

HYDROCARBON RESOURCES AS AN OBJECT OF GEOPOLITICAL CONFRONTATION BETWEEN RUSSIA AND THE WEST

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ABSTRACT

Hydrocarbon resources today are a highly mythologized and increasingly politicized issue: the growing stream of contradictory information creates an ambiguous conflict-prone discourse in global geopolitics, increasing the potential for conflict in international relations. Throughout world history, the main purpose of the state has been to expand its territory in order to solve economic problems and ensure secu-

rity, notably by subordinating one people to another or annexing adjacent territory. Researchers have come to the conclusion that, from a geopolitical perspective, the essence of interstate relations is a never-ending struggle between global centers of power for the possession of geographic space.¹ To-

¹ See: I. Karabulatova, B. Akhmetova, K. Shagbanova, E. Loskutova, F. Sayfulina, L. Zamalieva, I. Dyukov,

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day, we can say that geopolitics has not only become a system of knowledge about control over space, but has also turned into a real tool for reformatting the world. The collapse of the bipolar geopolitical model of the world has not made the world more stable or secure. The relatively stable geopolitical structure with two world poles has given way to a period of permanent instability due to the desire of the Western powers to establish a new world order distinguished by strong unipolarity and an attempt by a certain group of industrial countries to impose their will on

other states and nations. Since hydrocarbon resources are unevenly distributed around the globe, they are not only one of the main items in world trade, but also the main object of geopolitical wars. An understanding of the nature of the current geopolitical confrontation and the emergence of new forms make it necessary to study their content, identify their patterns, and assess the impact of today's geopolitical standoff between Russia and the West on the world order as a whole. However, the fight for hydrocarbon resources, the spread of nuclear weapons, and the creation of aerospace forces with corresponding changes in the nature and forms of modern warfare give food for thought about the evolution of the inward and outward signs of geopolitical confrontation.

M. Vykhristyuk, "Shaping Positive Identity in the Context of Ethnocultural Information Security in the Struggle against the Islamic State," *Central Asia and the Caucasus*, Vol. 17, Issue 1, 2016, pp. 84-92.

KEYWORDS: *hydrocarbon resources, Russia, Western countries, United States, Eurasia, energy resources, global leadership, geopolitical threat.*

Introduction

The very emergence of geopolitics is closely associated with the idea of an organic relationship between territory and the state: the state is seen as an organism, and politics as a struggle for the living space of that organism. Space is the main political force of any country. Consequently, geographic space is the main source of the state's power and strength that enables it to prosper. Now that the Russian Federation is under geopolitical pressure from Western countries, the state's geoenergy strategy is constructed not on the basis of Western forecasts about the future of global energy, but based on the geopolitical goals and objectives of transnational capital, which uses hydrocarbon resources as a tool for establishing a "new world order."

Energy resources became a geopolitical factor only at the beginning of the 20th century. At that time, the quantitative and qualitative increase in the energy needs of industrial society brought into focus exclusive (in terms of territory and area of application) energy resources: first there were certain grades of coal (especially coking coal) and then oil, which is distributed very unevenly around the world (land and water).² This exclusivity almost immediately gave rise to commercial monopolies and subsequently led to the emergence of states controlling world oil markets.

Geopolitical theories for the most part have tried to justify territorial expansion and a striving for global hegemony, providing the basis for the political ideology of states.³ Undoubtedly, the An-

² See: V.V. Kostyuk, A.A. Makarov, T.A. Mitrova, "Energetika i geopolitika," *Vestnik RFFI*, No. 4 (76), 2012, pp. 31-41.

³ See: G. Osipov, I. Karabulatova, G. Shafranov-Kutsev, L. Kononova, B. Akhmetova, E. Loskutova, G. Niyazova, "Ethnic Trauma and Its Echo in Today's Mental Picture of the World among the Peoples of the Post-Soviet States: An Inter-

glo-American school has always sought to play the leading role in global geopolitics.⁴ A distinctive feature of Anglo-American geopolitics is a fight for world domination, which has become a driving force behind the global geopolitical struggle.

The importance of oil and gas for the development of humanity is so great that today we can restate Halford Mackinder's classic formula as follows: "Who controls hydrocarbon resources, their processing and transportation routes controls the world." For more than a hundred years now, Western countries have been systematically monopolizing access to the world's hydrocarbon resources in order to gain control over geopolitical spaces and to have new levers for controlling global processes. The West seeks to extend its monopoly rights not only to hydrocarbon deposits all over the world, but also to technologies for oil refining and for the production of liquefied natural gas, trade in petroleum products, and the main transportation routes.

