

Russia and the geopolitics of O&G: A contest of narratives and interests, a overview at realism theory and its implications for Energy Security

Bruno Lopes Ferreira - Master's student in Energy Planning at Universidade Federal do Rio de Janeiro - bruno.ferreira@ppe.ufrj.br

Abstract

The objective of the paper is to present the challenges of the war between Russia and Ukraine for the geopolitics of O&G, which directly interferes in rediscussing the role of energy security and to what extent it is important to have control over these resources for the autonomy of its project of nationhood. A possible reordering of forces on the international stage is discussed throughout the text and its implications for actors and the international system. To support the analysis, this article makes use of the realist theory of International Relations and concepts of geopolitics for prospective scenario analysis, as it allows the understanding of points of view and possibilities, since countries seek to maximize their expected utility, that is, given a set of preferences and a number of possible decisions, this actor will opt for the one that increases the expected benefit.

Keywords: Energy Security, Foreign Policy, Sovereignty, Realism, Russia, Gas

Introduction

Knowledge of energy sources and their applications was a decisive factor in the development of civilization. Rifkin (2004) understands that the cycles of formation, apogee and decadence of various civilizations throughout history are directly related to their respective abilities to ensure the regular supply of their energy demands. In this context, the civilization of the Second Industrial Revolution (1860-1960/70) can only be understood by the emergence, from the second half of the nineteenth century on, of petroleum as the main energy source. The oil and natural gas industry imposed itself, in fact, as the largest industry of the entire 20th century. In the US economies and in some of the European Union, by the way, the sector's share is close to 20% of GDP, while in Russia it reaches the volume of about 60% (PAIVA, 2012).

Due to its strong importance in the economy and structural dynamics of a country, the study of energy and security takes on strategic contours from a geopolitical perspective. For Felix Ciută (2010), "energy is something special and complex, which gives it the character of a theme of total amplitude: nothing exists that is not by means of energy, or is not affected by energy". Because of this total character of energy, energy security has the potential to influence the conception of security in various aspects, making security no longer a domain of limited meaning and practice.

Energy security may have different connotations depending on the context in which it is inserted, since, either as a political matter or as an object of analysis, the relationship between energy and security will not always be uniform. In this way, the proliferation of concepts on energy security, promoted by different actors, would thus allow us to affirm that security can be perceived as a category that tends to have several theoretical and practical conceptions (PAIVA, 2012).

Due to the broad nature of the study of energy, Krause and Williams (1996) guide the debate on the "new thinking on security", which is the idea of broadening and deepening the parameters that guide the conception of security. The broadening

of the potential forms of threats consists in including new themes in the field of security, such as economic, environmental, human rights and migration issues. The deepening of the security studies agenda means considering not only the state, but also human beings, the environment, societies and the international order (regional or global) as the subject of security (what must be protected).

With the end of the Cold War and the dismemberment of the then Soviet Union, it seemed to be the End of History and a period that indicated capitalism as the winning model as signalled by Francis Fukuyama. The geopolitical system that came into force was unipolar under the hegemony of the United States and expanded its zone of influence to Eastern Europe, the Middle East and Asia. Nowadays, such geopolitical order is questioned by several actors, especially China and Russia, who seek alternatives for greater autonomy and to redimension the relative power through the formation of economic blocs such as the European Union, Mercosur, BRICS, among others.

The now Russia, under the Yeltsin government, went through a major economic shock with the privatisation of the public sector, the opening and deregulation of markets, the liberalisation of prices and the policy of fiscal and monetary control. The economic results of this experience were reckless, and its social consequences were profound and catastrophic.

With the loss of relevance of the country on the world stage and a torn self-esteem of the population with loss of economic power as the real wages of the population fell 58%, the number of poor grew from 2% to 39% and, finally, the Gini coefficient (which measures the level of inequality), which was 0.2333 in 1990 went to 0.401 in 1999 (FIORI, 2017). The then Prime Minister Putin, finds a favourable context to revive the nation's morale and catapult his political career. The war in Chechnya was the ideal pretext to evoke the rhetoric of sovereignty and in particular to protect the region's extensive oil reserves.

The construction of sovereignty was a priori closely linked to the conformation of the border. Ensuring that the territory inhabited by a set of citizens, fostering a unity and the constitution of a sense of identity belonging form the basis for a country's sovereignty and that the long line of boundaries were closed by peaceful

means, through arbitration or perfectly negotiated, approved and ratified bilateral agreements.

This narrative that evokes sovereignty and the right to use over its territory has a realist component within International Relations theory. Once the central element is in power and how it is projected by the state in the international arena. Morgenthau (2003) highlights three types of interest in power: maintenance of power or status quo in a situation of apparent balance or without actors at the time with the condition to change the balance of power; imperialism when there is military, economic and cultural condition and finally the power by prestige that stands out as a state holds the apogee on a particular variable or dimension over its peers.

