

# GLOBAL ENERGY POLICIES IN THE GEOECONOMIC PROCESS

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## Abstract

The concept of geo-strategy has been replaced by the term “geo-economics” implying that states struggle for more energy and consequently more economics power instead of acquiring more territory. The most important ingredient of geo-economics is energy resources. Developed countries are following various strategies and policies to provide energy security and to have alternative energy resources. The process of globalization fulfills an important function by creating a context for maneuver in the application of these policies. Therefore, the world today becomes a scene for the struggle over energy resources. Every action including war can be expected in acquiring energy resources and securing energy supply.

## Özet

Jeostrateji kavramı günümüzde yerini devletlerin daha fazla toprak elde etmek yerine daha fazla enerjiye ve dolayısıyla ekonomik güce kavuşmak için mücadele ettiklerini dile getiren “jeoekonomi”ye bırakmıştır. Jeoekonomi kavramının en önemli bileşeni ise enerji kaynaklarıdır. Gelişmiş ülkeler enerji tüketimlerinin güvenliği ve alternatif arz kaynaklarına sahip olabilme açısından çok çeşitli strateji ve politikalar uygulamaktadır. Bu politikaların uygulanmasında küreselleşme süreci gerekli hareket zemininin yaratılması konusunda önemli bir işlev görmektedir. Bu nedenle günümüz dünyası enerji kaynaklarına sahip olma mücadelesine sahne olmaktadır. Enerji kaynaklarına sahip olma ve enerji arzı güvenliğinin sağlanmasında savaş dahil her türlü eylem beklenebilir.

**Anahtar Kelimeler:** Jeoekonomi, Enerji, Küreselleşme.

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## **1. Introduction**

Changing values and ways of life bring about changing needs as well. Developed technology and changing needs cause an increase in the quality and quantity of goods and services. While countries that adapt to the changes and reposition themselves are making important benefits from this process countries that stay behind these changes are facing underdevelopment.

Technological change means more innovation and more energy demand. States that had been making efforts for more power have recently put more weight on these efforts.

Powerful countries that have pressured others for acquiring more power had paid more attention to geopolitics in the historical process now turn their attention to geoeconomics.

## **2. Transition From Geopolitics To Geoeconomics**

Geography Has always been the main factor in the world political history because geography among all other elements is the most permanent and impossible to be changed by human intervention. For this reason, empires have always wanted to invade and spread better territories. Political scientists and philosophers who were aware of concrete data that geography provided started studies on the topic with “Theories of Hegemony”.

The first concept about the benefits and costs that geography provided to its owner was geopolitics. The concept that was recorded in the literature in 1899 analyzes geographical interactions and power struggles arising from geography (Defay, 2005).

Although the concept of geopolitics has just turned a century it has left deep marks on historical events. The footprints of geopolitical calculations can be seen in the break-out of World War II and its development, in the alliances formed during the Cold War, in the establishment and enlargement of the European Union, the invasion of Iraq by the United States and the Greater Middle East Project.

Geopolitics helps the interpretation of the concrete facts pertaining to regions and events in the global context. It sets the general framework for grand strategies and unique policies. It determines permanent strategies about long term and vital foreign policy and national security (Tarakçı, 2003).

Strategy is indeed a military concept. It comes from the term “strategus” which means the art of general in ancient Greece (Karabulut, 2005:83) and war was defined as “the art of using battles as a means to reach goals” (Clausewitz, 1997). If this definition is stripped of military limitations and reflected upon politics, strategy can be defined as an analysis of the effects of a country’s geographical, hydrographical and meteorological characteristics and capabilities on military strategies (Karabulut, 2005: 83).

Geopolitics is regional and limited, but geostrategy is long term, more general and global. To solve more complicated events like these, geostrategic analyses are needed. In other words, for geostrategy not saving the front but winning the war is more important.

