

## Energy Insecurity Crisis: The Case of Georgia

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### **Abstract:**

*Competition for energy resources in the contemporary world remains a source of crises and conflicts as long as demand increases faster than supply, and major oil reserves are located in areas characterized by profound political-economic imbalances and instability. Energy security is a matter of fact that states, international organizations and non-state actors contribute to significantly, but in different ways. Crisis prevention and the energy issues meant to resolve them are one of the most complex scientific challenges because they involve a comprehensive understanding of the types of determinations governing the organization and social processes.*

**Keywords:** energy insecurity, strategic regions, energy, energy independence

**JEL Codes:** A1, F5.

### **1. Energy, a Reason for War**

It is of an indisputable importance that energy resources, oil included, are a product of strategic importance. No modern Defense Force can be maintained and no military conflict can be conducted without significant oil reserves. *"Oil is a vital responsibility and planning for national security policy is to ensure that State may rely on sufficient oil reserves to support its own defense system".*<sup>2</sup>

World War I provided the first practical demonstration of the revolutionary effect of using ships, aircraft and vehicles powered by oil. In World War II, the strategic importance was crucial and oil installations were the main targets of attacks. Today the strategic importance of oil for the military has not diminished, but even increased due primarily to two main factors characterizing modern conflicts, such as *mobility* and *extensive mechanization* using new technologies.

Oil consumption during a war is calculated according to the type of war, its duration and the environment in which it takes place. In a small conflict, the burden on energy resources available in the State economy may be tolerable. During the Vietnam War, the press noted that one factor that led to intensive bombing halt over parallel 20 and slow offensive was U.S.A's fuel oil crisis.<sup>3</sup>

Excluding nuclear energy use, oil represents 72% of fuel for the U.S. Department of Defense, which uses it most for its transport systems (63.7% and 14.9% respectively for air operations and for naval operations in 1974). Nuclear power is already considered a power source for naval forces and it is used in 20% of the U.S. Navy<sup>4</sup>.

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<sup>2</sup> Allen L. Hammond, *Energy and the future*, American Association for the Advancement of Science, Washington, 1973

<sup>3</sup> The Times, *American fuel oil found insufficient for peak bombing of N. Vietnam*, 13 January 1973.

<sup>4</sup> US Department of Defense, *Management of defense energy resources*, Report of the Defense Energy Task Group, 15 November 1973.

## 2. Wars for Resources. The Case of the Georgian Conflict

On the 8<sup>th</sup> of August 2008 a short war is initiated, this time not in the Middle East, but in the Caucasus, turning a frozen conflict in South Ossetia into an open one, in which Georgian forces are to oppose secessionist forces from Abkhazia and South-Ossetia, then the Russian ones, to implement the peace agreement brokered by the French head of state, chairing the EU in the second half of 2008.

The announced secession of South Ossetia and Abkhazia from the Georgian State forced the government in Tbilisi to take action to restore constitutional order by armed force. In Russia's interpretation, these were measures against the population inhabiting Russian origin territory, which justified Moscow's military intervention "in defense of" ethnic Russians. Subsequent developments are well-known. The Russian Federation's attack, considered as disproportionate, put the Georgian leadership in difficulty. There followed a series of international negotiations that brought to the fore the EU, which managed, through the efforts of French President Nicolas Sarkozy, to halt the conflict and to mediate peace.

## 3. Caucasus - an Area of Major Interest

There are a few issues that have aroused the great world leaders' interest:

- which was the real interest of the five-day war in the Caucasus;
- who were the main actors in the region;
- how will it ensure a safe environment in the near future?

One can try and find as many reasons for the dramatic happenings in Georgia, they all pale before an item of cardinal importance, which is actually the source of the conflict: the region's rich energy resources as it occupies the next position after the Gulf and, incidentally, it crosses through pipeline the Georgian territory en route to the Black Sea, Turkey and the EU.

If Russia controlled the troops into Georgia, it could, as the well-known American analyst Zbigniew Brzezinski stated, into the fire events of August, "...wipe Georgia from the energy map and impose the Russian Federation as the sole territory of transit of oil from producing countries of Central Asia and Caucasus"<sup>5</sup>.

The actions led by Russia against Georgia, during the Beijing Olympic Games (2008) have shaken the global equilibrium formed after the end of the Cold War, which issued the USSR collapse. In fact, the whole context of international relations in recent years began to undergo symptomatic changes. Dynamics of these changes was generated by post-Soviet Russia's revival, China's progressive development, the U.S.'s weakening, and the EU trend to act as an independent international actor.

