

A POLITICAL EVALUATION OF THE HYDROCARBON TRADE BETWEEN THE EUROPEAN UNION, RUSSIA AND THE USA

Tolga ÖZTÜRK¹, Veli Can ŞEN²

Abstract

The aim of this study is to assess the political, strategic, and economic background of the hydrocarbon crisis that led European Union countries to be dragged into the war between Russia and Ukraine that began at the beginning of 2022. In this study, Stephen Walt's balance of threat theory is used methodologically to analyze the crisis. As a result of the conflict, the European Union countries, through NATO, which was consolidated by the US, have imposed economic sanctions on Russia and have brought themselves into economic difficulties in terms of energy supply. In particular, Germany, which has begun to experience difficulties in energy supply, which it needs for its developed industry, has started to be indirectly economically pressured by the USA. The energy crisis experienced by the European Union countries has two dimensions. The level of threat posed by the economic and political dimensions of this crisis differs.

Keywords: Balance of Threat, European Union, USA, Hydrocarbon, Russia

JEL Codes: F50, F59, P48

AVRUPA BİRLİĞİ, RUSYA VE ABD ARASINDAKİ HİDROKARBON TİCARETİNİN SİYASİ DEĞERLENDİRMESİ

Öz

Bu çalışmanın amacı 2022 yılının başında Rusya ile Ukrayna arasında başlayan savaşın, Avrupa Birliği ülkelerini hidrokarbon krizine sürüklemesinin arka planını politik, stratejik ve ekonomik olarak değerlendirmektir. Çalışmada metodolojik olarak Stephen Walt'un tehdit dengesi kuramı kullanılarak bahsedilen kriz analiz edilmiştir. Yaşanan savaş neticesinde ABD tarafından yeniden konsolide edilen NATO aracılığıyla Avrupa Birliği ülkeleri Rusya'ya ekonomik yaptırım uygulayarak enerji tedarigi konusunda kendilerini ekonomik sıkıntıya sürüklemişlerdir. Bilhassa Almanya, gelişmiş sanayisi için ihtiyaç duyduğu enerji tedariginde sıkıntıya girerek ABD tarafından dolaylı yoldan ekonomik olarak baskılanmaya başlamıştır. Avrupa Birliği ülkelerinin yaşadığı mevcut enerji krizinin iki boyutu bulunmaktadır. Söz konusu krizin ekonomik boyutu ile politik boyutunun tehdit düzeyleri farklılık göstermektedir.

Anahtar Kelimeler: Tehdit Dengesi, Avrupa Birliği, ABD, Hidrokarbon, Rusya

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¹ Dr. Öğr. Üyesi, Alanya Alaaddin Keykubat Üniversitesi İktisadi ve İdari Bilimler Fakültesi, tolga.ozturk@alanya.edu.tr, <https://orcid.org/0000-0002-8236-0389>

² Lisansüstü öğrencisi, Alanya Alaaddin Keykubat Üniversitesi Lisansüstü Eğitim Enstitüsü, velijan44@icloud.com, <https://orcid.org/0000-0003-1262-9351>



INTRODUCTION

The increasing need for energy as a result of the industrial revolution and the growing importance of this dimension in today's world clearly demonstrates the significance of energy for countries. Hydrocarbons, particularly oil and natural gas, are now two of the most important variables determining global politics. The advanced industrial economies of the US, Russia, China, and the European countries have a constantly increasing demand for energy. This situation creates a higher level of competition and threat among the developed countries. The ongoing conflict between Russia and Ukraine has resulted in Europe's attempts to boycott Russia, and in response, Russia has threatened Europe with energy-related measures. This has led to Europe's production and daily life being affected, making it clear how important it is to have energy power.

The necessity of carbon trade was first proposed by Canadian economist John H. Dales in 1968. The process was later formulated by David Montgomery in 1972 (Yılmaz and Yılmaz, 2011). While the continuous use of energy is of great importance for the development and growth of countries, its excessive use poses an environmental risk for the future years (Erdal and Karakaya, 2012).