Geopolitics examines the relationship between political man and geographic space; geoeconomics on the other hand examines the relationship between economical man and geographical space. That is, production areas, the degree of the spread of economic activities are the themes for geoeconomic analysis. The development of communication, free movement of goods, capital and labor, information sharing all put an end to political and limited geography. Borders in geoeconomics are barriers to production and trade. Economic developments opened a door to a global geography (Köni, 2001) For example, the main purpose of the six countries that established the now-super power European Union was to create a common market by improving economic and monetary solidarity among themselves and as a result to establish a political union (Özdemir and Öz, 2008: 132).

Grand strategy is a function of geopolitical, geostrategic, geoeconomic, demographic factors and it is a long term national strategy determined by an analysis of these factors individually or together. Decision-makers must evaluate these new concepts when determining their own national strategies, because strategic, political and economic borders no longer exist. The complex structure of international relations requires that every topic from politics and from social to cultural should be taken into account in strategic analyses (Karabulut, 2005). States' survival depends on their ability to adapt to the economic and strategic competition of the globalized world. Especially in the last half century, economics and culture became the most important actors on the political scene. Globalization put countries in an intensive competition without paying attention to whether they are ready or not. The main determinant of this competition is economic self-sufficiency.

McKinley Conway explained geoeconomics with regard to the use of natural resources. According to Conway geoeconomics is a science that "brings natural resources and manpower together in a productive way to realize the ultimate development stage for nations, states, cities and companies" (Conway, 200: 25).

Geoeconomics is also defined as a science presents that fact that countries compete not to have more land or to become a regional power but to become an economic power. Methodologically geoeconomics gives more importance to economy, technology and geography than to politics. Political reapproachments and polarizations are being replaced by economic unions and common economic interests are being held above everything else (İnan, 2004: 440). The main topics of geoeconomics are geography, population, raw material

resources, agriculture, industrial technology, economic freedom, interdependence, trade, transportation and economic policy. The importance and primacy of these topics in geoeconomics can change over time. Additionally, their scope can narrow as well as expand. The world had experienced important transformations in transitions from agricultural to industrial, from industrial to information ages. The strategic resource in the information age is science (accumulation of knowledge) based on research. Today, not the countries that have vast land and resources but those that produce technology and knowledge dominate the world. Only when are comparisons of relative power made based on scientific and technologic power not on quantitative data we can reach true conclusions. In the next century, only the states that made the best preparation for communication, bio-technology, robotics and the new industrial revolution. The advocates of this view argue that while economic and technological factors are becoming more important military power's role is declining (Kılıç, 202: 53).

The main reason behind wars aiming at acquiring more resources is geoeconomic factors. The main reason behind colonization in the 19<sup>th</sup> century was also geoeconomic factors. Even though it cannot be argued that wars break out for only economic reasons, it can be argued that the management of all wars is positively correlated with the economic capabilities of states that are a party to a war. Therefore in strategic planning, the economic resources of the enemy are considered as the main targets. Countries that cannot sustain their economic power by themselves want to realize this goal through economic unions. The main reasons for the formation of the European Union are geoeconomic factors. NAFTA (North American Free Trade Agreement), APEC (Asia-Pacific Economic Cooperation Conference), G-7 (Seven economic super power, now G-8 with the participation of Russia) and KEİB (Blacksea Economic Cooperation Area) were established for geoeconomic reasons. Another purpose of these organizations is to prevent conflicts through interdependence. Today, there is a geoeconomic competition of economic regions rather than an economic competition among countries. There is an intensive competition in high technology regions like between America and Europe and Japan and East Asia (Torun, 2006: 5).

As was mentioned above, countries direct their attention to other countries' resources to cover for their energy needs. Because many powerful countries share the same ideas energy regions become an arena for conflict.

### **3. The Increasing Importance Of Energy Resources In The Geoeconomic Process**

Defining countries as developed or underdeveloped is a result of the capital stocks that they have. Countries that have a strong capital structure are defined developed and those that do

not have as underdeveloped or developing. The primary determinant for the amount of capital is society's savings. Countries with high income will invest more, more investment will increase production and more production will increase income. As seen, while developed countries have a self-sustaining system this system in underdeveloped countries works in the opposite direction and the system cannot sustain itself.

