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**The Geopolitics of Energy in Southeastern Europe
The Case of Oil and Gas Pipelines***

Balkans and Energy Networks

Seven years after the end of the ideological division of Europe and while the experience from the Dayton Agreement (1995) is still recent, the Balkan Peninsula still suffers from the instability of the international collective security systems caused by the new era. The evolutions in the field of energy systems within the geopolitical zones of Eurasia and SE Mediterranean have deteriorated the situation in the Balkan Peninsula.

Today, oil and natural gas present a new dynamic challenge in the Balkan region. They create new facts in the geopolitical balance of the international environment forcing SE Europe to seek its way out of its geographical, political and economic isolation of the past decades. This interaction between the Balkans and the world of energy networks does not set aside old disputes, local competitions and mutual suspicion between neighbouring and third countries.

The southeastern part of the Balkans, bordering the regions of the Caucasus and Central Asia, seems to be the “natural” channel for the transportation of the energy reserves from the ex-Soviet republics to the rest of the world, through the Aegean Sea and the SE Mediterranean. Since the mid-1994, a new security and stability system for the routes of oil and other energy products is desperately sought. The peace achieved in Yugoslavia offered a way out to the problematic of security in SE Europe. Moreover, there are problems between countries in the region of origin, shipping and transit of energy reserves (Azerbaijan, Kazakhstan, Chechnya, Armenia, Georgia) and countries in the transit regions

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thereof (Greek-Turkish borders, Aegean, South Turkey); these problems render extremely risky any project concerning the transport of oil and natural gas to the Western markets.

The Balkan Peninsula has become a junction point in the pipeline "game"; to a great extent, this is due to the exclusion of two main protagonists of the period before 1989, namely Iran and Iraq. The embargo imposed on Iran by the USA and, consequently, the peculiar relations between them during the last two decades have changed drastically the geopolitical situation in the international energy policy. Iran remains at the margin of the evolutions of the energy "cosmogony", though it is the shortest way out for the energy wealth of Central Asia to the rest of the world, not to mention its network infrastructure and the relevant know-how it possesses. Iraq is under status of supervision and pays the price of its policy towards Kuwait, i.e. the limited exertion of its sovereign rights on its territory and the dramatic fall of the standard of living of its population due to the international embargo imposed to the totalitarian regime of Baghdad.

From the beginning of the last decade of our century, the big companies that control the international market of energy resources have started to participate in a process of seeking and supporting the best political and military solutions for the channeling of the large energy deposits of the former Soviet Union to the West. The need for alternatives to the problems of Iran and Iraq was urgent; at the same time, the West had to diminish its dependence on all traditional oil and natural gas exporting countries of the Arab Peninsula and North Africa.

The map of energy, as drawn in the next century, comprises the existing oil and natural gas pipeline networks as well as the construction of new networks in combination with harbour and oil facilities. The promotion of those plans requires control of and security and stability in all regions where oil and natural gas is located, drilled and processed as well as the transit regions of the above reserves. The new energy environment demands the safe communication between distant zones and regions which were isolated by the geographical and political-military borders formed during the last decades. To reach either the Black or the Mediterranean Sea, the energy potential of Central Asia (Turkmenistan, Uzbekistan, Kazakhstan, Kirghizistan), Caspian Sea and Caucasus (Azerbaijan, Georgia, South Russia) must cut across inaccessible mountainous

zones and regions devastated by bloody and complex nationalist, religious and civil conflicts.

The Evolution of the Burgas-Alexandroupolis Pipeline Project

The countries involved in the “game” of the so-called “oil diplomacy” and “pipeline policy” from Central Asia to the western European countries are not of equal importance and do not possess the same power to impose their plans. Particularly, among the Balkan countries that are connected directly or indirectly with the pipelines construction and transit projects, only Turkey —due to its geopolitical location— is in between the competing countries. The other “players” are the USA¹, Iran² and the multinational oil companies.

Turkey is the “natural” continental exit of the energy wealth from the Caucasus and Central Asia. At the same time, these regions are by nature a potent inland for Turkey with the relevant consequences on the region’s economy, commerce and security as well as on the political and cultural inter-relations of Turkey with the ex-Soviet Republics. This advantage, combined with the expulsion of Iran and Iraq from the “pipeline game”, renders Turkey’s position even more attractive; let us not forget that Turkey’s importance is due to its neighbouring with the region of Middle East. This makes Turkey an entry and exit gate for the continental zones of Caucasus and Middle East where oil and natural gas are drilled and transit.

