NATURAL GAS AS A SUBJECT OF GEOPOLITICAL INTERESTS OF STATES

Abstract

In the last decade, the subject of sale, purchase or transit of natural gas between the countries in Europe has gained, in addition to the economic dimension, a much broader, and for some countries even more significant, geopolitical dimension. This is most evident based on the attitude of the United States and some European countries towards the projects for the construction of the Nord Stream 2, Turkish Stream and South Stream gas pipelines. By displaying a negative attitude towards these gas pipelines, the United States (with the support of some European countries) has formally emerged as a “protector of the energy interests of European countries” from Russian influence, i.e. Russian gas. Essentially, the United States is trying to slow down, reduce and suspend gas supplies from the Russian Federation (RF) to European countries, especially the most powerful ones (Germany, for example), and disguised by the need to “diversify gas supplies to European countries”, thus reduce Russia’s presence in Europe and quality of
interstate relations. At the same time, the United States is trying to offer and sell its liquefied natural gas to European countries as an alternative to Russian gas, and to “fill in” the empty geopolitical space. The Russian Federation, on its behalf, instructed by the experiences from several “gas crises” with Ukraine, but also in accordance with its geopolitical interests, seeks (and has almost succeeded in doing so) to ensure the transport and sale of its gas by building new gas pipelines to Europe and improve relations with European countries. Other European countries, which need Russian gas, are trying to ensure energy security by participating in the construction of the gas pipeline, or by supporting the realization of that project. The fate of the gas pipeline and thus the possibility of gas distribution to individual states becomes a subject of interest (and conflict) of the great powers and their geopolitical interests.

**Keywords:** gas pipelines, Nord Stream 2, South Stream, Turkish Stream, energy security, geopolitical interests of the state

---

**THE IMPORTANCE OF NATURAL GAS**

All countries in the world, regardless of the size of the territory, population and level of economic development, need one or more energy sources, either to maintain production in the country and ensure the quality of life of the population, or as a basis for greater economic development. Providing all the necessary energy sources for each country is becoming an important part of its overall energy security. The needs of countries for energy exist, however there are very few of them that are able to achieve energy independence, while others are striving to procure the required energy source on the market. According to data available, the most frequently used energy sources are oil, gas and coal. With regards to gas and oil, the countries that produce the most gas in the world

---

1 Energy security is described as “the assured delivery of adequate amount of energy to meet a state’s vital requirements, even in times of international crisis or conflict”, as “ensuring the supply of sufficient energy to meet the basic needs of both production and uninterrupted supply to the final consumer”, but it [energy security] also has the meaning of “diversifying primary energy sources and investment towards climate alternatives”, or includes an element of “defense against competition forces” (Michael T. Klare, 2012).
are the United States, the Russian Federation, Iran, Qatar, Canada, China, Norway, etc.\(^2\) while the leading countries in oil production are the USA, Saudi Arabia, Russia, Iran, etc.\(^3\)

Russia has the largest pipeline export of gas (80.9% of gas is exported to Europe, out of which 90% accounts for pipeline export), followed by Norway (with complete exports to Europe), Canada, USA, Algeria and Turkmenistan\(^4\), while the largest importers of natural gas via pipelines are Germany, U.S., Italy, Turkey, Mexico, the Netherlands, Great Britain and China.\(^5\)

Among European countries, gas as an energy source is important for the development of Germany, Italy, Spain, France and other countries. With regards to the export of Russian gas to the leading EU countries, and thus to the importance of Russian gas for the economy of those countries, it should be noted that Russia exports gas to Germany, 55.3 billion m\(^3\), which accounts

2 According to data (British Petroleum [BP] 2019), most natural gas, expressed in billions of cubic meters, in 2018 was produced by the United States - 831.8 billion m\(^3\), followed by Russia - 669.5 billion m\(^3\), Iran - 239.5 billion m\(^3\), Canada - 184.7 billion m\(^3\), Qatar - 175.7 billion m\(^3\), China - 161.5 billion m\(^3\), Norway 120.6 billion m\(^3\), etc. According to the same source, the countries with the biggest total proved natural gas reserves in 2018, in trillions of cubic meters, are Russia - 38.9 trillion m\(^3\), then Iran - 31.9 trillion m\(^3\), Qatar - 24.7 trillion m\(^3\), Turkmenistan - 19.5 trillion m\(^3\), United States - 11.9 trillion m\(^3\), Nigeria - 5.3 trillion m\(^3\), Algeria - 4.3 trillion m\(^3\), etc. (BP 2019).

3 According to the amount of oil produced in millions of tons, in 2018, the United States was in first place with 669.4 million tons, followed by Saudi Arabia with 578.3 million tons, the Russian Federation 563.3 million tons, Canada 255.5 million tons, Iran with 220.4 million tons, Iraq 226.1 million tons, etc. Regarding the oil reserves expressed in thousands of millions of tons, in 2018, the biggest reserves were determined in Venezuela - 48 billion t., then in Saudi Arabia - 40.9 billion t., Canada - 27.1 billion t., Iran - 21.4 billion t., Iraq 19.9 billion t., the Russian Federation - 14.6 billion t (BP 2019).

4 Considering the pipeline export of gas, the Russian Federation in 2018 exported 223 billion m\(^3\) of natural gas (87% to Europe, and the rest to Belarus, Kazakhstan and other countries), followed by Norway - 114.3 billion m\(^3\), Canada - 77.2 billion m\(^3\) (to the U.S.), U.S. - 67.6 billion m\(^3\) (to Canada and Mexico), Algeria - 38.9 billion m\(^3\), Turkmenistan - 35.2 billion m\(^3\), etc. (BP 2019).

