

Energy Community in the Concept of Achieving Geoeconomic and Energy Security of the Countries of the Western Balkans

Slobodan Nešković¹

¹Center for Strategic Studies of National Security - CESNA B, Belgrade, Serbia
International Academy of Sciences, Arts and Security – MANUB, Belgrade Serbia,
slobneskovic@gmail.com

Ardita Bylo²

²PhD Candidate in Financial Economics – Istanbul Commerce University, Istanbul, Türkiye
ardita.bylo@istanbulticaret.edu.tr
ORCID: 0000-0002-4291-5829

ABSTRACT

Energy security is essential to the overall stability of any country and economic development. The Energy Community means a strategic project of cooperation between the European Union and the countries of Southeast Europe, and at the same time of the Western Balkans, in the field of energy, promoted at the beginning of this century. It defines the components of a process aimed at stability in the supply and functioning of the energy market. The Energy Union is a compatible plan the European Commission in providing optimal conditions for its members. The paper also discusses the implications of these concepts on the geo-economic position and perspectives of the Western Balkan countries.

Keywords

Energy community; Geoeconomic; Energy security; Western Balkan; European Union

Introduction

Energy security, economic development and the efficiency of environmental protection have long been the basic and interrelated goals due to which today no national economy can conclude that it is "energy safe". What can be concluded is bipolarity - some have ways to reach energy at an ever-increasing and difficult-to-maintain political price, and others huge stocks of energy resources with which they want to dictate future global development. Globalization in social, political and economic processes has led to new understandings of traditional concepts of the relationship between geopolitics and national security, introducing geoeconomics as an important factor in determining the issue of economic security.

In creating high policy, security figures as one of the main priorities of any country that aspires to be highly ranked in international relations, and through the prism of security, its subgroup energy security has one of the highest places. Almost every nation state sets as one of the highest goals the reduction of energy dependence and the highest possible degree of energy security. The year 1970 has an important year in this process, which is in a way considered a turning point in the field of energy security. In the mentioned year, there was a great oil crisis and a change in the price of crude oil, which forever changed the angle of view in the field of energy security and decisively influenced the prism through which countries began to look at this issue. The decades that came and the events that filled them continued to affect the field of energy. The wars of the 1990s that took place in the Persian Gulf region, as well as the environmental

side that gained its place in the 21st century, traced energy policy to the very top of geopolitical issues.

The assessment that energy sources are one of the main drivers and tools for the development of the entire civilization in modern times is considered absolutely correct. Mankind is constantly in a kind of gap between the use or spending of resources for their needs and the desire to save energy whose capacities are consumed and reduced extremely quickly for generations to come. From the very beginning of man, and especially with the development of human activities, the need for energy increases with arithmetic progression and there is a need for an increasing amount of energy that is spent on these activities. Energy production and consumption are becoming one of the main problems of modern humanity. The growing number of inhabitants on the planet requires an increasing need for energy, and the inability to provide sufficient quantities threatens to become a constant and global problem. However, in this field, too, there are large and noticeable differences in energy needs, so that the most developed countries have been at the forefront of energy needs since the industrial revolution of the eighteenth century, while those less developed keep their needs at a much lower level. The use of huge amounts of energy by developed countries has brought strong economic benefits, but also a constant need to provide large and long-term energy sources, the absence of which would disrupt the normal and uninterrupted functioning of all levers and elements of society in those countries. From the previous lines, a potential definition of energy security could be reported, where it would state that energy security is nothing but the ability of a country to provide sufficient amounts of energy for its needs.

The strategic energy goals of the region of Southeast Europe and Western Balkan subregion, which will be emphasized in the continuation of the work, cannot deviate more widely from the goals that the European Union sets before itself and thus before the countries of this region. The current situation in most of this area is not in line with the goals promoted by the EU, energy security is declining, energy prices such as electricity, oil and gas derivatives are not competitive in the market. The challenges facing the countries of Southeast Europe are potential solutions in the long run, such as increasing the share of renewable sources, increasing biofuel production, raising the partnership of these countries with the European Union and investing in modern energy technologies, primarily fossils with low carbon dioxide.

