

ENERGY AND SECURITY IN THE BLACK SEA REGION

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***Abstract:** The Black Sea is a region where the interests and positions of major international actors converge and therefore smaller actors must adapt their strategies to those of major players. The fact that Romania and Bulgaria are today NATO outposts in the vicinity of the Black Sea and the US has placed military bases in those countries proves that there is an ongoing game of chess for mastering Rimland and Romania plays an important part in it. The problem of energy resources will become a major Romanian national security issue. Its long-term solution should be a less politically-conditioned subject and economic projects should be fundamented and managed on the principle of reciprocity between prospective partners. EU proposes a common approach for all participants, and the adoption of common options, but the energetic sector is by its very nature not without controversy, as its members are highly dependent on imported oil. Therefore, Member States are forced to address the problem of these resources independently. We have not yet overcome the geopolitics of oil and the Romanian state should engage in pragmatic projects generating long-term positive effects, which are also supported by geopolitics.*

***Keywords:** energy, security, Black Sea region.*

1. INTRODUCTION

The concept „energy security” is frequently used lately, as this issue has come to be considered the key to regional security, for any dysfunction or damage in the sector of critical energy infrastructure has the potential to generate political, military and social effects. Greater energy security means in the first place, a greater diversity of suppliers. This explains the great importance attributed to projects regarding energy resources, especially oil and natural gas.

Energy has become a strategic element of global politics, an essential component for economic development and the progress of society as a whole, stirring interest from the period following the First World War. Presently, the oil and gas component of energy constitutes simultaneously the greatest challenge and concern not only at European level but also at global level. This is dependent on several factors such as: available reserves, transit routes, geopolitical context, economic

power and diplomacy. Europe is increasingly dependent on energy resources and consequently is searching for new suppliers in order to satisfy demand in this field and insure its security. Current projects are a reflection of the European interest in the Caspian Sea region and North Africa as well as of the European intention to limit its dependency on Russia. In its turn, Russia as a supplier, wants to limit its dependency from transiting Ukrainian territory, shifting its attention to Turkey while at the same time launching alternative projects to those supported by the European Union.

Europe holds the seventh part of the world energy consumption and must rely on imports for more than half of the resources necessary to satisfy its energy demand. In order to deal with the explosive demand of hydrocarbons, the European Commission has assumed the role of leader in the developing strategic energy partnership with traditional suppliers of the EU – Russia, OPEC, Norway and Algeria, as well as with alternative suppliers from the Caspian Region, Central Asia, North Africa and

South America. Moreover, it's not only the European Union who is doing this, but also NATO, the most important military organization from the international arena, is interested in energy security, as some of the NATO member countries will become more and more dependent on external energy suppliers and in some cases on external supply and distribution networks to satisfy their energy demand. Taking into consideration the fact that a large part of the global energy consumption is transported worldwide, energy suppliers are increasingly more exposed to attacks, which could have a negative impact on these transports. All these concerns are mentioned in the new NATO strategic concept launched in Lisbon in 2010.

Romania finds itself for the first time in a situation where its geographical and geopolitical position offers several opportunities of which Romania should fully take advantage. The geopolitical and geo-economic context in the Black Sea region has transformed greatly in the last years, as the center of gravity of the interests of all major international actors has moved towards the Black Sea-Caspian regions, in the vicinity of Romania, which has the potential of becoming a "gateway" to the regional economic-political block of the European Union and a transit space between the Central Asian suppliers and the major European energy consumers (taking into consideration its proximity to the energy resources and its oversized infrastructure – the oil pipelines network, the greatest refinery in the Black Sea Region – Midia Năvodari, the size of its petrochemical industry etc, the permissive terrain which does not pose any special technical or economic difficulties – such as pumping stations which generate additional costs, the largest port in the Black Sea basin - Constanța).

2. THE BLACK SEA

It's a sea from the Atlantic basin, situated between Europe and Asia, neighboring Russia, Ukraine, Romania, Bulgaria, Turkey and Georgia. Through the Cherci Straits you reach the Azov Sea, through the Bosphorus, the Marmara Sea and through the Dardanelles the

Egean Sea and implicitly the Mediterranean. The Black Sea was formerly part of the Sarmatic Sea and has several unique characteristics. It has an area of 413.000 km².

From a strategic point of view, the Black Sea region is of fundamental importance for the energy corridor between Europe and the Caspian Sea, representing also a potential risk related to the traffic of human beings, drugs and weapons or as an access point for military ships.

