan in 2010-2011, changing the political status of the state into a parliamentary republic.

In the fall of 2013 energy projections determine the strengthening of the political activity in the Black Sea Region.

The intensive construction of the gas pipeline “South Stream” coincided with the summit in Vilnius at the end of November 2013 where it was expected from the countries of the “Eastern Partnership” to sign documents for European association. Only Moldova and Georgia signed them. Ukraine found itself in the center of the battle between Russia and EU. The choice between European Association and the Customs Union made Kiev face a very hard choice. The decision of the Ukrainian government to abandon association with EU caused a strong wave of unrest in the country. The geostrategic positioning of Ukraine turns it into an important segment of the Black Sea energy zone. The energy, political and financial dependence on the former principal Russia predestines its stay in a Russian orbit. The status quo is unlikely to be changed by the enhanced political actions, visits and

declarations from representatives of the European Commission, European parties or USA.

Ukraine and Moldova are an essential part of the energy system, supplying Europe with Russian gas and oil. The political energy project “South Stream” seriously harms both countries. Regarding the absence of a real alternative to Russian transmission system in the near future, there is a high probability for the new gas pipeline not to eliminate the existing transit routes up to now. The onset of winter is also a serious argument for maintaining the constructive and pragmatic dialogue among Moscow, Kiev and Brussels.

A main competitor of Ukraine in the gas transit on the new route is Bulgaria. The subsequent events after the official launch of “South Stream” prove that there is an agreement reached between Moscow and Washington regarding the Bulgarian energy space. The social tension marked by rallies, demonstrations and student “occupation” is gradually fading. Updating the topic on constructing the seventh nuclear reactor in NPP “Kozloduy” can be considered as a strong evidence in this direction after the visit of the Minister of Economy and Energy Dimitar Stoynev in USA. The public space is again filled with political demagoguery and passions. It is a fact that the issue of nuclear power station or reactor on the territory of Bulgaria continues to be relevant. The Bulgarian society flashes back to months earlier when the political position of Sofia in the energy sphere is marked by discord, enthusiasm and impermanence. The state is again facing another challenge to maneuver among global actors but in much harsher conditions. The refugee wave sweeping the country turns Bulgaria into a part of the processes of “Arab Spring”.

The economic and social destabilization of Bulgaria can be perceived as a part of a strategic plan, oriented towards weakening the external borders of EU. The refusal of powerful countries to escalate the Syrian problem as well as the intensive development of the Kurdish issue put Turkey and Israel into a very delicate situation. The problems have been increasing since the agreement reached on 25 November 2013 on Iran’s nuclear program between Tehran and “the six”. A part of the agreement says that the country should not enrich anymore uranium to levels above 5 % for a period of six months and the technical tools that allow such enrichment should be destroyed. The blast of comments, analyses and forecasts give a reason to search new parameters of energy, which means political restructuring in the Black Sea as well as in the Black Sea – Caspian Basin.

In this situation Turkey can no longer control or direct processes in the Arab world. Moreover, Ankara is forced to comply with the new circumstances, which motivates it to seek possibilities and ways to destabilize its neighbors. This is a real chance to overcome internal collisions and to survive. The instability that exists on its Southern borders with Syria and Iraq is a serious argument in creating favorable conditions for the reorientation of the refugee wave towards the Bulgarian borders. It is not accidental that this process is enhanced in October when there are

intensive negotiations on the Syrian case as well as Iran's nuclear program.

Israel is also dissatisfied by the diplomatic negotiations as well as the political ones that are detrimental to its interests. The anti-Iranian position of Tel Aviv is subsequently and unyieldingly upheld by Prime Minister Benjamin Netanyahu. He is the only one who has described the agreement reached between Iran and the six as "a historical mistake". Restricting the US embargo against Iran creates favorable conditions for its restoration as a serious regional power. Legitimate are the concerns of Tel Aviv related to the recovered opportunities of Tehran to influence the processes in the Middle East, especially in the Israeli-Palestinian dialogue.

The hot autumn of 2013 has not only rearranged the geopolitical layers in the Black Sea Region and the Middle East, but it has also turned the time back. Again, with great interest, speeches and talks have been monitored and analyzed at different levels among representatives of Moscow and Washington on hot topics about Syria and Iran. In September 2013, when this intensive, completely duplex dialogue started, there was a tendency that vividly highlighted the differences in the behavior of institutional representatives of the two countries. The formulation of the American position on military strikes against the government of Bashar al-Assad showed lack of political consolidation. The discord in the statements of various representatives of the American administration proved that they were a political transmission of corporate interests and Arab pressure. This process with a varying degree of intensity has been current until today. During the complex and dynamic dialogue with Washington and the rest of the states on the Syrian case and the Iranian nuclear program, Moscow is consistent and purposeful in its policy oriented towards regulating the Syrian and Iranian problem in a beneficial direction. During the two months of intensive negotiations an interesting aspect stands out, which differentiates the motivational element in the behavior of the American and Russian politicians and diplomats. Representatives of Washington are a political transmission of the American transnational corporations while in Russia Kremlin is the center of economic interests that receive specific policy forms and positions. This also explains the concentrated and subsequent policy of Moscow and the behavior of Washington that is quite insecure and dependent on external factors (mostly Saudi Arabia) as well as corporate interests.

The positions and actions of the rest of the participants in the political and diplomatic dialogue on Syria and Iran remain in the background. The active role of Saudi Arabia that is strongly and categorically imposing its will in solving the Middle East problems cannot be eliminated. It is a fact the Riyadh was the basis of carrying out military strikes against Syria at the end of August 2013 through exerting a considerable pressure on Washington. The unsuccessful attempts of USA to implement this plan once again prove the increasingly diminishing role of Washington as a consolidating factor in solving issues of national and international security. This is another proof of the ever-growing trend towards the regionalization of

problems, which eliminates the danger of a global conflict. The regional problematic zones now have different dimensions as the destabilizing factor in its multilayered forms does not recognize geographical boundaries. The processes in the Black Sea Region show that the intensity of the growing uncertainty and instability is proportional to corporate contracts in the energy sector. The inclusion of one or another state in this area is directly proportional to its presence in the energy projections for production and transit of still only conventional raw materials (oil and gas).

III. CONCLUSIONS

The energy paradigm in the Black Sea Region is much more political in its character. The unrealized projects still serve as evidence. They accumulate funds but they have not been implemented yet. The events in the recent years have proven that the political parameters of the energy projections in the Black Sea Region have a faster action. The political format of economic dimensions has become increasingly important in the existing through the centuries dichotomy economics – politics. The corporate struggle manifests itself notably in the political form of negotiations, declarations and decisions in the "plurality of sovereignties". The opportunities for maintaining a state or national interest are getting more and more restricting. Energy battles of transnational corporations continue. The Black Sea area is a kind of a standard for concentrated energy dynamics with mobile political configurations, transiting long-term strategies of corporate interests.

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