

# ROMANIA- A NEW GEOPOLITICAL ACTOR IN THE BLACK SEA ENERGY GAME

Alin-Doru Codoban\*

## **Abstract**

The Black Sea (BS) region is the space where are situated the last former communist states, which one way or another are willing to join the European Union or to become more compatible with Western economic and social standards. The paper discusses the idea of model countries, of how, based on the concentric circles principle, new waves of countries are becoming closer to the EU, as now it is time for the new member states to offer their expertise and support to countries from the BS region and the Balkans. It is in this context that Romania's role as an intermediary between these countries is analyzed, given its geographical position in the above-mentioned regions, interesting for specific sectorial cooperation such as energy. Through the AGRI project, Romania could become the second largest energy platform for the EU, after Turkey; and could become, making use of its membership, the EU's main energy player in the region, becoming a nodal point for Caspian hydrocarbons transit to Central Europe.

**Keywords:** geopolitics, Romania, Poland, Hungary, AGRI, energy.

## **Özet**

Karadeniz bölgesi şu veya bu şekilde Avrupa Birliği'ne katılmak isteyen veya Batı'nın iktisadi ve toplumsal ölçütleriyle daha uyumlu olmayı arzulayan son eski komünist devletlerin bulunduğu yerdir. Bu makale model ülkeler fikrini, şimdi zaman yeni üye devletler için tecrübe ve desteklerini Karadeniz ve Balkan devletlerine sunma zamanı olduğundan, eşmerkezli çevreler ilkesine dayalı olarak yeni dalga ülkelerin AB'ye nasıl yaklaştığını tartışmaktadır. Romanya'nın bu ülkeler arasında bir aracı olarak rolü, enerji gibi özel sektörel işbirlikleri için ilgi çekici olan anılan bölgelerin coğrafi konumları göz önünde tutularak, işte bu çerçevede tahlil ediliyor. AGRI projesiyle Romanya Avrupa için Türkiye'den sonra ikinci enerji platformu ve üyeliğini kullanarak, Hazar hidrokarbonlarının Orta Avrupa'ya aktarılmasında AB'nin bölgedeki başlıca enerji oyuncusu olabilir.

**Anahtar Kelimeler:** jeopolitik, Romanya, Polonya, Macaristan, AGRI, enerji.

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\* PhD Candidate, Faculty of Economics and Business Administration, "Babeş-Bolyai" University of Cluj-Napoca, Romania, alincodoban@yahoo.com

## INTRODUCTION

One could consider that in the 90s Europe was divided into several parts, according to the openness of the national economies to market principles and the democratic functioning of their societies. If Western Europe, and namely the European Community, behaved as a model for the remaining countries of our continent, in Central and Eastern Europe there was a group of countries that were heading towards western standards. In the Visegrad countries (and to some extent in the Baltic states that were neighboring with Scandinavia), that were directly connected to Western Europe – according to the principle of concentric circles (Morozov 2008: 45) – the transformation of economies and societies went faster, than in the countries of the second wave, as Romania or Bulgaria, which were neighboring only with other postcommunist states. Certainly, one could consider that there is a third wave of countries, made of the former soviet republics, still remaining under Russian influence, where significant changes were blocked by the elites of the former communist party.

If the first group of countries joined the West in 2004, 3 years later EU accepted as members the remaining Romania and Bulgaria, getting even closer to post-soviet countries, that where geographically situated in the extended Black Sea (BS) region. Thanks to the last enlargement, one could say that the BS status changed from a “Russian lake”<sup>1</sup> to that of a “Mare Nostrum”.

Following this path of thinking, the main question is whether *Western Europe is going to expand further, at the point where Europe meets Asia*. This dilemma still worries European elites, which generally turn a critical eye to Turkey, which has been trying for more than 50 years to tie its destiny with that of Europe. But the fact is that in the current situation, that of a growing dependence on Russian energy resources, the European Union has to create a courtesy policy towards Black Sea countries, because their geopolitical meaning is decisively greater than that of others (e.g. those of North Africa), as a result of their role in the extraction and transit of oil and natural gas from the Caspian and Middle East regions.