5 In 2018, the Federal Republic of Germany imported 100.8 billion m\(^3\) of natural gas via a gas pipeline. The second largest importer was the United States with 77.3 billion m\(^3\) of gas, followed by Italy - 56.2 billion m\(^3\), Turkey - 37.6 billion m\(^3\), Mexico - 45.8 billion m\(^3\), the Netherlands - 35.6 billion m\(^3\), Great Britain 42.8 billion m\(^3\) and China - 47.9 billion m\(^3\) of natural gas, etc. (BP 2019).
for about 55% of Germany’s total demand for gas in 2018, to Italy 25.4 trillion m$^3$ or 45% of the demand of that country, etc.). The amount of gas supplied by the Russian Federation, for a long time now, has been at 35-40% of the demand of the European countries for the Russian gas. It can be clearly seen that Europe represents an important market for Russian gas and that there is a strong “gas dependence relationship” between some European countries and the Russian Federation. Concerning the EU Member States, data for 2018 show how much these countries are significant for Russia. Out of a total of 200.6 billion m$^3$ of gas that Russia exports to Europe, only 2.6 billion m$^3$ of gas is supplied to non-EU members (practically Serbia, B&H and North Macedonia). The rest of the volumes of Russian gas exported to Europe, 25.9 billion m$^3$, is to Turkey (BP 2019). Among other gas exporters to European countries, after Russia, the most important is one is Norway with 118.9 billion m$^3$ or 21%, then the Netherlands with 32.5 billion m$^3$ (5.9%), Algeria - 38.9 billion m$^3$ or 7.06%, Azerbaijan with 9.2 billion m$^3$ (1.67), Iran - 12.1 billion m$^3$ (2.2%), etc. (BP 2019).

The importance of natural gas, as one of the energy sources needed by countries, is growing rapidly. Projected global gas consumption for the period 2010-2030 is within the range of 23% to 28% of the world’s primary energy demand, and by 2050 gas consumption should increase by 138% (Petrović 2010, 65-66). A growing number of countries is in demand of gas, either to use it to improve the quality of life of citizens (heating, transportation, etc.), or to maintain and develop national economies (gas is used in various industries: agriculture, chemical industry, glass, ceramics, construction materials, etc.). The use of natural gas, as compared to other energy sources (coal and oil, for example), offers the benefits such as far less pollution for the environment, and lower cost of transporting gas (by pipelines) in comparison to transporting oil. Having enough natural gas, for any country, means to have energy security that enables economic independence and safety, as well as social stability and vice versa. For many countries, a shortage in natural gas is not only an issue of energy instability, but it also raises doubts about the functioning of the economy, potential financial crisis and social instability. Natural gas, therefore, is becoming an increasingly important factor in the relations among countries, for the ones that have gas (a small number of them), for others that do
not have sufficient volumes of gas and want to have more (majority of them), as well as for the countries across the territories of which the gas pipelines are running (transit countries).

The question of the importance of gas, therefore (whether being about its production, consumption, transport or market value), has primarily geopolitical, and only then economic significance. The volume of gas delivered to some country, or its transport across the territory of one or more countries, the place, i.e. state which becomes a gas hub or where the gas is stored, from the perspective of the great powers, this is primarily a matter of *possibilities for realizing their geopolitical interests*, and not of the interests of the state concerned, nor general interests. Big countries that are at the same time also gas producers (certainly, such as the RF and the U.S.), are highly interested in controlling, that is, in potential influencing the countries that are connected by gas or which consume gas, in order to influence the sale of their own gas or to prevent the purchase of gas, by the other, rival, party, and thus to achieve economic and geopolitical interests.

The extent to which the issue of gas supply to countries is primarily of economic nature, and the extent to which it is becoming a (geo) political issue, depends on the interests of the countries

---

6 The best example of the influence of natural gas on the geopolitical position of a country is Ukraine. Along with Belorusia, it was a transit connection (route) for the transport of gas from Russia to several European countries, which provided Ukraine with additional “relevance” in relations with Western countries. Although due to the events of the past few years in Ukraine (political changes, armed conflicts in the Dombas region, the referendum on Crimea’s independence for the annexation of Russia, etc.) shifted the focus of the western countries’ attitude to the political dimension of relations through providing a support to Ukraine opposite RF which also included the introduction of sanctions, the fact remains that Ukraine is primarily significant as a country of natural gas transit. By building new transit routes, some European countries met their needs for gas also from other gas pipelines, however for some countries, especially in the Balkans (Serbia, B&H, Macedonia, Bulgaria and Romania), the supply of Russian gas through Ukraine was almost the only source of supply. The “gas significance” was additionally strengthening the Ukraine’s position with Western countries, because by supporting Ukraine, they could influence the fate of Russian gas, including the interruption of supplies, which until recently would be a big blow to the Russian economy. The gas crises of 2006, 2009, and 2014 showed the significance of Ukraine’s transit position for the needs of (Western economies) (Vreme 2019), (Politika 2019), (Vreme 2014).
concerned. “Relations” between Ukraine and the RF regarding gas have “spilled over” to numerous European countries and, more than ever, have raised the issue of the use of gas as part of the strategic interests of countries. The fate of the gas pipelines Nord Stream 1 and 2, Turkish Stream or the South Stream gas pipeline confirmed the influence of the strategic interests of the great powers on the final destiny of these pipelines.

The gas crises of 2006, 2009 and 2014, which started in the form of a dispute between Ukraine and RF over the issue of why Ukraine, as a transit country, is using or storing the Russian gas which is intended for European countries, then the price of transporting Russian gas through the territory of Ukraine, the volumes of gas transported (Putniković 2020), as well as the prices of gas itself (for Ukraine), which affected the energy situation in many European countries (partial or complete interruptions in the supply of Russian gas through Ukraine), “opened” a serious of various issues, such as the ones regarding the energy sector, economic and geopolitical issues in Europe, as well as globally.