From a military point of view, The Black Sea was never an invasion route and was generally used as a defense line. In what concern energy the role of the Black Sea is becoming increasingly important as it offers transportation routes to Europe for oil and natural gas, providing an alternative to the EU's energy dependence on Russia. In addition, the rising oil consumption has become a problem for transit in the Bosphorus, because of the large number of ships forced to pass through a limited space.

From an economic point of view the Black Sea basin is the secret weapon of regional economy. Amidst the full blown crisis of primary energy resources, the eyes of all investors in this field look to this region. There are not many alternatives: The North Sea is heavily exploited for decades by neighboring countries. The Caspic Sea is already part of regional economic calculi, being up until now the main transport way for oil products destined for Europe. Russia, with its important oil and gas reserves is a traditional player, respected on the international market but at the same time feared as it has used the energy „weapon” in many occasions in its disputes with various states. The dependency on its resources is a cause for concern for many strong economies, such as Germany, for which a cease in supply would be a disaster.

The Black Sea's energy resources are even more important as neighboring countries search for new resources for economic development. The East European countries need oil and gas to support the rise in their GDP and exit the crisis and one of the most handy solutions is the subsurface of the Black Sea. The country which plucked its courage and decided to massively invest in this field is

Turkey. The exploitation director of the *Türkiye Petrolleri AO* national company, announced that the company will invest \$ 500 million for three years in prospect drilling. In case they find important deposits, the Turkish company will allocate an additional \$ 8 billion in prospect operations. In turn the American company *Vanco Energy Co*, which won the auction to develop the *Prykerchensky* block situated in Ukrainian territorial waters, declared that „the Black Sea is the sole virgin basin in the world and has a phenomenal potential”. The BP director made some encouraging statements, by expressing his belief that oil and gas will be discovered in the Black Sea. The only unknown variable is whether the quantities will be sufficient to compensate for the costs.

The exploitation of oil and natural gas from the Black Sea is a profitable business, proven by that fact that *Petrom* is exploiting these resources starting with 1986. The Black Sea occupies a privileged position also for the fact that it is situated in a relatively peaceful region from a political point of view, in comparison to many other places in the world, such as the Persian Gulf. In addition, the Black Sea benefits from depths favorable to exploitation, the oil being extracted from approximately 80 meters with *jack-up* installations. Furthermore, the discovery of important natural gas deposits in the region of the Isle of Snakes makes the Black Sea region attractive for investors and places it amidst the regions of importance on the world energy map. The oil and gas exploitation and extraction rights from the two sectors of the Black Sea situated in the proximity of the Isle of Snakes have been leased for a period of 30 years even from 1992 to two companies, one from Canada and the other from Great Britain, *Sterling* and *Melrose*. The gas found – 2 billions of square meters in the *Doina* structure - have not yet been exploited. *Sterling Resources* will invest \$ 5 million in the *Doina* and *Ana* sectors from the Black Sea, and the first natural gas will be extracted starting with the last trimester of 2013. Russia is also interested in gas extraction from the Black Sea. That is why the Russian and American energy giants, *Rosneft* and *ExxonMobil* have signed an agreement for

the common exploration and exploitation of natural gas resources from the Black Sea. Initially, this activity will focus on the *Tuapse* basin, in the Russian platform of the Black Sea. As it is neighboring Central Asia (Turkmenistan, Kazakhstan or Iran), an area rich in hydrocarbons, the Black Sea is essential for the European Union in its linking role in the transportation of Euro-Asian resources to European consumers on the geopolitical axis. Riparian states form the most important corridor for the transportation of fossil fuels from Russia and the Caucasus to the European Community, representing a possibility of varying energy resources. The transportation for the energy mix and the „pipeline game” are issues constantly analyzed in the relations of this region with adjacent areas, as beside the production monopoly exercised over the energy mix by the Russian Federation there is also Ukraine’s transit monopoly. Moreover, the Russian-Georgian conflict (august 2008) illustrated certain vulnerabilities of the Caucasus region, previously considered sure resistance alternatives to Russian’s energy blackmail for Caspian oil. All these determined the EU to consolidate its energy diplomacy, so that in search of new solutions to consider alternatives to previous solutions. In its turn, Turkey controls the transit to the Black Sea through two straits – the Bosphorus and the Dardanelle.

3. THE PLACE AND GEOPOLITICAL ROLE OF THE BLACK SEA

Black Sea geopolitics is dominated by resource strategies, especially energy resources and has profoundly changed after the fall of the Soviet Union. Russia suffered as a result of various counterstrikes starting with 1991, and its influence on the former countries of the *Warsaw Treaty* – including Romania and Bulgaria – diminished considerably. Although Russia has preserved important – and often underestimated – economic ties with most of the former satellite countries, the American and European geo-strategic penetration in the last 15 years in what is traditionally considered Russia’s sphere of influence has been considerable.