Now, a few years after the recent EU enlargement to the East, the time has come for new member states to behave as models for countries of the third wave, or in other terms, to act as a kind of a magnet that will draw them closer to Western Europe – perceived as the EU – in chosen economic sectors. This should be seen as a duty, not only because of their common historical ties coming from the recent past, (and as a result a deep knowledge of social conditions of those nations), but most of all as a way of creating consumer markets for their own products – less competitive in the

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<sup>1</sup> During the 2005 visit of the Romanian president Băseșcu in the US, he said that the Russians are used to consider the BS as being a Russian lake.

old EU, simultaneously getting access to energy resources. Poland – thanks to the Eastern Partnership – became the leading central-European country engaged in Eastern Europe, its main interests being Ukraine and Belarus. However, the Polish-Swedish Eastern Partnership is also focusing on countries of the BS shore, to which Poland has no direct territorial access, and for which a *new Poland* – geographically and culturally close – is needed to give an example of implementing EU criteria and demands.

Consequently, the Central-European experience of joining the EU could be beneficial for countries from the Balkans and BS region planning to become part of the enlarged EU in the next decades. A constant contact and cooperation between them is needed in order to achieve such a goal, and the EU's BS member states are in the position of intermediating such a continuous contact and support.

### **THE ROMANIAN DIMENSION OF THE POLISH-HUNGARIAN GEOPOLITICS**

The biggest EU country of the BS shore, Romania took the initiative of strengthening cooperation in the region. Romanian president Băsescu, former captain of commercial ships, actively expanded Romanian engagement in different regional cooperation projects at the BS. However, as noted by James Sherr from London Royal Institute of International Affairs, the „realpolitik [...] is back” (see Sherr 2008: 141-153) in the BS region, and in such a context it would have been easier for Romania to act as a prominent actor if during the privatization process of the 90s it hadn't lost its commercial fleet, the fourth largest fleet worldwide largest, after that of the USA, USSR and the UK.

The post-soviet BS area is important for Romania, since in these countries there is an significant Romanian speaking minority, whose identity may be threatened. If, in the Ukraine, the Romanian language has been removed from the schools' curricula, while most pupils have Romanian roots and if Kiev still uses the old Stalinist division (as an assimilation strategy) between Romanians and Moldovans, in Moldova<sup>2</sup> through conscious Romanian policy, every year there are more Moldovans that are being offered Romanian citizenship. A significant impact on the transformation process that is undergoing in Moldova has the Moldova's young intelligentsia strongly connected with Romania and with Romanian values. Often this new intellectual elite has studied or been beneficiary of scholarships at Romanian universities. Therefore, today Chişinău perceives Romania as its gateway to the EU, contrary to the official policy that was pursued till 2009

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<sup>2</sup> It is here the case of the Republic of Moldova, whose territory is a part of Besarabia, a sub-province of the Romanian province of Moldova, which became from 1940 one of the USSR republics.

by the communist government of the former president Voronin, who considered Romania as “the last empire of Europe” (see See “*România, ultimul imperiu al Europei*”).

After the democratic changes that took place in Georgia, Bucharest activated its Caucasus policy: in 2004-2008 Romanian exports to the region grew by 254% while imports decreased by only 0.83% in the same period<sup>3</sup>. Georgia is the largest consumer of Romanian goods, while Azerbaijan is the region’s most important supplier for the Romanian market. Now it’s time to develop projects that would also allow an increase in Romanian energy imports from the above-mentioned region, mainly from Azerbaijan, an energy-rich country, as well as to create conditions for importing Georgian wine and citrus.

