International Energy Policies

Edited by

Giray Saynur Derman



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Cambridge
Scholars
Publishing



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This book first published 2022

Cambridge Scholars Publishing

Lady Stephenson Library, Newcastle upon Tyne, NE6 2PA, UK

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

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ISBN (10): 1-5275-8560-3
ISBN (13): 978-1-5275-8560-7

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INTRODUCTION

Primarily energy obtained from fossil fuels (coal, oil and natural gas), which has been stored for hundreds of millions of years, started to be used intensively with the industrial revolution. Then, nuclear and renewable energy produced add diversity to the energy resources.

Energy has become the basic principle of life today. Political transformations, wars and conflicts experienced at an unbelievable speed for the sake of owning energy resources, led mainly by oil and gas, reveal what an important role the energy factor has in the world. The fact that energy reserves are clustered in certain geographies of the world and that the need for energy increases in parallel with the ever-increasing world population emerge as the main determinant of energy policies. As it is well known that the resources are limited and the human factor is helpless at this point, all countries are putting into effect the rules of law to play the right card and are already putting into effect some measures that will ensure their future. Countries with very high consumption rates put forward many legal texts in order to establish their energy supply security. The European Union is one of them.

All kinds of political decisions taken to ensure energy security and the strategies, plans and practices developed for the realization of these decisions are called "energy policies". Energy policies can also be defined as strategies, plans and implementation objectives developed to manage the economic, diplomatic and political interaction between the actors that produce, process, distribute, consume and control/affect the global energy flow (energy regime) in line with the interests of the country. Besides, energy policies have to consider issues such as climate change and environmental security at least as much as energy security.

The concept of "energy security" refers to the situation in which the supply of energy is permanently secured at the requested place, time, in sufficient quantity, in quality (not causing environmental problems) and at reasonable prices. In other words, energy security is the continuous supply of energy from reliable, clean and diverse sources/countries at reasonable prices and in high efficiency; access to sufficient amounts of energy resources from a stable price and stable source, by means of transport that is not actually threatened (pipeline, suitable sea routes, etc.) and within the framework of fair distribution; rational and efficient use of energy in the

World. It can be defined as the continuous availability of energy services that the economy needs. By energy policies, it is meant all kinds of political decisions taken to direct the flow of energy in this sense and the strategies, plans and practices developed for the realization of these decisions. Energy policy can also be defined as the strategies, plans and implementation targets developed to manage the economic, diplomatic and political interaction between the actors that produce, process, distribute and consume energy in line with the interests of the country. "Energy" and "modern politics" have become two intertwined concepts that cannot be considered separately. Although energy creates a cooperation ground for producers through organizations such as OPEC, OAPEC and OPEC+, there are often market share struggles between producers, struggles between producers and consumers, and most importantly, the efforts of big states to control energy valves in order to establish hegemony over both producer and consumer countries. It is a major source of conflict for many reasons.

On the other hand, the main responsible for problems such as environmental pollution and climate change/global warming is the dimension of energy use in modern life. Climate change is not only a problem related to the quality of life and the environment, but has become a problem that threatens the human race and global security. In this respect, energy is one of the most important components of governance in global politics. Therefore, the energy sector, which consists of alternative sub-sectors such as nuclear and renewable as well as fossil fuels such as oil, natural gas and coal, is one of the most important factors in terms of foreign policies and the functioning of the international system, as well as the domestic policies of the countries. It is and especially one of the main determinants of the interaction between domestic and foreign policy. Fossil fuels are responsible for the emission of gases such as carbon dioxide and methane into the atmosphere that cause climate change, in short, the environmental problems experienced today. For this reason, energy security policies cannot be carried out by relying on companies that seek short-term profit and aim to survive in the sector at all costs. Market instruments are insufficient in solving problems such as resource diversification; such as production, transportation, refinery and storage, the construction of adequate infrastructure at the national level in matters and preventing the use of energy as a political weapon by the producer, hegemon and transit countries. Because more than 70% of fossil fuel resources at the global level are in the hands of the states. The share of investments made by the states in matters such as production, refinery and

distribution is quite large. Therefore, energy security must be based on long-term strategies with strong political footing.

