

Pipeline Politics or Pipeline Dreams?

Understanding the Unique Dynamics that Affect Eurasian Energy Transport to Global Markets.

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Introduction - Energy Security and Pipeline Politics

For many countries, how and where they obtain their energy in the form of oil and gas - energy security - is an ongoing concern and often plays a salient role in a state's domestic and foreign policy. For many developed states that rely on hydrocarbons to fuel their economies, a lack of accessibility and availability of a consistent supply of such energy could jeopardize entire institutions of that state domestically and weaken that state's international position in international relations and geopolitics. As such, "securing stable energy supplies is a major strategic challenge for all countries" (Öge, 2021, p. 1511). But what 'energy security' is for one state may not necessarily mean what 'energy security' is for another state. One just can't merely generalize energy security as supply security (Öge, 2021); such was the fallacy that the United States followed after the OPEC influenced price increases of the 1970s where in response to OPECs actions, the United States sought to be energy independent so that they would not be held hostage to foreign energy producers' whims on production cuts resulting in extreme price spikes over supply fears. Pursuing such an initiative of energy independence, while beneficial in some areas, ignores the more important goal of diversification.

After the OPEC price shocks of the 1970s, it was less than two decades later that an opportunity of energy diversification opened up for the world. After the fall of the Soviet Union in 1991, the Central Asian republics that were once held under sway became newly independent states (NIS) that possessed a largely untapped wealth of resources that lie just underneath the surface - oil and gas. The region, however, was left largely undeveloped due to neglect of the Soviet elite and a lack of capital and technological innovation (Öğütçü, 1995). Yet, Central Asia and the Caspian Sea Basin is estimated to possess approximately 40% of the world's known gas reserves that could reasonably become a stable source of oil for the West over the next 40 years" (Öğütçü, 1995, p. 39).

Despite the potential that the former Soviet republics of Central Asia can hold for energy diversification to the global energy market, there existed an obvious elephant in the room to access, Russia and her foreign and energy policies toward these states. States like Kazakhstan that is rich in oil reserves and Turkmenistan which is rich in natural gas reserves heavily rely on pipelines that travel north into Russia to get their energy out on the world market. What was once an easy transport route from well to port now involves a heavy dose of negotiation, geopolitics, and geographical considerations (Öge, 2021) as the "energy markets in Central Eurasia are (now) fragmented along strictly national borders" (Nitzov, 2010, p. 2) and landlocked without exclusive access to a warm water port that is immediately accessible to the oceans.

For the Central Asian states of the former Soviet Union, a new issue arises that affects energy security not only regionally but also globally for this energy - pipeline politics. In the post-Soviet era these new-found independent republics all possessed to some degree weak institutions to establish legitimacy in governance in the form of weak militaries, poorly functioning economies, and the potential for civil or external conflict (Kubicek, 2013, p. 173);

add to the equation the vast energy reserves these states possess it is no wonder why the “local and regional turmoil in Caspian and Gulf areas will attract high levels of external intervention in regions no longer isolated from the rest of the world” (Hess, 2008, p. 96) and thus follows the attraction of global powers to insert themselves in regional affairs to ensure continuity of supply. For Western states that are now seeking a foothold to energy resources in the region, the most salient concern in Eurasian energy security that is asked among these allied states is to determine routes where new pipelines can traverse over (Kubicek, 2013) that have economic, geographic, and geopolitical bearings for the best outcomes...but not necessarily for all.

Öge, (2021) points out a dichotomy in International Relations between Liberal and Realist paradigms in how states interact with each other. The matter he argues is no different concerning energy security. He notes that “a Liberal perspective assumes that pipelines, as mediums of commerce, would make transit conflicts unlikely by creating mutual interest (and) incentives to maintain trade...(as) shared interests make disruptions too costly” (p. 1514-1515). On the other side of the coin, Öge asserts that “Realists emphasize rival political and economic blocs that compete for resources and markets through the use of political, economic, and military power...often demonstrated in... “pipeline politics” (p. 1515). In situations where energy must traverse over multiple international borders from producer to consumer “conflictual relationships are enabled by the lack of an overarching authority to manage transit affairs” (Öge, p. 1515). Thus, transit relations concerning energy in Eurasia tend to mirror the Realist paradigm rather than the Liberal perspective; states often seek the best possible outcome for their own state often to the detrimental expense of others with little regard. As what supports the Realist perspective is the fact that above the state level there is no real overarching authority which controls affairs in the production, trade, transit, and consumption of energy for states. What does exist is a shaky construct of pacts, protocols, and agreements that are legally non-binding and are heavily affected by geopolitics and the individual foreign policies of the states involved that are often not aligned in aggregate interests on energy and the fair possession of it. It is up to the state and state-corporations concerned with energy to extract it, transport it, and sell it to the global markets. As it relates to Eurasia, the region is notorious for pipeline politics (Öge, p. 1527) that is heavily “complicated by geopolitical factors that are intrinsic to transit” (Öge p. 1521). A new facet thus is revealed in energy security, especially as it relates concerning Eurasian energy – *transit security*.