The buying and selling of 'carbon offset credits' to add value to companies and receive more subsidies for their investments is known as carbon trade. Without taking any responsibility, in our rapidly developing world, carbon energy use and trade have become an important concept in the financial field as it allows for the planned control of greenhouse gases and helps with the development of countries (Yılmaz, 2019).

Due to the increasing energy supply on a global scale, many countries are developing strategies to access energy, as well as to diversify their security and energy resources. The use of hydrocarbon-based fuels is increasing on the earth's surface, and there are differences in the supply and demand balance between international crude oil and LNG natural gas production and consumption (Taner, 2015).

In North America, the extraction of tight oil and shale gas, and the new hydrocarbon production revolution brought on by technology, particularly in 2014, caused a decrease in the supply of crude oil and a decrease in crude oil prices. The United States and Saudi Arabia, leading hydrocarbon product producers, have experienced significant economic competition. This situation has not only had a negative impact on Saudi Arabia but also on the Russian government from an economic perspective (Taner, 2018).

Realism, which is at the core of international relations, emerged strongly against liberalism after the Second World War and gained importance with the idea that there will be no peace in the world. One of the important representatives of realism, Stephen Walt, emphasized that countries should perceive a threat from

the aggressive and powerful structures based on four factors: total power, geographical proximity, the aggressor's capabilities, and intentions, through his theory of the balance of threat. Therefore, he stated that it is necessary to establish a balance against this situation (Güneylioğlu, 2022a).

In the context of hydrocarbon trade, the ongoing conflict between Russia and Ukraine has created a strategic squeeze for the countries of Continental Europe, particularly those located between Eastern Europe and the Atlantic world. As per Stephen Walt's theory of the balance of threat, these countries perceive Russia as a significant threat to their energy security due to its aggressive and powerful structure, geographical proximity, and capabilities and intentions as a major hydrocarbon producer and supplier. In response, these countries have had to establish a balance by diversifying their energy sources and seeking alternative options to reduce their dependence on Russian hydrocarbons. Furthermore, some countries have been seeking to strengthen their ties with the United States and other hydrocarbon-producing countries to gain access to alternative energy sources and reduce their dependence on Russia. Additionally, these countries have also been forced to re-evaluate their energy policies and strategies to counteract the threat from Russia and ensure energy security. However, this has led to a delicate balance as these countries also have to maintain a cordial relationship with Russia as a neighboring country and a major hydrocarbon supplier.

AN ANALYSIS OF HYDROCARBON TRADE IN THE CONTEXT OF BALANCE OF THREAT

The emergence of realism in the aftermath of World War II brought a pragmatic approach to international relations. One of the central concepts within this paradigm is the idea of power and the balance of power. In an anarchic system, states must build strong foundations in order to maintain their strength, and in this context, they must focus on maintaining a balance of power. In this anarchic society, some countries may excessively increase their security, creating a threat and prompting other countries to establish a balance of power in response. The need to balance this threat leads to the idea that other countries must join together to balance the power of the threatening state. Therefore, the theory of balance of power states that in anarchic international system, in order to maintain the security, states must constantly balance the power relations among the actors, to avoid being dominated by a single state or a coalition of states (Keyik and Erol, 2019).

Realism, as a concept in international relations, separates domestic and foreign policies. While making this distinction, the general view is that domestic politics are hierarchical and foreign politics are anarchic. The first factor in the existence of wars is the concept of power. This power symbol is the military power units of countries. Idealists assume that agreements between countries can be made without weapons



and through legal means, while realism emphasizes the need to confront the realities and the need for military power (Çalış and Özlük, 2007). Countries with military power can more easily achieve their political interests and ensure their security in an anarchic environment. The view that balance can only be achieved with the concept of power in an anarchic society is effective in the balance of power (Ateş, 2009).

Security is a concept that can be difficult to evaluate within a certain framework, but the definition of threat mitigation has generally been established. The concept of national security, which is considered militarily, has existed in literature. The basic viewpoint that is advocated is that the country must increase its military capabilities in order to defend itself against external threats. However, over time, it has been recognized that not only military, but also economic, political, social and environmental dimensions are all important and this concept has been approached with a broader perspective. However, some experts have criticized this viewpoint, arguing that it has been ignored in light of the changes in world politics that occurred particularly after the Cold War and some experts argue that ethnic-nationalism should be at the center of security experts (Baylis, 2008).