Methodology

The Energy Community is a concept of the European Commission designed for the need to achieve security in this region in the field of energy supply and connecting the energy market of the region of Southeast Europe with the market of the European Union. The Energy Community consist of eight countries: Albania, Serbia, Bosnia and Herzegovina, Northern Macedonia, Kosovo (defined by UN Resolution 1244), Georgia, Moldova and Ukraine. The Energy Community Treaty and others adopted by the Energy Community institution and the signatories of the treaty create a uniform legal framework for the development of the energy sector in the region. The purpose of this paper is to review the role of concept of the Energy communities of the European Union in the implementation of geo-economic and energy

security projects of the countries of the Western Balkans, as a subregion of Southeastern Europe.

The main hypothesis in the research is: The concept of the Energy Community of the European Union contributes to the geo-economic development and energy security of the countries of the Western Balkans subregion. Auxiliary hypotheses are: 1) European Union projects support the exit from the economic crisis in the observed states; 2) The energy security of the countries of the Western Balkans is conditioned by cooperation with the European Union and the great powers. The paper uses research method and the scientific method of analyzing and synthesizing relevant literature sources on the importance and role of energy security and geoeconomic states, as well as methods of description, comparison, abstraction and generalization of observed information, knowledge and trends.

The scientific justification of our text is reflected in the insufficient presence of competent research in the academic environment of the observed region. The social significance of work means an adequate contribution to the education of relevant subjects in a given sphere of society. In this context, geo-economic stability and energy security in the current time of the Ukrainian war are essential postulates for overcoming the crisis in every country, including the Western Balkans.

Results and Discussions

Energy Community and Energy Union of the European Union

The process of establishing the Energy Community began in 2002 with the signing of the first Athens Memorandum of Understanding. This process continued in 2003, with the signing of the second Athens Memorandum of Understanding. The memoranda contain intentions on cooperation between the countries of Southeast Europe and the European Union in the field of energy. This process was also encouraged by the activities of the countries of Southeast Europe during the process of accession to the European Union, of which Bulgaria, Romania and Croatia have in the meantime become member states of the European Union, after the entry into force of this agreement. A special strategy has been developed for the countries of the Western Balkans. Given that energy production centers and energy consumption centers are often spatially distant, and that it is necessary to build infrastructure in order to connect these centers in an efficient and economical way, it is necessary to create preconditions for investment in energy infrastructure, and the first prerequisite is political and economic stability and a known legal and regulatory framework for investment.

The Energy Community, given its geographical location, should be a link between security of energy supply between the European Union's energy market as a consumer and the Caspian, North African and Middle Eastern gas reserves. In that way, the security of energy supply of the Energy Community from the mentioned sources would be achieved at the same time, but also by using domestic reserves of natural gas, coal and hydropower potential. In this sense, energy security implies the activities of the public sector of the signatories in order to achieve economic and social progress and a high level of employment, balanced and sustainable

development, as well as the creation of areas without internal borders for energy flows. [Nešković, 14, 35]

The area of activity of the Energy Community includes the implementation of European Union regulations in four basic interrelated areas: energy, improvement and protection of the environment, competition and renewable energy sources. In addition to these areas, the implementation of European Union standards in the field of electricity and natural gas is required, as well as the implementation of regulations on energy efficiency. The main goal of the Energy Community is to create a stable market, which is unique, built in a way that attracts investment in energy infrastructure, all with the aim of achieving access to energy capacity by member states. The importance of creating a regulatory framework for investments in energy networks and for energy trade transmitted through these networks was especially emphasized, in order to create the possibility of a balanced energy supply of all areas of the Energy Community in the geographical sense.

The need to connect energy networks within the Energy Community market with other markets was emphasized in order to achieve energy security, competition in the energy market, use of renewable energy sources, improvement of the environment and efficient use of energy.

