



Research Paper

**Energy Geopolitics and Conflict between Energy Basins:  
A Perspective beside Securitization of the New Regional and  
Global Order**

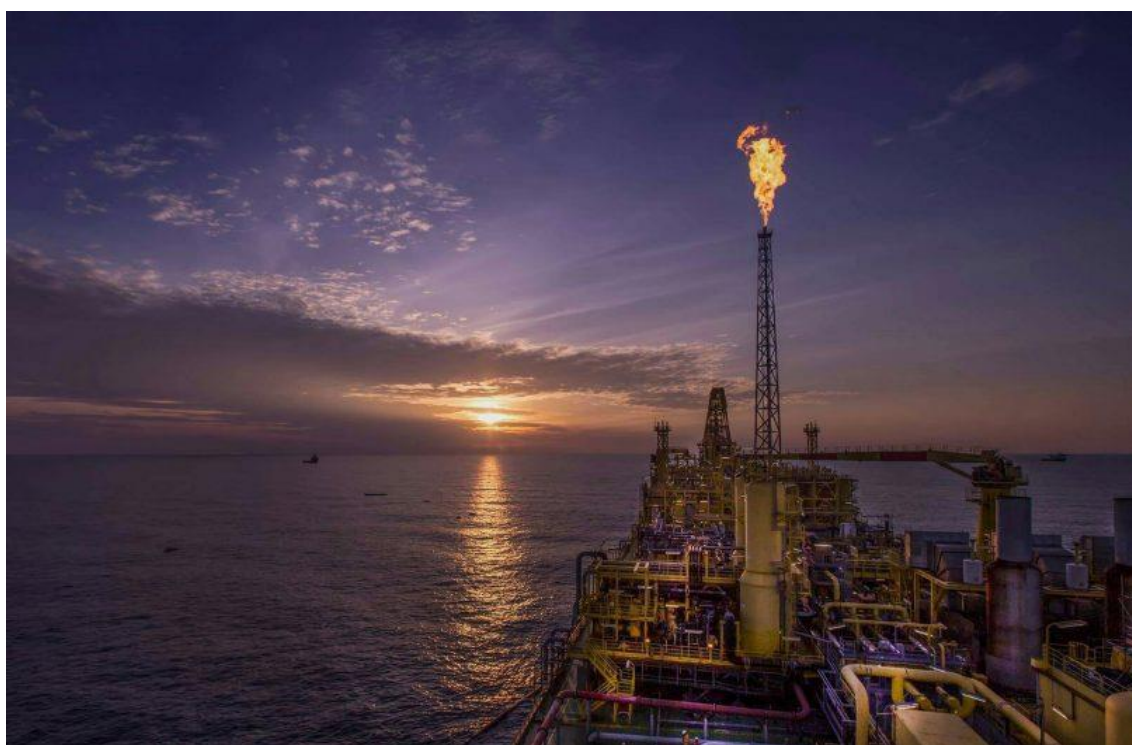
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### **Energy Geopolitics and Conflict between Energy Basins: A Perspective beside Securitization of the New Regional and Global Order**



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## Executive Summary

Since early 2022, Russia and Iran have been enjoying rising oil and natural gas prices due to the smell of the war in Ukraine. Only one month before the Ukraine war broke out, the US secretary department sent a non-formal message (non-paper) to each of the energy departments in Greece, Cyprus and Israel's foreign affairs ministries, announcing that they suspend their support for Eastern Mediterranean Gas Pipeline. This will kill Israel and Cyprus's dream to export natural gas to Europe via the Crete island in Greece! Are these conflicts more energy-related, or do they have historical and political depth? Will natural gas pipelines (the new energy geopolitics) lead to a new common regional cooperation system, or is it a source of conflict and increasing regional problems?

This study, from the *Mediterranean Institute for Regional Studies*, attempts to understand the essence of problems by identifying three main energy basins and showing what the new regional and global energy system will look like.