However, Turkey controls the last stage of exit of oil reserves from the former Soviet Union to the Mediterranean Sea. From its ports, the tankers, crossing the Black Sea, transported oil to the Mediterranean Sea and the markets of the West through the Bosphorus Straits and the Dardanelles. After the collapse of the Soviet Union, the coastal countries of the Black Sea automatically became important actors in the case of energy reserves of the Caspian and Central Asia.

Turkey, aware of its key-position in the Bosphorus, risked its policy in 1993. The cause was the collision of two tankers in the Straits. This

1. Because the USA is the only super-power, it can influence the international system in many ways.

2. Despite the unfavourable climate against it, being a single actor, it belongs to the competitors that have interests in the region.

gave Turkey the opportunity to proceed to the restriction, and in certain cases to the prohibition, of the navigation of the tankers through Bosphorus, invoking the environmental protection in an already over-polluted sea zone. Additionally, according to the Turkish claims, the risk for pollution would be enhanced due to the increase in the number of the crossing tankers. This leads to the litigation of the navigation status in the Straits as defined by the Montreux Convention in 1936.

Yet, the main goal of Turkey is to achieve the exclusive transit of the new energy resources from Caspian Sea, Azerbaijan and Kazakhstan to the markets of the West in the following years, either through its ground in the south-eastern regions or through the Straits. Thus, when Turkey imposes these restrictions, it creates enormous problems to the big and small countries of the broader Eurasian region as well as to the private oil companies.

On the opposite side of the comparative Turkish advantages are Greece and Bulgaria. Theoretically speaking, they both belong to the category of the potent players (together with the former Soviet Republics of Caucasus, Central Asia and Ukraine). The progress of the projects promoted by Greece and Bulgaria determines the extent of their possibilities. In practice, however, and taking into account the existing projects for the construction of the oil and natural gas pipelines and their crossing through the Balkans, these countries are the last terminal of a specific project of energy transport under many prerequisites before it is accomplished to the benefit of these two countries.

The main protagonist of the energy network game in Eurasia is Russia, being owner and distributor of the energy resources of Caucasus. Greece and Bulgaria take advantage of the Russian interests, so as to intervene in the pipeline issues. The above-mentioned Turkish policy concerning the Bosphorus Straits and the Dardanelles forces Russia to find new solutions to its energy policy. The need to by-pass the problem of the Turkish control over the Straits has led to the elaboration of the project according to which the oil will be loaded on tankers at the Russian port of Novorossiysk and transported at the Bulgarian port of Burgas. The next stage will be the land transport of the oil through a pipeline connecting Burgas with the Greek port of Alexandroupolis on the Aegean Sea.

This trans-Balkan pipeline project will take Turkey by surprise and

will oblige it to support proposals aiming at the routing of the pipelines through its own ground. Opting among many alternatives, Turkey is promoting the construction of a pipeline which, transiting through Georgia, will transport oil at the port of Ceyhan on the SE Mediterranean coast, near the Turkish-Syrian borders.

From a technical-financial point of view, the proposal of the Burgas-Alexandroupolis pipeline is supported by the following:

- i. lack of terrain irregularities;
- ii. medium distance between the two ends of the routing (about 270 km);
- iii. low cost of transportation (land and maritime transportation charges for 30 million tons/year of oil, which is the viability limit of the specific project, are estimated to US \$ 6/ton).

The project is estimated to be completed within three years with a budget of US \$ 600-700 million. Thirty five percent of the value of this investment is expected to be financed by EU subsidies, by low-interest loans from the *European Investment Bank*, as well as by the share capital (US \$ 120 million) of the company completing the project, i.e. the *Transbalkan Pipeline S.A.*

The countries supporting the specific proposal for the trans-Balkan pipeline are Russia, Bulgaria and Greece. However, the concept and elaboration of this proposal derive from the following private companies: (i) *RAO GazProm*³ (company of Russian interests, established in February 1992, a "giant" on the international energy map), (ii) *Prometheus Gaz S.A.*⁴ [a partnership between the Russian company *Vep Gazexport* (affiliate company of *RAO GazProm*) and the Greek *Copelouzos Group*, each participating therein by 50%], and the *Latsis Group*⁵.

