

## POLITICS AND ENERGY: RISKS AND DECISIONS

Temirbek S. Bobushev

Research Kyrgyz Economic University, Bishkek, Kyrgyz Republic

### Abstract

Currently, within the framework of the use of fossil fuels for energy development, there are a number of conflicts of a regional and even global scale. These include contradictions in the receipt and use of gas from Russia by the EU countries. Starting with the announcement and expansion of the sanctions policy of Brussels against Moscow, as alleged measures of pressure on Russia in response to its military actions in Ukraine, they gradually moved into the area of the economy and energy security of the EU countries. The emergence of risks of confrontation led to a virtual change in the vector of areas of cooperation: from Western European countries to Eastern, Asian countries. However, in general the decision the problems of cooperation between countries on the use of fossil fuels have not moved from the field of political reasoning to the plane of practical expedient solutions, with the exception of some contracts with a number of countries on the Asian continent.

**Keywords:** energy security, hydrocarbon raw materials, green economy, energy policy

### Introduction

The use of hydrocarbon raw materials in the production of energy for industrial development and for domestic purposes is playing an increasingly important role not only in the economy, but also in politics. At the same time, the public, as its awareness of climate change grows, is increasingly expressing support for clean, renewable energy sources, thereby supporting the transition to a green economy. However, not all politicians support renewable energy sources in their practical use. Many politicians present their views on renewable energy in order to reject it or use it to gain political points through energy policy.

However, in recent years there have been good conditions in the use of alternative energy sources, a kind of tailwind due to political priorities and long-term access to capital for their development. “Some efforts” of the energy industry itself towards responsible development are also noted. However, in general, little has changed in recent years in the use of hydrocarbons [1, 2021], except that the public is putting strong pressure on governments to switch to using less fossil fuels.

Along with the above, one should pay attention within the framework of energy problems to such a feature, like energy

storage is something that is becoming more and more popular. In other words, investments allocated to the energy sector are directed not only to energy production technologies, based on energy sources, but also to storage methods and the formation of reserves within the framework of national programs for the use of energy resources.

### **Materials and Research Methods**

Despite the many meetings and discussions at the international, regional and national levels in recent years, among the problems that have come to the fore are the issues of production, affordability and energy security [2, 2008]. The search for solutions to the above-mentioned issues of energy development, in addition to other problems of political tension in different regions of the world, took place against the backdrop of an increase in the production and sale of oil and gas. There is still great disagreement on key areas of energy security, including their causes and appropriate management policies.

The lack of a common approach to solving energy security issues is significantly constrained by the differences between developed countries and the developing world in the energy balance, industrial structure, geopolitical influence and energy policy directions. At the same time, it should be noted that it is also important, the ability and readiness of countries to independently resolve international issues on a bilateral basis.

In this regard, materials published in the open press, annual reports of international organizations, as well as the results of the

analysis of discussions of the energy problem at international conferences and meetings of various groups of countries were used as the basis for our research.

### **Research Results and Discussion**

As you know, access to and opportunities to use energy resources affect the provision and sustainability of the basic needs necessary to maintain the life and daily activities of people, while ensuring its availability. In addition, it also contributes to the country's economic growth, political stability and the overall development and security of other sectors such as agriculture and manufacturing.

Before continuing the discussion on politics and energy, let's define what is meant by energy security. According to the International Energy Agency (IEA), there are two main aspects: long-term and short-term energy security. The first concerns investments in energy supply and how they relate to timely economic development and environmental needs. The latter mainly concerns how the energy system is able to quickly respond to sudden changes in the energy supply and demand cycle. In addition, energy security is related to food security and food transport in such a way that the agricultural sector is both an energy consumer and an energy producer. By the way, food production covers about 70% of water consumption and 6% of energy consumption globally [3, 2022].

Among the most important indicators of energy security is the energy security risk index, which determines policies and other factors affecting international energy

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security [4, 2015]. It is calculated using quantitative data, historical data trends and government forecasts. The Global Energy Institute website ([www.energyxxi.org](http://www.energyxxi.org)) also uses this information to display different quartiles representing the degree of energy security risk that each of the 75 most energy-consuming countries has. Those who belong to the first quartile have the lowest risk, and those who have the highest risk are grouped under the fourth quartile [5,2012].