There are three issues that affect “pipeline politics” that are relevant to the Eurasian case and curtail cooperation among the states involved in the production, export, transport, and import from the region; 1) the strong influence historically, logistically, and politically that Russia plays in the region as it relates to the movement of resources out of Eurasia, 2) the heavy dependence of Eurasian (and Russian) gas that Europe relies on through a lack of diversification and, 3) the often tenuous relations transit states have with resource exporters through the use of rents for extracting revenues or offtake of oil or gas running through these lines. While there are certainly

other players in the Eurasian energy equation like the United States, China, India, and Iran, this paper will focus on the directional flow of Eurasian energy, west, towards continental Europe.

Russia, Then and Now

Soviet era

In Soviet times “crude oil distribution system in the former USSR was highly integrated and centrally directed as in other sectors..(like) many other former all-Union functions, it was organized without any concern for the republic’s borders (Öğütçü, 1995, p. 45). At the time of construction of the energy system in the Soviet Union no one would have foreseen its demise just a few decades later. While the intent was to build a solid infrastructure network for the entire Union, after dissolution the NIS were stuck with the same infrastructure that necessitated its dependence on export transit to bring its energy to market which invariably involved once again Russia due to the logistics of the pipeline network running primarily points north and west. In the immediate post-Soviet period to establish some sort of economic and regional stability for the republics of the former Union as well as Russia, the development of the “Commonwealth of Independent States” was established to achieve these aims. As it related to energy cooperation between the states, transport remained tied to old Soviet structure” (Kubicek, 2013, p. 173), and with Russia being the most powerful state in the commonwealth also gave it “a final say in all issues relating to energy” (Öğütçü, p. 47) which caused concern from other external powers for Eurasian energy that such influence would sow the seeds of a revanchist Russia to establish a new authoritarian control over the region once again. Early on, however, these fears were not exactly realized, the Central Asian states were generally ignored as Russia looked westward toward continental Europe and the U.S. for cooperation, though the oil and gas continued to flow regularly from states like Turkmenistan and Kazakhstan meaning “Russia controlled the economic lifeline of the region” (Kubicek, p. 173). For example, Russia determined the final destination of Turkmen gas sending it primarily to Ukraine often at subsidized rates meaning less profit for the Turkmen economy who had no other alternative routes for which to realize greater revenues if it could dictate its own transport routes to customers.

The conduit with which Soviet energy supply to Europe established continuous reliance in the immediate post-Soviet era to today was established between then-West Germany and the USSR in 1970. A growing West German industry dependent on oil and gas had started seeking beyond its own borders and beyond the continent’s borders for a consistent and stable supply of energy. At the same time, the Soviets holding vast reserves of gas in Russia proper and Central Asian gas had stocks that exceeded domestic demand. As a result of both supply and demand from both states, the two states that were only enemies 30 years earlier established an energy conduit between Europe and Eurasia that is still in existence and is part of the current geopolitics of the Eurasian gas industry” today (Hess, 2008, p. 87).

Today's Russia

Russian near-abroad policy in the immediate collapse of the Soviet Union as it related to the NIS of Central Asia changed from “benign neglect” (Kubicek, p. 173) to a more assertive role in reestablishing a new sphere of influence based on fears in the Russian elite that encroachment of other global or regional powers were dangerously seeking to establish their own influence in Eurasia. As a result, Russia’s foreign policy of Westernization and closer cooperation with Europe turned into a type of “Monroeski Doctrine,” a policy that asserted special rights for Russia in the so-called “near abroad” of the post-Soviet space.” (Kubicek, p. 173). As a result, the Realist paradigm of geopolitics once again firmly established itself in the region with Russia (re-emerging) as the pre-eminent outside actor in the region, both with respect to security...and energy” (Kubicek, p. 177)