By the time the proposal for the Burgas-Alexandroupolis pipeline became a promising prospect for the market of energy networks in 1993, it has faced many fluctuations and retractions. The initial stage of the project was mostly dominated by the efforts of the Greek-Russian companies to gain the official political and, to some extent, financial

3. *SEGA*, Sofia, Vol. 43, 6-12 November 1997, pp. 36-40.

4. *Prometheus Gas S.A.* has undertaken the building part of the Burgas-Alexandroupolis pipeline project.

5. *Latsis Group* has undertaken the transport of oil with its tankers from Novorossiysk to Burgas.

support of the Greek, Russian and Bulgarian governments. The hesitations to promote the project are mostly attributed to the fact that no solution had been given to the problem of the participating rights between the countries and other instruments involved in the regions where drilling and transit of resources are effected. The search for routings, through the proposal of many alternatives, was sometimes creating enthusiasm and sometimes dilatoriness against the Burgas-Alexandroupolis pipeline project.

When, in 1994, the Bulgarian Socialist Party came in office, a new boost was given to the relations of Bulgaria with Russia and Greece. The meetings between ministers and experts from these countries were determined by the need to promote the transportation projects of the oil from the Caucasus and Central Asia to the Mediterranean and, in extensio, to Europe. On December 20 1994 in Moscow, Russia and Greece signed a memorandum concerning the construction of the Burgas-Alexandroupolis pipeline for the final stage of the transportation of oil from the Caspian Sea region⁶.

During 1995, this issue dominates the periodical bilateral and trilateral meetings between the Ministers of Foreign Affairs of Bulgaria, Greece and Russia as well as between experts from the countries involved and the private companies. The issue of distribution of the quotas in the joint venture between the Greek and the Bulgarian side seems to be, among others, a major obstacle to the project's progress. The initial impression was that Greece and Bulgaria would be represented by 25% each, while the remaining 50% would be attributed to Russia. In the course, however, it appeared that the two countries would receive only 5% each (i.e. the Greek state oil company and the corresponding Bulgarian one) while the remaining 40% would be financed by Greek-Russian private companies at varying rates.

Since then, Bulgaria remains dissatisfied with its public sector participation as well as by the representation of its private companies⁷.

6. The efforts to reach an agreement had started by the private companies *RAO GazProm*, *Prometheus Gas S.A.* and the *Copelouzos and Latsis Groups*. The project would be achieved and exploited by an international company under the name "*Transbalkan Pipelines S.A.*" which was established for this purpose.

7. Namely *Topenergy*, a Bulgarian-Russian joint venture administering the natural gas in Bulgaria.

Beyond the participation quotas, it seems that Bulgaria demands also the wider use of its refinery facilities at Burgas (its benefits increase by the refinement process of the transported oil) and it is opposed to the construction of new refineries in Alexandroupolis, as proposed by *Latsis Group*.

After the April 1996 agreement between Russia and Kazakhstan concerning the transport of Toghiz oil reserves to the Russian port of Novorossiysk, the interest in the Burgas-Alexandroupolis pipeline (which is incorporated in the alternatives related to the final stage of distribution of Kazakh reserves) is rekindled. The relevant agreement between the governments of Bulgaria, Russia and Greece, with the participation of the private companies interested⁸, was finally signed in mid-October 1996.

If we codify all these fluctuations in the promotion of the trans-Balkan pipeline project, we can conclude the following:

a. Russia, being an owner and a distributor of energy reserves, tries to secure itself against any event, aiming at a near-absolute control of the flow of Azeri, Caspian and Kazakh reserves. The national and multinational companies involved, their great interests and potential make the competition extremely rough; these companies, in turn, try to conclude the most profitable contracts with or without governmental aid.