Therefore, understanding the dimensions of the confrontation between Russia and Ukraine becomes pertinent since this war may reverberate beyond these borders and involve new issues in the debate, such as energy security, international cooperation and the reordering of forces in geopolitical chess. In relation to the main thrust of this article, the level of Europe's dependence on Russian gas supplies and the relative lack of alternatives beyond faster storage withdrawals and efforts to attract more cargo from the global LNG market (due to declining European gas production and the fact that pipeline imports from Norway, North Africa and Azerbaijan have apparently already peaked) (OXFORD, 2022). This degree of uncertainty, raises questions of a nature: what will the relationship between Russia and the European Union be like, with the increase in sanctions? What will be the new gas and oil routes if this tension persists? Can this war catalyse or slow down the energy transition to a low-carbon economy?

The use of realism is pertinent and even more so when it comes to geopolitics because, as Fernandes (2009) argues, realism seeks to present a theory of international politics and has a theoretical concern with human nature and the facts as they are, with the state being the image and likeness of people. Morgenthau (2003) starts from the idea of a political realism in which politics and society in general are organised by objective laws that reflect human nature, which is immutable and guided by self-interest and selfishness, by the search for survival and security. Moreover, interests defined in terms of power and there is a departure from

motivations and over ideological preferences. Therefore, we can extract some understanding of why Russia adopts a model that goes against its peers in the international debate, in an idea that the ends justify the means, in which the search for economic development has priorities over other demands even if this may result in crises in the long term. From this theoretical approach, it is necessary to contextualize the current moment and the conduct of foreign policy and bring the concept of Human Security to enrich the debate on security and fossil fuels.

Therefore, inserting the Paris School of Human Security in this contextualization is pertinent, since there is a great tension in Brazil facing the expansion of mining and consequently an acceleration of illegal deforestation in these areas. According to Oliveira (2009) this theoretical current works with two components of freedom, the first is freedom from threats that harm rights, security and life of people, establishing the need to be free from fear of physical violence, the individual being free from fear (freedom from fear) of crimes and wars and the second, freedom of needs (freedom from want), access to health, economic access and stable environment. This approach brings a comprehensive perspective to security, bringing the elements of economic, food, health, environmental, personal, community and political security. Based on this assumption, it is possible to categorise the Russian situation as liable to receive an intervention either from another state or an international body, which can benefit from the prerogative of the responsibility to protect present in Human Security.

To put this into context, after the crisis in Ukraine in 2014, which had a government more oriented towards the Russian zone of influence, there was a strong internal movement towards greater proximity to Western Europe. The deposition supported by US governments (especially Democrats), inflamed a Ukrainian sentiment to move away from Russian interests and fuelled intention to join NATO. As a counterattack, the Putin government decided to support separatist regions, of Russian-ethnic majority, in the territories of Donetsk and Lugansk (Donbass regions) and in Crimea, and even with reservations, signed the Minsk ceasefire agreements, with the Ukrainian government and Russia, in September 2014. With the escalation of the conflict, and the international tension between

Russia and the US/NATO, systematically the Ukrainian government, instigated especially by the US, has been pushing a narrative of "reconquest" and offensive on the Donbass territories in recent years. In December 2021, the dispute took on an escalation of open pre-conflict, a situation that took on proportions of military tensions such as not seen since the end of the Cold War in Europe.

Among theorists and analysts there was the feeling that until that moment the negotiation method of escalating to de-escalate was used, i.e. raising the tension in parts to reach an agreement faster. However, as we are we are taken by human relationships and no matter how rational we are, at certain times, situations can get out of control and spark the start of a war.

Even if war would be unlikely at first, there are actors with different agendas and interests that can gain ground in such conflicts and access new markets or expand their radius of influence. Therefore, in the next section the debate on the role of energy security and the players involved in this oil market will be important to understand these geopolitical movements.

Energy Security, Geopolitics and Gas Market

The International Energy Agency (2022) indicates that the European Union imported 155 billion m³ of natural gas directly from Russia, corresponding to almost 40% of total imports, which puts the bloc in a difficult bargaining position in the event of conflicts. The main advantage of this partnership is due to the relative ease of building gas pipelines between the parties and Russia's large reserves of the raw material, which allows for the amortization of infrastructure costs and guarantees a long-term supply if there are no structural or political problems.

For Russia, this type of contract is important because it guarantees the country's international reserves (foreign currency) and protects it from possible sanctions, such as the process imposed after the annexation of Crimea in 2014. Although the Russian economy has been affected, because gas is an essential commodity for international trade, its flow is not directly impacted and in times of

strained relations, Russia has the option of redirecting its products to China, Japan and other Asian countries.