The Energy Union is a plan of the European Commission that was started in 2015 with the goal of ensuring favorable, safe and sustainable energy for all countries of the European Union. The European Union's annual energy import expenditure is around € 350 billion, making the EU the world's largest energy importer. All measures and activities related to the Energy Union are of interest to the countries of Southeast Europe, and especially to countries that aspire to become members of the European Union. Most EU member states depend for the most part on foreign suppliers, which makes them extremely vulnerable in terms of energy security. The European Union also needs to modernize the outdated energy infrastructure in some of the Member States and to fully integrate its energy market and ensure the harmonization of national energy prices. The creation of a fully functional energy union will enable greater choice and lower prices for EU consumers. Basic indicators of energy security of the European Union [Cherp, Jewell, 27]:

1. The European Union imports 53% of the total energy it consumes,
2. Six EU Member States carry out their entire gas imports through only one supplier,
3. 75% of housing in the EU is energy inefficient,
4. 94% of turnover depends on oil and oil derivatives, of which 90% are imported,
5. Wholesale electricity prices in EU countries are higher by 30%, and wholesale gas prices by 100% compared to the United States.

The strategy of the Energy Union consists of five dimensions that are closely interconnected and that are designed to increase energy security, sustainable development and competitiveness, and these dimensions are:

1. Energy security, solidarity and trust: obtaining energy from different sources, better distribution between Member States and greater efficiency in energy use in all EU countries;

2. Fully integrated internal energy market: enable the free flow of energy through all countries of the European Union with the help of appropriate infrastructure, without any technical or regulatory barriers in order to provide the best energy supply to consumers;
3. Energy efficiency: reduce energy consumption from non-renewable energy sources in order to reduce emissions and preserve energy sources that already exist in the European Union, ie to reduce dependence on energy imports;
4. Climate policy-decarbonization of the economy: implementation of measures to reduce emissions of harmful gases that lead to climate change and encourage investment in new infrastructure and technology in order to minimize emissions of harmful gases and
5. Research, innovation and competitiveness: support for research in the field of new low-carbon technologies, support for adequate projects and cooperation with the private sector.

The Energy Union is focused on the most important goal of the European Union, which is to improve energy security. However, for now, there is no clear consensus on the goals to be achieved or on the ways to achieve these goals.

There are no winners in energy crises and wars - they are all losers. Reduction of production in consumer countries (which affects the increase of their import dependence), lack of investment in energy infrastructure, political uncertainties and conflicts directly affect the level of energy security of the region and the world, reduction of intensity and slowdown in energy policies. For example, the solution for the European Union regarding its gas security is known, and it concerns the need for diversification (which is more in the domain of the story than reality), but also the cooperation of the EU in order to define and implement a single energy policy. It is clear that without a unified policy, there is no and will not be security of supply, and today we are living in a constant energy crisis.

The fact that the first and second gas crises were marked by the initial days of 2006 and 2009, does not mean that they lasted that long. They lasted before that, and they continue today. It is clear that it is not possible to achieve development if energy supply and demand do not meet, so the opinion that countries with energy resources are in a better position does not correspond to reality. Will Russia, for example, benefit or harm from shutting off gas to Europe? Can he take with him billions worth and thousands of kilometers long gas pipelines - oil pipelines? What would happen to Russia's economy if this country's budget were reduced by 50%, if EU countries stopped using and paying for gas? It is known that 94% of the total gas exports from Russia go to European countries. In Europe, Russian gas accounts for 38% of European imports. Projections of the future warn both, and the future must be taken into account today. The needs for gas imports to the EU (in 2030) will increase by 5-6 times, in relation to its gas production. Some European countries have a significant share in gas imports from Russia, such as Germany and Italy, so it is not surprising that their primary focus is on bilateral agreements with Russia, to the detriment of European unity. In recent years, Gazprom has concluded contracts with Eni (Italy), Gaz de France (France), Gasunie (Netherlands), Basf (Germany), E.On Ruhrgas (Germany). Desperate for access to energy, and, of course, profit, European companies are playing against each other, in order to get the best possible conditions and advantages. If some do not want to accept the rules of Moscow, the competitor will quickly agree to them (leaving the first company with nothing). In addition, this economic and energy interdependence affects

the EU's foreign policy because it reduces its ability to influence and support key alliances in Europe and Asia, especially the Balkan countries, Central European countries, and Asia, such as Ukraine, Georgia, Azerbaijan, and Kazakhstan. and Turkmenistan, which are major transit-producing countries. Russian gas also accounts for 98-100% of consumption in Belarus, Estonia, Finland, Georgia, Latvia and Moldova.