The 9/11 terrorist attacks have had seismic effects on energy geopolitics, especially on oil strategies. The Middle East has suddenly become a less secure area and the most developed economies of the world realized they are too dependant on it. Therefore they resorted to actions aimed at dissipating this dependency all over the globe. As a result, other regions rapidly gained strategic importance and other competitions emerged, while national interests begin to weigh heavier than those of alliances. This only bears out once again that in the great strategies nothing can be ignored, especially as on the long run other resources could become cause for strategic competitions: water, food etc. Even a brief analysis on the states from the Black Sea region leads to the conclusion that there are significant differences among them in terms of size, level of development, organization, leadership, democratic behavior, and the list can go on.

The last decade and a half brought numerous transformations in the Black Sea region. States, in their fight for assertion, engaged in an unceasing competition for promoting their national interests. Within this competition, economic interests have been promoted and defended with great care. After a long period of having a planned economy in almost all states from the region (with the notable exception of Turkey), now the economic systems of each of the 9 states subject to analysis represent not only unique cases, but these entities tend to become, despite the economic crisis which affects all economies at world level, stronger, more stable, more developed and competitive. And even if these are still only tendencies and not large scale achievements, there is no doubt that the economies of countries from the Black Sea region will soon play a major role within the European economy and even global economy, because they possess resources, incredibly creative human potential and the capacity to surpass the negative impact of centuries of conflicts or tensions between various empires.

From this perspective we are witnessing today a fierce battle for access to the resources of the Black Sea region, a battle which dominates the geopolitics of the checkerboard.

This is characterized by at least two important features: the monopoly of production of the energy mix practiced by Russia and the monopoly of transit used by Ukraine, which leads, as it has become clear in the last years to direct threats to Europe's energy security. Not all states in the vicinity of the Black Sea have energy resources. Armenia and Moldavia lack oil and natural gas. On the other hand, the Russian Federation occupies first place in the world when it comes to natural gas deposits and second place in oil production and exportation. There are also differences in the way in which prime ministers are processed. Although Azerbaijan occupies second place in production in the region, it does not possess sufficient process capabilities, which is why it is forced to export unprocessed oil and gas. Romania possesses refining capabilities much larger than its extraction capabilities, which it supplements through imports. The transport of the energy mix and the „pipelines game” are problems analyzed in relation to the region and adjacent spaces. Consumers want the energy prime materials to arrive on time, in the desired quantity and with the lowest costs possible. Even if suppliers can insure these demands, in the end consumers are dependent on transporters.

An important event in the geopolitical evolution of the region was the „Black Sea Synergy” launched in 2008, as a part of the European Neighbourhood Policy (ENP), which aims to develop cooperation in the region as well as between this region and the European Union, putting into practice the Commission's recommendation on the creation of a regional dimension to the ENP. Together with EU's bilateral policies towards the states in this region as established through the ENP, Turkey's pre-aderation process as well as the strategic partnership with Russia, the „Black Sea Synergy” will charge the already substantial efforts conducted by the EU to promote stability and reform in the countries situated in the vicinity of the Black Sea. This initiative compels the „chain” of regional cooperation agreements at the borders of the EU, together with the Euro-Mediterranean Partnership and the Nordic Dimension.

4. ROMANIA'S MEMBERSHIP TO THE BLACK SEA REGION

Romania has multiple interests in the region and the advantages derived from its proximity to the Black Sea are great and go beyond our national borders. Hence, there are:

- *political interests* – the Black Sea insures Romania an access point to the world ocean (a source of political and economic power), offering it the possibility of reaching a naval middle power status as a result of the geo-strategic advantages provided by its sea-access and the fact it possesses an important segment of the fluvial-maritime channel of communication represented by the Danube, as well as by its participation in the political agreements signed by the states from the Black Sea region. In what concerns its international importance, this is a region where both for Europe and the US have major strategic interest which is why they have elaborated all-encompassing strategies aimed to spread prosperity and democracy in the region;

- *economic interests* – insuring Romania's participation in regional projects of economic development, socio-economic development of the coast and fluvial area;

- *security interests* – we cannot ignore the evolutions in the field of security which evident around national borders; the assurance of security and the promotion of peace and stability directly contribute to the diminishment of a wide specter of conventional and nonconventional risks to European security, such as military threats regarding air space sovereignty, organized crime, terrorist networks, traffic of illegal weapons and radioactive materials;

- *military interests* – today military cooperation in the regions takes the shape of efforts directed at achieving a „co-operant security”, materialized through economic, cultural, ecologic and military programs which can be corroborated among themselves; through its adherence to NATO, Romania contributes to the expansion of the ally controlled air space, being interested in managing the problems from the Black Sea region characterized by a high instability potential.

