

BAHROOZ JAAFAR JABBAR

DECIPHERING THE EASTERN
MEDITERRANEAN'S
HYDROCARBON DYNAMICS
UNRAVELLING REGIONAL SHIFTS



Deciphering the Eastern Mediterranean's Hydrocarbon Dynamics

This page intentionally left blank

Deciphering the Eastern Mediterranean's Hydrocarbon Dynamics: Unravelling Regional Shifts

BY

BAHROOZ JAAFAR JABBAR

Mediterranean Institute for Regional Studies, Iraq



United Kingdom – North America – Japan – India – Malaysia – China

Emerald Publishing Limited
Emerald Publishing, Floor 5, Northspring, 21-23 Wellington Street, Leeds LS1 4DL.

First edition 2024

Copyright © 2024 Bahrooz Jaafar Jabbar.
Published under exclusive licence by Emerald Publishing Limited.

Reprints and permissions service

Contact: www.copyright.com

No part of this book may be reproduced, stored in a retrieval system, transmitted in any form or by any means electronic, mechanical, photocopying, recording or otherwise without either the prior written permission of the publisher or a licence permitting restricted copying issued in the UK by The Copyright Licensing Agency and in the USA by The Copyright Clearance Center. Any opinions expressed in the chapters are those of the authors. Whilst Emerald makes every effort to ensure the quality and accuracy of its content, Emerald makes no representation implied or otherwise, as to the chapters' suitability and application and disclaims any warranties, express or implied, to their use.

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

ISBN: 978-1-83608-143-2 (Print)

ISBN: 978-1-83608-142-5 (Online)

ISBN: 978-1-83608-144-9 (Epub)



INVESTOR IN PEOPLE

Contents

List of Abbreviations	<i>ix</i>
About the Author	<i>xi</i>
Preface	<i>xiii</i>
Introduction	<i>1</i>
Chapter One General Framework of the Mediterranean Geopolitics	<i>5</i>
1.1. Geopolitics: Context and Features	<i>5</i>
1.2. Geopolitical Importance of the Mediterranean Sea	<i>8</i>
1.2.1. The Great Powers' Desire to Control the Mediterranean Region	<i>9</i>
1.2.2. Hydrocarbon as a Powder Keg in the Eastern Mediterranean	<i>11</i>
1.3. Crucial Conflicts in the Eastern Mediterranean	<i>13</i>
1.3.1. Syrian Crisis and the Energy Discourse	<i>13</i>
1.3.2. The Turkey and Cyprus Problem in the Tinderbox of the Eastern Mediterranean	<i>16</i>
1.3.3. Arab–Israeli Conflict	<i>24</i>
1.3.4. Lebanon and Israel: From a Long Conflict to an Agreement	<i>27</i>
Chapter Two Oil and Natural Gas, Water Demarcation, and Electrification on the Mediterranean	<i>29</i>
2.1. International Political Economy of Oil and Gas	<i>29</i>
2.2. Geopolitics of Oil	<i>30</i>
2.2.1. The Implication of Uncertainty on Oil Geopolitics	<i>31</i>
2.2.2. Cooperation and Competition in Oil-Producing Countries	<i>33</i>
2.3. The Political Economy of Hydrocarbon in the Eastern Mediterranean	<i>34</i>

2.4.	Water Resources Among Mediterranean Countries	36
2.4.1.	Demarcation of Water: Another Wetland in the Mediterranean Region	37
2.5.	The Electrification of the Mediterranean Region	40
Chapter Three The Regional Chessboard in the Eastern Mediterranean: A Call for Superpower		41
3.1.	Israel's Mediterranean Pipedream: From Importing to Exporting Gas	42
3.1.1.	Israel's Import History	43
3.2.	The Eastern Mediterranean Pipeline: Source of Tension or Regional Collaboration?	46
3.3.	The Egyptian Gas Market: A Gas Supplier to the European Countries	48
3.4.	Cyprus Gas: Position on Sovereignty and Its Market Developments	50
3.4.1.	Sovereignty Versus Equality: Some Ramifications of the Cypriot Natural Gas Sector	51
3.4.2.	Aphrodite Gas Field: A Gift or a Curse?	52
3.4.3.	Exploration and Market Trends in the Cypriot Gas Sector	53
3.5.	Egypt and Trilateral Partnerships	54
3.5.1.	The Egyptian, Greek, and Cypriot Triangle	54
3.5.2.	Egypt–Israel Gas Export Partnership	55
3.5.3.	Egypt–Israeli Gas Supply and Purchase Agreement	55
3.5.4.	Egypt and Turkey: Continued Tensions or Common Ground for Rapprochement?	56
3.6.	Turkey and Its Geo-Strategic Vision Toward Natural Gas in the Eastern Mediterranean and Europe	56
3.7.	Israeli–Europe Gas Trade	58
3.8.	Egypt–European Gas Trade	59
3.9.	Cypriot–European Gas Trade	59
3.10.	The Syrian Crisis within the New Geopolitical Change in the Mediterranean	60
3.10.1.	Syrian Oil and Gas: How Did It Influence the Syrian Crisis?	61
Chapter Four Oil and Gas in the Iraqi Kurdistan: Geopolitical Connectivity and the Market Realities		63
4.1.	An Overview of the De-facto Kurdistan Region – Iraq	63
4.2.	How Does the KRI's Hydrocarbon Secure International Support?	67