As we have already pointed out, several projects and difficulties have pushed the issue of energy security to the top of strategic and political issues in Serbia. First of all, it is about the gas crisis from January 2009 and the "South Stream" project. The gas crisis from 2009 and the then Ukrainian-Russian gas dispute brought to light the fact that Serbia is almost completely dependent on only one source of gas and only one supply route. After the abolition of the South Stream project, debates on how to ensure the country's energy security intensified. It is a surprisingly good fact that Serbia's energy dependence in 2013 was 23.5% and that it was the fourth country in Europe in terms of minimum dependence on foreign energy sources. From neighboring countries, Croatia's energy dependence was as high as 52%, Macedonia's 48%, Montenegro's 26% and Albania's 25%.

This result, however, should be viewed in the context of halved industrial production in our country compared to a quarter of a century earlier. The data refer to the consumption of primary energy, which is significantly higher (by 50%) than the consumption of final energy. Namely, primary energy is used for the production of electricity, fuel oil, gasoline... The required amount of coal (participates in the consumption of primary energy with 50%), is provided from domestic production with more than 90% (while metallurgical coke is imported). Coal consumption is predominantly related to energy production by transformation into electricity, primarily in thermal power plants. Unlike coal, about 75% of oil and its derivatives and 80% of natural gas are provided from abroad. Petroleum products (primary gasoline, liquefied petroleum gas, Eurodiesel, base oils) are imported. Currently, most gas is imported from Russia, with a tendency to be completely tied to Russian gas, and the situation is similar with oil and oil derivatives (part of the oil and gas produced in Serbia will decline in the coming years). Of the other energy sources, the most important are hydropower and biomass, ie wood (together they make up about 1/8 of primary energy consumption).

According to World Energy Outlook estimates from 2015, demand for primary energy is expected to increase by 37% by 2040, with natural gas consumption rising by 50% and oil consumption by 10%. These trends will have unfavorable consequences for Serbia's energy security. This can be seen based on the estimates of the Energy Strategy of Serbia from 2014, where it is projected that import dependence, when it comes to natural gas, will be as high as 97% in 2030, while oil imports will increase to more than 90% of total consumption. If we look at the countries in the region, the International Energy Security Risk Index (IESRI) in its 2015 edition puts Romania in 15th place among the 75 largest energy consumers in the world, which is the best result of all the Balkan countries. Other countries lag far behind - Bulgaria in 57th place and Serbia in 61st place - only Ukraine, Uzbekistan, Turkmenistan and Singapore are behind it. Compared to the average performance of OECD countries after 1990, Romania has shown a steady trend of improving its energy security position from its most difficult moment in 1990 (53% higher than the OECD average) to its best estimate in 2009. (1% lower than the

OECD average) in anticipation of a slight deterioration in the country's performance in the coming years [Bouzov, 10].

In order to strengthen political power in the world, countries are trying to increase the competitive power of their economies on the world market, because political power has been used since time immemorial to achieve economic goals. In that sense, geoeconomics can be defined as a set of measures for mastering the economic space that countries take in order to achieve the goals of political supremacy. Today, geoeconomics has become both the purpose and the means of geopolitics as a practice. Bearing in mind that energy security is one of the key tasks of the 21st century of all humanity, we encounter the fact that it is necessary to systematically influence the sustainability of the energy sector in general. Only communities that produce enough energy for their needs in the future will be able to survive in the existing system. In fact, with the industrial era and technological development, world energy consumption is experiencing an incredible progression. In the last few decades alone, energy consumption has increased by a factor of 100 compared to the 17th and 18th centuries. The hunger for energy is constantly growing, which increases security risks. In modern security studies, a distinction is made between national, social and human security. Security does not depend on a specific event, but also on people's attitudes, which means that it is necessary to keep in mind the influence that people's ideas, interests and behavior have on security.

Geo-economy Concept of the Countries and the Great Powers

Located in the area of centuries of mixing of different cultures and civilizations, religions and zones of influence, on the border of continents, the Western Balkan subregion Southeast Europe region has always been a training ground for the conflict of interests of great powers. It was objectively from the time of Ancient Greece and the Roman Empire, through the dominant influence of Byzantium and then the Ottoman Empire, political and cultural influences of the Austro-Hungarian and Russian Empires, to the great suffering in the World Wars and the latest local wars of the 1990s. Decades of conflict during the Cold War erupted across the region. It is important for our research to see what the New Millennium has brought in terms of forms of geopolitical conflict and the spread of political influence, especially from the aspect of geoeconomics. Western Balkans subregion of the countries are in a zone of conflicting geopolitical interests. In that sense, they are under strong political, economic and military pressures. To that end, they are increasing their influence politically, economically, in the media and militarily. On the other hand, Russia is trying to regain its political and economic influence in this area, with which it is connected by centuries-old religious and ethnic closeness. It lost that influence with the fall of communism, so it is trying to regain it through economic investments and media presence [Nešković, 13, 15].