### **First: energy security and the world's need for oil and natural gas**

Energy security means balancing national security with the availability of cheap natural resources to meet domestic needs. According to the US Energy Information Administration, in 1980, the world consumed 53 trillion cubic feet of natural gas, but in 2010, the world consumed 113 trillion cubic feet of natural gas{1}. In 2022, the world's demand for natural gas will reach 146.482 trillion cubic feet of natural gas, which means that the world's demand for natural gas will increase by 4.6% annually{2}. Similarly, in 2010, the world consumed 86.4 million barrels of oil per day, but in 2020, 91 million barrels of oil per day, and in 2022, the world consumed 100.80 million barrels per day{3}. The demand for natural gas and oil has increased:

In the simplest terms, this means that oil and natural gas are still the world's top commodities, and millions, if not billions, of cars, planes, ships, factories, power grids, and large and medium-sized industries are still employed. Without

natural gas and oil, the global economy would be largely paralyzed. It also means that although humanity has reached the last stage of great progress and innovation in its history, it has yet to find an alternative to oil and natural gas. Just as coal was hugely influential in previous centuries, and then the role became oil, today, natural gas is in the most influential days of its life. In 2022, natural gas has had the strongest impact on international relations:

### **Second: The Caspian Basin: a new Silk Road, a new conflict, a new integration**

Caspian refers to the world's largest enclosed sea; Iran, Russia, Azerbaijan, Kazakhstan, and Turkmenistan are located in the Caspian basin. All of them have owned oil and natural gas reserves. Geographically, it lies between Europe and Asia; east of the Caucasus, West of the broad steppe of Central Asia, south of the fertile plains of Southern Russia in Eastern Europe, and north of the mountainous Iranian Plateau of Western Asia (this region is known as the heart of the world. Whoever controls it can control the world){4}. These regional factions have long sought to build an integration like the European Union. After the 2021 tensions between Armenia and Azerbaijan, it became clear that Russia has a complete hegemony and ally in the region.

#### **2. 1. Europe will no longer heat itself with Russian gas?**

However, it can be seen hydrocarbon as a common ground. However, the first third of the world's natural gas reserves are located in Asia: Russia (19.9%) of natural gas and Iran (17.1%) and Qatar (13.1%) in the Arabian Gulf. Although Qatar is a US ally and European natural gas supply, at the same time, Qatar is the Taliban and Iran's ally. By this word, (50.1%) of the world's natural gas reserves are owned by three alliance countries. Fourth is the United States (6.7%), which uses it more for domestic needs{5}. Europe consumes 540 billion cubic meters of gas annually, while Russia supplies 40 per cent of that. The Nord Stream 2 pipeline will transport Russian natural gas to Germany via Ukraine. Ukraine itself is a good beneficiary of taxes on gas pipelines{6}. On

September 27, 2022, it was discovered that natural gas had leaked into the water from the North Stream 2 pipeline 70 meters underwater. EU foreign policy chief Josep Borrell called the incident deliberate and said the aim was to make natural gas more expensive for Europe;

## **2-2. Russian-Ukrainian War: Diplomacy failed to prevent war**

Indeed, this is not a conflict between the two ordinary countries; as we have seen, with the outbreak of the war on February 24 and February 24, 2022, the borders and sovereignty of countries, in general, have faded. This is the collision of at least two great continents, two different civilizations that have been in conflict for thousands of years. Therefore, it is still the beginning of the war, which Russia, Europe, the United States, Britain, China and Ukraine are part of; the spark has reached Taiwan and the Middle East. *Is the gas pipeline alone responsible for the huge smoke that has engulfed the world, or where does the problem come from?*

In 1991, Mikhail Gorbachev declared the fall of the Soviet Union: 16 countries declared independence due to the dissolution of the Soviet Union. The world entered a different phase under the US and NATO presidencies, and Russia accepted the new system on the condition that its current hegemony and borders would be maintained. However, after 1999, the United States and Europe invited Poland, Hungary and the Czech Republic to the European Club and made them members of NATO. The United States assured it would not deploy nuclear weapons in these countries, and Russia remained silent.