For Ukraine, the transit of Russian gas through its territory was of manifold significance. First of all, Ukraine itself was also a user of Russian gas, which was a guarantee of its energy security and the smooth functioning of the economy. The transit position it occupied enabled Ukraine to gain significant financial resources (several billion dollars a year), which was of great importance for the country’s budget revenue inflow. Nevertheless, for Ukraine, the most significant consequence of its transit role in supplying Russian gas to a large number of European countries lay in the fact that the largest quantities of Russian gas were delivered to Europe via Ukraine, which allowed it to have a special role among European countries – “the role of protector of energy interests and needs of several European countries.”

For the RF, gas crises have opened the issue of searching for alternative routes of gas supply to European countries. In practice,

---

7 M. Stepić believes that the issue of achieving so-called resource security (natural conditions and resources, which, according to him, includes the management of territory, fertile land, water, flora and fauna, energy, ores ...) is “a top-level geopolitical issue and the reason for constant regional and local conflicts.”, and that “in the postmodern era, energy geopolitics (primarily oil and gas geopolitics) has the most obvious global relevance. (Stepić 2016, 15-34).
this meant that Russia did not want to be a prisoner of Ukraine’s interests, i.e. to depend on the will (interests) of the ruling political forces. In 2015, President of the RF V. Putin pointed out that “we see no reason to interrupt gas transit through Ukraine after 2018” (Union of Power Engineers of Serbia [SES] 2019). By initiatives to build new gas pipelines (Nord Stream 2 and Turkish Stream) Russia has shown a clear intention to build alternative gas pipelines to supply European countries with gas, and thus reduce the amount of its gas transported through Ukraine, and thus reduce the importance of Ukraine as a transit country.

Following the gas crises, European countries “understood” not only the importance of Russian gas for their own needs, but also the importance of preserving Ukraine’s position. Given Ukraine’s internal political divisions (pro-Western and pro-Russian political forces), Ukraine’s “gas importance” for Western countries also meant actively providing greater political and financial support to those Ukrainian officials who advocated the supremacy of Euro-Atlantic integrations, (EU and NATO membership) as opposed to the cooperation with the RF.

For the United States, the gas crises of 2006 and 2009 represented a “sign” to start, more actively than before, the process of implementing the concept of “separating Europe from energy dependence on Russia”, through achieving three strategic goals: 1) diversifying Europe’s gas supply by construction of a gas pipeline that would bypass Russian gas (and the influence of the Russian Federation)\(^8\), 2) strengthening Ukraine’s position as the most important transit country, either originating from Russia or from some other Eurasian country, but exclusively through Ukraine and 3) increasing sales of its liquefied gas on the European market, as a substitute for Russian gas. This strategic, but objectively long-term goal, is the reason why the United States has so strongly supported the “Three Seas” Initiative. By achieving these goals, the United States has strengthened its geopolitical position in Europe\(^9\), both

---

\(^8\) The Nabucco Project
\(^9\) That the sale of its liquefied gas in Europe is not the main reason for US action to reduce Russia’s influence in the European gas market, but that America’s primary geopolitical interests in Europe are (strengthening US influence, Ukraine’s maintaining the position of a transit country for Russian gas and the one that has a common border with Russia, etc.) have been confirmed by data on the production
among EU Member States and among other European countries.

The “Three Seas” initiative, promoted by some EU members and supported by the United States, brings together 12 European countries and aims to connect countries in the area between the three seas: Adriatic, Black and Baltic Seas, through infrastructure (energy and transport) digital and other projects, includes a very important “gas dimension”. These are projects for the construction of a new gas pipeline in the directions of the north and south, but also for the construction of a liquefied gas terminal. (The first liquefied gas terminals from America would be built in Poland and Croatia). In both cases, there are several goals: to reduce Russian gas sales, weaken Russia’s ties with European countries, distance as many countries as possible and (if possible) confront with Russia, and simultaneously increase US sales of liquefied natural gas in Europe, particularly in the countries that are the members of this Initiative, and to bind those countries more tightly to the United States.\(^{10}\) That the reduction of Russian influence (and gas) on European countries is the primary goal of America (and of the “Three Seas” Initiative) is also shown by the data on the delivery of liquefied gas from America to other countries, including European countries.\(^{11}\)

\(^{10}\) The member states of the Three Seas Initiative are: Austria, Bulgaria, the Czech Republic, Estonia, Croatia, Latvia, Lithuania, Hungary, Poland, Romania, Slovakia and Slovenia. The initiative originated as a Croatian-Polish project that was formally launched in 2016, at a meeting in Dubrovnik. So far, several summits of the Initiative member states have been held and several projects worth 45 billion euros have been promoted. The United States is a partner country. The US reaffirmed its support for the Three Seas Initiative at the Munich Security Conference, when Secretary of State Mike Pompeo pledged $1 billion (Blic online 2019), (DW 2019), (N1HR 2020), (Pečat 2020), (Troptal 2019).

\(^{11}\) If it is known that the United States exported 28.4 billion m\(^3\) of liquefied gas in 2018, and that European countries imported 67.6 billion m\(^3\) of the same gas from other countries (Qatar, Algeria, Nigeria, Norway, etc.), and from the United States only 3.9 billion m\(^3\), then it is clear how much, actually, the delivery of American liquefied gas represents a long-term and far-fetched goal, and that the primary goal of liquefied gas in the United States for 2019. That year, the United States produced five times less liquefied gas compared to the volumes of gas that the Russian company Gazprom exported to Europe, that is, the equivalent of natural gas expressed in liquefied gas. (Gazprom exported about 200 billion cubic meters of natural gas to Europe, which corresponds to 145 million tons of liquefied gas), while the volume of liquefied natural gas produced in the United States was 30 million tons - almost five times less (Marcinkevich, Boris 2019).
The gas pipeline, Nord Stream 1, which connects Russia via Germany with several European countries, was characterized by the EU already in the year 2000 as a project of “strategic importance for the entire Europe” (Marcinkevich 2019), which made it economically attractive for many investors and it thus became a “European-Russian project”. The economic dimension of this project (additional volumes of natural gas required) was dominant at the time, while the political dimension remained in the background, although it could not be ignored. After all, this was not the first time that Russia has supplied gas to European countries. Even in the time of the Soviet Union, Russian gas was delivered (sold) to the leading countries of Europe, mostly Germany, but also to other countries (France, Italy, etc.) and its delivery was not interrupted or reduced by the disappearance of that country. On the contrary, the quantities of delivered gas were regularly delivered in increased volumes.