Today, global energy policies are mainly determined by oil and natural gas. The regions that shape the basis of these policies are the Middle East, Central Asia and the Caspian regions, which have the largest share in terms of reserves. The most important region of the world in terms of Oil and Natural Gas is the Persian Gulf. Kazakhstan has also the largest oil resources in Central Asia mainly concentrated in the Caspian Sea region. Revenues from oil exports is the primary source of income for the state budget of Kazakhstan and essentially important for the entire economy of Kazakhstan. Europe is the major market for Kazakhstan's crude oil. There is an important global competition in the exploration, production and delivery of oil and natural gas to international markets. There exists many problems in marketing the resources of Russia and Iran, which are important actors in the global energy markets and despite the ongoing issues USA, EU, China, India and Turkey are trying to implement multi-dimensional policies in order to obtain the energy they need from alternative sources uninterruptedly, cheaply and safely. Turkey is a hub between the energy producers and consumers and has a strategic importance for oil and natural gas which makes it a candidate country to become an energy market in the future. For this reason, it is of great importance for Turkey to ensure resource diversity, supply security and continuity in oil and natural gas imports, and to develop energy transportation projects.

Nowadays the world energy system is at a crossroad. The current global trends in energy supply and consumption are clearly not sustainable, from an ecological, economic or social point of view. However, that can - and must - be changed. There is still time to change the course. It is no exaggeration to claim that the future well-being of humanity depends on how well we manage to overcome the two key energy challenges we face today: securing a reliable and affordable energy supply and swiftly switching to a more efficient and environmentally friendly energy system, the low-carbon one. It doesn't take anything less than an energy revolution.

In this book, international energy policies are analyzed from a general perspective with the inclusion of future consumption provisions. The energy policies of regional and global actors such as the European Union, United States of America, Russia, China, Turkey and Kazakhstan are particularly evaluated.

The International Energy Policies book is organized in three divisions. In the first part, under the title of Country Based Analysis; Mesut Hakkı

Caşın analyzed the energy resources of the USA. After that Kutay Karaca and Müge Yüce evaluated China's Middle-East policy based on energy perspective. Then, Meral Balcı studied the energy problems in Turkey. Arzu Al and Hayri Kaya evaluated the energy politics of Russia. Sina Kısacık analyzed Russia's reformed energy policy during the Crimean crisis. Emrah Ceylan and Mert Gül studied energy from the perspective of Japan. The second part of the book analyzes the energy from the perspective of regional concerns. Asia Pasific's energy policy has been prepared by Deniz İstikbal. Hasan Korkut, Endris Mekonnen Faris and Hamza Preljevic figure out the relationship between energy and politics in the Western Balkans. Energy policies involving Latin America is scrutinized by Gökhan Katıtaş. After that Ferit Belder examined the Middle East's energy policy. Alaeddin Yalçınkaya has prepared the Caspian Basin's energy policy. Meanwhile the Blacksea Basin's energy policy has been prepared by Meltem İrteş Gülşen. In the third part authors contributed under the title of The Impact of Global Energy Policies on Developing Countries. Gülden Ülgen, İpek Yurttagüler and Sinem Kutlu Horvath scrutinized the effects of unstable oil prices in developing countries. After this section Giray Saynur Derman analyzed how energy affects on the Kazakhstan's foreign policy. Meral Balcı and Serkan Yavuz examined the evaluation of TurkStream Pipeline in terms of Turkey and Russia while Furkan Kaya researched the main parameters of the importance of Cyprus in the context of eastern Mediterranean energy security. Finally Bilgin Birlikseven reviewed the renewable energy. A book can hardly cover all the matters and issues about energy and policies of the whole world, however we tried to gather all the current important hot topics in this book.

All economic activities somehow interact with national and global politics, but in the modern era, the energy sector has always been one step ahead in this regard. In this book, the interaction of energy-politics and energy international relations is examined with the aim to emphasize the importance of energy policies in terms of political and economic aspects under the title of Energy / World Energy Politics. I would like to thank all the authors and their valuable contributions for their publications.

Prof. Dr. Giray Saynur Derman