This “Monroeski” doctrinism continued under a then-rising influence in post-Soviet Russia at the beginning of the new millennium and who remains the most influential figure in Russia today, Vladimir Putin. He seen the advantages for control of Central Asian energy that were already in place thanks to policies and infrastructure established in the Soviet era and he made full use of these advantages to establish control and influence and the exploitation of these now foreign energy reserves for Russia’s own advantage. To prevent new pipelines being established in the energy producing states of Kazakhstan and Turkmenistan, Putin “proposed increasing oil and gas shipments from the region through (existing) Russian pipelines (Kubicek, p. 174), using the “important political, economic, security, and even cultural ties” (Kubicek, p. 173) established by Russia and the NIS under the CIS construct. The results were admirable; Russia established multi-decade agreements with oil-producing Kazakhstan as well as gas-producing Turkmenistan and Uzbekistan for primary transit flow control into Russia for export to foreign markets (Kubicek, 2013), as well as the construction of new lines that would also traverse into Russian territory before reaching other states such as the Burgas–Alexandroupoli pipeline that trumped Turkish efforts to establish an alternate pipeline in the region. These efforts appear to have firmly re-established Russia’s virtual control over Central Asian energy despite those states being independent, sovereign entities.

Putin’s prioritization of the former Soviet republics of Central Asia revealed Russia’s foreign policy of assertiveness in the region established on earlier foundations and its own geologic advantage in resource wealth to which it is taking advantage of; Hess (2008) notes that Russia possesses 26 percent of the world’s recoverable gas reserves (and) between 1998 and 2002, Russia produced approximately half of the world’s gas pipeline exports, which made it the largest supplier of gas to Europe” (p. 83). Possessing these two valuable aspects of energy and pipeline security creates considerable leverage to the external producing states that rely on Russian infrastructure, the transit states which these lines run through, and the consuming states which is heavily reliant on Russian controlled energy thus affecting all levels of “local, regional, and global energy politics” (Hess, p.83) and thereby (demonstrating) Russian influence in the region” (Kubicek, p. 178).

Such control over every spatial level of politics and energy from production, transport and sale allows Russia to play the “gas card” in dealing with both European consumer states and transit states that move energy to market effective enough to replace existing pipeline routes from “problem states” like Ukraine and formerly, Belarus and directly to European consumers as in the case of the Nord Stream 2 line (though it has been sabotaged and rendered “unrepairable” since the initial Russian invasion of Ukraine) and the TurkStream line. Russian energy influence also has proven to be successful in halting Western-led initiatives in building pipelines from Central Asia to Western states that would bypass Russia such as the aborted NABUCCO project (Öge, 2021) (though the project had also been plagued by other aspects such as effective return on investment and questionable consistent supply of energy flowing through the proposed lines). To mask the appearance that energy relations with Russia is primarily a political endeavor in dealing with Putin’s regime, Russia craftily has appointed the Russian energy corporate giant Gazprom (which is 51% owned by the Russian government) to have the exclusive right for export of Russian and Central Asian gas to foreign markets and still allows the Russian state to “drive energy policy in internal and external affairs” (Hess, p. 91). Gazprom wields great influence in Russian energy policy both domestically and foreign; it effectively controls 17% of the global gas reserves, controls 90% of Russian gas reserves and exports to 32 countries, often being the sole supplier to gas in that state (Hess, 2008). Now that once-Soviet pipelines now lie in independent, sovereign states that are still connected to the existing Russian infrastructure, Gazprom is also responsible for negotiating transit fees to these possessor states but with a guiding (and often heavy) hand from the Russian government for leverage. Incorrigible and obstinate states often face reduced flow or a cutoff of supplies altogether that brings fears of energy security to not only these transit states but also to the end consumer in many Eastern, Central, and Southern European states which invariably end up as not only energy issues but geopolitical and international security issues. The asymmetries Russia possesses in resources and power with Central Asian energy producers and neighboring transit states allow it to exert much leverage to gain the concessions it seeks. Putin knows that “Russia has too much of a geographic advantage and a far greater ability to meddle in the domestic politics of Caspian and Central Asian states, all of which must be sensitive to Russian policy” (Kubicek, p. 180). In many respects it is reasonable to assume as Kubicek (2013) notes that “the Russian ‘bear’ is back” (p. 177). Nitzov (2010) adds that;

“In Russia, foreign policy is inextricably intertwined with energy policies (and as a result) energy cannot be disassociated from foreign policy in general and from security policies in particular. For this reason, multilateral initiatives in Central Eurasia tend to get bogged down”
(p. 1).