Russia seems to be focusing its interest on its neighbourhood, i.e. the Black Sea, since it can control it effectively. The Russian defence system may function more effectively at the exit point of the reserves, i.e. the Novorossiysk port or any other port that may be constructed. On the contrary, Russia is not enthusiastic over the Ceyhan alternative promoted by Turkey, since it takes into account both the Turkish control over the Straits and the long distance to Ceyhan that creates obstacles to an eventual Russian intervention thereon.

b. Greece depends exclusively on the above-mentioned pipeline project in order to become the exit gate of Caspian and Kazakh deposits within the framework of the routing of the so-called Russian northern route project from Toghiz and Baku, through Grozny, to the Black Sea

8. However, the only essential dispute which seems to raise any objections and delays concerning the project completion lies on the 8% share of participation of the American company *CHEVRON* (that concluded a contract for the Toghiz reserves in Kazakhstan).

port of Novorossiysk.

Hence, when the oil arrives at the Balkans, Greece, taking advantage of its borders with the Balkan interior and its easy access therein, may become either a cross-road for further eventual branches of the Burgas-Alexandroupolis pipeline and/or just a distribution terminal of the energy wealth from Central Asia. Then, the flow of this energy wealth to Italy will be effected without any obstacles, using either natural gas underwater piping or tankers, not to mention the land transport through the Italian-Slovenian borders.

Greece's participation in the European Union offers the possibility for financial assistance, through Community Funds, to the natural gas and oil projects achievement. The interconnections of the projects with the existing and planned inter-European energy networks make the European Union a protagonist in the developments of SE Europe. At the same time, this project boosts Greece's energy policy since it fulfills the main goals of the EU energy policy. Specifically:

- i. It improves competitiveness, since the pipeline, either as an alternative energy route or in combination with the Bosphorus routing, reinforces competition abolishing the monopoly of the Straits.
- ii. It ensures substantially the regular supply of the EU with fuel and, at the same time, creates the prerequisites for an increase of the relative demand since it overcomes the problem of the Straits' congestion.
- iii. It contributes to the protection of the environment since it decreases essentially the risks of a sea accident.

Finally, due to Greece's participation in the EU, NATO and WEU structures, the project is likely to enjoy political and defensive protection, provided that the Greek ground will be comprised in the final pipelines routing.

c. Bulgaria is trying to take advantage of its intermediary position in the transport of oil. Under the socialist administration, Bulgaria wished a larger state participation in the project design together with the limitation of the participation share of the Greek and Russian private companies involved, as well as more profits from the transit fees (US \$ 0,5/metric ton). However, since the new centrist-right government of Bulgaria seems that, for its own reasons, will re-approach the issue from a zero base in 1997, the project will enter a new phase of obstructionism.

Being aware of the strategic importance of Burgas, Bulgaria tries at

all costs to balance its disadvantages in the other aspects of the planned pipeline. Its commercial fleet cannot contribute essentially to the maritime transport of the oil cargoes from Russia; at the same time, the situation of its economy does not allow its participation in the financing of the project's infrastructure. The only thing Bulgaria can do is increase its benefits from the transit, refinement and storage of oil resources at the Bulgarian facilities.

Transbalkan Natural Gas Transport Networks

As far as natural gas is concerned, the European Union shows a particular interest in the Balkan Peninsula. An increasing inter-dependence between the EU (an important energy consumer) and the countries of Eurasia, Middle East and North Africa (major energy exporters) is anticipated under the present circumstances. As an intermediary point, the Balkans have become energy cross-roads between natural gas drilling countries and natural gas consuming ones.

Apart from the geopolitical location of the Balkans as an intermediary point in the natural gas routings to the EU, one may observe a local competition which has to do with the advantages of each Balkan country interested. Within this framework, one can also observe an inequality in the technology for the production, transportation and distribution facilities for the natural gas. The existing natural gas routing from Russia, through Ukraine and Moldavia, supplies the Eastern Balkans (i.e. Romania, Bulgaria, Turkey and Greece) with natural gas. Future projects concern the routing of natural gas from Turkmenistan, through Turkey, to the Balkans and Europe. The competition relates to the final natural gas routing; will it follow the northern route through the Balkans (Turkey, Romania, Bulgaria, Hungary, EU) or the southern one (Turkey, Greece, Albania, Italy)?