Methods and Materials

The empirical basis for our study was provided by official statistical sources. According to the statistical handbook *Russia in Figures 2015*, prepared and published by the Federal State Statistics Service (Rosstat), the Russian Federation ranks second in the world in terms of "crude oil (including gas condensate), natural and associated gas." In 2014, according to Enerdata,⁵ Russia maintained its position in the world (second place) in the production of both crude oil and natural gas, being out-ranked only by Saudi Arabia and the United States, respectively.⁶ Russia's position among the world's major energy-producing countries is confirmed by the International Energy Agency (IEA), particularly in its statistical yearbook for 2014.⁷

The theoretical basis for our analysis was provided by the ideas and conclusions of Russian and foreign researchers reflecting on the importance of hydrocarbon reserves in current geopolitical conflicts between Russia and the West. Methodologically, the study is based on the use of the institutional, comparative, and structural-functional methods. We have also used the tenets of modern geopolitics, the history and theory of international relations, world economics, and conflict theory.

Results

Today, developed countries consume up to 80% of all natural resources produced in the world, while emerging countries like China, India and Brazil need more and more energy every year for sustainable economic development. The narrowing gap between energy consumption levels in developed and emerging countries intensifies the struggle for global hydrocarbon resources. At present, the world's major countries are divided into exporters and importers of oil, gas and petroleum products.

ethnic Conflicting Discourse Unfolding in Russia's Ethnolinguistic Information Space," *Central Asia and the Caucasus*, Vol. 17, Issue 2, 2016, pp. 87-94.

⁴ See: D. Stokes, S. Raphael, *Global Energy Security and American Hegemony*, The Johns Hopkins University Press, Baltimore, 2010, 280 pp.

⁵ An information and consulting company that conducts studies related, in particular, to the development of the international energy industry.

⁶ See: *Global Energy Statistical Yearbook*, available at [<https://yearbook.enerdata.ru/>], 5 December, 2016.

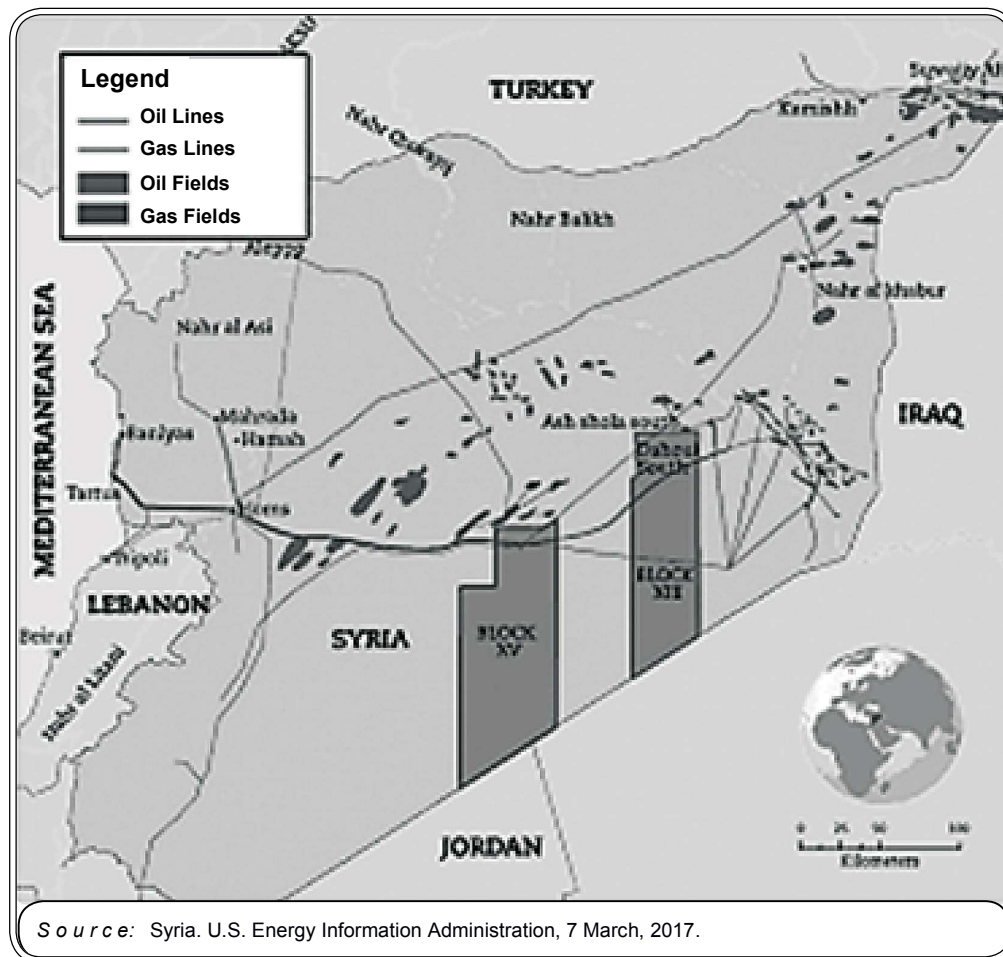
⁷ See: *Key World Energy Statistics 2014*, available at [<http://www.iea.org/publications/freepublications/publication/KeyWorld2014.pdf>], 5 December, 2016.