Russia’s “gas influence” is expressed not only in the volume of gas delivered to European countries, but also in the fact that Gazprom “operates the entire network of European main gas pipelines and many underground gas storage facilities (PSG), fully integrated into the European gas supply system” (Euractive 2011). Among the underground storage facilities, the one that stands out in terms of importance is the Rehden storage facility, with a capacity of 4.7 billion cubic meters, which is the largest underground gas storage facility in the EU (DW 2018) (the size and capacity of the underground gas storage can be understood if it is known that the annual consumption of natural gas in Serbia in 2015 amounted to 2.8 billion cubic meters (Politika 2019 (Stanojević et al. 2020)). It is known that the annual consumption of natural gas in Serbia in 2015 amounted to 2.8 billion cubic meters (Politika 2019 (Stanojević et al. 2020)).
THE FATE OF THE NORD STREAM 2 GAS PIPELINE

The Nord Stream 2 gas pipeline is to provide new (additional) 55 billion m$^3$ of natural gas from Russia to Germany and other European countries. The route of the 1230 km long gas pipeline, the construction of which began in 2018, runs parallel to the Nord Stream 1, to the bottom of the Baltic Sea. The construction of the gas pipeline is financed by a consortium of companies. In addition to Gazprom, which finances 50% of the project, Wintershall and EON (from Germany), Austrian OMV, French Engie and the Anglo-Dutch company Shell (SES 2019) also participate in the construction costs for the gas pipeline (second half). As soon as it became announced and the construction started, Nord Stream 2 started to provoke various, divided, reactions from the USA, which were against its realization from the start. Former US Secretary of State R. Tillerson, during his visit to Poland in January 2018, stated that the Nord Stream 2 project “undermines Europe’s energy security and stability” (Sputnik 2018). In December 2018, the US House of Representatives unanimously passed a Resolution on Imposing Sanctions to the Construction of Nord Stream 2. The resolution called on US President D. Trump “to support European energy security through market diversification and reduced dependence on Russia” (N1 2018) (DW 2018). The attitudes and sanctions of the US did not sway the European countries that support Nord Stream 2, nor did they stop the construction of the gas pipeline. That is why America has gone a step further. On December 20, 2019, D. Trump signed the US 2020 Defense Authorization Act (previously adopted by the House of Representatives and the US Senate), which includes sanctions against the NordStream 2 and Turkish Stream gas pipelines. Sanctions are targeting the companies participating in the construction of two gas pipelines.$^{13}$ Germany, which under certain conditions$^{14}$ supported the construction of Nord Stream 2

---

13. More than 672 contractors (including about 370 German companies) were engaged in the construction of Nord Stream 2, a 1230 km long gas pipeline. Among them, only two companies specialize in laying pipes on the bottom of the Baltic Sea: the Swiss company Olsis and the Italian Saipem (Politika 2019).

14. Before the start of works on the construction of the Nord Stream 2 gas pipeline, the (then) Minister of Economy and Energy of Germany, Sigmar Gabriel, stated that German support for the construction of this gas pipeline has three conditions: Nord Stream 2 “It must meet the requirements of EU legislation, it must not jeopardize
from the beginning, reacted sharply against this attitude of America. The German government assessed the American sanctions as “interference in the internal affairs of the country” and that “the Government rejects those extraterritorial sanctions” ... which ... “affect German and European companies and represent an interference in our internal affairs” (B92 2019). The EU condemned US sanctions “against European companies participating in legal activities” (B92 2019). Minister of Foreign Affairs of Austria A. Schalenberg rejected US sanctions - claiming that “this gas pipeline contributes to the diversification of Europe’s energy supply and does not harm the interests of Ukraine.” (Sputnik 2020).

During the entire process of planning and construction of Nord Stream 2, Russia and Germany were emphasizing the economic aspect of the project and, logically, they were the most persistent in supporting the gas pipeline. Other European countries also supported the construction of a new gas pipeline. Austria and Norway (Europe’s largest gas supplier itself) emphasized that the “project will strengthen European energy security” and that Russia is a reliable gas supplier (Sputnik 2020). Logically, the countries whose companies participated in the construction of the gas pipeline or already use Russian gas, such as France and the Netherlands, also joined the support for Nord Stream 2.

It should be noted that, when supporting the construction of the gas pipeline, the Austrian Minister uses the argumentation of the contribution of Nord Stream 2 to “diversification of Europe’s energy supply”, and that is actually the same position with which the USA disputes the construction of this gas pipeline. Also, one of the companies participating in the construction of Nord Stream 2, Shell, announced that it supports this project, regardless of US sanctions, because it is “important for Europe’s energy security” (B92 2020). In this case, also, the same argumentation (Europe’s energy security) which the United States uses to challenge and stop the construction of Nord Stream 2 is used to support the gas pipeline.

But it’s not just the United States that opposes the construction of Nord Stream 2. The same attitude is shared by several

transit through Ukraine and it must not restrict gas supplies to Eastern Europe” (SES 2019).
European countries. Immediately before the start of works on the construction of this gas pipeline, nine EU Member States (Czech Republic, Estonia, Hungary, Latvia, Poland, Slovakia, Romania, Lithuania and Croatia) sent a letter to the President of the European Commission Jean-Claude Juncker objecting to the construction of Nord Stream 2, claiming that, if constructed, this gas pipeline would “generate potentially destabilising geopolitical consequences” (SES 2019). Ukraine is also among the opponents of this gas pipeline, but obviously some other European countries as well, which was confirmed by the US Ambassador to Germany R. Grenell, saying that in addition to the European Commission and the European Parliament, there are 15 European countries (without naming them) which “expressed their concern about Nord Stream 2” (Politika 2019). At the same time, Grenell described America’s decision on sanctions against Nord Stream 2 as “pro-European” aimed at “diversifying European energy suppliers and making sure that no country has the ability to create undue leverage over Europe in terms of energy.” (Politika 2019).