Theoretically, geoeconomics is a "cross-border political economy" based on "unfair competition". The rules on "fair competition" that apply in domestic markets do not apply to geoeconomics. Empirically, geoeconomics is becoming a substitute for the "declining role of geopolitics." Its task is to build a strategy for the action of the state, so that it can provide its companies and its economy with a competitive advantage over other companies and economies.

Every country must participate in the geoeconomic competition. She can not only defend herself, but also perform. That also applies to Serbia. Serbia's resilience to geopolitical pressures is in administrative proportion to its geoeconomic resilience. The policy of neutrality is a shelter from the risk of choosing between East and West. Neutrality does not have a sufficiently reliable economic basis either on the internal or external level, so it depends more on the readiness of external forces to allow it than on the economic strength of Serbia to defend it. Necessary conditions for strengthening geo-economic resilience are: capable state administration, re-industrialization, protection of the domestic economy and encouragement of the rise of domestic entrepreneurship. Only in this way can Serbia become a "land of hope" again. In any case, one must keep in mind the proven experience: "Whoever does not feed his army, will feed someone else's."

It is debatable whether geoeconomics has a separate theory, subject and method, which are necessary conditions for it to be recognized as a science. But there is a reality that no recognized branch of science can explain: the conflict of economic interests on a planetary scale. From the standpoint of economic theory, geoeconomics is a cross-border political economy based on "unfair competition". The rules on "fair competition" that apply in domestic markets do not apply to geoeconomics. In geoeconomics, the official ideology of "free international trade" does not apply either. From the empirical point of view, geoeconomics is becoming a basic parameter of the international order ", since military power is losing the traditional role that determined the hierarchy of states. The task of geoeconomics is to build a strategy for the action of the state, so that it can provide its companies and its economy as a whole with a maximum competitive advantage in relation to other companies and economies. Today, the hierarchy of states and their influence on the international stage are increasingly determined by economic reasons. Governments, in an effort to maintain or strengthen their position, seek to "gain a 'geoeconomic' substitute for a declining geopolitical role."

Energy Security Context of Country of the Western Balkans

It should be noted that energy began to play an important role in global geopolitics in the third quarter of the 19th century, and that this trend has only developed to this day, and the importance of energy has grown. Energy policy has influenced some countries to become large or regional powers, military or economic alliances have been established because of energy goals, and wars have broken out. Simone Tagliapietra states that every international order in modern history has been based on energy resources. Carlos Pascual warns that energy policy will determine the survival (or disappearance) of the planet in the coming decades. Since energy policy (or, as Pasqual also states - energy geopolitics) has always been the driver of global prosperity, international security (in the broadest context, therefore, the whole world) will depend on access to energy sources and energy market stability. Following the classification set authors and linking it to the issue of energy security, it can be concluded that there are correlations between the distribution of the most important oil and natural gas sources of foreign policy positioning of states, causal links of certain political decisions aimed at either by building strategic pipelines) or to prevent the other side from realizing such plans, and even the outbreak of wars creating zones of long and continuous instability in certain parts of the world.