Most hydrocarbon exporters (countries of the Middle East, Latin America, Africa, and the Caspian Region) are heavily dependent on oil revenues and are thus interested in maintaining stability in the resource market for budget purposes. Importers (European countries, India, China, Japan, and others) are interested in stable supplies of resources, which are crucial to their security and economic development. Energy security has become a key component of the national security of any state. The tasks of maintaining such security at the regional and global levels, ensuring regular supplies to meet the growing demand for energy, and maintaining influence and control over oil-producing regions are a matter of priority for most countries in the world.

Given the strategic importance of the Middle East for the global energy market, any turmoil in the region has a serious effect on world energy prices. The Middle East accounts for 33.1% of global oil production, while its share together with that of the Arab countries of North Africa (Algeria, Egypt, Libya, Sudan, and South Sudan) is as high as 37.7%.

Figure 1

“Hydrocarbon” Interests in Syria as a Source of Geopolitical Conflict



In terms of natural gas production, the Middle East ranks third after North America, Eastern Europe and the CIS. The region's share is 17.2%, and with the addition of North Africa this share is 22.1%. Russia's involvement in the oil redistribution process in Syria strengthens support for sanctions among Western politicians.⁸

OAo Rosneft Oil Company is the leader of Russia's oil industry and the world's largest public oil and gas company. It is on the list of Russian strategic enterprises. The company's core activities include prospecting and exploration of hydrocarbon deposits, hydrocarbon production and processing, and sale of oil, gas and petroleum products both in Russia and abroad.

The company supplies crude oil to refineries (and also uses its own significant capacity to process hydrocarbons). The remaining oil is sold in Russia or exported to other countries under long- and short-term contracts, including contracts awarded through competitive tendering.⁹ Oil is exported to CIS countries, to Northwestern, Eastern and Central Europe, to Mediterranean and other Far Abroad countries, and to countries of the Asia-Pacific Region, including China.

Thus, most of the world's nation-states are interested in maintaining a stable and predictable situation in global hydrocarbon markets.

The only party not interested in this is transnational financial capital led by the United States and Western Europe, because ever since the emergence of the oil and gas industry it has reaped big returns from manipulation of hydrocarbon resources. In the 21st century, the world energy market, which has always been the most monopolized one, has turned into a market for financial speculation. The daily turnover of futures contracts traded on the biggest oil exchanges is several times larger than global oil production. According to some estimates, the share of speculative capital in this area is more than 70%. Researchers have come to the conclusion that the world oil market has nothing to do with the concepts of supply and demand. In the opinion of Ali Kadri, an expert on the Middle East, the oil-dollar standard (the bond tying oil to the dollar) makes it possible to siphon off liquidity from other states, strengthen the dollar, and bolster U.S. imperial rents. As a result, the oil-dollar standard furthers U.S. imperialist conquest, while military operations help to shift the debt burden to other states. Oil prices are managed to preserve U.S. imperial stature, and the U.S. uses the threat of devaluation and debt deflation to extort holders of U.S. debt and keep them under control.¹⁰ Thus, the paradox of this situation is that both oil-producing and oil-importing states themselves finance, through financial mechanisms established in the world oil market, the implementation of the U.S. geopolitical strategy, including military operations against their own countries.