The members of the Visegrad Group not only condemned the construction of the Nord Stream 2 gas pipeline as a political project, but also accused Brussels of applying double standards, because it “stopped the Russian South Stream gas pipeline through Serbia, while it does not stop the expanding of gas supply capacity to the West.” According to Polish President Andrzej Duda, this is a project that is to “deepen Europe’s dependence on Gazprom and whose goal is to bring discord into the European Union.”

The European Parliament, in March 2019, voted against the construction of Nord Stream 2. The EP resolution, adopted by a majority of EU lawmakers, called for a halt to the Nord Stream 2 project, saying the project “strengthens the EU’s dependence on Russian gas supplies and jeopardizes the bloc’s energy policy and strategic interests” (B92 2019). This EP resolution, although non-binding, nevertheless illustrates the attitude of most EU countries towards the Nord Stream 2 gas pipeline.

Giving particular emphasis to the political dimension in the export of Russian gas to Europe (although Russian gas accounts for about 44% of the total gas consumption of European countries), is also present when it comes to gas supply to the area of Southeast
Europe. Thus, the Political Committee of the NATO Parliamentary Assembly, through the Subcommittee on NATO Partnerships, in its draft Report on Security in the Western Balkans from September 2018, stated that the RF is dominant as the main gas exporter to Serbia, North Macedonia and Bosnia and Herzegovina and that it utilises this position as “one of its primary geopolitical leverage points - energy politics - across the region” (Raynell 2018).

The American sanctions had an effect because the Swiss company Olsis, which laid pipes on Nord Stream 2, terminated further works and withdrew its ships from the Baltic Sea. Out of the planned 1230 km long gas pipeline, a 50 km long section remains to be completed (Politika 2013), (B92 2019). Representatives of Gazprom and the Government of the RF pointed out that Russia has the technical capabilities to complete the pipeline on its own (there are two ships that can complete the laying of the pipes) (Miller 2020). The leaders of the RF and Germany confirmed at the meeting held in early January 2020 in Moscow that Nord Stream 2 will be completed, regardless of the US sanctions (Sputnik Serbia 2020). It remains to be seen what is the completion date, i.e. the timeframe within which the gas pipeline will be completed.

THE FAILURE OF THE SOUTH STREAM GAS PIPELINE CONSTRUCTION PROJECT

The South Stream gas pipeline, which was supposed to supply Russian gas to several Central and Southeastern European countries, had a different fate than the Nord Stream, i.e. unlike the Nord Stream, which has been in use since 2011, the South Stream is not completed. The construction of the South Stream began in 2012 (the city of Apan, near Krasnodar), while the works were stopped at the end of 2014. The South Stream route is planned to start in Russia, extending beneath the Black Sea to Bulgaria, with two branches, one of which would extend to Greece and Italy and the other to Serbia, Hungary, Slovenia and Austria (Euractiv 2011), (Euractiv 2012). The length of the gas pipeline was 900 km, and the capacity was planned at 63 billion m$^3$ of gas. The project of the gas pipeline construction worth 15 billion euros (Euractiv 2012) involved as partners in the construction, in addition to Rus-
sia’s Gazprom, which owned 50% of the project, Italy’s Eni (20% ownership), Germany’s Wintershall and France’s EDF (15% each) (Euractiv 2012). The project of the gas pipeline construction later included two more countries: B&H and Croatia, which were supposed to be connected to the gas pipeline via two branches, on the route through Serbia (Euractiv 2014). Despite the fact that from 2008 to 2010 the Russian Federation signed interstate agreements with seven countries (including EU Member States) on joint participation in the construction of the South Stream (with Bulgaria, Serbia, Hungary and Greece in 2008, with Slovenia in 2009 and with Croatia and Austria in 2010) and that the project was presented at the EU headquarters (Brussels) in April 2011, the project was not granted the same status as Nord Stream (which since 2006 had the status of a project in accordance with with guidelines for Trans-European Energy Networks) (Euractiv 2014). In addition to the political interests of a number of EU Member States opposing the implementation of the project because it bypasses Ukraine and strengthens Russia’s influence, and additionally strengthened by the entry into force of the Third Energy Package in the EU, in March 2011, which regulated the operation of the companies exporting gas to Europe by ordering them to unbundle the activities of production and transmission by the gas pipelines owned by them (Euractiv 2014). Russia’s position was that “the goal of the Third Energy Pact is to prevent Gazprom from expanding in the distribution sector in Europe” (Euractiv 2014). That the legal issues which the South Stream gas pipeline had in regards to the European Union could stop its construction became evident on December 3, 2013, when the European Commission announced that all bilateral agreements signed by seven countries with Russia violate EU law, as well as that in addition to the legal and technical aspects (construction of the South Stream), a broader perspective of “developments in the relations between the EU and Russia” must be taken into account (Euractiv 2014). This “broader perspective of developments” referred to the events in Ukraine during March 2014, when the Parliament of the Autonomous Republic of Crimea first adopted the Declaration of Independence of Crimea from Ukraine, and then Crimean residents voted in a referendum to join Russia and eventually the Republic of Crimea became part of the Russian Federation. In response to the events in Ukraine
and concerning Crimea, the EU imposed sanctions on RF and postponed talks on South Stream (Euractiv 2014). The works on the construction of the South Stream gas pipeline were officially suspended on December 1, 2014, when V. Putin, the President of the Russian Federation, during his visit to Turkey, announced that “in the current conditions, Moscow will not implement the South Stream project because it has not received a permit from Bulgaria and the EU” (Danas 2018). Gazprom’s loss due to the suspension of the construction of South Stream amounted to USD 800 million (Danas 2018). Two years later, Putin’s words were confirmed by the Prime Minister of Bulgaria, Boyko Borisov. Addressing the youth of his party GERB in September 2016, at the gathering in Varna, Borisov said: “We stopped the South Stream”, Europe said “No” to that project” (Danas 2018). Three years later, Borisov spoke of the enormous pressure from Western Europe and the United States to cancel South Stream (RTVBN 2019). The Prime Minister of Hungary V. Orban then (in 2014) accused Brussels of “sabotaging the South Stream gas pipeline, claiming that the EU was constantly working on undermining this program” (Euractiv 2014). The same position was repeated by the President of Hungary, Janos Ader, at the meeting of the Visegrad Group. Ader accused Brussels “of applying double standards because it stopped the Russian South Stream gas pipeline whereas it did not stop the expansion of the capacity for gas deliveries to the West (via the Nord Stream 2 gas pipeline).” (Euractiv 2018).