Generally, Romania is not popular among European citizens. Not even in Poland, a country that has the most common interests with Romania, especially in South-Eastern Europe. Romania is neighboring not only with the BS region and Central Europe (through Transylvania), but also with the Balkans – a region with a better perspective of joining the EU than Ukraine and Belarus – in other words, with a region that has been generally ignored by Polish foreign policy (see Kaczorowski 2010).

Except for several scandals about the nomadic gypsy minority<sup>4</sup> in France and Italy, European media are very rarely presenting news from and about Romania, and maybe this is one of the reasons why Romania is the quietest EU member state.

It’s in the Visegrad countries’ interest, and mainly in that of Poland, that Romania become an active geopolitical player in the BS region and in the Balkans, since Central Europe’s need for energy security is conditioned by regional stability. Thanks to the number of its inhabitants and its territory – possessing almost the same surface as Poland, Romania should become the vector of the EU’s policies towards the countries located in its neighborhood. However, Romania is facing the same challenge as Poland does: it is a EU middle-sized country unable to create sustainable and solid alliances with countries of the same size in what the issues connected with the East are concerned, because of their different geographical interests (similar

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<sup>3</sup> According to Eurostat, Romanian exports to Azerbaijan, Georgia and Armenia accounted in 2004 for about 70.5 mil. Euros and in 2008 for about 180 mil. Euros. In 2004, imports represented about 126 mil. Euros and in 2008 only 105 mil.

<sup>4</sup> On February 9<sup>th</sup>, 2011 the Romanian Senate voted against the project of changing the Gypsies name from *Roma* back to the traditional *Tsigane*, even if the project was strongly supported by the Romanian Academy and by the overwhelming majority of Romanians. The project was aimed to avoid the confusion that exists between the words Romanian (*Român*) and Roma (*Rom*). Romanian members of the European Parliament are lobbying now to change the name *Roma* in the European official documents arguing that inevitably some unfortunate misunderstanding will appear between the words Roma, Romania and Rome (the capital city of Italy).

countries are Spain or Italy, situated in Western Europe and therefore more interested in what is happening in North Africa and Middle East).

Polish strategies towards the East – if implemented by Bucharest – could also insure Romania's strategic objectives. The buffer zone policy in relation to the Russian Federation, and also energy diversification are important for Bucharest, because there is a risk for Romania to be left out by Russia's energy projects in the BS region, where Bulgaria and not Romania is seen as being Moscow's traditional partner – it is a Slavic country, after all. In 2010 Romania and Hungary connected their gas transportation systems through the Arad-Szeged interconnector and in the current year Romania is planning to open a new connection with Bulgaria, which is intended to prevent an eventual new gas crisis, especially in the Ukraine. By interconnecting Romania's gas system with those of the neighboring EU countries, Bucharest can act as an important gas node from neutral countries as Germany and Turkey.

Budapest represents in this context an important player and useful partner of Romania and Poland, because the new Warsaw-Budapest-Bucharest axis could enhance cooperation and initiatives of the three countries in energy projects in the BS region and the Balkans.

## **THE BLACK SEA AND THE CHANGING POWER BALANCE OF THE REGION**

Historically, BS represented the place of confrontation between two military powers: Russian and Turkish. The competition between them was often artificially encouraged by the West, which was supporting Turkey against Russia. However, the latest political changes in Turkey proved that, disappointed with the West and the EU, Ankara created its own "Russia policy", even against the will of the US. This fact was proved by this country's position during the Russian-Georgian war in the summer of 2008<sup>5</sup>.

The Russian-Turkish alliance at the BS could ultimately prove fatal for the energy diversification efforts of the EU, which is still not prepared to allow Turkey to become its member – as Turkey is considered by many to be too big Muslim country with an unidentified geographical identity. Maybe in this context the EU will gradually support alternative projects at the

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<sup>5</sup> Iran's proposal of a Ankara-Moscow-Tehran stabilization triangle found its concrete expression during the 2008 war in Georgia: Turkey stayed neutral and prohibited NATO's military patrol in its territorial waters and underlined its policy towards Moscow during the prime minister Erdogan's visit in the Russian capital on the 13<sup>th</sup> of August 2008. As a matter of fact, acting this way, Ankara proved its determination for stability in the Caucasus. From the Turkish prime minister's speech in Moscow we quote: "I came to prove Turkey's solidarity with Russia in the South Osetia's issue (...) solidarity that has enormous significance in this region" (see Tribishnaja, 2008).