In 2004, US President George W. Bush announced that Romania, Slovakia, Slovenia, Bulgaria, Lithuania and Estonia would become members of NATO. All these countries were formerly under the control of the Soviet Union. The Kremlin, therefore, understood that it should take the threat seriously. Then, in (2008) the US administration, under the direct supervision of Barack Obama and members of Bulgaria, Austria, Turkey and Romania, signed the Nabucco Pipeline project to transport natural gas from Central Asia (from the Caspian

region) to Central Europe (They tried to transport gas from the region under Russia's ears without valuing Russia).

In 2014, Ukrainian protesters, as media agencies showed that the United States and Europe backed them) forced President Viktor Yanukovich to flee to Moscow and turn his royal palace into a museum. They brought forward another team close to the West and have been trying to make Ukraine a member of NATO for a long time! This time, Russia considered regaining control of the Crimean peninsula. In 2014, they fought Crimea (Crimea: located north of the Black Sea and south of Ukraine, the island has a great military and material position, especially the port of Sevastopol, where most of the world's powers are clashed from here). With the occupation of Crimea, the Western power will no longer be able to receive any military assistance from the Black Sea. In addition, the threat of a NATO-Russian conflict in Crimea disrupted the Nabucco pipeline, especially when the world was busy with the war against terrorism (ISIS).

*The outbreak of the Syrian crisis in 2011* gave Russia an excuse to cross the Mediterranean Sea: This occurred from the Black Sea to the Marmara, and Russian warships reached the port of Tartus in Syria. Russia is still an important player in the Syrian conflict. The US administration has described China's economic and Russian military incursions as the biggest threat to national security. Therefore, the United States deployed long-range weapons and missiles in Romania (2016) and Poland (2020).

### **Third: Conceptualization and theorizing: A call to securitization theory**

Theory in international relations helps us to understand phenomena. The securitization theory sparked in 1983 with Barry Buzan's book, "People, State, Fear: The National Security Problem in International Relations". Later, Buzan and their colleague established "the Copenhagen School" as an important contribution to the science of international relations. According to this school, national security policy is not natural but carefully formulated by politicians and thinkers{7}. Here, securitization means that when an issue is labeled a

"threat" and "danger", the social and political institutions must be provided for it. In other words, security issues do not come from the outside alone but must be addressed from the inside by security actors. For example, indicating "immigrants" as a threat to national security makes "immigrants" a less important issue to be directly addressed at all levels of "borders". This theory emphasizes that issues are not inherently dangerous but that when they are "securitized," they become security problems. This "security" was previously seen in a narrow context as a matter of military confrontation during the Soviet-American Cold War. Then the concept shifted to various levels such as regional security, energy security, environmental security, social security, food security, cyber security, etc. Hence, "issues" or "new phenomena" are considered security threats to culture, identity, economic status and national incomes.

When US troops suddenly withdrew from Afghanistan in 2021, in less than a week, the entire Afghanistan, worth (85) billion US\$, weapons and military equipment fell into the hands of the Taliban{8}. This made serious questions about the US personality and gave Putin an incentive to impose an energy embargo on Europe and invade Ukraine in a cold winter. Ukraine has been under Russian rule for 200 years. For the Russians, Ukraine is an important part of Russian identity, language, geography and authenticity.

From the beginning of the war, the price of oil rose from \$ 60 to \$ 94; the Wall Street Journal saw the price of oil reach \$ 100-120, then reach the same price and more{9}. The European gas crisis and the sale of Russian gas and grain in the country's currency (Ruble) mean that Russia has done its duties successfully. Even the Biden administration has called on OPEC to increase oil production, but OPEC has ignored it from the beginning. Three allies, Russia, China, and Iran, have been prominent factors in global energy prices. On the other hand, another weakness of Europe is that they do not have a unified army; their entire military presence is considered to be NATO, which the United States dominates.

#### **Fourth: The gas pipeline in the eastern Mediterranean region**

Knowing the nature of the distribution of power relations about energy issues depends on recognizing the strategic energy basins and alliances in these regions. This is "energy geopolitics":

In 2010, Cyprus and Israel announced that they had discovered underwater natural gas in their offshore borders.