The South Stream gas pipeline, which was supposed to supply Russian gas to several European countries, has not been completed. It became a victim of global relations and geopolitical interests of the EU (and the United States) towards the Russian Federation. The EU (at that time a larger number of Member States, as well as the U.S.) did not allow Russia to increase the delivered volumes of gas and thus, to economically and politically, strengthen its presence in Europe. Ukraine was partly the reason for the negative attitude of the EU towards the Russian gas pipeline (due to the annexation of Crimea to the Russian Federation and the fact that the route of the gas pipeline bypassed the territory of Ukraine). Essentially, however, the geopolitical interests of the EU (and the U.S.) remain the primary reason for the negative attitude towards the South Stream. Concerning energy supply, the EU was
not jeopardized because, in addition to the previous gas pipelines, Russian gas was also delivered to Europe via Nord Stream. And the Russian gas was not the only one. The consumers in Europe were also using gas from the Netherlands and Norway.

Russia was defeated in this gas-political conflict. It lost one stage (battle) in its long-term effort ("energy war") to sell as much gas as possible to European countries, while bypassing Ukraine. That this is only one stage and that Russia does not want to depend on the will (interest) of Brussels is confirmed by two initiatives launched by Russia in 2014. A 30-year agreement was signed with the Chinese National Petrochemical Corporation on the delivery of Russian gas through the Power of Siberia gas pipeline. In addition, V. Putin announced the construction of a joint gas pipeline with Turkey. The biggest losers due to the suspension of the South Stream were the Balkan countries of Serbia and Bulgaria, which were almost completely supplied with gas from Russia via Ukraine. The "higher interests" of the EU left them without a secure energy source. Serbia, as a candidate country for EU membership, was not in a position to query anything, but it faced a fait accompli. It was different with Bulgaria. It was involved in suspending the construction of the South Stream. As an EU Member State, Bulgaria agreed to subordinate its economic interests (direct supply of Russian gas plus revenues from the gas transit fee through Bulgaria) to the goals (interests) of the EU (and the U.S.). U.S. action against the construction of the South Stream took place indirectly: through Brussels (EU headquarters) and Bulgaria. In both cases, the United States succeeded in its goal - to stop the construction of a new gas pipeline that would deliver Russian gas to Europe.

**THE CONSTRUCTION OF TURKISH STREAM GAS PIPELINE**

Although the Turkish Stream gas pipeline was announced at the end of 2014, during the visit of V. Putin to Turkey, it took almost three years to begin construction. The reason behind that were the worsened relations between the two countries\(^\text{15}\). After

\(^{15}\) The relations between Russia and Turkey deteriorated after Turkish forces shot down a Russian plane in Syria. That was the reason why the gas pipeline construction project was suspended in November 2015. Turkey later apologized to Russia.
resolving the disputed issues, Russia and Turkey first signed an agreement on the construction of a gas pipeline across the Black Sea in October 2016, and in May 2017, the implementation of this project began. The gas pipeline is 930 km long and includes two pipelines that connect the Russian city of Anapa with the Turkish village of Kıyıköy across the Black Sea. The capacity of each pipeline is 15.75 billion m$^3$ of gas, or a total of 31.5 billion m$^3$ of gas per year. The gas pipeline was intended to supply the necessary gas for Turkey, as well as the for the SEE countries. In the course of the construction of the gas pipeline, in early November 2018, Gazprom passed a decision that “the route of the Turkish Stream gas pipeline shall continue through Bulgaria, Serbia, Hungary and Slovakia” (Sputnik 2018).

The section of the gas pipeline up to Turkey (the so-called Turkish section) was completed at the end of 2019 and was officially commissioned on January 8, 2020. Erdogan called the start of the gas pipeline operation “a historic event for Turkish-Russian relations and for the regional energy map” (Novosti 2020). While assessing that the partnership between Russia and Turkey is growing stronger, V. Pupin said that the Turkish Stream gas pipeline is “a sign of interaction and cooperation for the benefit of our people and the people of the whole of Europe, the whole world” (Euroactiv 2020), and that gas will travel “from Western Siberia to Turkey, and then to the Balkan countries, including Serbia” (Politika 2020). Simultaneously with the construction of the Turkish Stream, other countries that are also interested in Russian gas, tried to do their part of the work on the branch of the gas pipeline from Turkey, through Bulgaria and Serbia to Hungary. Firstly, Bulgaria completed a portion of the gas pipeline from the border with Turkey to the Strandzha compressor station (11 km long), and then began work on the construction of a section through Bulgaria to Serbia (Novosti 2020). The works on the section through Bulgaria, from the southern border of Bulgaria with Turkey to the western border with Serbia in the length of 474 kilometers (works worth 1.1 billion euros) began later than planned (due to several lawsuits of companies involved in the selection of the contractors for the works), but they are being performed and are planned to be completed in 2020 (B92 2019).