4.3.	The Reality of the Crude Oil and Gas Production Industry in the Kurdistan Region; Iraq's Unstable	68
4.4.	The KRI's Oil and Gas Blocks	69
4.4.1.	Major Fields	70
4.5.	Mid-Sized and Less Productive Fields	71
4.6.	The KRI's Energy Chessboard: A Call for Realism and Superpower	72
4.7.	Iron is Hammered When Hot: The KRI Required to Remain Sold	75
4.8.	Can Natural Gas Become a Turning Point in the Geopolitics of the KRG?	76
4.9.	KRG's Oil Flow to the Mediterranean: A Focus on the Future	79

Chapter Five Intertwining of the New Global and Regional Order in the Mediterranean Region 85

5.1.	Highlighting the US Agenda in the Eastern Mediterranean	86
5.1.1.	The United States and Prospects for a New Regional Security System in the Eastern Mediterranean	87
5.2.	Russian Foreign Policy in the Mediterranean: An Adventure or a New Paradigm?	90
5.2.1.	Has Russia Succeeded with Its Presence in the Eastern Mediterranean?	91
5.3.	European Union and the Eastern Mediterranean Hydrocarbon Issue	94
5.3.1.	NATO and the Suspended Problems in the Mediterranean Basin	95
5.4.	Intertwining International Actors in the Eastern Mediterranean	96
5.5.	Theoretical Arguments on the Eastern Mediterranean Hydrocarbon Issue	97
5.5.1.	Neorealist Perspective	97
5.5.2.	Neoliberal Institutional Perspective	99
5.5.3.	Energy Securitization in the Eastern Mediterranean: What Does the Regional Security Complex (RSC) Theory Propose?	99

Chapter Six Environmental Crisis as a Common Ground: Is There Room for Climate Change Challenges in the Eastern Mediterranean Hydrocarbon Issue? 101

6.1.	The Problems Linked to Human and Geographic Nature of the Mediterranean Region	101
6.1.1.	Problems Related to the Relationship Between the Countries in the Mediterranean	102

viii *Contents*

6.1.2. Human Security Concerns in the Mediterranean Region	104
6.1.3. How Oil and Gas Industry Affect the Climate Change in the Eastern Mediterranean?	105
6.1.4. The EU and Its Response to the Environmental Catastrophe in the Mediterranean Region	106
Conclusion	111
References	115

List of Abbreviations

EEZ	Exclusive Economic Zone
EMGF	Eastern Mediterranean Gas Forum
EU	European Union
EMP	Euro-Mediterranean Partnership
IEA	International Energy Agency
ISIS	Islamic State of Iraq and Syria
KRG	Kurdistan Regional Government
KRI	Kurdistan Region of Iraq
LNG	Liquefied Natural Gas
NATO	North Atlantic Treaty Organization
OPEC	Organization of the Petroleum Exporting Countries
PSC	Production Sharing Contract
RoC	Republic of Cyprus
TRNC	Turkish Republic of Northern Cyprus
UFM	Union for the Mediterranean
USA	United States of America

This page intentionally left blank

About the Author

Bahrooz Jaafar Jabbar hails from Iraq's Kurdistan Region. He holds a Ph.D. in International Relations from Cyprus International University, Nicosia. With over 16 years of expertise in energy geopolitics, energy security, regional order in the Middle East and Eastern Mediterranean, and ongoing conflicts in Iraq, he is the Founder and Head of the Mediterranean Institute for Regional Studies.

Dr Bahrooz has published numerous academic research papers, policy papers, and analytical articles in international scientific journals and think tanks. Most of his work can be found on www.mirs.co, available in English, Arabic, and Kurdish. Notably, his latest academic publications have garnered significant attention. The first, titled "Mediterranean Hydrocarbon Issue and Its Impact on Environmental Crisis – A Kin-State Case Dimension on Cyprus," was published in the prestigious *Sustainability* journal, boasting an impact factor of 3.889. The second publication was an academic book chapter, "Charting the Course: Geopolitical Dynamics and Market Realities in the Iraqi Kurdistan Energy Sector," which was published by "Springer," a renowned German multinational publishing company specializing in science, humanities, technical, and medical publishing.

Dr Bahrooz's insights are highly regarded by media outlets, research centers, and decision-makers, particularly regarding capacity building, energy security, non-state actors, energy geopolitics, and political economy in the Eastern Mediterranean and Middle East. He is recognized as an Iraqi Kurdish academician and completed a six-month teaching methods course at Charmo University, earning a pedagogical certificate internationally recognized by the Ministry of Higher Education of the Kurdistan Regional Government.

You can follow Dr Bahrooz Jaafar on X- Twitter (@bahroozJaafar) and LinkedIn (BahroozJaafar) or contact him via email at Jafarbahroz@gmail.com

This page intentionally left blank

Preface

This book aims to analyze the political economy of hydrocarbons in the Eastern Mediterranean and the factors influencing their energy development. It effectively argues that the region's geopolitical landscape, particularly concerning hydrocarbons, is intricately linked to political, economic, and environmental considerations. The central argument emphasizes the significance of the region's energy dynamics and the roles of key players. To support these arguments, the book meticulously presents a comprehensive array of evidence, including historical context, geopolitical shifts, economic data, and the involvement of major powers. The integration of statistics and agreements, along with the establishment of the Eastern Mediterranean Gas Forum, serves to fortify the evidential foundation. To this effect, the book focuses on the critical challenges in the Eastern Mediterranean within the emerging regional order and aims to investigate the role played by extra-regional actors such as NATO, Russia, and the United States. The Mediterranean basin holds significant geostrategic importance, serving as a meeting point between Asia, Europe, and Africa. Its status reflects the intensity of commercial and military traffic, making it the southern base of NATO and Russia's primary gateway to warm waters. Additionally, the trilateral alliance between Greece, Cyprus, and Israel has been embraced by the United States, with hopes that offshore energy production in the Eastern Mediterranean will establish a new security framework and impact global energy markets.