BS, becoming therefore an active player of the region, together with Russia and Turkey.

Obviously, the BS geopolitical significance from the energy perspective is connected to those possibilities that could be offered by new transport routes for gas and oil from the Caspian region – mostly from Azerbaijan, but also from Turkmenistan or Iran – routes that have to cross shore countries, or to go through pipes that are to be built on the BS bottom, or even on the BS by LNG cargos to the EU.

In such a context, Ankara's new "Russia policy" and warming relations with Yerevan – another Kremlin partner of the region – creates disappointment in Baku, which has been seeking to prevent Ankara's growing bargaining power since the last price-related issue. This is how the liquefied gas trade idea emerged in the region, making use of gas land transportation infrastructure of Romania and Georgia and renting Norwegian LNG ships. Such kind of a trade will also allow Azerbaijan to become an actor of the emerging LNG world arena, and therefore to influence the future world gas market.

### **AGRI – THE GAS SURPRISE IN THE BS REGION**

At the beginning of 2010, surprisingly, the project of a new gas route emerged, which will bypass both Russia and Turkey, being therefore perceived as a threat for Nabucco, as well. AGRI represents an abbreviation for *Azerbaijan-Georgia-Romania Interconnector* project and it is based on the idea of transporting Azeri gas to the Georgian port of Kulevi, from where, after being liquefied, it will be transported to the Romanian port of Constanța. After regasification in Constanța the gas can be transported to Central European countries, using Romanian gas infrastructure.

If the primary project founders were Romania, Georgia and Azerbaijan, in September last year, Hungary also joined the project. Moreover, Bulgaria – which signed an agreement with Azerbaijan for compressed natural gas – is also considering the idea of becoming a partner of AGRI, since the needed technology is easier to implement in the existing ports. Also, a part of the Romanian and Georgian LNG cargos could be sent to Odessa, after Ukraine's declared willingness of joining the same project.

In January 2011, the AGRI LNG Project Company – joint venture was created, so as to prepare feasibility studies and in case of a positive report to initiate the building of the terminals from no later than the second half of the year. Some of the Romanian experts consider that AGRI may be realized even faster than Nabucco. However, until now there has been no clear support reaction from Brussels. Gunter Oetinger – the EU energy commissary mentioned – before Hungary's decision to join AGRI, that Nabucco remains the top priority in the Southern Corridor, as well as the Greece-Italy Interconnector.

However, technical assumptions of AGRI show that it doesn't make competition for Nabucco. AGRI will transport four times less gas than Nabucco – 7 vs 31 bcm, while the most important will be to find alternative sources of Caspian gas for supplying both projects. Of capital significance will be to get Turkmen and maybe Iranian gas to cover the cumulated capacity of both of them. Theoretically, both Nabucco and AGRI are planned to be built in 1-3 years' time, starting from 2012, but the deadline for Nabucco has been delayed several times. Once again on May 6<sup>th</sup> 2011, the deadline was delayed for construction by one year, for 2013, and for the first gas flow by 2 years, for 2017 (see „Problemy Nabucco zwiększają szanse na fuzję w ramach południowego korytarza” 2011). However, AGRI is cheaper than Nabucco, with an estimated cost of 2-4 billion euros, which represents half or even a quarter of Nabucco's.