for shooting down the plane. In addition, there were differences between the two countries regarding the events in Syria and Libya (Kurir. 2018).
The works on the construction of the section of the (main) transmission gas pipeline through Serbia from the border with Bulgaria to the border with Hungary are soon to be completed. The pipes of the gas pipelines have been installed on the entire route through Serbia in the length of 403 km. It is planned that the measuring stations and the large compressor station (B92 2020) will be completed by the second half of 2020. Following that, technical conditions would be created for the flow of gas from Bulgaria to Serbia. The flow of gas towards Hungary will start later, after the compressor stations on the Hungarian territory have been built (B92 2020). The importance of the construction of the Turkish Stream gas pipeline through Serbia is immeasurable for the future economic and social development of Serbia. It “builds the arteries and veins of energy security and the future” of Serbia (Danas 2020). The gas pipeline gives Serbia the opportunity to develop its secondary network, in line with economic development. The gas pipeline can facilitate future investments and certainly provides the country with revenues based on the gas transit fee (Danas 2020).

The construction of the Turkish Stream was not in the interest of the United States, neither when it comes to the delivery of gas from Russia to Turkey, nor in regards to the gas delivery schedule, by the other branch of the gas pipeline to Bulgaria, Serbia, Hungary and other European countries. In the course of the construction of the gas pipeline, in February 2019, U.S. Secretary of State M. Pompeo, during his visit to Hungary (EU and NATO members), asked the Prime Minister of Hungary to abolish the support to the construction of the Turkish Stream. However, the Prime Minister of Hungary “remained at the position of supporting the construction of the Turkish Stream, i.e. the gas pipeline that would go through Bulgaria, Serbia, Hungary” (Tanjug 2019). America confirmed its persistent intention to hinder the Turkish Stream by adopting the U.S. 2020 Defense Authorization Act (which was adopted by the U.S. House of Representatives, the U.S. Senate) which imposes sanctions on companies participating in the construction of the Turkish Stream (Politika 2019). The spending bill also included a halt on the delivery of new generation F-35 American planes to Turkey, in response to the fact that Turkey bought S-400 anti-aircraft systems (B92 2019) from Russia. The essence of the American sanctions against the Turkish Stream was explained by the U.S.
Under Secretary of State, D. Hale, in an interview to the Bulgarian National Radio, by assessing that “the second branch of the Turkish Stream, which will supply gas to SEE through Bulgaria ... is a problem” (B92 2020), because the United States views it as Russia’s geostrategic project that does not ensure energy distribution for Europe and which destabilizes Ukraine, and allows Russia to bypass it” (B92 2020). As in the case of Nord Stream 2, the U.S. considers the construction of the second branch of the Turkish Stream (for European countries) a threat to “European energy security” and that Russia can use it to “exert an inappropriate level of political, economic and military influence” (Euractiv 2019).

The USA will not give up sanctions imposed to stop the construction of the second branch of the Turkish Stream gas pipeline. On account of caring for the Europe’s energy future, the U.S. is acting against European countries that are participating in the construction of this gas pipeline. The United States cooperates with some of these countries bilaterally and within the EU (Bulgaria, Hungary, Austria), and with some it is an ally within NATO (Turkey, Bulgaria, Hungary). The fact that the gas supplied by the Turkish Stream will provide energy security to many countries and create conditions for economic development is not important for the United States either. The global conflict with the RF in Europe is obviously a priority for the United States as compared to the needs of European countries. Suspending the Turkish Stream for the United States is also important because of Ukraine’s position. In case the Turkish Stream is stopped, Ukraine still has its significance in the transport of Russian gas, as a country that has a common border with RF and poor bilateral relations for several years. European countries will continue their “battle” for the Turkish Stream. Not because of Russia, nor against the USA, but out of the need to secure sufficient gas for their development. Turkey is the only one that has succeeded in that so far. It remains for the other member states of the Turkish Stream to implement their part of the construction works on the construction of the gas pipeline and to “convince” Brussels that the gas pipeline is in line with EU regulations and for the benefit of European countries and their citizens.
Despite numerous announcements by the Russian side, including the most important representatives of the Russian Federation, that once the ten-year agreement with Ukraine on gas transit has ended, deliveries of Russian gas to Europe in this direction will stop, that did not happen. Different interpretations and reactions of Russia and Ukraine, about the volume of gas transported through Ukrainian gas pipelines, the price of transport, the price of gas, etc. led to mutual suspicion, and eventually to litigation. Thus, the arbitration court of the Stockholm Chamber of Commerce, in the dispute between Russia’s Gazprom and Ukraine’s Naftogaz, ruled that Gazprom was obliged to pay USD 2.56 billion to the Ukrainian company, due to lower gas supplies from Russia compared to undertaken commitments (DW 2018). The court’s decision further burdened negotiations between Russia and Ukraine on signing a new agreement on the transit of Russian gas through Ukraine, as well as increased the concern of a significant number of European countries about their “gas” fate if the agreement was not signed and if the gas supplies were\textsuperscript{16}. But a compromise has been reached and Russia and Ukraine have signed several agreements on the delivery of Russian gas through Ukrainian territory. The agreement was signed for a five-year period (with the possibility of extension for another ten years) with Russia’s obligations to deliver, within the five-year period, starting in 2020, 65 billion m\textsuperscript{3} of gas to Europe in the first year, and 40 billion m\textsuperscript{3} of gas annually in the next four years. The Russian company Gazprom undertook to pay funds to the Ukrainian Naftogaz in accordance with the decision of the court in Stockholm, and to mutually withdraw all claims regarding gas. Ukraine expects a revenue of at least USD 7 billion in five years of gas transport through its territory, regardless of the volume of gas to be transported. In this way, by signing the agreement, not only the issue of transit of Russian gas through Ukraine was resolved, but also a series of other important issues that are highly relevant for gas, which started the re-establishing of the “balance of interests of the two sides” between the two countries, at least when it comes to natural gas (B92 2020).