Stephen Walt's neo-realist approach, which he is one of the prominent representatives of, has three main assumptions at its core: anarchy, security, and distribution of power. Similar to classical realism, it assumes that society is anarchic, but unlike classical realism, it argues that states do not act independently when making decisions and that their positions are affected by their rivals. According to the neo-realist view, international relations and security are produced by the positions that states occupy within the system. According to neo-realism, states can acquire important positions by using their military power and can dominate the system (Aslanlı and Memmedov, 2016). The balance of threat theory developed by Stephen Walt is a complementary new theory that takes into account the balance of power theory developed by Kenneth Waltz from different perspectives. The balance of threat theory emerged as a result of the reactions of states to perceived threats. Countries should strengthen themselves, but before that, they must protect the power they already have. In other words, countries should not have a hegemony power understanding and should face threats with a balance system. While the balance of power theory argues that countries must be close to the hegemonic state, Stephen Walt adds to this by stating that countries should act according to the actions of the aggressive state and the hegemonic state (Güneylioğlu, 2022a).

In the context of Stephen Walt's balance of threat theory, the countries of continental Europe are in a strategic predicament due to the ongoing Russia-Ukraine war. While Russia is perceived as a military threat, its significance as an economic partner and supplier of natural resources, particularly hydrocarbons, has forced these European countries to maintain close ties with it. The theory posits that nations must balance their potential adversaries' capabilities and intentions with their own capabilities and alliances to maintain

a stable balance of power. In the case of continental Europe, their reliance on Russian hydrocarbon exports, combined with the ongoing conflicts in Ukraine, creates a challenging situation in which they must balance their security concerns with their economic needs (Güneylioğlu, 2022a). This predicament highlights the complex nature of international relations and the need for nations to adopt a nuanced approach to threat assessment.

TRANSFORMATION OF USA INTO A HYDROCARBON EXPORTER

Energy is a crucial resource for countries to develop and make their presence felt globally. While it brings opportunities, it also carries a different meaning in terms of the harm it causes to the environment. Especially in Northern countries, the fact that they shape energy usage and the energy sector shows how important and necessary it is for globalization. Especially in countries like America, which are heavily dependent on energy, they account for 75% of CO₂ emissions. In the 1990s, in order to reduce dependence on oil imports, the Washington government took initiatives to lay the foundation for diversifying today's energy sources (Kalyoncu and Amanov, 2010).

The resources of coal, oil and natural gas that exist in the world continue to be effectively sustained, however this situation can be evaluated as both a potential economic resource for some countries and a power element. These energy resources used are based on agreements and do not have a clear data on when they will be exhausted, making this situation negative (Victor, Jaffe, Hayes, 2006). In this context, countries' dependency and production in the energy sector are important, considering that in addition to being strong in military, technological and social areas, the most significant power is economic.

The United States, which has been showing development in terms of hydrocarbon energy resources, had a very low production of shale gas at the beginning of the 2000s, but the demand for natural gas reached around 30% by 2011. It is expected to reach 50% in the future (Karsli, 2015). While gas trade is currently being made by pipes, it is now being done by liquefying it with LNG, and it is expected to reach approximately 900 billion cubic meters by the 2040s (Ozdemir, 2020). A significant movement in the energy policy of America has been observed during the process of the start of the presidency of Donald Trump. After the withdrawal of America from the Paris Climate Agreement in 2017, fossil fuel production increased and dependence on oil imports decreased and crude oil exports and natural gas exports increased by about 1.5 times compared to the previous period. In 2018, the share of energy sector exports in the United States was significantly increased by the export of liquefied natural gas (LNG) (Kavaz, 2018). Parallel to the energy-based developments made in the United States, the emergence of new shale gas and the production



of modern natural gas conversion facilities instead of old and high-carbon emission coal is creating a very large global fossil market for America (Taner, 2013).