In August 2019, Cyprus, Israel and Greece signed a natural gas alliance agreement in Athens with the support of the United States. Even Frank Fannon, the US Assistant Secretary of State for Natural Resources, was present {10}.

Egypt, Cyprus, Israel and Greece have established the Eastern Mediterranean Gas Forum (EMGF), AS France, Italy, Spain, Jordan, the Palestinian Authority, and Lebanon are also members of the EMGF, and former US Presidents and Secretaries of State Mike Pompeo have expressed strong support for the project. The discovery of the reserves in several major fields concerned Turkey in the southern Mediterranean. A strategic dream has been true in Southern Europe on the other side: Europe does not need Russian natural gas<sup>4</sup>. From here on, another pipeline to Europe imports gas from Israel and Cyprus.

In early 2021, the 1,900-km East-Med Pipeline has commissioned to transport Israeli and Cypriot natural gas through Greece to Italy, Macedonia, Serbia and other countries. However, this project is very controversial:

- The Cyprus issue remains pending in the region. Turkey does not recognize the Greek Cypriot state and the Turkish part of Cyprus (TRNC) remains marginalized by the international community, which has exacerbated the natural gas problem. The main heads of gas production in the eastern Mediterranean are at odds with Turkey. So, it has been the main cause of regional tension.
- Russia is stationed in Syria, and Turkey does not want the northeastern regions of Syria, which contain oil and natural gas reserves, to be under the control of Kurdish forces.



- The Mediterranean Sea is the crossroads between three continents: Asia, Africa and Europe (Egypt, Israel, Cyprus, Greece and Turkey).
- Environmental problems, migrants, human trafficking, etc., continue in this region.
- The deployment of Italian and French warships in the Mediterranean Sea to oppose Turkey's maneuvers.
- US and British warships stationed in the Mediterranean basin
- The project has led Israel and motivated to become a producer and exporter of natural gas (Israel: imported natural gas from Azerbaijan through Turkish territory in the 1990s and from Egypt from 2008 to 2012).

In March 2021, Israel's Delek Drilling sold a 22 per cent stake in the Tamar gas field to UAE's Mubadala Petroleum for more than \$1 billion {11}.

- the Mediterranean, led by France in Europe and Israel in the Middle East, Britain and the United States, look forward to the oil and gas reserves in Kirkuk and the Kurdistan Region into part of the eastern faction. Therefore, in response to these steps of the West, Russian and Turkish companies are participating in all fields of oil and gas services in the Kurdistan Region of Iraq.

#### **4. 1. Why did the US administration withdraw support for the East-Med pipeline project?!**

On January 9 January 9. 2022. the ministries of foreign affairs of Greece, Israel and Cyprus received a non-formal letter from the US secretary department. The letter states that the US administration will suspend its support for the East-Med gas pipeline project, which has sparked regional tensions. The additional gas reserves in the region can be utilized through electricity cables to produce and promote the joint regional project. The letter comes as the United States and Europe have been preparing for a dangerous confrontation with Russia (a month before the outbreak of the Russian-Ukrainian war). The Eastern Mediterranean Natural Gas Project is immensely important to the United States

and the West, so it does not make any excuse for any researcher to believe that support for Europe and the United States will be suspended for this project.

However, the following points should be considered:

- The project has been hurting Turkey for ten years. Therefore, the rumors of suspending US aid are directly related to the Ukraine crisis, a US compromise for Turkey not to get closer to Russia. If the US administration intended to end the project, it would have notified them through the embassies of the three countries in Washington.
- The US administration believes that the project will bring regional tension and conflict rather than peace and cooperation and has led to the neglect of Turkey in the region. Therefore, Turkey described the US announcement to suspend the EMGF as a great victory for itself. However, Turkey has received this message erroneously because they state that "every line to Europe must pass through Turkey.
- The United States desire the natural gas projects in the eastern Mediterranean to be in line with European environmental plans and policies. Therefore, they proposed to become an electricity and cable exchange network in the region. The European Union has decided to reduce its use of natural gas by 25 per cent by 2030 and not use it completely by 2050{12}.