Despite such attempts at entangling energy policies with foreign and security policy, Russia also has to be cautious in how far to toe the line in Eurasian energy and transit affairs as it is not as strong as it thinks it is to establish such hegemony in the region (Kubicek, 2013).

European Dependence

In 1995 Ögütçü noted that the European Union (EU) was “considered to be the biggest single market in the West for Eurasian energy production” (p. 41) due to its lack of proven energy resources and its heavy dependency on imports to fulfil its energy consumption requirements. Upon the dissolution of the Soviet Union, a new energy market opened up in the form of Eurasia. This region in 1995 supplied just over a fifth of Europe’s gas for consumption and as for Eastern Europe, it was entirely dependent on Russian gas as there were no other pipelines from which other energy flowed from. The sole success story in the latter decade of the 20th century was Poland who sought and found other energy suppliers to fulfill its energy consumption needs thus releasing itself from Russian energy leverage pressure (Ögütçü, 1995).

Fast forward to the first decade of the 21st century and future projections where the “EU imported 82 percent of its oil and 57 percent of its fossil fuels in 2005” (Hess, p. 90). Future projections moving forward on EU energy import dependency has been even more dismal; both Ögütçü (1995) and Hess (2008) both direly predicted “future scenarios concerning the supply of gas to Europe suggest that it will be quite some time before Europe will be able to reduce its dependence on Russian gas” (Hess, p. 90), and that “this degree of dependence is likely to increase in the longer term... a danger that the EU might become excessively reliant on a small number of countries, or even on a single production region, where political stability is at risk” (Ögütçü, p. 40). It is not a stretch to assume that the authors identified Eurasia and Russia as the linchpin from which continental Europe hinges its energy security precariously on. This reliance on a small number of states from which to hang its energy flow, and thus energy security from, is identified by Öge (2021). He notes that “Russia supplies 35% of Europe’s total imports mostly via Ukraine and Belarus” (p. 1514). Specifically, regarding Ukraine, prior to the 2022 invasion, Russia and Ukraine were involved with “three major disputes with Russia (2006, 2009, and 2014) concerning price negotiations, transit costs, unpaid fees, and unauthorized off-take” (p. 1514). Other Eastern European transit states such as Georgia, Turkey, and Moldova, among others, also had their own similar domestic and foreign issues that did not go unnoticed in international diplomacy and news outlet circles. With such a high percentage of gas flowing through Ukraine and the associated geopolitical tensions between Russia and Ukraine then and now, energy flow through this contentious route is akin to the old adage of “putting all of your eggs in one basket.”

Part of the EU’s energy issues concerning supply and usage stems from the fact even noticed by Ögütçü, in 1995 that the Union did not have an effective mechanism in place to address then-current and future energy concerns. Such an overarching energy policy “was deliberately omitted from the Maastricht Treaty with member-states...deciding (that it was an area best left to individual countries” Ögütçü, p. 42). These individual states were partly correct in their assertion. Energy security has a different meaning for each individual government in how it shapes its energy policy based on domestic constructs at home and its foreign policy and diplomatic relationships with other states and regions across the globe. As such, “each state has

‘distinct energy markets with few interconnections’” (Öğütçü, p. 41). But in hindsight this decision not to find a common energy security foundation may have been a mistake in addressing what was then future energy concerns as a current problem today. There has been efforts within the EU to revive such consideration regarding an agreed upon agenda and path to achieve greater diversity to satisfy both energy security and necessary consumption to effectively fuel a member state’s economy and ensure its society does not get “placed in the dark”; Western efforts to establish a footprint in Eurasia have been made through energy firms offering assistance and know-how to effectively and safely extract even more resources that could not otherwise be achieved using less technical means. While these Western energy firms like Chevron, BP, Total, and Eni, have been successful in establishing a presence in Kazakh oil fields, they have been less successful in the gas fields of Uzbekistan and Turkmenistan. While the EU has paired up with the United States in these Eurasian endeavors, they also were wise enough to not fully shut out Russian firms from such initiatives as the Tengiz field project in Kazakhstan as doing so “would have been impolitic (Kubicek, p. 174) and may have caused Russia to use its own energy exports to the EU as leverage and a weapon to gain political equilibrium. It’s readily apparent that for the near- and long-term, security of supply will be a prominent feature of not only energy security but also transit security and European pipeline politics in Eurasia. To find solutions to such concerns the EU, with the help of American assistance and influence, have begun to seek alternate western routes of Eurasian energy skirting Russian territory and influence. To find such cooperative transit states also plays an important role in possessing the advantage of pipeline politics as it concerns Eurasian energy.