Following investments in the energy sector, between the years of 2015 and 2020, America's natural gas production was able to match its annual imports, and the excess energy was exported to European, Asian and Middle Eastern countries via pipeline and LNG. In 2015, the production was at 1 billion cubic meters and by 2020, it reached 60 billion cubic meters (World Energy Council Türkiye, 2021).

Energy-dependent countries such as China, Japan, and South Korea have imported energy from the United States, particularly in the aftermath of the pandemic. Similarly, under the Trump administration, America, in pursuit of other markets, has gained dominance in the Middle East through its "freedom gas" trade policy (World Energy Council Türkiye, 2021). These trade actions pose a threat to Russia, a country with abundant energy resources, and in the context of balance theory, America's emergence as an energy producer attempts to attract hegemony towards itself while striving to maintain balance in exports and reduce dependency (Güneylioğlu, 2022b).

In recent years, the United States has undergone a significant shift in its energy market, transitioning from a net importer to a net exporter of energy. This change can be attributed to the development of new technologies such as hydraulic fracturing and horizontal drilling, which have made it more economically viable to extract domestic shale gas and oil. As a result of this increased production, the US has been able to reduce its dependence on imported energy and increase its exports of natural gas and oil (Kumar, Kwon, Choi, Cho, Lim, Moon, 2011).

From a security perspective, this shift in the energy market has had a positive impact on the United States' energy security. By increasing domestic production and reducing dependence on foreign sources, the country is less vulnerable to supply disruptions caused by political instability or conflicts in other regions. Additionally, the ability to export energy gives the US more leverage in international negotiations and can be used as a tool for influencing other countries' policies (Greene, 2010).

However, it is also important to note that the US' shift towards being a net exporter of energy can also be seen as a potential threat to other countries, particularly those that have traditionally been major energy exporters. For example, Russia's economy is heavily dependent on its exports of oil and gas, and increased competition from the US in the global energy market could have negative consequences for the country. In this context, the concept of balance of threat theory, which Stephen Walt is known for, can be applied by stating that the rise of the US as an energy exporter could lead to a shift in the balance of power between countries and could potentially disrupt the current geopolitical order especially in Europe (Bechev, 2017).



EUROPE'S ENERGY CRISIS

The establishment of the European Coal and Steel Community (ECSC) in the 1950s can be seen as a political and economic response to the perceived threat posed by the Soviet Union and the Eastern bloc during the Cold War. The ECSC aimed to remove trade barriers and create a unified economic structure based on coal and steel, which were seen as vital resources for economic development and military strength at the time. The formation of the ECSC was a significant step towards further integration and cooperation among European countries, eventually leading to the establishment of the European Economic Community and the European Union. The ECSC also served as a way for Western European countries to counterbalance the influence of the Soviet Union in Eastern Europe, as well as to promote peace and stability in the region. However, it should be noted that the idea of creating a European common market for coal and steel had been proposed by Jean Monnet and Robert Schuman before the Cold War (Alter, and Steinberg, 2007).

In the 1950s, the European continent faced a significant energy crisis due to the limited availability of fossil fuels and the lack of resources for energy production. The Soviet Union's control over Eastern Europe and the threat of communism also contributed to the energy insecurity of Western Europe. In response to these challenges, the European Coal and Steel Community (ECSC) was established in 1951. The main aim of the ECSC was to remove trade barriers between member states, increase economic cooperation and ultimately create a unified European economy. The ECSC also aimed to ensure a stable and secure supply of coal and steel, which were essential for the reconstruction and modernization of Europe after the Second World War (Smith, 2008).

However, the ECSC was not only an economic cooperation, but also a political one. The creation of the ECSC was not only aimed at improving the economic situation of Europe, but also at strengthening the position of Western Europe against the Soviet Union. The member states of the ECSC wanted to reduce their dependence on the Soviet Union for raw materials and create a counterbalance to the Soviet influence in Eastern Europe (Kumar et al., 2011).