The purpose of this strategy is clearly reflected in a conversation between Zbigniew Brzezinski and Brent Scowcroft. Brzezinski said that the United States was "embroiled" on a very wide front in a part of the world that could be drawn "by two intersecting lines, one from west to east going from the Sinai to India and China, and one from north to south, from Russia's southern frontier down to the Indian Ocean. And then if you draw a circle around that, there's about six hundred million people there. It's a very troubled area, full of ethnic, religious, territorial, and social conflicts." According to his logic, stability in the region could be achieved only if America was "prepared to pursue the imperial mission to the extreme at whatever cost." As Scowcroft put it, "We said, we have all this power. While we have it, we should use it to remake the world, starting with the Middle East, this very

⁸ See: A. Kuptsova, "Sanktsionnyi va-bank: Rossiya vyzhdaet Zapad podniat stavki," available at [<https://www.obozrevatel.com/abroad/07291-sanktsionnyj-va-bank-rossiya-vyuzhdaet-zapad-podnyat-stavki.htm>], 6 March, 2017; "Rossia i Kitai zablokirovali priniatie rezolutsii Sovbeza OON, soderzhashchei sanktsii protiv Sirii," 28 February, 2017, available at [<http://overallnews.ru/i/7143643>], 4 March, 2017.

⁹ See: N.P. Konovalenko, "Globalny rynek uglevodorodnykh resursov: mesto na niom rossiiskikh kompani neftegazovogo kompleksa," available at [<http://journal-discussion.ru/publication.php?id=1393>], 4 March, 2017.

¹⁰ See: A. Kadri, "Volatile Oil Prices: The Geopolitics of Speculation: Oil-Price Makers and Takers," *Global Research*, 15 April, 2012, available at [<http://www.globalresearch.ca/volatile-oil-prices-the-geopolitics-of-speculation-oil-price-makers-and-takers/30314>], 5 March, 2017.

troubled area.” The U.S. strategy, said Brzezinski, “in effect postulated that the only way to have stability in the Middle East is to destabilize it.”¹¹

Eurasia remains an arena of struggle for world domination. The United States follows a policy designed to subordinate a huge area that stretches from the southern regions of Siberia to India, gradually gaining control over Eurasian states and increasing its military presence in the area. Today, the Russian-American conflict in the territory of Syria, driven by the country’s hydrocarbon resources, attracts the greatest attention. The “war” of Russian and U.S. hydrocarbon interests in the territory of Kazakhstan and other post-Soviet countries is less manifest or, rather, more covert. According to Yuri Shafranik, former energy minister of Russia, only Russia’s oil expansion in the CIS will enable it to partner rather than compete with oil producers from Kazakhstan, Azerbaijan and Turkmenistan.¹² It is obvious that once the global financial elite gains control of the Eurasian states, it will have full power over the global political process. This causes serious concern among many analysts.¹³ In a globalized world, humanitarian ties between different actors are developing rapidly. At the same time, cooperation in the humanitarian field is being politicized, real-life relations and processes in this field are distorted, and the conflictogenic potential of contradictions is increasing. In the opinion of present-day researchers, the cultural-civilizational environment and the spiritual sphere are becoming the main geopolitical battleground in the 21st century.¹⁴ The mass protest action against corruption that took place in many Russian cities at the end of March 2017 is indicative in this respect. Alexei Navalny, founder of the Anti-Corruption Foundation, after publishing a large-scale investigation featuring Russian Prime Minister Dmitry Medvedev, organized protest rallies against corruption across the country.¹⁵ According to the estimates of a number of mass media and the European Parliament,¹⁶ these were the largest protests in Russia since the street rallies of 2011-2013, with a record number of detainees.¹⁷ This action is interesting in the context of our study in that it clearly demonstrates the corruptness of the current authorities and their connection with Russian hydrocarbon capital in the person of Alisher Usmanov. Many Russian researchers see the destruction or absorption of world civilizations, an alteration of their essence as one of the main tasks of the West and financial elites.¹⁸ At the same time, Russian capital is left out of focus, although, in our view, it has the same nature, determined by profit seeking.¹⁹

¹¹ Zb. Brzezinski, B. Scowcroft, *America and the World: Conversations on the Future of American Foreign Policy*, Basic Books, New York, 2009.

¹² See: Yu. Shafranik, Neftiania ekspansia v SNG, available at [<http://shafranik.ru/publikatsii/neftyanaya-ekspansiya-v-sng>], 9 April, 2017.

¹³ See: S.M. Smagulova, “Neftegazovye kompanii Respubliki Kazakhstan i ikh vneshneekonomicheskie svyazi (monograph),” *Kompania Sputnik+*, Moscow, 2005, 135 pp.