The NATO 2020 Strategic Concept defines that the energy security of all members is one of the priorities in every respect, and the foreign policy approach was determined accordingly. After the election of Donald Trump as President of the United States, we are witnessing a kind of brutalization stated in the NATO 2020 concept. The pre-election slogan Make America Great Again applied in the energy security sector is: energy domination. That is why the energy strategy of the Trump administration emphasizes that energy diplomacy will take a prominent position on any thinking about US foreign policy. Energy security has become one of the most important issues for ensuring the national security of the United States, and energy diplomacy is an important (determining?) Factor in the overall foreign policy of the country. [Prontera, 51] At the same time, energy security is among the determining factors in the foreign policy of other actors. Despite being members of NATO, and thus partners of the United States in defining a whole series of decisions to which they must adapt, Germany and Turkey act independently when considering energy security. Both countries are cooperating closely with Russia, connecting with Russian natural gas sources through the "North Stream" and "Turkish Stream" pipelines. Russia, after the escalation of the crisis in Ukraine and the confrontation with NATO and the EU, does not want to be dependent on Western European consumers, so it turns to China, building the "Siberia Power" gas pipeline, currently one of the longest and with the largest capacity in the world. For China, however, as for any other country (despite excellent relations with Russia), it is important not to depend on one supplier, which caused the construction of alternative supply routes, the first of which was established with Turkmenistan, and through the territory of Kazakhstan. and Uzbekistan.

Another illustrative example of the impact of energy security on geopolitics comes from the Middle East. Representatives of the Syria, Iran and Iraq signed an agreement on the construction of the so-called Friendship Gas Pipeline (projected capacity of 40 billion m³ per year, from the Iranian South Pars site, through Iraq and Syria, to the bottom of the Mediterranean Sea to Europe, bypassing Turkey). just before the outbreak of the civil war in the suburbs of Damascus. The authors directly link the later activities of the Qatari leadership, which together with Saudi Arabia established a new project (it also included Jordan and again - Syria), in order to "throw" Shiite Iran out of the game. The first project was supported by Russia, while the USA and the EU showed interest in the second. In addition to regional actors, directly involved in this work, all involved global actors, guided by their interests.

It was by no means acceptable for the United States for European countries to buy gas from Iran, because that would bring new political problems in the Middle East, Tehran's influence would strengthen, and due to the continuous foreign exchange inflow, Iran's military power would probably grow. At the same time, it remained unacceptable for Russia to sell natural gas from Saudi Arabia on the European market, as that would jeopardize their position as the largest seller and, in that context, the most important bidder. The outbreak of the war in Syria, which destabilized the entire region and left major consequences for future relations, has its "energy background". Guided by the principle of ensuring energy security, the states plan their own foreign policy strategies in certain geographical areas in the long run, try to direct political processes in the desired direction and thus protect their own interests. From the point of view

of energy security, the actors of international relations use geopolitics as a systemic approach in order to ensure state security, social development and economic stability.

The issue of energy security is greatly exacerbated by the rapid development of the BRICS countries (Brazil, Russia, India, China and South Africa), which are large consumers of energy and / or energy, and thus there have been and will be significant changes in the geopolitical scene. These countries have significant power to influence global developments. As a result, major changes are taking place in macroeconomic policy and financial stability, especially in countries and regions that are large consumers of energy. This paper will present the results of research on the application of a geoeconomic approach to measuring energy security in the European Union, taking into account the fact that energy security is no longer affected only by security of supply, but also a large number of factors of geopolitical and geoeconomic nature. The European Union was chosen for the assessment because, on the one hand, it is a large consumer of energy, and on the other hand, it is faced with numerous problems concerning the import of energy, primarily natural gas.

The European Union's dependence on gas imports from the Russian Federation is a phenomenon that largely determines the world political scene. Efforts to improve the position of the European Union to a certain extent have so far shown only partially good results, with a tendency to further use energy as a political weapon. The crisis in Ukraine has not brought the positions of the EU and Russia closer, but has created additional misunderstandings and created a potential hotspot. From the aspect of the European Union, the best way that can improve energy security is the pressure on the banking and financial sector of the Russian Federation, which is evident from the sharp drop in crude oil prices that occurred after 2015. In addition, the European Union can use all first-class banking instruments, but there is evidence that it is not always based on realistic indicators. One way to put a country in a favorable or unfavorable position in terms of access to the global banking market and energy trade (as in other areas) is certainly speculatively defining its credit rating.

