

# The Politics of Natural Gas in the Middle East Today

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## Abstract

A recent development in energy security studies shows the growing significance of natural gas in international relations. Natural gas security looms large in international politics, especially in conflicting regions like the Middle East. The paper delves into the increasingly significant argument that natural gas needs much more political involvement than any other source of energy, especially

oil. Based on gas importers and exporters in Middle East as case studies, the paper aims to determine the weight of energy consumer and transit states in the political process with regard to the security of gas. Consequently, it examines multiple political factors that play a role in securing gas. The impact of the geopolitical factor is particularly notable. The findings show that several issues are involved in the political relations between exporting and importing states that affect the stability of gas supply and price. In summary, the paper suggests that there is an urgent need to develop a new gas security policy, especially in cases where energy exporters and importers are suffering from political and social instability in a region like Middle East.

**Keywords:** *energy security; gas security; pipelines diplomacy; Middle East; geopolitics; Arab Spring*

## **1. Introduction**

In the last three decades, energy supply became identified among scholars or politicians as a weapon. Thus, cutting the energy supply can be considered as an attack or threat for the importer state (Shaffer, 2013). By the 21 century, gas became a very important commodity for every nation. The cut-off of gas supply will cause severe problems for any state. The fear of cut-off gas supply became a major interest for most of the states all around the world. This is due to the nature of gas market; unlike oil, gas trade needs long-term contracts which lead to a much more political involvement and relations. Further, oil became a wide range commodity which can be accessible through different ways all over the world, while gas does not related to the international market; accordingly it needs a foreign policy involvement (Stone, 2010). Nowadays, oil is not any more a political tool in the hand of suppliers (Gholz & Press, 2010).

Gas, mainly, will be carried through pipelines between states which will appraise it as a major political tool among suppliers, transit and consumer states. Even in the case of liquefied natural gas (LNG) it needs a complex infrastructure between states which will give a more chance for the political involvement (Shaffer, 2013). By the next coming years, natural gas is expected to be the main commodity all over the world, and current century will be the century of gas, due to its low pollution and price (International Energy Agency, 2011).

For several decades, states did not give energy a political concern. This illustrates the scarcity of academic studies in this area (Sorbello, 2011). Several states did not face cut-off gas supply due to the stability of their region. Therefore, in conflict regions like the Middle East the importance of gas politics is very high.

This paper studies the relations between gas suppliers and consumers in the Middle East in order to clarify the role of these states in this issue and determine the policy factors that have an impact on the stability of gas supply. Further, gas suppliers depend on gas as a foreign policy tool to achieve their aims. So, this appraises the role of consumer and transit states not to be under this political tool.

The paper depends on some Middle Eastern states as case studies; the impact on Jordan is considered in this issue as a consumer and transit state.

The paper goes deeply to the need to a stable energy policy in Middle East in order to maintain gas supply in long terms, particularly in totally energy dependent countries such as Jordan.

## **2. Natural Gas in International Politics**

The political involvement of natural gas is quite different than other sources of energy. Nowadays, governments are playing the largest role in assuring this commodity much more than oil. Gas exportation takes more than ten years, thus states have to be sure of the commitment of the companies and other consumers. Which need a long term contracts and, of course, a certain constant policy between states. In addition, most of gas trades is regional and require stable relations in that region. Between these states the available way to carry out gas is pipelines that should cross several territories among neighbors. Further, the price of gas is not a global price so that having favorable price needs mutual interest between states. In a nutshell, gas looms large in international politics (Guerrero, 2012).

### ***2.1 Factors that Impact the Stability of Gas Supply***

Dependency can be considered the main factor that determines the stability of gas supply. The dependency can be from both sides; suppliers as they need a market, and consumers. Further, the price of gas is another major factor, so that if the price that suppliers get is a good price this will reflect their attitude to maintain supply as they depended on that price on improving their economy and their production. However, consumers seek for low prices as well, in order to get benefit. This complexity factor plays a main role in the stability of supply (Noël, 2008). In addition, geographical location plays a major role, especially that this will give a privilege for transit countries. Pipelines are paramount important to determine the issue.

In general terms, all political and economic relations between suppliers and importers will affect the stability of gas supply. One should not forget that the stable political relations will always assure the supply. A notable case is the gas trade between Egypt and Jordan, as the latter used to totally depend on Egypt and used to have stable and strong political relations (Shaffer, 2013). But still the collapse of Mubarak regime in 2011 has led to dramatic changes and finally caused the cut-off gas supply that comes to Jordan.

### ***2.2 Transit states***

Being in the middle of the relation between suppliers and importers, transit states have a strategic geographical location which plays a key role in gas supply stability. In general term, transit states can rarely face gas disruption due to that fact that gas trade will pass them to other several countries. These states can go more deep in gaining not only the stable gas supply but also further economic and political benefits and even favorable gas price. As the need for gas became more and more, thus building more pipelines caused a more chief role for transit states (Shaffer, 2013). However, several producers and consumers started to build LNG to avoid the dependency on transit states. Even with the high cost of LNG, it is still useful in term of by passing the political relations with transit (Hayes, 2007). For consumers it is quite important to assure diversifying energy sources in case of cut-off either from transit states or suppliers.