¹⁴ See: I.S. Karabulatova, F.S. Sayfulina, “Mytholinguistic Interpretation of Sacral Toponym Astana in Sociocultural Practice of the Siberian Tatars,” *Asian Social Science*, Vol. 11, No. 5, 2015, pp. 303-310; H. Mackinder, “The Geographical Pivot of History,” *The Geographical Journal*, Vol. 23, No. 4, April 1904, pp. 298-321.

¹⁵ See: “Navalny prizval vsekh rossian vyiti na mitingi v podderzhku korruptsionnogo rassledovania protiv Medvedeva,” available at [<https://www.newsru.com/russia/14mar2017/navalny.html>], 4 April, 2017.

¹⁶ See: D. Filipov, “Russian Police Arrest Anti-Corruption Leader Navalny, Hundreds More in Nationwide Rallies,” *Washington Post*, 26 March, 2017, available at [https://www.washingtonpost.com/world/russian-police-arrest-protesters-at-nationwide-anti-corruption-rallies/2017/03/26/11208e46-10a1-11e7-aa57-2ca1b05c41b8_story.html?utm_term=.bb2415e186aa], 12 April, 2017; R. Dobrokhoto, “Russia’s New Protest Generation,” *Aljazeera*, 29 March, 2017, available at [<http://www.aljazeera.com/indepth/opinion/2017/03/russia-protest-generation-170329113346416.html>], 9 April, 2017.

¹⁷ See: P. Khimshiashvili, “Evroparlament prizval nemedlenno osvobodit Alekseia Navalnogo,” RBC, available at [<http://www.rbc.ru/politics/06/04/2017/58e5fa709a79471ed63835bb?from=newsfeed>], 11 April, 2017.

¹⁸ See: L.G. Ivashov, “Rossia v kontekste vyzovov XXI veka,” available at [<http://topwar.ru/10962-leonid-ivashov-mir-v-hhi-veke.html>], 21 February, 2017; T.A. Ostrovskaya, I.S. Karabulatova, Z.R. Khachmafova, S.A. Lyaucheva, G.V. Osipov, “The Discourse of the Russian Elite in the Era of ‘Liquid’ Modernity as a Problem of Ethnic, Social and Cultural Security,” *Mediterranean Journal of Social Sciences*, Vol. 6, No. 3, S4, 2015, pp. 147-154.

¹⁹ See: “FBK opublikoval samoie masshtabnoie rassledovanie—ob usadbakh, iakhtakh i vinogradnikakh, kotorye iakoby prinadlezhat premieru Medvedevu,” available at [<https://www.newsru.com/russia/02mar2017/dimon.html>], 10 April, 2017.

Hydrocarbon wars are closely associated with the global policy of the leading states in the political arena. Today, according to the Strategic Plan of the U.S. Defense Intelligence Agency for 2012-2017, the policy of Iran, Russia and China is the main threat to U.S. security. Experts note that by mid-2016 the confrontation between the U.S. and China entered an acute phase.²⁰ U.S. participation in the Syrian conflict shows the special attention being paid by the ruling circles of the United States to nation-states capable of using conventional weapons, weapons of mass destruction, ballistic missiles, and cyber wars to challenge the U.S. or influence regional policy. After the U.S. strike on a Syrian airbase, Donald Trump received incredible support in the U.S. The use of force was lauded even by media leaning toward the Democratic Party, which until then had been slinging mud at the president.²¹ Washington is trying to refute the assumption often made in both Western Europe and Asia, including China (as well as in Russia), that the United States seems to be losing its global role. This new line of demonstrative conduct allows us to predict a worsening of relations between Russia and Western countries on key issues of economics and world politics, including in the context of hydrocarbons.

Discussion

In the opinion of N.A. Nartov, the geopolitical aspect of hydrocarbon policy emerged at a time when the world as a single whole was divided between the main opposing centers, while the new division of the world is, in effect, a redivision of what has already been divided, that is, a transition from one owner to another, and not from ownerlessness to owners.²² The current geopolitical conflict in Syria obviously has a hidden “hydrocarbon” agenda.

For example, Russia is making a powerful effort to regain the status of a great power in Asia and achieve success in selling hydrocarbons to China, Japan and South Korea. Consequently, hydrocarbon policy has been tied to defense and security and, for example, defense of energy projects has become a major mission for the navy. But Russia is encountering difficulties. In the Arctic, its new frontier for exploration and development of energy resources, much of which will probably go to East Asia, Russia faces Chinese political challenges.²³ As a result, it is obliged to rely ever more exclusively on China in developing the Far East and exporting hydrocarbons.²⁴ Such heavy dependence on China undermines its energy aspirations in East Asia.