There is evidence that the three largest credit rating agencies did not properly assess the situation in some European Union countries during and after the 2008 financial crisis, with these countries being given a more favorable credit rating, putting them in a more privileged position. The higher credit rating of a certain country has the greatest impact on increasing the credit rating of companies of companies operating in that country, which are included in the world energy market, and which thus artificially strengthen. The credit rating looks at a number of indicators, the processing of which provides an assessment of the political and economic strength of a certain government, as well as the ability of a certain country to be resistant to financial and political shocks. In a word, credit rating is an indicator of resilience to geopolitical changes and can therefore be considered as a factor of great impact on energy security. [Nešković, 14, 39]

Credit rating assessments are created by the three largest agencies: Standard & Poor's, Moody's and Fitch Ratings, whose assessment is based on a defined methodology, with certain differences that exist in the interpretation of the results. Although new credit rating agencies

are starting to work, they are currently present on the world stage and the assessments of these agencies are most often used. It should be emphasized that the indicators used to assess a credit rating have different effects on the final result. Currently, the European Union is seen as a region with a stable and relatively high credit rating, although it is highly dependent on energy imports. The long-term goal of the European Union is further centralization and expansion of its financial market, which will greatly affect the European Union's ability to achieve and maintain the desired stability and independence in terms of energy supply. The ratings given by these agencies for certain countries have often proved to be calculating, poor or pretentious. There are a large number of studies that question the reality of credit rating assessments, that is, they indicate the possibility that credit rating agencies with their assessments even create or contribute to the deepening of the crisis in certain countries and regions. [Ymeri, 59]

In addition to the impact that a credit rating assessment has on the national economy, it has been fully demonstrated that there is a clear link between the ratings given to a particular national economy and the ratings received by companies and banks operating in that country. In addition, it has been proven that there is a collision between the ways of assessing individual credit rating agencies, as well as the inconsistent impact of the assessments of individual agencies on future economic trends in the observed country. All critics of the methodology of work and the role of credit rating agencies agree that all the mistakes of credit agencies seriously affect the stability of the financial sector, and thus the trade in energy, i.e. energy security in general. The role of credit rating in the world energy market is of paramount importance, because only countries with a high credit rating have a banking sector that is able to finance energy imports because it has first-class banking instruments, with banks in BRICS countries under special pressure. ratings have difficulty participating equally in energy trade. Due to all the above, a more detailed analysis of the impact of the credit rating on the energy security of energy importing countries at a given moment is of special interest. With the fall in oil prices during 2015 and 2016, the corporate credit rating of the largest oil companies was sharply reduced to the lowest level. In addition, the impact of speculative activities has increased. Due to all the above, the inclusion of a credit rating in the quantification of energy security finds its full justification.

Conclusion

The security of the countries of the Western Balkan subregion is indisputably expressed as a significant determinant from the aspect of the modern understanding of international relations and geopolitical theory since its inception. With the creation of modern nation-states, geopolitics as a theory but also as a practice "absorbs" itself through other sciences such as security, creating a completely separate scientific discipline, geosecurity and assigning it one of the leading places on the scale of state and national interests. Given the important historical, civilizational as well as cultural position of this immeasurably important geographical hub, Western Balkan and the Southeast Europe has always had an important place in the context of international relations.

The state of Serbia and the Western Balkans shares the fate of the vast majority of countries that do not have sufficient quantities of their own energy but are doomed to import, so for example almost all quantities of crude oil and natural gas are provided by imports. Coal is an energy source when Serbia has it in large quantities, but the problem with coal is its exploitation, where environmental pollution occurs. The cleanest and safest source of energy in the countries are large hydropower plants, but the problem is that they can provide only about 30% of total energy needs.

With or without the participation of countries of the Western Balkans, the European Union will continue to develop its energy system in the 21st century. Serbia is not an unequivocal state and in such a situation it can gain certain advantages. As the central country of the region, it is given the opportunity to become an energy distribution center, but much more than that. In the partnership between NIS and Gazprom, Serbia is already entering the international scene with the goal of becoming a country with a leading energy company, not only in fuel distribution but also in the production of electricity from gas sources. In this way, the legislation of the European Commission on the reduction of harmful gas emissions, protection and preservation of the environment is realized. Paradoxically, the fact is that Europe is less afraid of Russian gas than Serbia. Is it out of fear or insufficient vision of the future, but the fact remains that the Serbian territory is still not crossed by any important gas main route, while in Europe there is a built network of very important gas pipelines.