The success of the ECSC led to the creation of the European Economic Community (EEC) in 1957, which expanded the scope of cooperation to include all areas of the economy. The EEC was later transformed into the European Union (EU) in 1993, which continues to promote economic and political integration among its member states (Kumar et al., 2011).

Overall, the energy situation in Europe during the period from the 1950s to the collapse of the Soviet Union was characterized by a lack of resources, dependence on the Soviet Union, and a need for economic

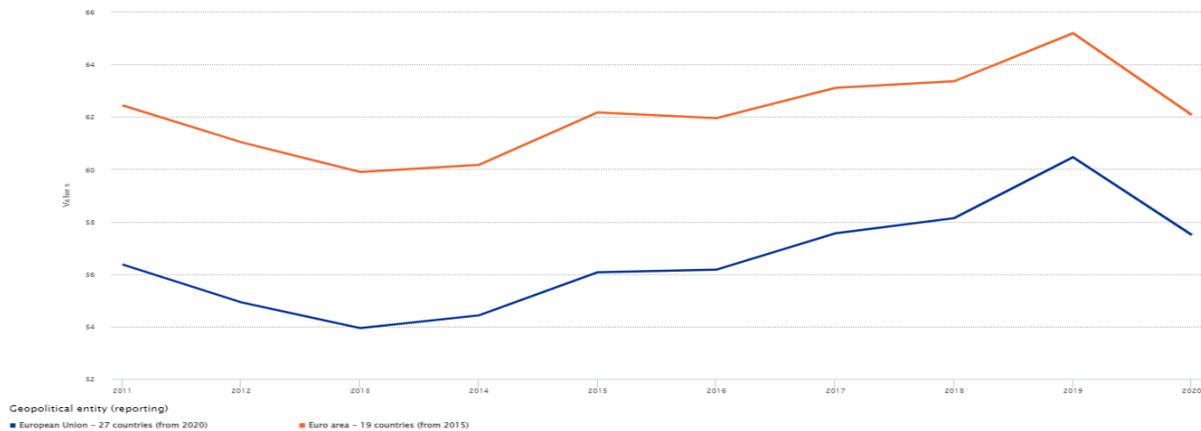


and political cooperation among European countries in order to ensure energy security and stability. The creation of the ECSC and its evolution into the EU were significant steps towards addressing these challenges and laying the foundation for a unified and energy-secure Europe (Smith, 2008).

In the mid-20th century, the European countries were heavily dependent on hydrocarbon energy sources such as coal, oil and natural gas to fuel their economies. However, as the global demand for energy increased, so did the pressure on these finite resources. This, coupled with the oil crisis of the 1970s and the emergence of new energy sources such as nuclear and renewable energy, led to a hydrocarbon energy crisis in Europe. The crisis was characterized by a shortage of fossil fuels, resulting in high prices and increased competition for resources among European countries. This caused significant economic and political tension within the continent. In response, many European countries began to diversify their energy mix and invest in alternative energy sources such as nuclear and renewable energy. In addition, the energy crisis also led to increased cooperation among European countries in order to secure energy supplies and manage the crisis. The European Union (EU) was established in 1957 with the goal of creating a unified European market for coal and steel. The EU has since expanded its scope to include energy policy and continues to work towards creating a more integrated and sustainable energy market within the continent. The hydrocarbon energy crisis also had a significant impact on the environment. The heavy reliance on fossil fuels led to increased greenhouse gas emissions and air pollution, which contributed to climate change. In response, many European countries have implemented policies to reduce their carbon footprint and transition to cleaner energy sources (Van der Sluijs, 2005).

The European countries have been facing a hydrocarbon energy crisis in recent years, particularly in the context of the ongoing conflict between Russia and Ukraine. The crisis is primarily rooted in Europe's dependence on natural gas imports from Russia, which has been the primary supplier of natural gas to the region for several decades. The crisis has been exacerbated by the ongoing conflict between Russia and Ukraine, which has resulted in the disruption of gas supplies to Europe. This has led to increased tensions between the European Union and Russia, as well as concerns about energy security and the potential for further disruptions in the future. Furthermore, the crisis has also brought attention to the need for greater diversification of energy sources and the development of alternative forms of energy in the region. This includes increasing the use of renewable energy sources such as wind, solar, and geothermal power, as well as the development of domestic natural gas production and the expansion of liquefied natural gas (LNG) imports (Prisecaru, 2022).