\textsuperscript{16} Hungary, Romania, Bulgaria, Serbia, Greece, Macedonia, B&H.
CONCLUSION

That natural gas has become a political weapon and a subject of geopolitical interests of certain countries is best shown by the fate of the gas pipelines Nord Stream 2, South Stream and Turkish Stream. These pipelines are designed to connect Russia with Germany (Nord Stream 2), Bulgaria (South Stream) and Turkey (Turkish Stream), and then with other European countries that are on the route of the gas pipeline construction or that are in demand of Russian gas. On one side there is the RF, as a large producer and distributor of natural gas, and on the other there are countries that need that gas for economic and social development. There is no doubt that these gas pipelines were strategically planned by Russia during the years of disputes and conflicts with Ukraine over the price and volume of gas transported to other European countries. It is also indisputable that with the realization of these projects (construction of gas pipelines), Ukraine would lose its significance as a “transit country for Russian gas”. These “two elements” of Russian gas: supplying European countries and improving mutual cooperation and bypassing Ukraine, were and still are the basis (reason) for U.S. action to prevent the construction of these gas pipelines. With the explanation of the concern about “European energy security” and “the need to diversify the gas supply of European countries”, the USA is essentially acting against the RF and its presence in Europe. In addition, it offers its liquified gas (which is still insufficient) and the construction of new gas pipelines (which do not exist or are limited in terms of the gas volume), all to prevent the purchase of Russian gas and Russia’s influence. In essence, the United States continues to act as a global leader and patron of Europe. The United States demonstrates global supremacy and leadership, without respecting (certain) European countries and their interests. In its politics (attitude) towards Russia, it also enjoys the support of a significant number of European countries, mostly East European, former members of the Warsaw Pact and close allies of the Russian Federation in the last century, as part of the USSR. For them, the new political position, membership in the EU and NATO, mostly means a new, negative attitude towards Russia. The results of the United States are different. The Nord Stream 2 gas pipeline, although a small portion is not finished yet,
it will hardly be able to suspend. The reason for that is Germany, economically the strongest European country, and politically one of the most influential, which has established direct “gas” contact with Russia (because of its high demand for Russian gas), which is striving to finish the Nord Stream 2 and which opposes U.S. sanctions. In fact, Germany is the only complete winner in this great showdown between the United States and Russia. Germany has not damaged relations with the United States (despite opposition to its sanctions), has direct gas ties with Russia and increased the volumes of the Russian gas for the needs of its economy, and has managed to “persuade” the Russian Federation to find a “common language” with Ukraine, to sign agreement on gas transit through Ukraine until 2025 and thus “retain” the role and importance of Ukraine, not only as a transit country for gas but also as a neighbor of RF. The evidence of Germany’s strength is reflected in the fact that, although a large number of EU members were opposing the Nord Stream 2, they failed to suspend the construction of the gas pipeline. On the contrary, the EU has supported Germany in regards to the gas pipeline by declaring its opposing to the U.S. sanctions.

South Stream is not constructed. Despite the fact that the gas from this gas pipeline would be very much needed by the countries of Southeast Europe, other European countries would also be supplied by additional volumes of gas. Also, it is clear that on the other side (from Russia) there was no strong EU member that would stand behind this project. That, in addition to the pressure exerted by the USA, determined its fate. The Turkish Stream is partially built. The construction of the second branch of the gas pipeline through Bulgaria and Serbia to other European countries is in progress. For now, the works are progressing without any serious issues. But that still does not mean that the gas pipeline will be completed. Even though there are EU and NATO members that are located on the route of its construction and which are also users. Even though the countries involved claim that the construction of part of the route through their territory is in line with EU regulations in the field of energy. The pressure exerted by the USA to suspend the construction of the other branch (according to European countries) still exists, as in the case of South Stream.
The United States ignores the interests of European countries in gas, and does not pay attention to the fact that it has excellent economic and political relations with most of those countries (as members of the EU and NATO). Relations within the EU, as well as relations in the triangle (EU, USA, Russia) will determine the fate of the other branch of the Turkish Stream gas pipeline. RF is trying to increase gas supplies to Europe, but also to find new consumers for its gas. The Nord Stream 2 gas pipeline is almost completed. South Stream is not built. However, that did not stop Russia. In the same year when it became clear that South Stream will not be built (in 2014), Russia agreed with Turkey and the People’s Republic of China on the construction of a gas pipeline and gas delivery, which speaks of Russia’s strategic presence. One suspended gas pipeline opened the door for two new gas projects. In early December 2019, the Power of Siberia gas pipeline, which supplies Russian gas to China, was put into operation. It is planned to deliver 38 billion m$^3$ per year to China over a period of 30 years. The first part of the Turkish Stream has been completed, and the delivery of gas to Turkey, with a capacity of 15.75 billion cubic meters of gas per year, began in early January 2020. The construction of the second branch of the Turkish Stream gas pipeline is in progress. It has become clear that natural gas is not only one of the energy sources, but also a political tool of the governments and that the geopolitical interests of states, big countries (as a rule) determine the fate of individual gas pipelines, and thus affect the position and economic development of those countries which are in demand of gas, however they are not “strong” enough to be able to provide gas on their own. Their “gas fate” is decided by others – big countries and their interests.

REFERENCES


Politika. 2020 “The first section of the Turkish Stream put into operation in Istanbul”, January 9, 2020, p. 5. [In Serbian: Politika. 2020. „U Istanbulu puštena u rad prva deonica Turskog toka“, 09. januar 2020., str. 5.].

Novosti. 2020. “We are equipping the gas pipeline and waiting for the Bulgarians”, January 9, 2020, p. 3. [In Serbian: Novosti. 2020. „Opremamo gasovod i čekamo Bugare“, 9. januar 2020, str. 3.].


* Manuscript was received on October 15, 2021 and the paper was accepted for publishing on November 24, 2021.