Greece's agreement with Algeria during the '80s concerning the supply of the Greek network with liquefied natural gas from North Africa (this would satisfy 25% of Greece's demand) was followed by the agreement with Russia (14 January 1997) concerning the natural gas transport pipeline, within the framework of the Greek-Russian co-operation at the energy sector (with this agreement, Greece will satisfy the remaining 75% of its demand). A direct extension of the common Greek-

Russian investments is the supply of Albania with Russian natural gas through Greece. The achievement of this project is of strategic importance to Greece. The natural gas will flow to Albania through the Greek part of Western Macedonia and, followingly, through a submarine pipeline, to Italy. The project for the transport of Russian natural gas to Albania is based on the relative protocol of collaboration signed in November 1991 between Albania and Russia as well as on a relevant agreement concluded between the two countries in April 1995 in Moscow.

The Greek-Russian investment activity in the field of natural gas includes also the construction of two electric power export projects to the Balkan countries and Italy with the use of natural gas in power production facilities at the Greek-Albanian and Greek-Bulgarian borders, respectively. Both projects are included in relevant EU projects. Particularly, in the case of Bulgaria, the export of the entire electric power to this country is examined so that Bulgaria, in exchange, will cease operation of its dangerous nuclear facility in Kozlodui⁹.

Greece's technological infrastructure in the field of natural gas fails to assist it significantly in the international competition for a "better share" in the natural gas planned projects all over the world. The same is true about Greece's location in the geography of the routings as an intermediary and junction point in the transport of natural gas. These disadvantages may be balanced by Greece's participation in the EU. This may be accomplished through the elaboration and promotion of the indispensable technical and financial surveys for all natural gas projects in the Balkans. Greece must be interested in any idea and proposal in the field of natural gas in the Balkans and the Black Sea.

Bulgaria possesses the best natural gas network in the Balkans. Essentially, it is the largest natural gas distribution centre in the Balkans. It possesses a 2,200 km long pipeline for the transport of natural gas and 625 km long transit pipelines for natural gas distribution to its neighbours. Since October 1996 it is supplying Russia and Greece with natural gas.

9. The technology of this nuclear plant, dated to the Soviet Union era, is out-of-date. It started functioning in 1969 and its construction was completed in 1987. Bulgaria refuses to shut down this plant because of the serious shortage of electric power. The initiatives taken by the European Union and the *International Nuclear Energy Agency* to convince the Bulgarian authorities to close or modernize the factory have not yet succeeded.

In its effort to ensure the transports of large quantities of natural gas towards the other Balkan countries, Bulgaria encounters Russia's reaction as well as an eventual upgrade of Turkey. It makes sense for Russia to seek to ensure alternative routings for its natural gas at all cost. This means that Russia will negotiate with any interested neighbouring country which is likely to offer it more economic profits. On the other hand, an eventual passing over of Bulgaria¹⁰ blocks Greece's plans for a dynamic natural gas policy that would make Greece a natural gas distribution centre to its neighbouring countries. This is why Greece, in the EU, supported the construction of an energy regional centre in Sofia which was inaugurated in December 1995 with the financial support of EU.

Turkey, based on the advantages of its geopolitical location, develops a natural gas transportation policy from the former Soviet Republics similar to its oil policy. Following the agreements signed with Russia and Iran in 1996 on its supply with natural gas, Turkey also experiences a dynamic course that permits its transformation to a great power in the field of natural gas.

Energy Networks and Greek-Turkish Conflicts

The Greek-Turkish conflict in the energy field predominates in the Balkan region which is marked by fluidity and new challenges. This conflict, based on the problems that have created and preserved it for decades (Cyprus, Aegean and Thrace issues) creates new repercussions in the wider region of the Balkan Peninsula. Any tension both in the Aegean Sea and the Greek-Turkish relations coincides with the evolutions concerning the choice, construction and organisation of transport, loading and distribution of the Caspian and Central Asian oil wealth. The situation in Iran, located near the fields of Central Asia, the evolution of the Kurdish issue, the security system within the wider region of Caucasus and the questions of the Greek side about the prospect of an Israeli-Turkish co-operation attribute greater dynamics to the Greek-Turkish problems and, consequently, to the decision on the oil pipelines routings. Finally, all those features of the regions under

10. 168 *Chasa*, Sofia, Vol. 16, 17-23 April 1998, pp. 13, 18.

examination, seem to form a new *Middle East* in the 21st century¹¹.

