

**Observations and Viewpoints
from the
Marshall Center - Macedonia Forum
on
Energy Security**

Energy security is one of the more significant security topics among the developed countries. The Republic of Macedonia has been lethargic in coming to grips with this issue, not only because our country is on the sidelines of the main economic-energy trends, but because we have still not grasped the importance of this modern challenge.

Energy security – inextricably linked as it is with access to resources, particularly energy – makes possible production and distribution security, or, if neglected, severely impairs it. A nation that ignores the question of energy is placing its own security in jeopardy. In the specific case of the Republic of Macedonia, the country's main energy resources and distribution networks are in private rather than state hands. This places the state in a position of dependency, complicating the work of systematic energy planning and the safeguarding of energy security. It is also the reason why Macedonia faces negative trends in its energy balance.

Unlike Macedonia, the rest of the world, in particular Europe, is concentrating its main political and economic efforts on maintaining functional sustainability, which will only be achieved through the timely and economical delivery of energy and resources to its own economy. There, different state property relationships mean there is an economic connectedness and that the energy companies and the states share an interest in profit. Therefore Europe collectively and intensively is thinking about the advancement of its own energy security, not just by improving production and delivery but also by developing alternative sources of energy to replace fossil fuels.

The main politico-economic negotiations in modern Europe are essentially concerned with reducing energy dependence and improving the use and distribution of natural gas and other energy resources. In addition, alternative energy sources are being explored for their potential to replace fossil fuels. Realizing such goals requires the long-term commitment of significant financial resources. It is safe to assume, therefore, that the future of energy transformation, i. e. energy security, is less and less likely to be something we can characterize as sustained or unwavering. Factor in the constant growth in energy demand from the Asian economic giants, and it becomes obvious that the energy crisis or energy stability is a challenge that mankind will continue to face for at least the next few decades. Incidentally, this inexorable reality is not going to make a detour around the Republic of Macedonia or this region.

Precisely for that reason, Europe in 2011 is throwing its weight behind energy security and alternative energy relationships throughout the continent, while the USA is about to enact its 2011 national energy law, which will enable the regional exploitation of energy resources. And while Europe is determining ways to carry out key energy projects and is working to build and operate major energy pipelines like Nabucco, it appears that the Republic of Macedonia and the region have turned their backs on these energy connections. Confirmation of this came with the announcement that we are pulling out of the project that would have connected us to the Southern Stream.

This is why Macedonia and the region are facing an even greater challenge, which underlines even more strongly the need for energy security. The energy challenges of the countries in the region do not differ greatly at the national level from those facing the region as a whole, at least so far as Southeast Europe is concerned. They include a need for improvement in the law on energy supply, a transparent determination of integrated regional energy connections, determination of the common limitations and energy dependence and determination of a strategy and methodology to deal with and provide for greater mutual security. However, the most urgent issue in energy security is the economic and political harmonization of national energy policies and political will.

Therefore, the participants of the forum emphasized that the regionalization of energy policy requires greater transparency, the renunciation of secrecy and closed-door decision making, and changes in the national regulations for defense training. The current outmoded regulations consider only the energy reserves that are needed in times of war or when war is threatened. They do not take into account modern energy associations. A modern perception of energy security in the region should encompass openness of energy connections, in line with the best mutual and joint solution for valuable and effective use and transmission of scarce energy.

In the view of the forum participants, the Republic of Macedonia will face an even greater energy dependence in the coming years, all the more reason for the country to acquire new sources of energy, which, if they are state-owned, will confer additional security.

In order to develop energy security, Macedonia should foster an inter-institutional awareness of energy challenges and the building of an integrated national approach. The state should develop standards and methodologies for protecting key energy infrastructure used in production and distribution. In addition, it should foster the implementation of a long-term energy strategy, something it is required to do by the Energy Law. Macedonia should also continue the process of harmonizing national and EU legislation and should work to harmonize investments with the region's common energy needs.

Participants at the forum expressed their disappointment at the limited presence of representatives of government and national energy organizations. However, the impressive turnout at the forum left no doubt that the theme of energy security is and will continue to be relevant to Macedonia and its neighbors.