Thanks to AGRI, Romania could become the second transit platform for Caspian gas, after Turkey, and therefore in the near future the main EU energy player of the region. In contrast to Romania, its southern neighbor, Bulgaria, a very important country on the way of different energy projects, cannot play the role of an alternative to Russian energy, because it is Russia's main partner for gas – through South Stream – and oil – through the Burgas-Alexandroupolis pipeline – to southern European markets. Moreover, Bulgaria's disadvantage is represented by its geographical position beneath the Danube; it does not possess direct access to Central European countries that are the most interested in energy diversification – because of their high dependence on Russian hydrocarbons.

#### **EASTERN PARTNERSHIP AND ECONOMIC INTEGRATION WITH THE WEST**

Like it was shown by the countries that joined the EU in 2004 and 2007, the success of the transformation process in economy and society was determined by a very important significance of continuous commercial cooperation between them and the EU15 and between themselves, as well. In our opinion, in order to make the Eastern Partnership become effective, it is absolutely necessary to create and develop projects that are supporting such cooperation. The best project from the Polish perspective and from the regional cooperation perspective could be represented by a Partnership of Central-East European countries, on the Warsaw-Budapest-Bucharest axis. Common interests could be attained through common projects and a common approach in the BS region and in the Balkans in order to create a real energy alternative to Russian energy power in the region. From this point of view, together with Nabucco, AGRI could encourage the founding countries to enhance further trade between them and to look for other sectors of potential economic cooperation.

Poland, which during the second half of 2011 will follow the Hungarian presidency of the EU, is bound to encourage and support all possible instruments that could strengthen initiatives for the Eastern Partnership success, including AGRI. Romania expects Poland to support its own projects concerning the BS region, since the realities concerning the concrete cooperation with these countries, as well as investments, can be better realized here by Bucharest. It should be noted and emphasized – things that may be unknown for Poles or Hungarians – that at the moment the majority of EU trade with Georgia is being done throughout the Romanian ports, as a result of difficulties connected with the transit through Russian territory. For the real success of one of the Eastern Partnership's objectives, which we mentioned before, Poland should find a partner that would like to be further engaged to the East, and not only in Ukraine or Belarus. A partner for the realization of such an idea, with Poland and Hungary, could be and must be Romania.

We consider that Polish diplomacy and politicians should be looking at the Romanian partner – with whom a Strategic Partnership has been concluded – through the Eastern Partnership perspective, which creates, together with the Hungarian partner, a common block for further successful actions mainly in the Caucasus.

A signal that new projects will be developed is the agreement signed in February 2011 between the Romanian and Turkish ministry of economy and energy for cooperation on third markets in the Caucasus and Middle East. A group of experts was created, which has to find potential investment opportunities. Apart from Nabucco and the submarine cable that is intended to enable Romanian energy exports to Turkey, Romanians and Turks are planning common exploration and extraction of oil and natural gas in those regions, as well as the construction of hydroelectric plants in Georgia. Such kind of partnerships show not the Romanian weakness of acting alone, but its openness for cooperation and engagement next to partners that are familiarized with the area where new investments are to be made.

### **INSTEAD OF CONCLUSIONS**

In the context of an active Polish engagement in issues concerning energy security, the Warsaw-Budapest-Bucharest axis could be the best solution for AGRI to be accepted, as a part of the southern EU energy corridor. In this way, there is an open gate for further common regional projects in the field of energy, which could provide in the future a solid background for an old project of the Polish Marshal Pilsudski regarding a union of states from one sea to another (from the Baltic to Black Sea). In the present context, the binder for such an ambitious project could be those countries' need for energy security.

Finally, it is worthwhile to recall Friedman's book, which predicts a future Polish-Turkish war in the Balkans for influence zones (Friedman 2009: 202-205), mainly for economic ones. A condition for such a war not to become a reality is the emergence of a new buffering player in the Balkans and Black Sea region, following the same logic used in the 19<sup>th</sup> century to block Russia's expansion in the Balkans, which with the European empires agreement allowed Romania to emerge as a state. Such a Romanian energy player is now preparing to assume its role while having its own solutions for energy problems in the eastern EU regions. In order to do so, it needs confidence and support.

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