In addition to the energy security risk index, the energy trilemma index is also used, which aims to rank countries based on their ability to provide sustainable energy in three parameters: energy security, energy equity and environmental sustainability [6, 2015]. Ultimately, this index tool measures the overall effectiveness of a combination of a national energy policy and its viability.

As we can see, the noted and a number of other indices and indicators in the field of energy quite fully allow us to assess the state of affairs in the energy sector at the international and national levels. However, despite the existence of such tools for tracking and assessing energy security, decisions on these issues have again attracted the attention of politicians, who increasingly see energy as an instrument of pressure or even a violation of the principles of a market economy, as a result of which, for example, the economies of the EU countries have faced serious problems and obstacles.

The necessary changes in energy policy in most European countries, attempts to reduce and, if possible, manage the prices of fossil fuels in the medium and long term

have become the main feature of the policy pursued by the EU in recent years. In this regard, the transition to a "green economy" cannot always guarantee a complete solution to the problem. Because knowing what a "green economy" system means does not mean at all what it is to know when the calls of one group of people and countries, despite universal assurances of support for such a choice, are "restrained" by another group of politicians and countries lobbying for their interests, even to the detriment of universal aspirations and expectations. This caused animosity between at least two groups of countries. Most of the EU countries, despite the energy crisis that has arisen, using primarily gas, have embarked on the path of confrontation and a sharp rejection of the new terms of partnership with Russia, accusing the latter of artificially "inflating" fuel prices and other measures, such as stopping gas transmission and filling gas storages, etc.

It is not clear how the situation with energy production and domestic gas use will develop in the near future in the EU countries. One thing is clear, that in the issue of providing fuel and resources, apparently, for the first time on such a scale, the "hidden possibility" of confrontation between countries against the backdrop of political selfishness on both sides has manifested itself. The total politicization of Brussels' decisions and the heavy dependence on economic cooperation between the EU countries and the United States are increasingly creating instability in the economic development of European countries. Further transformation of the

economies of the countries of this region will contribute to the emergence of risks, the overcoming of which will be a heavy burden on the shoulders of citizens and may cause conflicts that will affect the interstate and group interests of the EU countries.

Today, most EU countries are in danger of losing their energy achievements. The current situation with the use of fuel resources and the decisions being made are unlikely to change the state of affairs in the energy sector of European countries. The risks that have arisen with the development of energy and the adjustment of the strategy for the use of fuel resources, unfortunately, are bringing the emergence of a conflict situation on the entire continent in Europe closer. To overcome and eliminate conflicts, it is necessary to improve the policy of transforming the energy sector of the economies of the EU countries on the basis of improving and making independent decisions in the field of cooperation with neighboring countries to achieve sustainable results. However, conflict can become a cause that hinders the collective ability of countries to deal with emerging problems in a fair and self-directed manner.

### **Conclusion**

In the next few months, a projected economic downturn in the countries of the European Union is expected: a slowdown in economic development in Germany, associated with the loss of gas supplies from Russia. A downward trend in economic activity will also be noted in the UK, since the exit from the single market of the EU countries, the collapse of public

debt prices, the risk of destruction of the pension system in the country and much more have significantly shaken the stability of the domestic market and the economic system as a whole in the country [7, 2022].

The most important problems of our time - the energy crisis and inflation, due to which the real incomes of the population are falling and the rates of mortgages, public debt and business loans are rising, can only be solved through a decisive destruction of demand, i.e. the recession and crisis the world is trying to avoid. Unfortunately, to solve the problem of inflation, without suppressing demand, in market conditions, it is possible only by spurring supply. However, this is difficult in the face of high rates, lack of labor, disruptions in globalization and international trade.

The solution to the energy crisis is investment in new deposits of energy resources and infrastructure, which, unfortunately, are declining, so the return on investment in the energy industry is only possible in a decade. Under these conditions, hopes for the development and widespread use of the results of the green revolution in the energy sector remain rather illusory. This is due, among other things, to the lack of cheap loans and breakthrough energy storage technologies. There is a need to invest in climate resilience and low-carbon development to achieve a higher standard of living for people around the world.

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