The machine-based production resulting from the Industrial Revolution in Europe caused an important increase in the demand for energy. Today, increasing world population and changing ways of life also gave increase to energy resources. Finally, the important developments in technology made the ownership of energy resources more important.

Natural resources determine a nation's power vis-à-vis other nations and they are relatively more stable factors. Energy resources as an element of national power have a special place among other natural resources (Cohen, 1996). Therefore, for national governments the security and continuity of energy supply and its being clean and cheap are of great importance for sustainable production.

While the demand for energy is increasing energy prices are also showing considerable increases. Especially extreme increases in oil prices and signals for future increases lead international companies rather than consumers to turn their attention to this issue.

An increase in energy prices leads to increases in the costs of inputs used in production and product prices. Energy prices that are not fixed also cause inflation to rise and leads to a pressure on economic stagnation by affecting total demand. The more important the use of energy in an economy the higher the inflationist pressure against the increases in petroleum prices (LeBlanc and Chinn, 2004: 8).

Energy resources can be categorized as renewable and unrennewable resources. Unrennewable energy resources are the resources that cease to exist after a while as a result of use. Renewable energy resources are the resources that do not cease to exist and that can be used again. In this context, the Table 1 presents the shares of energy resources in energy production for the year 2005 to explain the types of energy used in the world.

Table 1. The Share of Resources in Energy Production (Year 2005)

Energy Resources	Share (%)
Petroleum	35,0
Coal	25,3
Natural Gas	20,7
Renewable Energy	10,0
Nuclear Energy	6,3
Hydraulic Energy	2,2
Geothermal/Solar/Wind	0,5

Source: IEA (2007). World Energy Outlook, Paris: OECD/IEA.

As can be seen in the Table 1 petroleum is the most used resource in energy production in the world. Second comes coal and third natural gas. As understood from the Table the shares of petroleum and natural gas called as fossil fuels together go up to about 56%. The share of renewable energy resources constitutes about 10% of total use. It should not then be unusual for states to increase their studies on energy security.

In Table 2 the primary energy consumption is presented regionally to show increasing energy consumption in the world.

Table 2. World Primary Energy Consumption (Million Tons/Petroleum)

Years	North America	South and Central	Europe and Asia	Middle East	Africa	Asia Pasific	World Total
1970	1805,6	144,8	2144,1	73,7	73,7	741,5	4983,3
1980	2112,5	252,8	2835,1	136,3	141,4	1168,3	6646,5
1990	2313,3	327,4	3205,5	259,9	222,9	1791,8	8120,8
2000	2746,1	459,2	2829,2	402,0	276,1	2580,8	9293,3
2001	2685,6	461,8	2849,3	419,0	279,8	2646,2	9341,7
2002	2724,8	465,4	2858,0	443,6	286,8	2745,6	9524,2
2003	2746,4	469,6	2901,2	463,9	299,5	2948,3	9828,9
2004	2798,0	491,1	2950,7	501,6	315,1	3232,9	10289,4
2005	2813,1	513,3	2963,2	533,7	320,5	3413,7	10557,6
2006	2794,0	533,0	3009,7	557,3	328,3	3620,7	10843,0
2007	2838,6	552,9	2987,5	574,1	344,4	3801,8	11099,3

Source: BP, (2008). Statistical World Review of Energy. UK.

As seen in Table 2, energy consumption in the world increased in every region in 2007 as compared to 1970. The Asia-Pasific region has the largest share in 2007, second comes Europe and Asia and third North American region. The reason for the increase in the Asia-Pasific region results from the consumption of China. The most important fact drawn from Table 2 is that energy consumption of the world's most developed regions has increased. USA and Canada consume one fourth of the world's energy. According to the UN data, the

populations of the USA and Canada together constitute 5 percent of world population. The world's total energy consumption increased 2.3 times as compared to consumption in 1970.