The Middleman – Energy Transit States

Transit state characteristics and behaviors

Öge, (2021) notes that the “concept of transit security...is useful in explaining how future pipeline projects are either cancelled or built and how existing pipelines are either sustained or abandoned.” (p. 1527), and to fully appreciate and understand “transit security...helps explain the factors that lead to either cooperation or conflict in international relations” (p. 1511). An energy system without pipelines would seriously endanger the security and economies of many sovereign states which would lead to wider geopolitical issues and conflict on to how to effectively generate and secure the supplies of energy needed. As the domestic and neighboring energy supply of other states gets incrementally depleted over time new sources further away must be found; thus, the “physical distance between the centres of production and consumption... necessitates transit” (Öge, p. 1513) and is an integral part of the broader global energy system and trade. It is also considerable to note that “the nature of transit (is) strongly influenced by the materiality of energy resources (Öge, p. 1513); while oil can be transported via pipeline, rail, or ocean tanker, Natural gas almost exclusively relies on pipelines for effective and affordable transit. While advances in liquefied natural gas (LNG) have provided a second

alternative for which to transport gas via ship vessels, it is a costly enterprise that requires infrastructure to reconstitute it back to gas and for which to hold it. For the many European states that rely on natural gas for their primary energy needs, pipelines may constitute the only affordable and manageable form of energy transit due to their reliance on gas, the lack of an energy diversification policy practiced by that state, as well as geographic and geopolitical constraints that factor in the equation of energy acquisition for that state. On top of these issues, one must consider the complexities of transit relations between states. Öge, (2021) notes several factors that is needed for successful transit of accessible, available, consistent, and affordable energy that includes “reliable supply and demand, trustworthy transit countries, secure routes, realistic building costs, support from major powers, and reasonable transit fees (p. 1514). With the many factors that are needed to ensure adequate energy guarantees, there are also many instances where with these same factors, problems can also arise as well. Nowhere is this more evident and transparent in the turbulent and volatile pipeline relations between Russia and Ukraine in the first two decades of this century. Given the two formerly mentioned issues that affect pipeline politics as it relates to Eurasia, when the primary route for gas to Europe goes through a transit state that is in conflict with a primary supplier state, downstream accessibility is seriously curtailed which invariably generates into local, regional, and global issues of not only energy security but also geopolitical instability.

The importance of a reliable transit state is not lost on heavily dependent exporters and importers of a particular type of energy. The longer the distance the pipeline must be to connect supplier to consumer, and the more transit states that are traversed to make these connections successful, the more complex the task. These conditions accurately reflect the movement of energy from Central Asian states like Kazakhstan and Turkmenistan to end consumers in Europe. It can be argued that while transit states are often also dependent on the energy being transported through pipelines on their territory they also can be opportunistic in the exploitation of rents that could be reaped for such transit. This is where transit relations can get particularly complex and contentious. States that possess geographical advantages for transit are also “sensible to changes in supply and demand in addition to pipeline-specific issues, which are influenced by both external and domestic factors” (Öge, p. 1511). There also exists “asymmetries in trade dependence and political power vis-à-vis consumers and producers” (Öge, p. 1511) that can affect transit security between suppliers and consumers. That is to say that the more economically and politically powerful a state is over a producer state or consumer state of energy the more leverage that state can exert in obtaining rent compensation for the secure transit of energy within its borders. There also exists an unusual exchange of leverage that occurs prior to and upon completion of a pipeline through a transit state. Öge, (2021) notes that the producer state often possesses more leverage prior to building a pipeline as would-be transit states vie for the right to have pipelines laid in their territory for that energy to go through their state and obtain valuable revenues for their coffers with the decision to determine the route often resting with either the producer state or end consumer state (or both). This changes once the pipeline is up and running. It is then that the transit state can grasp the leverage concerning not only that