Figure 1. Energy import dependency



Source: Eurostat, 2022

In the context of the ongoing Russia-Ukraine conflict, the energy crisis in Europe has become a major concern as it threatens the balance of power and security in the region. The crisis is primarily driven by the reliance of European countries on hydrocarbon imports, particularly natural gas, from Russia. The annexation of Crimea by Russia and the ongoing conflict in eastern Ukraine have led to disruptions in the natural gas supplies to Europe, raising concerns about energy security (Zuk, and Zuk, 2022). Furthermore, the increasing use of shale gas and the development of renewable energy sources in Europe have also led to a shift in the energy market, which has further exacerbated the crisis. Despite these challenges, the European Union has taken a number of measures to mitigate the impact of the crisis, such as increasing interconnections between member states and diversifying energy sources. However, the crisis highlights the need for a long-term strategy that addresses the structural issues in the European energy market and reduces the dependence on hydrocarbon imports from politically unstable regions.

Russia-Ukraine War Dragging Europe into Energy Crisis

In February of 2022, the war in Ukraine began after Russian President Vladimir Putin recognized the independence of the Luhansk and Donetsk regions in Ukraine. This conflict resulted in a mass migration wave, which has been recorded as the largest collective rapid migration in Europe. Although the United Nations issued warnings, 141 countries declared Ukraine as an independent country (Başçılar, Karataş and Pak Güre, 2022).



Despite various efforts to end the war, Russia, America and Europe have faced sanctions as a result of their continued efforts. Russia, utilizing its natural gas energy power, has also imposed sanctions on Europe through its energy power.

The European Union community relies on Russia to meet the majority of its energy needs, with the energy route passing through Ukraine. The outbreak of the Russia-Ukraine war in February has put the energy security of Europe at risk. The European Union, which did not remain silent about the war, responded to Russia with restrictions and condemnations, while also starting to look for new alternative energy routes. Although various methods have been sought to produce their own energy, this situation seems unlikely in the near future. One of the sanctions imposed by Europe, excluding SWIFT from the global banking partnership, clearly indicates their dependence on Russian gas, as energy transactions are exempt. With the start of the war, the European Union has announced the REPowerEU policy to reduce its dependence on energy. The policy aims to increase energy diversity and increase gas storage capacity, as well as provide financial support to energy-related industries. Despite various efforts, World Bank estimates indicate that production will decrease by 4.1 percent, and express stagnation for the second time after the pandemic (Korla, 2022).

Following the start of the conflict, the unit price of gas increased from 20 € to 80 €, also reflecting an increase in electricity costs. Gazprom, the company, has cut gas supplies to Poland, Bulgaria, and Finland, causing economic stagnation and energy price poverty. The embargo imposed by Russia has also created division within the European community. The energy crisis between Russia and Europe is likely to continue with the prolongation of the conflict and Europe's continued support for Ukraine. This situation may likely prompt Europe to seek new alternatives (Osicka and Chernoc, 2022).

Europe, which is capable of exporting coal and oil without the infrastructure components, is most dependent on natural gas for energy. The ongoing war situation will result in Europe losing 40% of its gas energy and 8.4% of its exports of energy sourced from Russia (Khudaykulova, Yuanqiong, and Khudaykulov, 2022).

In this context, it can be said that the Russia-Ukraine War has plunged important Western European countries with strong industries such as Germany, heavily dependent on hydrocarbons, into a serious crisis. This crisis has left Western European countries in a dilemma between choosing sides between the Western Alliance and the Russia-Ukraine war. The Western European countries, caught between principles and opportunism, are actually facing a choice crisis as well.