The increase in energy demand brings about increases in prices as well. It is very important to provide these resources used as inputs in production process at cheap rates because decreases in energy costs will lead to increases in companies' profits. Therefore, companies aiming at profit maximization are already in a struggle for cheap energy. This struggle in turn replaced geopolitics that countries adopted with geoeconomics. This new type of struggle is harsher and more brutal

Changing production, consumption patterns and globalization increased the demand for energy. The quantitative data are given in Table 3.

Table 3. World Energy Consumption (Quadrillion Btu)

<b>Years</b>	<b>Total</b>	<b>Increase Compared to the Previous Period</b>
1980	283,7	-
1985	308,6	8,78
1990	347,4	12,57
1995	365,0	5,07
2000	397,8	8,99
2005	462,2	16,19
2010	512,5	10,88
2015	563,0	9,85
2020	608,4	8,06
2025	651,8	7,13
2030	694,7	6,58

Source. <http://www.eia.doe.gov>

While the data between 1980-2005 period in Table 3 has already been achieved the data for the 2010-2030 period are the estimates for the future. World energy consumption increases every year. While energy consumption in 1980 was 284 Btu, it increased over time and in 2000 increased 9 per cent as compared to the previous period and became 398 Btu. In the first 5 years of the 21<sup>st</sup> century, the increase gained momentum and showed 16 percent compared to the previous period. Changing consumption and production structure signal an increase in 2010-2030 period. If the consumption estimates for 2030 is realized the increase for 1980-2030 will be 145 percent. That is, in just half a century energy consumption will have increased about one and half times.

Increasing consumption forces countries to produce new policies about energy. Changes that globalization brought about in societal structure, culture and politics also cause a transformation in energy policies. If we think that all developing countries reached energy

consumption rates same as that of today's US consumption, it could be easily understood that the ensuing struggle would be very brutal.

#### **4. Global Energy Policies**

The main force behind economic development is energy use. Therefore, policymakers must provide undisturbed, clean, countable, timely and cheap energy and diversify energy resources (Pamir, 2005: 68).

There are three options before countries for having energy resources. The first option is to determine a country's own energy resource potential and if it finds productive resources than it should take care of those resources. The fundamental dimension of countries' energy policies determined through geoeconomic analyses is to provide full, undisturbed and cheapest energy supply for production and consumption. In this context, if there were enough energy resources in the country to cover for domestic demand there would not be any problem on the matter. However, in many countries that are in need of more energy resources are unable to cover for the demand. When we look at the data, 15 percent of the world's population consumes 68 percent of energy (Nacaroğlu, 2005: 119). Countries that have energy production more than they need become an arena of the struggle between superpowers.

The second option is to import energy. As explained above, 15 percent of world population lives in Europe, North America and the Pasific region. Even though people in these developed regions consume very high amounts of energy these countries do not have their own energy resources to meet the energy demand. Countries then have to determine a new energy policy: an international cooperation for energy transfer from countries that have those resources. This means the establishment of pipelines for energy transfer involving many countries. In energy transfer, the security and continuity of the system from the point of production through pipelines should be provided. Political and economic stability and protection of lines against internal and external threats are the main criteria for choosing the routes for pipelines.

The third option is to determine the countries with rich resources and to acquire their energy resorces through purchasing their equities or political interventions. As should be clear that while globalization is bringing people and markets together it at the same time provoking conflicts of interests. Energy is not only an area for economic analyses but also an area for conflicts of interests by itself.

Security of energy supply is a multidimensional structure that is of an interest to not only the countries which own them but also consumer, investor and transfer countries. However, on the other side of the coin, there are irreconcilable national interests. The most important

conflict of interest results from the producers' desire for maximum profit and consumers' desire for minimum cost. Especially producer and consumer countries being in different camps is the most important barrier to cooperation. While Middle Eastern States differ from Western states in terms of democracy, Central and South American, Africa and Caucasus-Central Asian states are countries that have important deficiencies in terms of democratization, political order, legality and struggle with corruption.