Today, a geopolitical confrontation similar to the rivalry between Britain and Germany in the first half of the 20th century is being modeled. China acts as a continental power, while the main antagonists—the United States and Russia—are naval powers, but having strong political, economic and military ties with the continent, which is also reflected in the confrontation over hydrocarbons.²⁵

²⁰ See: “Ekonomicheskoe protivopostoianie SShA i Kitaia perekhodit v ostruiu fazu,” available at [<http://geo-politica.info/ekonomicheskoe-protivostoyanie-ssha-i-kitaya-perekhodit-v-ostruyu-fazu.html>], 11 April, 2017.

²¹ See: “Siria, Iran, Severnaya Koreia? Gde zhdet ocherednogo metania ‘Tomagavkov’,” available at [http://www.aif.ru/politics/world/siriya_iran_severnaya_koreya_gde_zhdet_ocherednogo_metaniya_tomagavkov?utm_source=aifrelated&utm_medium=click&utm_campaign=aifrelated], 11 April, 2017.

²² See: N.A. Nartov, *Geopolitika*, Textbook, MGLU, Moscow, 2010, 647 pp.

²³ See: St. Blank, Y. Kim, “Why Is Russian Energy Policy Failing in Asia?” *Pacific Focus*, Vol. 26, Issue 3, December 2011, pp. 405-427.

²⁴ See: I. Karabulatova, S. Ryazantsev, R. Manshin, Z. Vazirov, “Chinese Migration to the Customs Union Countries and Regional Security,” *Central Asia and the Caucasus*, Vol. 18, Issue 2, 2017, pp. 57-65.

²⁵ See: B. Akhmetova, I. Karabulatova, P. Dudin, Zh. Dorzhiev, “Tension around the Problem of the South China Sea as a Factor of Geopolitical Confrontation and Transformation of the Present World Order,” *Central Asia and the Caucasus*, Vol. 17, Issue 4, 2016, pp. 49-58.

Debra Johnson analyzes issues of hydrocarbon policy and energy supply security from the perspective of the EU-Russian energy relationship in the context of competing foreign energy policy paradigms. She draws the conclusion that the overall energy relationship between the EU and Russia can be best explained through a framework of mutual interest: the EU is dependent on Russian hydrocarbons, but Russia is also becoming increasingly dependent on European markets.²⁶

At the present stage of development, especially in the early 21st century, geopolitical theories are undergoing significant changes, whose main purpose is to justify the need not to conquer or develop new territories, but rather to gain control over possible spaces not only on a regional, but also on a planetary scale.

Conclusion

Today, a special role in implementing the concept of global governance is assigned to hydrocarbon resources, which have become one of the main objects of geopolitical confrontation, an important factor of global geopolitics. Through control over resources, it is possible to govern entire countries and civilizations: Europe, China, India, East Asia, Russia, and the rest of the world. Obviously, the United States is not interested in an integrated Eurasia capable of addressing current political and economic challenges, which is why it is doing its utmost to eliminate the main potential competitors such as China, Russia and Europe, and the key task of its policy is to slow down the economic and military development of these states. Most Eurasian countries are now divided into hydrocarbon importers, whose economies are totally dependent on imports of hydrocarbons, and exporters, whose economies are totally dependent on exports of these resources. In this situation, ensuring control over hydrocarbon transportation routes is the best way to ensure control over the economies of Eurasian states. In fact, access to energy resources becomes the main tool of political pressure and, obviously, the main instrument in implementing the strategic task of eliminating these competitor states.

By destabilizing the situation in Africa, Central Asia and the Middle East and implementing the Greater Middle East project, the U.S. gets an opportunity to significantly limit access for European states, China and other emerging Asian countries to hydrocarbon resources. A specific feature of the policy being pursued in the Greater Middle East is to fuel religious and ethnic strife, with the result that states fall apart into smaller entities, more or less stable public administration systems are destroyed, and countries are plunged into chaos. It is safe to say that the United States, as the main advocate of the interests of transnational capital, creates artificial conflicts and contradictions between oil and gas importers and exporters in order to establish international control over global hydrocarbon resources and transportation routes. Hydrocarbons are turning into a perfect tool for playing states and civilizations off against each other, which helps to capture geostrategic bridgeheads around the world.

²⁶ See: D. Johnson, "EU-Russian Energy Links: A Marriage of Convenience?" *Government and Opposition*, Vol. 40, Issue 2, Spring, 2005, pp. 256-277.