portion of the pipeline in their territory but also the entire length from supplier to end consumer. The transit state thus has the “incentives to charge higher transit tariffs (or) demand more offtake” (Öge, p. 1522) as they know it is often not viable or feasible for either the producer or consumer state to build an alternate line. But this exploitation strategy also has the potential to backfire especially if the producer and consumer states on both ends of the line are economically and geopolitically more powerful than the transit state as those states *may* have the financial means and wherewithal to find another willing and cooperative state to be that compliant conduit to energy transit. As such, “the existence of multiple routes from a single supplier is likely to reduce leverage of transit countries” (Öge, p. 1522). Where the interests of transit states are more congruent overall with the interests of either the producer or end consumer state (preferably both) the better higher the likelihood for success of energy and transit security for all parties involved. Conversely, the more geopolitical tensions arise between transit states and either or both supplier state or end consumer state, the likelihood for energy and transit security becomes seriously compromised.

Turkish Delight?

Such are the considerations for Turkey, a state that has much transit potential to both Eurasia and Russia on the supply side of the transit line and Europe on the end consumer side. Historically known as the geographic bridge that connects Europe with Asia, Turkey has politically aligned with the West through its association with NATO and aspirations to become a full-fledged EU member, but at the same time has not abandoned its cultural, historical, and linguistic connections with the energy rich Central Asian states and the Caspian Basin. The Turkish route clearly has a irresistible lure about it based on these assumptions yet “Turkey’s aspirations to become a transit hub are fundamentally affected by its transit security, which is in turn determined by asymmetries in trade dependence and political power (Öge, p. 1524). In the current context, Russia appears to be the only energy supplier that will take on Turkey as an energy transit partner giving it “an asymmetrical advantage over Ankara” (Öge, p. 1524) as other Eurasian producer states seek Western states and funding over Turkey. While Turkey has scored some energy transit deals they will overall not be enough to realize Turkey’s aspirations to be the key energy transit state and hub that would link Eurasia and Russia with Europe. Without such energy diversification coming in from other energy producer states, it is a possibility that Turkey could too, fall victim to high Russian energy dependency. As such, “Turkey’s aspirations as a viable transit state and energy hub “can be enhanced only if it properly assesses existing realities and future projections” (Öğütçü, p. 54) and carefully navigates Eurasian pipeline politics.

A Comparison to the West

It's easy to find the distinct differences between the complex dynamics of multi-transit state transfer of energy between Eurasia/Russia and Europe with the dyadic energy relationship between the United States and Canada. As Beznosov (2023) notes, the pipeline category identified in the transit equation will reveal the nature of the governing jurisdiction of each type of line (and often the relationship amongst states involved). The Eurasian/Russian-European energy flow involves *transit lines*, that is, lines that must cross a "third sovereign territory" (or more) to reach its final destination. Such agreements will readily involve transit payments (for the use of the land on which to lay the pipeline) to the transit state government, offtake, or a combination of both. The more transit states that are involved to move from well to end consumer, the more complex the rents will become, and the more potential for disagreement and ultimately conflict could arise as reflected in the Realist framework that often accompanies pipeline politics where each state seeks a little more than its neighbor or others in the agreement. It cannot be understated that in pipeline politics each party to the agreement has unique interests and motivations that derive from energy security, economics, and political aims of that state. In addition, if a transit state seeks to exploit the gained leverage after a line is operational through its state this can only cause problems for all involved. As it relates to Russia, Europe, and Eurasia, one can find very few, if any, similar interests amongst the three players, thus raising the potential for geopolitical conflict and energy disruption along the transit line.

Compare this with the dyadic cross-border energy relationship between the U.S. and Canada. While technically a transit line that crosses an international border, transit states are not involved to facilitate the movement of oil or gas thus eliminating the "middleman" of such an arrangement of energy transfer. U.S. and Canadian relations are relatively tranquil and strong with a respected interdependency of trade and relations between the two countries (though some may claim that the U.S. does have a somewhat asymmetrical advantage over a number of aspects with Canada). In addition, the U.S.-Canadian energy relationship is highlighted by a number of beneficial factors that reflect mutual interests between them; there is a diversification of energy type used between the two, the creation of jobs on which the energy relationship between the two depend upon, and environmental initiatives that seek to reduce the carbonization of energy use of both states (Connect2Canada, 2022). There is no geopolitical wrangling, exploitation of rents, or open hostility that would involve the suspension of energy between the two. The only conflict that recently has been seen concerning cross-border pipeline energy transit is the suspension of the Keystone XL pipeline in 2021 which would have established a more direct route line from the Keystone Hardisty Terminal in Canada to an existing connection point in Nebraska (Williams, 2022). Otherwise, the energy relations between the United States and Canada enjoys as much of a seamless, positive relationship two states could ask for in regards to energy and transit security.