When a conflict map of the world is drawn, it is seen that most conflicts take place in regions with high amount of energy (The Middle East, Nigeria, Venezuela, disagreements between Azerbaijan and Armenia, and Georgia even though it does not have rich energy resources but it has geographical proximity to energy regions). Though it is hard to say that energy resources are the only reason for these conflicts, we can still say that it is one of the causes. The regions in which active conflicts do not exist are called as insecure and problematic regions by the international public opinion (Özdemir and Öz, 2008b: 267).

The main but the only reason of the invasion of Iraq that has 10 percent of the world's petroleum (115 billion barrels) and has at least 100 billion barrels additional reserves are the efforts to control its rich and low-cost production reserve (Pamir, 2005: 73).

Again the reason for American interventions in Africa and its being an attraction center for China and other global economic powers are mainly because its rich petroleum reserves (Şenay, 2008: 23).

All countries are making increasing efforts to acquire energy resources that are an indicator of power in the geoeconomic process. Today, USA, EU, Russia and China are trying many alternatives to meet their energy needs by using many global channels (Mutioğlu and Özdemir, 2008: 108).

The United States that consumes 25 percent of the world's energy and 45 percent of gasoline and therefore whose energy import need is increasing has been trying many alternative strategies to prevent access to these limited resources for years (Pamir, 2007: 15).

The United States has been trying to put into effect the above-mentioned Greater Middle East Project to protect its global power, to render its possible rivals powerless and to control global energy resources. To achieve its goals it presents its secondary purpose of Middle East democratization as its primary goal. According to this, the Middle East should go into a political, social, economic and cultural restructuring process. Iraq which was one of the most important pillar of the project endangered the trust in this project. This situation can result in unexpected adverse consequences. In this process, it seems hard to regain trust in global values such as democracy and freedom (Silinir, 2007: 97-98).

The United States took special interest in Africa during the Cold War and watched closely the developments in the region. Its interest that has diminished after the Cold War seems to be revived recently.

With the Industrial Revolution, the importance of energy in the production process was realized. However, European states that needed energy the most did not unfortunately have the resources. These states that provided petroleum and coal through their colonies got into a struggle to provide the security of these regions, to increase their prestige against other states and to have more colonies. This effort required making and executing a new energy policy in their national agenda. These policies that were summarized as acquiring or controlling energy resources by some observers constituted the colonizing understanding in the 21<sup>st</sup> century. This understanding showed itself as interventions in domestic politics of Middle Eastern, African and Asian countries for reasons such as human rights and democracy. It also created a permanent dependency through economic and technical aids and sometimes led to military interventions to bring democracy and freedom.

The European Union that consumes 16 percent the energy in the world is dependent on foreign resources for petroleum and natural gas. It is foreseen that its domestic production will diminish from 2010 until 2030. The EU's domestic resources very limited. The production costs of domestic resources above world average. Enlargement is not going to make the situation better but worse. The EU's dependence on Russian Federation for natural gas is found to have some drawbacks geopolitically and the European Commission has been warning the member states to reduce this dependency (Pamir, 2005: 72).

Russia which is one of very important countries in terms of energy is trying to protect and increase its advantageous position. It continues with its efforts to increase its leverage by passing its distribution channels through strategic countries.

Russia in this "new big game" intervenes in Central Asian states politically, economically and militarily. This new big game is trying to own Eurasia petroleum by using multidimensional matters like security, geopolitics and economy (Cohen, 1996).

When taking a glance at Russia-Ukraine relations, Russia often plays natural gas card and so maintains its influence over former Soviet republics.

After the collapse of the Soviet Union and the emergence of new republics, developed countries and the United States directed their attentions to this region. After the collapse of the Union, petroleum and natural gas reserves in Central Asia played an important role in sparking power struggle in the region mainly because of the power vacuum. In the unipolar

world system that emerged after the Cold War Central Asia and the Caucasus that have rich energy resources became an arena for global conflict.