The project is expensive and will not solve Europe's energy crisis entirely.

Substantially, during the discovery of natural gas, energy giant companies have flocked to the eastern Mediterranean since 2010, such as Noble Energy and Exxon Mobile as the two major US companies, British Petroleum (BP), French Total, Italian Eni, Israeli Delek Drilling, German DEA. Recently, the UAE has devoted all its political, economic and diplomatic strength to the Mediterranean. The UAE has normalized relations with Israel and Turkey. In 2022, Syrian President Bashar al-Assad visited the UAE after 12 years of war and crisis in Syria. Are these signs a simple event and a normal regional step?

Is it normal to spend \$7 billion and start transporting Cypriot and Israeli natural gas to Greece and other countries in 2021?

### **Fifth: The West and its environmental issues**

The European Energy Network has announced that it will reach a neutral level of environmental issues by 2050. According to this roadmap, Europe will no longer rely on oil and natural gas (neither exported nor imported).

Europe and the Mediterranean countries have had stable agreements since the end of the Cold War; For example, the Barcelona Declaration of 1999: these three continents fall on the same sea; they called it the Euro-Mediterranean Partnership. In 2008, it was renamed the Union for the Mediterranean. According to these agreements, Europe will intervene in any country in the name of cooperation in the Mediterranean Sea, such as Syria, Lebanon, Cyprus, Libya, etc.

Therefore, the US administration has called for the Eastern Mediterranean gas project to be conducted by European environmental policies.

Establishment of a large joint power line to transport and use excess gas produced off the coast of Cyprus, Israel and Egypt with Greece, thus connecting three neighboring countries on different continents. However, it is not easy because it covers a large area of more than 1,300 miles, and again, this project will cause Turkey's objections. Legally, these waters have an UN-designated exclusive economic zone (EEZ), which mostly passes through Turkey. Experts believe that after the US decision in early 2022, the gas in the eastern Mediterranean will be only for the Mediterranean region, and a certain region will not be economically relevant to Europe. Investors are more likely to follow the statements of Israeli Energy Minister Karin Elharar, who said that in 2022, his office would focus on renewable energy for the production of energy, especially through wind and solar {13}.

### **Sixth: Kurdistan Region of Iraq: Hydrocarbon potential, geographical location, political decisions**

The population of the Kurdistan Region has exceeded 6 million people, more than 5 million of whom live in cities. 1.4 million people receive salaries from the government, which requires 870 billion Iraqi dinars (about 750 million US dollars) monthly. The armed and security forces of the Kurdistan Region are 270,000 people{ 14}.

However, the Kurdistan Regional Government (KRG) claims to have between 3.7 and 5.3 trillion cubic feet of natural gas and 45 to 60 billion barrels of oil reserves. Almost the Kurdistan Region ranks between the seventh and ninth-largest natural gas reserves in the world, with between 3% and 5% of the world's natural gas reserves{15}.

*The existence of hydrocarbon potential for the Kurdistan Region within the framework of the Iraqi state requires deep thinking in the regional chessboard and conflicts:*

How does the geopolitical aspect of the Kurdistan Region affect its natural reserves? The Kurdistan Region is directly involved in the war between Russia and NATO in the Caspian region. It is also more directly involved in the eastern Mediterranean's energy geopolitics, environment and political conflict. Russian companies are currently operating in Kurdistan Region. Iran is a Russian ally in all areas of the Kurdistan Region, while the Germans have been training the Kurdish forces (Peshmerga) since 2014. The French consider the Kurds their friends, and the US has the largest military base in the Kurdistan Region.

In other words, the KRI and its natural gas are located between three different energy geopolitical basins:

- the Mediterranean Sea in the northwest
- the Qazvin (Caspian) basin in the east and northeast
- the Gulf region ( Qatar, UAE and Saudi Arabia) from the south

For this reason, if the KRI does not maintain the balance, the Kurdistan energy line will bring chaos to the region. This geopolitical influence is reflected in decision-makers behavior in the Kurdistan Region; When the UAE normalized relations with Israel and Turkey in 2021, the KRG's Prime Minister Masrour Barzani will visit the UAE directly, and then the KRG's President Nechirvan Barzani will visit Turkey.