Energy security is part of the national security system of the state and requires additional and special study in order to reach a solution because the general picture and assessment of the position of the state of the Western Balkans subregion of the Southeast Europe not only on energy security but also other aspects is very unstable. In addition to energy issues, the country faces numerous political pressures that condition its further progress. Energy envy, geographical location, political and internal pressures will long be a challenge for all actors who exist on the scene and are involved in the process of planning, creating and ultimately implementing activities that would ultimately result in energy security and a better society as a whole. In this way, the set hypotheses were proven and the scientific and social justification of research on the current topic was confirmed.

Literature

1. Bouzov, V., (2020), Health Security or Freedom - a False Dilemma, The World After / in Global Pandemic, Book Series "Problems of Social and Economic Security" Vol. 1, Proceedings of an International Scientific, St. Cyril and St. Methodius University, Veliko Tarnovo, Bulgaria
2. Cherp, A., Jewell, J., (2014), The Concept of Energy Security: Beyond the four As. Energy Policy, New York, USA
3. EU Joint Research Center, (2015), Impact of Low Oil Prices on the EU Economy, Report
4. Europe Thane Gustafson, (2020) The Bridge: Natural Gas in a Redivided Harvard University, Press, USA

5. European Commission, (2006), Commission Staff Working Document: Annex to the Green Paper
6. Government of the Republic of Serbia, (2008), National Strategy for Sustainable Development of the Republic of Serbia, Official Gazette of the RS, 2008.
7. Jagdish, N., Rajendra, S., (2006), Tectonic Shift – the Geo-Economic Realignment of Globalizing Market, SAGE, Publication
8. Nešković, S., (2017), Neurodiplomacy and Neuroeconomics in the Context of European Integration of the Western Balkans, International Conference Economic / Legal / Communication Aspects of the Western Balkans with Special Reference to Bosnia and Herzegovina in the Process of Accession to the European Union, Travnik: International University of Travnik and Nakhichevan University of Azerbaijan
9. Nešković, S., (2018), Geostrategic Position and Security Synergies of the Black Sea Region Through Cooperation with the European Union, Cross - Border Book Series "New Challenges to Security and Development of the Balkans" Vol. 5, Cross - Border Cooperation, Security and Development Perspectives of the Wider Black Sea Region, St. Cyril and St. Methodius University of Veliko Turnovo, Bulgaria
10. Nešković, S., (2019), National Subjects of International Relations and Limited Sovereignty, Economy - theory and practice, year 12. Number 2, Novi Sad: Faculty of Economics and Engineering Management
11. Nešković, S., (2019), The Region of Caucasus and the Balkans in the Strategy of Eastern Partnership of the European Union, Cross - Border Book Series "New Challenges to Security and Development of the Balkans" Vol. 6, International Security and Development Policies in Bulgaria and on the Balkans, Proceedings of International Scientific Conference 02 - 03.11.2018., Veliko Turnovo, St. Cyril and St. Methodius University of Veliko Turnovo, Bulgaria
12. Nešković, S., (2021), The Danube Region and Postmodern Economic Coexistence of the Countries of Southeast Europe, Thematic Proceedings of Leading National Significance "Contradictions in the Postmodern Environment", Edition "Security in the Postmodern Environment", Book 33, Proceedings, International Scientific Conference, Belgrade: Center for Strategic Research on National Security - CESNA B, University "St. Cyril and Methodius" Veliko Tarnovo Republic of Bulgaria, International University Travnik in Travnik BiH and International Academy of Sciences, Arts and Security - MANUB Republic of Serbia
13. Nešković, S., Đelić T. A., (2021), Social Challenges and European Integration of the Western Balkans, Research result Sociology and Management, Online Scholarly Peer - Reviewed Journal, First published online 2014, Belgorod State National Research University, Russia
14. Nešković, S., (2022), Energy Community of the European Union and the Regional Geosecurity Challenges, Proceedings, 25. International conference, Travnik, International University Travnik, Bosnia and Herzegovina
15. Nuclear Power for a Clean Energy Future, (2017), International Atomic Energy Agency, Vienna
16. Prontera, A., (2017), The New Politics of Energy Security in the European Union and Beyond: States, Markets, Institutions, Routledge
17. World Energy Council, (2017), Energy Trilemma Index - Benchmarking the Sustainability of National Energy Systems, London: World Energy Council
18. Ymeri, H., (2018), Natural Gas in South East Europe, European Energy Journal 7.