The involvement of Greece and Turkey in the energy issues seems to be connected mostly with the construction projects of the Burgas-Alexandroupolis pipeline. The pipeline projects, as well as those of the natural gas pipelines to the Balkans, have pushed Greece (one of the two poles of conflict) closer to Russia (protagonist of the evolutions). This evolution automatically locates the other pole of conflict, i.e. Turkey, on the opposite side. Thus, the different approach of the energy policy issues of Russia and Turkey influences indirectly the Greek-Turkish conflict, to which contribute the above-mentioned facts concerning:

a. Turkey's restrictions in the movement of dangerous flammable cargoes through Bosphorus, aiming at the limitation of accidents and pollution.

b. The Turkish plans to monopolise the pipelines passage from the Turkish ground.

c. The formulation of the Russian alternative in the system of oil transport and distribution, that is the Burgas-Alexandroupolis pipeline that by-passes Turkey and the Bosphorus.

Turkey's immediate reaction, in its effort to ensure its benefits deriving from its role as a main transit centre of the Central Asian energy resources, consisted in promoting projects and proposals for other eventual pipelines routings through its territory. Those routings are the following:

a. From Baku (Azerbaijan), through Georgia, to the Turkish port of Ceyhan (1600 km).

b. From the Turkish port of Samson on the Black Sea to the port of Ceyhan; this is an alternative to project (a).

c. Construction of a pipeline in Eastern Thrace only; this will connect a Turkish Black Sea port with a relevant Turkish port in the Balkan region (another possibility for Turkey to monopolise the oil transport).

Consequently, all these prospects in the energy systems which, due to their nature and their inherent interests, surpass the narrow framework of a geographical region and a local conflict, complicate even

11. I. Th. Mazis, *The Principles of Geopolitics and the Case of the Greek Space in South-Eastern Mediterranean*, Occasional Research Paper 12, August 1997, Institute of International Relations/Panteion University of Social and Political Sciences.

further Greece's relations with Turkey. The economic dimension of the new facts covers a wide scale of interests. Essentially, it brings about realignments in all aspects of the relations between the parties involved, whether these are countries or national and multinational oil drilling and pipeline construction enterprises or personalities of international repute¹².

Bulgaria plays a basic role in the Greek-Turkish relations. Being in the middle of this new geopolitical dimension, Bulgaria is involved in the Greek-Turkish conflict at a moment when its economy is tried severely and the standard of living of its citizens is falling dramatically (particularly since the mid-1996), a fall that had already started since late 1994.

The feature that is directly connected with the pipeline construction along the borders of Bulgaria, Greece and Turkey is the Aegean security against any "hot event" which burdens and charges the Greek-Turkish relations. Bulgaria believes that the protection of Burgas-Alexandroupolis pipeline is a *sine qua non* prerequisite for its completion. To protect this project, Bulgaria should probably sign a defence agreement with Greece; this would be in contrast with the official Bulgarian policy of equal distance between Greece and Turkey. An eventual hot event between Greece and Turkey would involve Bulgaria that, mainly after 1989, seems to be possessed by a feeling of insecurity because of the armaments of Greece and Turkey within the framework of NATO.

On the other hand, Bulgaria has not decided yet whom it must turn to for assistance in its effort to join NATO. Greece's role in promoting Bulgaria's accession to NATO is important for the latter country. However, Turkey has the same advantage in its effort to win over Bulgaria. The issue has become more complex since, between 1990 and 1997, the alternate Bulgarian leaderships formulated different views on the subject. The Bulgarian Presidency, at least under Zelev, was promoting the co-operation with NATO and Turkey, while the governments that were controlled directly or indirectly by the socialists were rather seeking a way to the EU through Greece. The only common feature of the Bul-

12. The former US Minister of Foreign Affairs Mr. James Baker, who has interests in the American pipeline construction company *Brown & Root*, and the ex-President of the USA Mr. George Bush who, in June 1995, had visited Thessaloniki invited by *Latsis Group*, are typical examples of personalities involved in the pipelines game.

garian politicians in this contradictory circle were the particular relations of Sofia with Moscow.