Romania continues to resent one of the key factors for the future of European electricity procurement, as have proven the previously signed agreements between France and Greece. In order to insure an adequate preservation of its infrastructure, Romania becomes an important partner within NATO for security in the Black Sea basin, which holds a jay position for the entire European security system. This country can become an important transit point for the oil coming from the Caspian Sea through the Black Sea into Europe, as well as for the natural gas which arrive on the European continent from the Caucasus and Middle East, through Turkey, despite the fact that as a result of the agreement signed between Russia and Bulgarian on the South Stream project, Romania has been practically removed from the circuit as a transit country for Russian gas, remaining only a consumer, with all consequences deriving from this status.

5. CONCLUSIONS

In the following 45 years, world population will rise with 40% from 7 to 10 billion and although the world economy is passing through a severe crisis, the process of industrialization will continue to expand and accelerate. Consequently, because natural resources are limited, world competition for them, especially for oil and gas deposits will gradually become acerbic and will have an increasingly greater impact on the foreign policy of states. The exacerbation of the competition for the control of territories possessing raw metals and the advance territories necessary for transport will generate major tensions and conflicts between different actors, which will lead to surprising realignments of exporting and consumer countries, directly engaging the world economic and military power centers.

The placement of pipelines for the transport of oil and gas from Siberia and the Caspian basin to the consumers has become a main topic for geopolitical rivalries between the great powers. This rivalry will have a profound impact on inter-states relations as well as on the political evolution of the region

in question. Moscow has expanded its influence on the export of oil and gas from the Caspian Sea basin through special arrangements with its neighbors from the region. Kazakhstan, having considerable natural resources was forced to accept Moscow's control over the export of hydrocarbons for the next 15 years. Under the patronage of a multinational association, the oil producing fields from Tengiz in Kazakhstan were connected through a pipeline with the Russian port Novorossiysk, on the East coast of the Black Sea. The pipelines through which Russia exports hydrocarbons to Europe pass through Ukraine which leads Moscow to transform the recovering of Ukraine into a continuous obsession. Pro-Russian Victor Yanukovich's electoral victory and NATO's stance toward this country have created new perspectives for Russian objectives of regaining control over the Ukrainian transit territory. Because of geopolitical causes, Western oil companies, supported by their respective governments prefer and try hard to place oil pipelines coming from the Caspian basin in regions which are not controlled by Moscow (as a result of the personal intervention of American presidents Bill Clinton and George Bush, a pipeline was constructed from Baku, Azerbaijan through Georgia and Turkey to the Ceyhan port at the Mediterranean), because in various occasions Kremlin has threatened to cease the supply of hydrocarbons to neighboring countries which didn't appear to accept certain political „requirements”.

Nevertheless, in spite of certain clear advantages, Romania does not yet possess the means which would allow it to adopt an independent position. The entire political rhetoric focuses on topics which have already been exhaustively analyzed starting with the 1990s. Any attempt from Romania's part to overcome, at the level of statements, its real status and capabilities will have as a direct result a loss of credibility and the failure from the beginning of any initiative. Romania's experience with the participation in regional cooperation systems, trilateral or quadrilateral (in the 1990s there has been an inflation of such initiatives) has shown that the economic and influence gains resulted from these

projects did not match the intentions expressed.

From a geopolitical perspective Romania cannot adopt a clear stance as its economic and military potential does not allow it to do so. To this we must add the differences in the interests of some of the neighboring allies from NATO, and most importantly we must consider the fact that all strategies aimed at creating a normal relationship with Ukraine have been a fiasco. It can be said that the Black Sea is a region where the interests of important international actors converge and the positions of minor players must be reconfigured in relations to those of major actors. The fact that Romania and Bulgaria are today NATO outposts at the Black Sea and the US has placed military bases in these country clear shows that there is an ongoing game of chess for controlling this region and Romania plays an important part in it.

The problem of energy resources will become a major Romanian national security issue. Its long-term solution should be a less politically-conditioned subject and economic projects should be fundamented and managed on the principle of reciprocity between prospective partners. EU proposes a common approach for all participants, and the adoption of common options, but the energetic sector is by its very nature not without controversy as its members are highly dependent on imported oil.

Therefore, Member States are forced to address the problem of these resources independently. We have not yet overcome the geopolitics of oil and the Romanian state should engage in pragmatic projects generating long-term positive effects ,which are also supported by geopolitics.

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