The Future of Eurasian Energy in Western Markets

For every country on the globe, “energy...will remain the pillar of economic and social development.” (Öğütçü, p. 38). The opening of Eurasia in the post-Soviet era provided the opportunity to share in the rich resources that had been closed off and disregarded for so long but are now potentially available. Foreign involvement and “competition among external actors have given (energy producing Central Asian states) significant freedom to maneuver” (Kubicek, p. 180) in order to find the best partner to ensure energy security and transit and break the pipeline bonds from Russia. While states like Kazakhstan, Uzbekistan and Azerbaijan have found diversity in energy transit to the global market, they still wisely keep the Russians close at hand; an economic and geopolitical strategy due to their proximity to a Russia that possesses unknown intentions regarding its sphere of influence in its near-abroad. Now and in the future, the competition of energy and the dynamic developments in Eurasia will be a part of many states’ foreign policy goals for the region for years to come (Öğütçü, 1995), (Kubicek, 2013). It is still too early to tell who precisely the largest influencer in the region will be; Russia holds much of the needed infrastructure and both it and its former Central Asian republics still hold pragmatic and nostalgic ties concerning energy in the region. The West with all its financial resources and soft power projection is also an attractive prospect to directly connect with them, bypassing Russia. A contender from the East, China, also plays into the equation with its high demand-security it can provide for the Central Asian producers, as well as its own supply of vast economic resources. But so too, smaller players like Turkey also seek to be an influencer with its geographical attractiveness to provide an alternate route of energy transit for these energy-rich states. Then, as Öğütçü noted in 1995, now holds true today – that “Eurasian nations are facing truly tough decisions...over their energy policy... (in which) they must carefully tread a balance along the thin line of the politics and economics of oil and gas” (p. 59). Yet, these politically fragile Eurasian states will not be able to fully realize the potential their energy resources can provide for them on their own. The geopolitical factors at play and the uncertainty of pipeline politics and security will make it a difficult course to navigate, especially with a revanchist Russian state that remains as an overbearing neighbor to the north who insists that much of Central Asia must remain a “strategic asset” (Öğütçü, 1995) in reasserting its former Soviet sphere of influence. In light of this, “the Eurasian republics should not be left on their own, but must be supported politically and economically in their efforts to develop new, alternative (other than Russian) links in opening up to the outside world” (Öğütçü, p. 60). While Öge, (2021) notes that “economic interactions can often create incentives for domestic and international actors to push for cooperation...geopolitics (often) undermine(s) this cooperation and cause(s) instability” (p. 1516). A dangerous absence of Western influence in the region would certainly find the other power players like Russia and China seeking to embed themselves even further into Eurasian energy and geopolitical issues, effectively shutting the door to the West in future endeavors in the region.

Ideally, the “global energy market should look like... “a set of flexible arrangements whereby market participants are positioned to benefit from different and changing costs, from price changes, from shifts in supply or demand, and from new production techniques or other energy-related technologies” (Öğütçü, p. 57). Integral to this framework is the establishment of reliable energy pipelines that is free of conflict or exploitation by any state involved in the length of the line; this necessitates the effective application of pipeline politics by using energy and transit security as a benefit for all and by not using energy as a weapon against other states for geopolitical leverage that can create wider conflict. Öge, (2021) succinctly identifies pipeline politics as “a process where producers, transit countries, and importers engage in strategic competition to increase their energy security based on their respective interests and priorities (p. 1522-1523), yet this description still implies geopolitics. Still, “mutually rewarding energy cooperation offers the best means for integrating this region (Eurasia) into the world family of market democracies” (Öğütçü, p. 37). Öğütçü, (1995) further stresses that “energy security comes not from insular self-sufficiency, but from a healthy energy trade (and) sound markets” (p. 57). Energy from the former Soviet states of Central Asia can participate in this trade but it starts with the efficient use of pipeline politics that equates in transit security to get energy from this remote corner of the world to the global market with as minimal conflict as possible. According to a corporate energy president in the 1990s regarding the potential of Eurasian energy on the world markets, “without such pipelines in place, ‘we will only have a pipedream in that region’.” (Öğütçü, p. 40)

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