The competition of the United States and Russia over the Caspian and Central Asian energy resources reminds of the imperialist competition between Great Britain and Russian Tsardom in the 19<sup>th</sup> century in the same regions. These conflicts later called as the “Big Game” is played again by different actors. The more aggressive United States and China got involved in this struggle that can be called as the “New Big Game” along with Great Britain and Russia (Yücel, 2003: 162-163).

The big game that was played between Great Britain and Russia in the 19<sup>th</sup> century for controlling Indian commercial routes is now being played for the Caspian oil and natural gas and the establishment of pipelines (Vural, 2006: 62).

China because of its enormous population and cheap labor is in an important demand for energy. The amount of energy that Chinese economy will need in 2030 is estimated to be twice the amount that Chinese needs today. The increase in China’s demand for energy brings about increases in the prices of energy resources. Therefore Chinese government continues with its efforts for secure energy and devotes an important portion of its budget to research and development on energy. It financially supports foreign investors producing technology for energy and gives them tax breaks for up to 5 years. It especially invests in the infrastructure for wind energy for electric production.

India that comes second in terms of population in the world gives special importance to sustainability of energy supply and production structure. India that provides its energy from the Gulf now tries to use Central Asian resources by using the Suez Canal (Mutioğlu and Özdemir).

After the collapse of the Soviet Union the Caspian Delta became an area of interest for all Western countries especially for the United States. The American administration described the region as the main direction for American foreign policy. Brzezinski described the region as the “European Balkans.” The implication of the term European Balkans is the possibility that the region could be transformed into a “powder keg” against any state that wants to own energy resources in the region by itself by using ethnic and religious problems. According to Brzezinski “to have an access to these resources and have a share from their wealth are goals that revive national feelings and group interests, resurface historical rights, revive imperialist efforts and spark international competition”. Eurasia then becomes a chess board on which a struggle for hegemony takes place. If we look at the players on the chess board: The EU in the west; Turkey, Iran and Iraq in the south, Pakistan and India in the southeast; Russia in the

north; as a rising power the People's Republic of China and the USA in the east. Struggle continues among these powers in the region (Onay, 2002: 45-47).

When looking at the Caspian region, the most important problems except for the conflicts between Azerbaijan and Armenia, are ethnic conflicts in Georgia and the sharing of the Caspian Sea by the coastal states. Even though Russia seems to be attempting for determining the legal status of the Caspian Sea, it tends to disturb the stability by intervening in problems behind the scenes.

Petroleum and natural gas that are most important strategic resources unfortunately do not bring real revenues to their owners. When looking at countries in Africa, the Middle East, the Caspian region and Central Asia, these countries that have built their economies on fossil resources do not have high economic, political and societal wealth as they are supposed. One of the reasons for this situation is that they cannot realize a planned and sustainable growth strategy and the other reason is that because of the rich resources that they have they are subject of other countries' intervention. Because of their political and economic structures these countries that are susceptible to foreign intervention become an arena for struggle. These countries that caused wars between European states in the 19<sup>th</sup> and 20<sup>th</sup> centuries also became the main arena for political struggles among developed countries in the 21<sup>st</sup> century.

The Middle East which is one of the richest regions in terms of fossil resources has been one of the regions in which the most heated conflicts have taken place. The I. Gulf War that Saddam Hussein started in 1991 to acquire Kuwait's oil plants took its place in history as the first energy war that would take place in the future. Even though Kuwait was saved in a very short time with the intervention of the United States, both Iraq and the USA from the 1990s forward did not hesitate to engage in armed struggle to capture the resources in the region. The US forces that invaded Iraq in 2003 for taking their democracy and freedom first secured oil fields rather than state institutions.