To some extent, the issue of Thrace is directly connected with the pipeline projects. The Muslim minority living both in Greece and Bulgaria may constitute a dynamic factor of developments within both countries; for, Turkey, by way of compensation, will increase pressure in the region, being aware that the eventual routing of the pipeline through the Bulgarian and Greek territory will negatively affect its policy. The visit of the Turkish President Mr. Demirel in the minority regions of Bulgaria is illustrative of the above. The conclusion drawn by the Bulgarian press was that "Demirel came to press on the issue of the oil and not of the minority". In examining all publications¹³ related to the pipeline project and considering the effort to inform the public opinion of the interested countries, we ascertain the interconnection of wishes, interests, dreams and aims which are not limited in the economic field but are linked directly to political, religious and cultural parameters. In the end, all these resultants in Bulgaria seem to exert a catalytic influence on the promotion or obstruction, respectively, of the plans concerning the energy network projects.

Conclusions-Prospects

If we broaden the framework of the specific Greek-Turkish conflict, we conclude the following: when the interested parties aim either at counterbalancing the disadvantages of their proposals or achieving more profits through the exertion of pressure, they occasionally make moves, indicative of the importance of the projects in the field of energy. This ascertainment is supported by the following examples:

a. Russia, aiming at the elimination of the objections on the Burgas-Alexandroupolis pipeline, mainly on Sofia's behalf, does not hesitate to propose the construction of an underwater pipeline that will connect the Russian port of Tuapse with the port of Trabzon in Turkey. Russia will also agree with Turkey's proposal to transport natural gas through

13. *Duma* (Sofia, 4 March 1996); *24 Chasa* (Sofia, 6 July 1996); *Trud* (Sofia, 20 October 1996); *Naftemporiki* (Athens, May 1996); *Kathimerini* (Athens, 9 June 1996, 10 November 1996); *Ependytis* (Athens, 26-27 October 1996); *Izvestija* (Moscow, 17 June 1995).

Turkish grounds for next 25 years following 1997.

b. Nothing prevents Russia from discussing with Croatia the issue of the linkage of the latter to the *Druzhba* pipeline which, through Ukraine, brings oil to Central Europe, in order to overcome the difficulties of the Burgas-Alexandroupolis pipeline. If this prospect is connected with Ukraine's contacts with Turkey, in a mutual effort to co-operate in the transport of oil resources and to by-passing Russia, one can realise that Greece and Bulgaria risk to be placed at the margin.

c. Russia discusses with Turkey the very issue of the Burgas-Alexandroupolis pipeline as for the final stage of the oil transport from Novorossiysk. The huge interests of the parties involved in the interior of Russia lead to alternatives such as the use of the Straits for the final stage of transport or the solution of the port of Ceyhan, through Samson.

d. Bulgaria, wishing to by-pass the Greek-Turkish part of the proposed pipeline project, seems to discuss its alternative routing from Burgas, through FYROM, to the port of Dures and, by extension, to Italy. This shows Bulgaria's anxiety to obtain more shares in the pipeline project as well as to lift Greece's objections against the opening of new frontier passages¹⁴ at the Greek-Bulgarian borders.

These examples lead to the following conclusions:

a. All parties involved are in pursuit of better agreements.

b. All proposals and counter-proposals present both advantages and disadvantages.

c. The preservation of the Greek-Turkish rivalry creates problems and suspicion to any third party.

d. As far as Bulgaria is concerned, we must expect at least the expression of its reservations towards the dispute with Turkey if not a negative stance towards Greece.

e. Finally, both Greece and Bulgaria, being the weaker parties in the game of international energy policy, are obliged to investigate all kinds of co-operation with all parties involved without any exception. On the contrary, their adherence to permanent forms or to the so-called axes of collaboration is not the best way to achieve their policy goals. Greece

14. On 22 December 1995 in Sofia, an agreement was signed between Greece and Bulgaria providing the opening of three frontier passages. These passages concern the region of Drama (Exochi-Goche Delchev), Xanthi (Xanthi-Echinos-Rudozem-Smoljan) and Komotini (Komotini-Haskovo).

and Bulgaria do not have the luxury to participate in proposals which exclude other countries, such as Turkey, or to present ideas that “monopolise” the pipelines routings, as Turkey does. Since it appears that the alternative routings are the solution to the problem of oil and natural gas pipelines, the two countries will on no occasion be favoured if they link their plans to the “monopoly” of some routing in the transport of oil and natural gas from Central Asia.