In 2022, when the natural gas and fuel crisis in Europe and the United States due to the war in Ukraine, the Emir of Qatar visited the United States; following this, the Prime Minister of the KRG arrived in Doha on February 15, 2022, at the invitation of Emir Tamim bin Hamad Al Thani. As well as, during his participation in the 2022 global energy forum –Atlantic Council, the PM of the KRG pointed out that "We will also export natural gas to Baghdad, Turkey and Europe" he said Atlantic Council's Global Energy Forum in Dubai, United Arab Emirates (UAE), March 28, 2022{16}. Moreover, Our goal is to export Kurdistan's gas to Europe," said Deputy Prime Minister Qubad Talabani at the Delphi Economic Forum in Athens in April 2022.

The Islamic Republic targeted the residence of Sheikh Baz Karim Barzanji, the executive director of Kar group company, with 16 missiles. Further to remind, 60% of the Kurdistan oil pipeline is owned by Kar company, and Rosneft owns 40% of Kurdistan and its oil marketing. So, Russia and Iran will never want the Kurdistan Region's natural gas to replace Iranian gas for Iraq, nor become it facilitates for Europe. Subsequently, in June and July 2022, militia armed groups targeted the Kormor field three times (Kor Mor is the largest natural gas and LPG field in the Kurdistan Region, operated by UAE Pearl Petroleum since 2007).

The Kurdistan Region can work to maintain its balance of power and neutrality; Perhaps the best scenario is for the Kurdistan Region to exercise its power and validities within the framework of the Iraqi Constitution, Articles 111, 112, 116 and 122, as well as Law No. 22 of 2005 on the Oil and Gas Law which is issued in the Kurdistan Parliament in (2007).

Iraq is not a stable country. The Kurdistan Region should take every opportunity to work with the central government to pass an oil and gas law with the support of the US administration (because Iraq still needs an oil and gas law). This opportunity is also important for the Iraqi central government; instead of importing natural gas from Iran at higher market prices, or instead of demanding electricity from Jordan, Egypt and the Gulf, Kurdistan's gas should be used inside Iraq to generate electricity for central and southern provinces of Iraq: It is geographically closer, it is cheaper, it will be implemented within one country, it will lead to more political coexistence, and the Shiite militias close to Iran may not repeat the threats and shelling of the Kurdistan Region's fields. "Everywhere, the oil and gas is not only related to oil and gas in terms of chemical composition and geological dimensions, not only an economic issue but also an environmental, security, political and geopolitical issue. So, It is not an exaggeration to say, "Tell me where the pipeline is going, and I will tell you where your political destiny is going".

## **Conclusion**

Finally, so-called "energy security" is generally related to the reasons for the world's high and low prices of oil and natural gas. All three main basins of the Caspian, the Gulf, and the eastern Mediterranean are direct threats to global economic and political security. The US administration's decision to withdraw their support for the EMG project in January 2022 was a tactic through an unofficial paper. This is further confirmed by signing a new deal between Israel, Egypt and the European Union in June 2022 to export gas from the eastern Mediterranean. As the president of the European Commission, Ursula von der Leyen said the EU would use Cypriot and Israeli natural gas as an alternative to Russian gas. However, the European Union and the United States will continue their environmental programs to reduce their dependence on oil and natural gas.

Pressure on OPEC will continue to supply much more amount of oil. All this does not mean that by mid-2023, we will see oil prices below \$70, But in 2024,

we will see oil prices below \$40. However, natural gas will be the main market and geopolitical conflict topic for many years. Therefore, it is better for developing oil-producing countries such as Iraq, which suffers from unnatural political conflict and violence, to take advantage of this temporary opportunity. Finally, one of the main characteristics that distinguish the Russia and Ukraine war from other world wars is that instead of only a great military, economic, financial and political impact on the two direct countries participating in the war, the war has also created great political, economic and security pressure on those indirectly involved in the war.

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