Even though Afghanistan does not have fossil energy resources, like in the Georgia example is in a very strategic location for transferring Central Asian and Caspian reserves to Asia. Installing pipelines through Afghan territory brought to the agenda in 1997. Presentations by an American company UNICAL in international relations office in the US Congress stated that the best route to meet the increasing oil and natural gas demand of the Asia-Pacific region is a pipeline passing through Afghanistan. Trans-Afghan line would provide a great advantage for the United States that wanted to discard Russia in Central Asia. The project that was supported by Pakistan and Turkmenistan and accepted by the Taliban regime which was in

power in Afghanistan could not be realized because of the war that broke out after a short while (Ekinici, 2001: 126). The war that the USA started against the Taliban forces after the September 11 attacks in 2001 had the aim of establishing a hegemony over natural gas resources in the region rather than taking a revenge of September 11 attacks. Since the US forces could not establish control in the region after seven years, the future of the Trans-Afghan pipeline is a subject for curiosity. It can be considered that military concentration in Tacikistan, Kyrgyzstan, Uzbekistan and Turkmenistan during the operation was mainly because of securing energy resources and transfer routes in the region. The main reason behind Iraq's attack on Iran in 1980 and Kuwait in 1990 was the petroleum resources that these countries had. As an interesting repetition of history, this time it was Iraq that was invaded for oil. Many people think that the real reason behind invasion is oil even though the authorities repeatedly say that it was not. Details of President Bush's, Vice-President Dick Cheney's (Sachs, 2006) and former state officials' speeches (Jacobs, 2007) imply that petroleum was an important factor.

Iran that is in a constant conflict with the United States comes second in terms of natural gas reserves and third in terms of oil reserves in the world. Iran that is in a very key location for the Caspian and Middle Eastern energy resources is the only missing link for the United States that settled in the region through the invasions of Iraq and Afghanistan. Iran that cannot open up to the world markets due to the economic embargo carries a huge risk by adverse policies that it follows. The United States that warned Iraq for weapons of mass destruction also makes the same warning to Iran for its nuclear activities. These mutual challenges lead to allegations that Iran is the next country that the United States will bring democracy. When looking at the history of Iran, it is seen that behind the coup that toppled the Mosaddeq government that nationalized Iranian petroleum in 1953, overlooking the Islamic Revolution in 1979, and secretly supporting Iran during Iran-Iraq war were the security of oil fields and the Persian Gulf through which Iranian oil was distributed all over the world.

There is an intense competition among countries not only in terms of the locations of energy resources but also in terms of their distribution to international markets. When we look at the situation from Turkey's point of view, it is a key country in terms of proximity to fossil energy resources and transfer of these resources due to its location in the center of Eurasia. Turkey became an energy bridge because it is located between the producers with rich petroleum and natural gas resources and the consumers that are in a demand of high amounts of energy, it has a developing economy, stable political system and has relatively fewer security deficiencies as compared to rival countries. The Baku-Tbilisi-Ceyhan pipeline that

distributes the Caspian oil to the world and the Blue Stream pipeline that distributes Russian natural gas constituted an energy network through Turkey. Because just being a transfer country would provide an advantage in the energy market it is a critical decision to determine the countries which petroleum and oil transfer lines will pass through.

The revenue that Turkey will collect in the first 16 year period from the transfer is around 200-250 million dollars. With the production increasing and new additional plants this will rise to 350-400 million dollars in the second 16 year period (Çakan, 2001: 27). In addition to these high amounts of revenues, the transit country has a chance to exert political pressure and blackmail other countries by using the threat of shutting down the pipelines. For example, in the beginning of the 2000s, because of the high prices that Russia demanded for natural gas, Turkey shut down the pipeline and as a result Russia had to reduce the price in the face of the danger that the pipeline would collapse (Nacaroğlu, 2005: 119). The advantages of being a transit country create an arena for competition in the pipeline projects. There have been many speculations in the period leading toward the determination of the Baku-Tbilisi-Ceyhan Pipeline and especially Russia, Georgia, Iran and Greece proposed many alternatives for the distribution of the Caspian Delta petroleum to have a share in the projects. During the times when the competition increased political crises have emerged in Turkish-Georgian and Greek diplomatic relations (Çağdaş, 2006). The same situation was the case for the “Blue Stream” natural gas pipeline and a similar situation can be said to be taking place for the Nabucco project.