Ukraine has always played on this strategic position between Europe and Russia to gain advantages, sometimes from Europe, sometimes from Russia. It has a pendulum diplomacy. However, it also depended on Russian gas and always wanted to pay cheaper for being Russia's ally and being the pipeline link between exporter and importer. When Ukraine tended towards the West in 2014 and received resources from NATO, Russia increased the prices of the resource and in return, the Ukrainians started diverting part of what would go to Germany and France (LEÃO, 2022).

To face this obstacle, the Russian government proposed the creation of the Nord Stream 2 gas pipeline, which connects the Russian production fields to Germany through the Baltic Sea. This instrument could reduce risks in the face of growing amenities in the region and ensure energy security for Germany, since the country was in the process of decommissioning its nuclear power plants due to strong popular pressure after the Fukushima accidents, in addition to facing the advance of the Green Party in the German parliament and with strong power of agenda in local politics.

This approach can be explained by the Rational Choice Theory, since the actor seeks to maximize its expected utility, that is, given a set of preferences and a number of possible decisions, this actor will opt for the one that increases the expected benefit (DE MESQUISTA, 2009).

To understand these interferences in politics and how to act towards a certain end, it is necessary to deepen the correlation between domestic policy and foreign policy to discern on the country's movements and articulations, in an agenda that meets the interests of local citizens and that suffers validation at each election but also in return cohabits with international interests that aims to obtain greater relevance and relative power over its neighbours and presence in the geopolitical context. Therefore, studying a country's actions in light of the two-level game theory provides a fundamental framework for structuring the *modus operandi* of countries and their sensitivities to local and external effects on the conduct of their policy. Domestic policy and foreign

policy are often highly linked in the sense that diplomacy is a state policy. However, when national leaders must obtain the ratifications (formal or informal) of members of their parliaments for an international agreement, their behaviours in negotiations reflect the simultaneous imperatives of both a domestic policy game and an international policy game (PUTNAM, 2010).

However, as international politics is driven by several actors, the United States did not welcome this strengthening of ties between Germany and Russia. First of all, the Americans are interested in exporting LNG and the European continent would be the first market option to dispose of this excess supply.

From a geopolitical point of view, there is a new dispute for who will have "control" over the Heartland. In 1919, the geographer Mackinder postulated about the land power and the role of the pivotal region located in Eurasia, since the privileged geostrategic position of whoever dominated this immense landmass would play a leading role in international relations in possession of the "vital space". For this reason, Mackinder harboured concerns of an alliance position between Germany and Russia.

The fact is that Russia and Germany, at different moments in history, have the claim to control the Heartland. Russia to some extent tries to re-edit this trajectory and gas plays an important role in this context. On the other hand, as he warned the other countries must dissuade these initiatives. In the past it was by spraying the countries of Europe, especially to the east like the dismemberment of Czechoslovakia and then Yugoslavia. Now the tactic is to expand the member states of NATO, a military alliance that safeguards each other's integrity, that is, if one member is attacked, it is the duty of the others to help.

This geopolitical configuration aims to stifle possible Russian expansionist impulses, but also leaves it vulnerable in terms of defence. Since a large part of Russian territory is made up of plains, a situation that favours a possible attack from an aggressor. In the Russian Empire and the Soviet Union, most battles were fought outside what is now Russia, when the tactic of giving ground was used to gain time and to count on the help of the cold as an ally.

The cold in the current case may again be an ally, since Europe is registering a harsher winter than usual due to a "break" of the polar vortex at the North Pole and because of climate change, the next inversions may be more intense (NATURE, 2022; NATURE, 2020).

For Fiori (2022), in the middle of the European energy, pandemic and inflationary crisis, only Russia has the immediate capacity to increase the supply of gas that Europeans need to heat their homes, lower their production costs and recover the competitiveness of their industry, reducing the degree of dissatisfaction of their populations. A factor for which European countries seem to be to some extent permissive towards some Russian outrages and try to dissuade through economic sanctions, boycotts and diplomatic constraints that may serve more to control public opinion than have any long-term effect. And even if the prerogative of the responsibility to protect human security is used, it can be criticised because in some cases it is used with partiality, serving the interests of other parties.

Russia, on the other hand, has more options to move its chess pieces in the geopolitical context. Expand markets to China, India, Japan and South Korea to stock its supply. In the case, China to strengthen ties and invest in the development of the New Silk Road and to move the Heartland to the east, with the aim of strengthening the Siberian region and its claims to control the Arctic maritime and territorial space, as well as trying to move away from the zone of economic influence of the dollar and euro.