OPTIONS FOR EUROPE: SUBMITTING TO US HEGEMONY OR COLLABORATING WITH RUSSIA

The European Union, which was struggling with inflationary pressures and disruptions at the production level, was further impacted by the Russia-Ukraine conflict. The Central Bank attempted to provide temporary solutions to inflation through indirect methods, but it was emphasized that more lasting solutions were necessary. The pandemic crisis resulted in an increase in energy demand and electricity costs, with the state supporting up to 1% of these costs in the first half of 2021. However, following the conflict, it is estimated that this support could be covered from the Gross Domestic Product (GDP), with a policy approach (Khudaykulov and Obrenovic, 2022).

The ongoing war has caused Russia to use its energy power as a threat, leading to significant energy problems in Europe. This situation has increased energy prices and disrupted the supply and demand balance, causing economic stagnation. In order to increase exports and production, a replacement product is needed to counteract the energy shortage. If dependence on energy decreases, it will result in a decrease in the standard of living and profits of companies, and the short-term balance of supply and demand will not be possible to establish. It is not believed that the long-lasting conflict in Ukraine will always create a crisis with the advancement of technology. New forms of energy will be produced instead of gas energy, imports of LNG energy will increase, and finally, it is estimated that the demand for energy from Russia will be met within three years (Milne, 2022).

Russia's energy policy, along with Europe, will take steps to establish strategic autonomy in order to reduce its dependence on Russia by setting new targets. However, the creation of large industries, the supply chain of clean energy, and the formation of these links will require a long time. A few initiatives that are being tried in the framework of clean energy policy show that it is a precautionary measure and a forward-looking energy policy against the crisis (Calanter and Zisu, 2022).

As a solution to the ongoing crisis, Europe is turning towards LNG energy sources as an alternative to Russian gas, by exploring the market to find new suppliers through new pipelines and import agreements. The aim is to reduce its dependency on natural gas through alternative renewable energy sources. The REPowerEU plan suggests that by 2030, the supply of Russian natural gas to Europe could be reduced by 155%. On March 25th, 2022, the European Commission and the American government reached a joint decision to reduce Russia's dependency on gas energy by collaborating strategically, and steps were taken to increase the volume of LNG energy. Meanwhile, Europe continues to make efforts to resolve the energy crisis while focusing on alternative sources in the Eastern Mediterranean, Iran, Northern Iraq, and recently,



African countries. Nigeria, particularly rich in energy, has attracted attention as a potential alternative source of energy imports for Europe (Sturm,2022).

In considering the balance of threat in Europe regarding the energy crisis, Europe must secure its energy supply from its closest and most suitable source, which is Russia. However, the question arises as to whether Russia is seen as a military threat to Europe. In this case, it is necessary to say that Europe has two fundamentally different views, west and east. Eastern Europe assesses Russia as a greater threat due to its experiences from the former Soviet Union and follows a policy close to the United States. However, Western Europe, particularly Germany, feels cramped. This is not because there is a reason to see Russia directly as a threat, but because NATO, consolidated by the United States, is expected to act against Russia. In this situation, Germany's pragmatic view requires seeing the United States as a threat, but this cannot be achieved for military and political reasons.

CONCLUSION

Hydrocarbons have gained increasingly more importance from the industrial revolution to present day. The reason for the importance of hydrocarbons is due to it being the primary source of energy for industrial countries. In this regard, it has become indispensable in terms of production-oriented economies, particularly for developed countries. As a result of its economic significance, hydrocarbons have also gained importance politically and strategically.

In the 20th century, the world order dominated by the US hegemony since 1945 increased the importance of hydrocarbons so much that the concept of petrodollar emerged and became the key to industry and development.

From the perspective of the US, it was a hydrocarbon importer from 1945 to the end of the 20th century. During this period, it experienced serious difficulties in the face of the 1973 oil crisis. As a result of the economic difficulties it faced, it attempted to develop independent policies on hydrocarbons and particularly succeeded in becoming a hydrocarbon exporter by exploiting LNG from shale gas in the 21st century. Thus, it has secured its economic and political position in the event of possible hydrocarbon crises.