There is a new economic balance that is emerging in the 21<sup>st</sup> century. Europe that started the Industrial Revolution seems to be losing its superiority to China, Japan and the Asia-Pacific countries with Korea being in the center. The possibility that economic superiority is changing hands will mean that the competition on economic inputs will change its direction. Central Asian energy resources will constitute the first phase of this competition because of its geographical proximity. However the Russian influence over the region will not leave a large room for maneuver for outside actors. Caspian region countries that stand firmer against the Russian influence seem to be under American control, however, especially the competition over Georgia is bringing Russia and the United States face to face. In the Trans-Caspian pipeline, Baku-Tbilisi-Ceyhan pipeline project that is supported by the United States was realized but the United States is objecting harshly the Nabucco project. It will be an important step that NATO is making efforts for the membership of Azerbaijan and Georgia in the face of Russian-American competition in the Caspian region. A new energy geopolitics is emerging after the integration into the West of the countries that were created after the

collapse of the Soviet Union. Efforts for the membership of these countries with energy resources in fact are the result of the attempts for secure and continuous energy supply. It is obvious that only the countries that are integrated into the system can be free of US or Russian influence.

Wars in the 19<sup>th</sup> and 20<sup>th</sup> centuries were fought for the colonies to meet the energy needs of the developed countries. Because of the multinationals stepping in and the regulations of the GATT, the World Bank and other trade institutions removed new colonies for developed countries. From now on, the only thing that developed countries need is energy that would help them keep going. The reason behind country's efforts for hegemony over these resources that amount to more than they need lies in the global competition. To control resources would mean to control everybody else that needs energy. According to the theories of hegemony, those who control Eurasia energy resources will control the world.

## **5. Conclusion**

Events taking place in the globalization process shows that a different world, that is, a world which is not the one that is working according to free market principles on the basis of mutual interdependence, but the one that is under the control of some emerging economic and political forces, is being established. The worse is the fact that the situation is being unobjectionable (Işıklı, 2001: 42).

Technological development must have a characteristic that improves peoples' life quality. Despite this fact, while the peoples of developed countries have all opportunities, underdeveloped country peoples do not have any income to maintain their lives. In South Africa, for example, a human life may be less valuable than a bullet. As a result, the disintegration within countries also takes place among countries. Duality in societies emerges across countries as well. That is, there is a world consisting of the rich and the poor. In this new world order, societies receive the world's benefits based on their power not justice.

Geopolitics was one of the most important concepts of the 20<sup>th</sup> century. But in the 21<sup>st</sup> century it was replaced by geo-economics. Therefore, ownership of energy resources is considered as an indicator of richness. Labor which is another important input of production became secondary; again, "knowledge" as the product of cognitive labor came forward. Research and development also became important.

Developed rich countries try every means to acquire underdeveloped countries' resources. The US that make his power felt in the world is the most important actor in this new war. The US uses every means to control energy resources in Central Asia and the Middle East.

Similarly, the European Union that acts together with the United States makes intense efforts to have energy resources that it needs.

Russia adopted a planned strategy for the distribution of the resources that it has. It is trying to control the countries which were under the Soviet hegemony in terms of the marketing and distribution of their resources. In this context, it sometimes impose sanctions and succeed in its efforts.

China that has emerged as a superpower is among the countries that have an important energy potential. However, it needs more energy to sustain its growth rate that it realized in the late 20<sup>th</sup> century. Chinese government is following extensive policies designed for the security and continuity of energy supply.

As can be seen, the area for the application of energy policies is not a limited place but the whole world. Countries must have a change in their ideas about having energy types that they need. Failure in this would lead to an increase in the intensity of conflicts. This consensus must be realized for the betterment of the humankind in the long term. Countries must realize the importance of renewable energy resources and must produce technology and policies in this regard. The key for transformation of global conflicts into global peace lies in the attention given to renewable energy resources.

Countries also change global energy policies in an important and just way to remove the barriers in front of their growth. This is of grave importance for both their and the world's futures.

Finally it should be kept in mind that Turkey being on the energy transfer routes became an arena for influence by developed countries.

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