## **3. The Case of the Middle East**

Recent discovering of gas fields in the Mediterranean Sea, particularly east, contribute of recreated a new political trends regarding energy in the Middle East. Unexpectedly, Middle East states which have around 40 percent of gas reserves are suffering to assure natural gas demand. The importance of gas for several years stayed behind the oil in that region. But nowadays, securing gas supply became one of the major concerns for consumers, mainly Jordan, as policymakers in the

country are seriously looking for stable solutions. Middle East is still suffering from the limited pipeline collaboration between states. Further, Qatar as intermediate LNG supplier still does not play a role on assuring the demand as that needs long term contracts and stability of political and economic relations. Despite the fact that Middle East having large amount of gas, but the region is suffering from several wars and political instability which make it not homogenous. For example: Iran, Qatar and Saudi Arabia have so many gas reserves, while Jordan, Kuwait and United Arab Emirates are poor. Iran is politically far in the region, which will reduce the cooperation and political integration with it. However, the war in Iraq prevents it from building any stable gas trade relations. Same goes for Syria and Lebanon (Weems & Midani, 2009).

In term of Turkey, it depends on Irani gas, but in several stages both countries do not have stable commercial basements apart from the fact that Iran is globally suffering from economic sanction. However, Turkey has never let Iran to use its gas as a foreign policy tool to gain benefits against it (Darbouche & Fattouh, 2011).

The notable impact in Middle East came from Egypt as a pipeline exporter for Jordan Syria, Lebanon and Israel. After the collapse of Mubarak regime in 2011, consumer countries have been faced with a new political system in Egypt which did not matched the traditional political relations with these countries. Consequently, this cause a huge loss since all consumers faced the cut-off gas supply.

Majorly, changes in gas supply took this shape: (1) Jordan through high cost LNG from Qatar temporary. (2) Israel through its own newly discovered reserves in Mediterranean Sea (3) Syria, Lebanon and Iraq from Iran.

Yet, the newly discovered reserves in Israel and Palestine started to make dramatic political changes and relations, but still facing the fact that Israel still considered politically and economically far from other states in Middle East.

### ***3.1 Egypt and Jordan as a Notable Case***

Egyptian natural gas supply to Jordan brings the fore discussed analysis. (1) Jordan's dependency on gas supply. (2) Jordan as a transit country to Syria and Lebanon with good political relations with Egypt. (3) Weak economic benefits for Egypt.

Jordan depends on Egypt for almost 90% of its gas needs (Henderson & Schenker, 2014), but at the same time Egypt still facing problems to meet its internal demands. After the collapse of Mubarak regime in 2011, several attacks to the "Arab Gas pipeline" caused to disrupt the gas supply to Jordan and Israel as well. Although Jordan suffers from this cut-off but it brings benefits for the Egyptians as they provide an available gas for the internal demand which increases the commercial products (Venegas, 2013).

This illustrates several signs caused the instability of gas supply; such as the weak political regime in Egypt, weak commercial benefits for Egypt, and the need for meeting the internal gas demand. This demonstrates the problematical factors of the political involvement of transit states. Surprisingly, Israel with its weak relations particularly with the new regime, still did not suffer like Jordan since Israel did not face cut-off. While at the same time, Jordan suffered from cut-off every time. This shows that the disruption of supply depends sharply on both commercial and political factors.

King Abdullah of Jordan was the first leader who visits Egypt after the military removal of president Morsi. Jordan wanted to re fix the relation with Egypt with a hope of preventing the

attacks on gas pipeline in Sinai. The Arab Gas Pipeline reaches to Jordan from Sinai to Aqaba then from Aqaba all through Jordan to Syria and Lebanon.

Apart from the pipeline attacks; former president of Egypt, Morsi, cut the gas supply to Jordan and used it as a tool to achieve Egypt's foreign policy goals; In November 2012 the Egyptian government cut the gas supply in order to force Jordan to be against Assad in Syria as these reflects the willing of Muslim Brotherhood of removing Al-Assad regime in Syria.

In the time of Morsi, Egypt's foreign policy tended to use energy to have political benefits against Jordan (Danin, 2013). However, Jordan a totally dependent country on Egyptian gas did not follow the wishes of policymakers in Egypt, but this as will cost Jordan a great pressure on economy. Jordan did not get benefit as a transit country. And Jordan happily welcomed the removal of Morsi. Nowadays, several consumers including Jordan looking forward toward the new gas fields in Eastern Mediterranean which will definitely change the political formula in the region.

#### 4. Conclusions

The paper explains the politics of natural gas globally and in Middle East. There are several factors that have a major impact on gas supply, illustrating the fact that gas supply is a political tool. The findings bring several practical implications regarding pipeline programs. Depending on the data from documents, journals and news, it is obvious that transit states involves much more politically in term of securing gas supply but at the same time the risk of cut-off is high. The study shows that consumers should always maintain long-term contracts with suppliers.

Foreign policy has to play much more role in building stable relations in order to assure diversifying gas resources since the new century will be the century of gas (Victor, Jaffe, & Hayes., 2006).

With the recent dramatic events in the Middle East, short-term gas trade has been largely affected by the instability of the region, which appraises the urgent need for maintain long-term policies in order to assure the stability of gas supply. Taking into account the fact the Middle East contains almost half of natural gas reserves in the world, this bring the need for developing and creating more technological issues to produce a sufficient amount of gas. However, suppliers, transit states, and consumers all should put into account that developing long term policies will be quite hard to be done unless all those countries unit to promote peace and bring stability to the region. Until the moment, the most important role for states' policymakers is to find political solutions to solve the internal war in Syria and Iraq and of course find a solution for the Arab-Israeli conflict.

As conclusion, the current study created new points; transit and consumer can play a role of cut-off gas, not only suppliers, gas relations consider mutual interests between suppliers and consumers to prevent the negative effect of cut-off, and having good political relations between suppliers and consumers does not mean the prevention of supply disruption, since stability of supply is affected by several factors either internal or external in both; suppliers and consumers.

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