From a Russian perspective, the hydrocarbon economy is of utmost importance. Although it experienced a period of instability after the collapse of the Soviet Union, it has significantly improved its economic status by exporting its hydrocarbon reserves to Europe, and sometimes used them for political interests, especially since the 21st century. However, some of the former Soviet countries have preferred to establish close ties with the Western world in order to become members of the European Union, instead of

maintaining close relationships with Russia. The most critical of these is Ukraine, which is considered a country that no major power would want to lose due to its historical ties with Russia, its proximity to the Russian capital, and its strategic position as a passage between Europe and Asia in the northern Black Sea. Russia reacted harshly after Ukraine announced its intention to apply to Western institutions, and intervened in Ukraine in the beginning of 2022. The war that began in Eastern Europe has thus caused serious economic and political turmoil.

From a European Union (EU) perspective, we observe that, unlike the United States, the EU has not been able to get rid of its dependence on hydrocarbon imports. Especially considering the developed industries of Western European countries, their economies need hydrocarbons in order to be sustained. In this context, the EU has developed energy trade with Russia, its closest hydrocarbon exporter, through energy pipelines over many years. This energy dependency has carried political risks for the EU and these risks became apparent with the Russia-Ukraine war.

When evaluating the three sides according to Stephen Walt's balance of threat theory, we can reach a logically sound conclusion. The United States is seen as the most advantageous power, being a hegemon and a major force. The United States is both an energy exporter and the directing force behind NATO, tying the security of the European Union to the organization. In terms of perceived threat, the European Union tends to view Russia as a military threat due to lingering reflexes from the Soviet Union. This tendency easily draws European countries towards the United States.

When viewed from the perspective of Russia, the situation appears clearer than in Europe. Russia has clearly defined its military-strategic red lines and has made it clear that Ukraine's membership in Western institutions should not be an option. In this context, Russia acted by intervening in Ukraine, although it has faced economic sanctions from the West. However, as a hydrocarbon exporter and given the size of the country, it seems that Russia has not been greatly affected by this situation as it has found alternative markets. Thus, while it appears that Russia has replaced the European market, it is militarily engaged in a military power struggle with Western countries in Ukraine.

When evaluated from the European Union's perspective, the war in question shows us that the union is far from being a global power. It has allowed us to see the difficulties in building a common foreign policy once again. In this context, it is possible to assess the European countries in two separate groups. Western European countries, particularly Germany, tend to approach the Russia-Ukraine war more distantly. There are economic pragmatic reasons for this. The German economy needs Russian hydrocarbons and has to import hydrocarbons from the US at a much higher price because of the comprehensive sanctions imposed



by the West, resulting in a loss of profitability and power for the economy. In reality, Germany does not view Russia as much of a threat as the Eastern European countries. France's situation is similar to Germany's. However, these important European countries stand out as the countries most negatively affected by the decisions taken within the western alliance led by the US, as NATO and European Union member states. The main reason for this is that they have to see Russia as a threat.

Another weakness of the European Union is the perception of Russia as a threat by the majority of Eastern European countries that were admitted to the union in the 2004-2007 period, due to their Soviet legacy. This perception of threat leads directly to these Eastern European countries aligning with the orbit of the US, hindering the ability of Germany and France to follow independent policies.

In terms of the hydrocarbon crisis, Germany and France are facing pressure from both Eastern European countries and from the United States and England not to purchase Russian gas. Although they can't directly describe this pressure as a threat, it is possible that they will experience an economic contraction. Additionally, they do not view Russia as a military threat like the East European countries. This ambiguity puts them in the orbit of the US. If Germany and France can unbiased and independently build their policy like another NATO ally Turkey in the Russia-Ukraine war, they can overcome the hydrocarbon crisis and emerge as a global independent power. However, this does not seem possible with the current structure of the European Union. In this context, the change in the structure of the European Union, whether Germany and France take this decision or not, seems possible. In Stephen Walt's balance of threat theory, for Western European countries, the United States may be considered an economic threat, while Russia may be considered a distant military threat. Therefore, it can be evaluated that it would be more correct for them to act independently, not in the Western alliance led by the US, in their own interests.

AUTHOR STATEMENT

Researchers have jointly contributed to the article. Researchers have not declared any conflict of interest.

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