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<sup>5</sup> <http://www.monde-diplomatique.fr/carnet/2008-08-15-Georgie>

Figure no 1: Stake energy resources in the Russian-Georgian conflict



Source: <http://www.monde-diplomatique.fr/carnet/2008-08-15-Georgie>

Caucasus and the way it opens to the Caspian basin have become major objectives in international relations due to its heavy concentrations of hydrocarbons and its proximity to several clusters of strong international relations. The active presence of the EU through the European Neighbourhood Policy, as well as of the U.S., through pro-American states in the EU and Pan-Euro Atlantics from the ex-URSS (Ukraine, Georgia, Azerbaijan with some reservations), reverted Russia’s attention to this area, where she was the dominant actor.

From the point of view of the Russian elite, the sovereignty of these former Soviet countries, to which the West tries to promise more than sovereignty and stability, may create competition in the delivery of Russian energy from Central Asia and the Caspian Basin. This competition is materialized by the tendency of energy independence from the Russian monopoly over the transportation of energy resources. Therefore, Georgia’s different behavior is significant for both Russia and the West.

After the parliamentary and presidential elections in this country have been won repeatedly by M. Saakashvili and his followers, the number of completed and planned projects in energy with the Georgians has increased. Thus was put into operation the route Tbilisi-Poti, which facilitates the transport of oil from Azerbaijan to European markets via the Georgian railway.

#### 4. Georgia's relationship with Russia

There are also other oil and gas pipelines (Baku-Tbilisi-Ceyhan, Baku-Tbilisi-Sup'sa, the Baku-Tbilisi-Erzurum, etc.)<sup>6</sup> operating in Georgia. Furthermore, Georgia together with Ukraine, Poland and the Baltic countries agreed to establish the Caspico-Pontico-Baltic Area, designed to deliver oil from Azerbaijan, and possibly other Caspian states to the EU, bypassing Russian territory.

**Figure no. 2: Europe-Asia oil and gas network**



Source: <http://www.eia.doe.gov/.../bosporus%20bypass%20map.pdf>

Moreover, Georgia is the attraction point for both the EU and the U.S. due to the Nabucco pipeline, which, according to current estimates, could run from 2013 (the beginning of pipeline construction is sluggish because of "pressure" exercised by Russia on oil exporting countries in Central Asia, but also due to the initiation of several projects aimed at transporting Russian energy resources and / or through the territory of Central Asia through Russian territory on the European market: Nord Stream, South Stream pipeline, the Caspian or Prikaspiisk).

Georgia's real and expected potential in combination with energy and the state's pro-American Euro-Atlantic aspirations created sticking points in relations with Russia.

During the Russian military actions on Georgian territory, Russian aviation and military ground forces had targeted not only military and economic objectives, but also infrastructure (including those working in the field of oil transportation).

<sup>6</sup> BP, *Statistical review of world energy*, June 2009

**Figure no. 3:** Military operations in the Russian-Georgian conflict



Source: <http://www2.parl.gc.ca/Content/LOP/ResearchPublications/prb0836-e.htm>

According to this logic, the “military aggression” carried out by Russia to impose peace and punish the Georgian authorities sought to downplay the role of the Georgian State as an agent, an energy carrier, exposing it to the international community as an uncertain, unstable and uncredited state from a political angle.

However, interest in Georgia will not decrease as the oil price is increasing and in time the number of exporting states will decrease, which will create a serious shortage of energy resources and markets and will affect U.S. energy security, but particularly the EU. In the context of possible institutionalization of OPEC in gas-rich states, under the leadership and initiative of Russia, the stakes for Georgia (and its energy area potential) become imperative on the agenda of EU and U.S. foreign policy.

## 5. The NATO-Georgia Relationship

The ex-Soviet space is perceived by Russia as its exclusive sphere of influence and the CIS states are treated as its “natural partners”, in spite of their political will and actual external vector. Thus, even though Georgia and other former Soviet states claim some connection to NATO, Russia refuses to accept such options. In fact, the Kremlin cannot accept any loss of its influence in the CIS states, in favor of USA and NATO.

According to this approach, the opportunity to achieve the Action Plan for NATO membership (MAP - Membership Action Plan) by Georgia and Ukraine creates discomfort to Russia and endangers the process of restoring the status quo at both regional and worldwide level.

If in Ukraine, whose leadership is pro-NATO, the idea of joining the North Atlantic Alliance has no popular support, in exchange in Georgia both citizens and the political class support Euro-Atlantic prospects.

In the absence of appropriate levers of influence over political and civic will from Georgia, together with the ineffectiveness of "soft power" measures shrewdly applied by

Russia, such as the economic embargo, natural gas supplies cessation, Georgian immigrants' deporting, etc., the last solution was to rely on the separatist Georgian territory exploitation problems.