This approach, would be a course correction of the past by looking too far west and to some extent neglecting positions to the east and even the Territory of Alaska for the United States by focusing too much on land power and forgetting the importance of sea power in geopolitics.

Another way out for Russia would be to invest in gas liquefaction and explore new sea routes to counter Qatar and the United States, including reactivating the Nicaragua Canal construction project and reducing the zone of influence of USA in Central America.

For Europe, in the short term there is a tendency of increasing gas prices but nevertheless an opportunity to accelerate an energy transition process in the

countries to preserve their Energy Security. France, for example, has already given signals that it wants to increase its nuclear power plants, which rekindles the debate for possible and possible military uses.

Conclusions

This paper sought to contextualize and analyze contemporary facts regarding the geopolitics of Russia and especially the strategic character of oil and gas reserves. Due to the proximity of the object in question of the study, it was opted for a brief contextualization of the role of energy in the structural modification of countries, to then go to the conjunctural evaluation and its implications. It is important to emphasize that this moment in history will bring about a series of developments and, in particular, a reordering of forces, possibly the weakening of a hegemony to share forces with powers in a multipolar system. The dispute of narratives becomes an important tool to try to control the facts, so it is necessary to seek to understand the holistic dimension of events to obtain a linkage and materiality of the situation.

Acknowledgment

Bruno Lopes Ferreira thanks to financial support from the Human Resources Program of the National Agency of Petroleum, Natural Gas, and Biofuels - PRH-41/ANP (in Portuguese), supported with funds from the investment of oil companies qualified in the R&DI Clause of ANP Resolution 50/2015.

References

- DE MESQUITA, B. B. (2009). **Foreign Policy Analysis and Rational Choice Models**. International Studies Association Compendium Project Paper.
- FIORI, J. **The role of oil and gas in Russia's strategic past and future**. INEEP. 2017.
- FERNANDES, José. **Theories of International Relations: from the classic approach to the post-positivist debate**. Coimbra: Gráfica de Coimbra. 2009.

IEA. **Oil Stocks of IEA Countries.** 2022. Available at: <https://www.iea.org/articles/oil-stocks-of-iea-countries>

IEA. **A 10-Point Plan to Reduce the European Union's Reliance on Russian Natural Gas** Available at: <https://www.iea.org/reports/a-10-point-plan-to-reduce-the-european-unions-reliance-on-russian-natural-gas>

IPCC. **2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.** 2019. Available at: <https://www.ipcc.ch/report/2019-refinement-to-the-2006-ipcc-guidelines-for-national-greenhouse-gas-inventories/>

LEÃO, R. **The energy issue in the Russia-Ukraine crisis and the fragile European position.** 2022.

MORGENTHAU, HANS. **The Politics among Nations.** Brasília: UnB/IPRI. 2003.

Nature. **Changes in Northern Hemisphere temperature variability shaped by regional warming patterns.** 2020.

Nature. **Compound changes in temperature and snow depth lead to asymmetric and nonlinear responses in landscape freeze-thaw.** 2022

OLIVEIRA, Ariana. (2009) **The end of the Cold War and International Security Studies: The Concept of Human Security.** Aurora, year 3, n. 5. Available at: <https://www.marilia.unesp.br/Home/RevistasEletronicas/Aurora/OLIVEIRA.pdf>

OXFORD. **The Russian invasion of Ukraine and China's energy markets.** 2022

OXFORD. **Russia-Ukraine crisis: Implications for global oil markets.** 2022. Available at: <https://www.oxfordenergy.org/publications/russia-ukraine-crisis-implications-for-global-oil-markets/>

PUTNAM, Robert. **Diplomacy and domestic politics: the logic of two-level games.** Rev. Sociol. Polit. vol.18 no.36 Curitiba 2010;

RIFKIN, J.. **The Age of Hydrogen.** São Paulo: Makron Books, 2004.

ROTHCHILD, Emma. **What is security?** Daedalus.124. n3(Summer 1995):53 (46).

UNFCCC. **The Paris Agreement.** 2015. Available at: http://unfccc.int/paris_agreement/items/9485.php Accessed 20 June 2020

WALT. STEPHEN. **Who Will Save the Amazon (and How)?** Available at: <https://foreignpolicy.com/2019/08/05/who-will-invade-brazil-to-save-the-amazon/>

WALT, Stephen M. Theory and Policy in International Relations. **Annual Review of Political Science**, Palo Alto, California v. 8 , Annual Reviews, p. 23-48, 2005b.

WALT, Stephen M. International Affairs and the Public Sphere. Social Science Research Council , 2011. Available at: <
<http://publicsphere.ssrc.org/walt-international-affairs-and-the-public-sphere/>>.

WALTZ, K. N. (1996). **International politics is not foreign policy**. Security Studies, 6(1), 54-57.