Despite Russian pressure, Georgia has continued to deepen relationships with the U.S. and NATO, receiving, during the NATO Summit in Bucharest, clear Euro-Atlantic prospects. In order to reduce the chances of Georgia to get MAP in December 2008, but also to tense contradictions inside Ukrainian society against pro-NATO political leaders, Russia decided to defrost Abkhaz and South Ossetia conflicts. Yet, the issuing of military conflicts in this state territory that is a candidate to the MAP may decrease its eligibility.

However, Georgia's example was used by Moscow to influence the presidential elections in Ukraine in support of political forces with a balanced foreign policy in favor of the Russian position. During the military conflict, Georgia together with the U.S. and its European allies has tried to determine Russia military action cessation.

## **6. EU's Position on the Military Conflict in Georgia**

But not all EU countries have taken the side of the Georgian authorities, by adopting a moderate stance against the military conflict towards both Georgia and Russia. Due to energy projects in Italy, to which Belgium and Germany are to participate (South Stream and Nord Stream) and mutual economic interests, their criticism was limited to demanding a ceasefire and the beginning of negotiations for a peaceful resolution of the conflict.

Being in the EU presidency during the conflict, France has decided to engage actively in order to improve its image, compromised by the accusations made by Rwanda regarding the complicity of the French authorities in the commission of genocide in this African state. Moreover, N. Sarkozy, the French president, has expressed interest in this subject in order to increase France's share in world affairs, but also to enhance the EU's role in solving some keen European security problems.

Even if France and other countries of Old Europe remain very reserved toward Russia, Germany changed its attitude in the last days of the conflict. Thus, during her visit to Sochi, the German Chancellor, Angela Merkel, criticized the disproportionate and unjustified military action by Russia on Georgian territory. Also, the German leader reiterated that resolving the separatist conflict in Georgia must be based on Georgian territorial integrity. This position was especially welcomed, with both Medvedev and Lavrov having said earlier that the independence of Abkhazian and South Ossetian regions could be recognized by Russia.

Additionally, if at the Bucharest summit, Merkel played a central role in MAP postponement for Georgia and Ukraine, already in Sochi this provides guarantees regarding further deepening of NATO's relations with these two countries. Berlin's change of mind was conditioned by the fact that not only Germany, but also other European countries have produced compelling evidence regarding the guilt of Russia vis à vis Georgia. However, such attitudes may be subject to hostile statements by Moscow with respect to the final agreement signed between Poland and the U.S. regarding missile shield installation in Poland.

## 7. Conclusions

The military conflict in Georgia is a dangerous precedent for the security of the EU's neighborhood, but especially for the European markets. The pretext used by Russia to aggress Georgia is contrary to international law and similar to the one raised by Milosevic in the Balkan wars of the twentieth century. Since the Russian Federation still grants Russian citizenship for Ukrainian and Moldovian people (including Transnistrian one), there is also a chance for the Georgian scenario to repeat itself some time in the future. In order to prevent this from happening, the EU aims to deepen relations with neighboring states in the East (through the European Neighbourhood Policy, the Black Sea Synergy, the Eastern Partnership), indirectly enhancing their Euro-Atlantic prospects.

Georgia and Russia's signing of the so-called "Sarkozy-Medvedev" plan, with the help of the U.S. and Germany, is a partial success of European diplomacy, as it was unable to prevent conflict in Georgia at an early stage. At the time of declaration and recognition of Kosovo's independence under Ahtisaari's plan, both Serbia and Russia warned the EU, the U.S., and the international community about the dangers to repeat the Kosovo precedent for other parts of the world.

This was followed by Russia's unilateral action on the reconsideration of relations with the rebel regions in Georgia, which eventually evolved to events in Georgia from August 8 to 16, 2008. In the press conference held during the visit of Angela Merkel in Sochi (August 15, 2008), Russian President Dmitry Medvedev stressed that the status of those two Georgian regions, Abkhazia and South Ossetia, will depend on their population's decision.

As for Georgia, it has been proved that the EU did not want a stronger rapprochement, but was limited to strengthening the relationship with her, claiming the country's political and economic reconstruction after the conflict with Russia in August 2008, at a donors' conference for reconstruction, deciding to grant aid of 500 million euro over the next three years and organizing a mission of 200 civilian observers to oversee the retreat of Russian troops to their pre-conflict positions. Major players in the world make great efforts today to face a multitude of asymmetric risks rapidly arising from diminishing natural resources, and increased population growth and to fight for holding strategic regions and markets supremacy.

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