The Tension Between National Energy Sovereignty and Intra-European Solidarity

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In this essay I will argue that the lack of a unified understanding of energy security among the Member States leads to diverging priorities for external energy relations. It follows that the obstacle for the EU to pursue a common foreign energy policy is the internal division between Member States who are willing to formulate a collective approach in external energy relations and the Member States who distanced themselves from the European Commission's action to do so. This argument is structured as follows. Firstly, I will argue that the EU's conception of energy security does not encompass the individual understanding of each Member State which depends on their diverging national specificities of energy. These specificities can be identified by the difference in diversification of suppliers in conjunction with the difference in energy mix. Then, I will argue that the difference in dependency on Russia for natural gas among the Member States leads to a different extent of vulnerability to supply shocks and political leverage. From a geopolitical perspective this vulnerability manifests the securitisation of the dependency on a supplier as a perceived threat to national security. Here, I argue that the potency of the perceived threat is being undermined by: (i) economic interdependence with Russia; (ii) the integration of the EU energy market; (iii) because there have been no long-lasting disruptions. Nevertheless, there is a difference among Member States in relation to Russia which I will show by contrasting Germany and Poland in terms of bilateral agreements with Russia. I will argue that these diverging contracts among States and the Nord Stream 2 project have undermined the EU's cohesion in external energy relations. Which exemplifies the tension between the Member States who seek to sustain their energy sovereignty, overall exemplified with Germany, and those which seek for the Europeanisation of external energy relations which I exemplify with Poland. Lastly, I will argue with regards to the Nord Stream 2 project that a common foreign energy policy would be beneficial for transatlantic relationships.

To begin with, the EU identifies the following three partially overlapping concerns that must be met in order to be secure in terms of energy: security of supply at a relatively low price, an efficient energy market and fair competition, and sustainable resources and production (Aalto and Temel, 2014: 761). Energy Security has been on top of the European Union's agenda because almost all processes in the EU's economy require energy resources and ensuring the supply of these resources, therefore, constitutes a viability of national security for the Member States (Ciută, 2010). Foreign energy policy is still dominated by the sovereignty of Member States which limits the co-ordination of a common approach in external energy relations (Aalto and Temel, 2014: 759). Despite the European Commission and Parliament's repeated efforts to support a foreign energy policy that goes beyond a competitive and efficient market policy, a common approach in external energy relations has not yet been reached (Wigell and Vihma, 2016; Commission of the European Communities, 2006: 14). Furthermore, the security of supply is the main concern for the EU's external energy relations given the EU's position as a net exporter which means that the imports of energy have been greater than the primary production (e.g. 58.2% in 2018) (Eurostat, 2020a). In this regard, what it means to be secure in terms of energy primarily depends on (i) the extent to which a state has diversified their set of suppliers and on (ii) their energy mix. For the former, a small set of suppliers constitutes greater dependency on certain suppliers which, in turn, leads to vulnerability to disruptions and determines the extent to which the supplier has political leverage over the importer given the threat of sanctions either by cutting off supplies or raising prices. The latter overlaps with the former, a diverse energy mix leaves a state less vulnerable to disruptions and less dependent on their suppliers. These conditions differ for each Member State as some states have diversified their suppliers and energy mix to the extent that the States will not experience disruptions if a single supplier cuts off their export. This

would, as I will argue, significantly impact other Member States who have not sought such diversification for which Poland is an example. The energy mix between the Member States is also distinct given that France, for instance, relies on nuclear for 42 percent of its energy whilst Poland (47%) and Estonia (72%) still heavily relies on solid fossil fuels (European Commission, 2020). And, for these differences, there is no unified conception of energy security which encompasses the diverging energy security issues the Member States face and prioritise.

The lack of diversification of suppliers for some Member States will be a growing concern for the EU. For natural gas, Member States are significantly dependent on imports from a small set of suppliers; given that natural gas accounts for a fourth of the EU's energy mix for which 40% is imported from Russia (European Commission, 2020). The dependency on Russia for gas will deepen because the production of natural gas in the EU has been falling since domestic production in the UK and the Netherlands is scaling back and, as a result, imported natural gas is likely to account for 80 percent of consumption by 2030 (Eurostat, 2020b). Some Member States are already completely dependent on Russia for their natural gas, amongst which are Lithuania, Estonia, Finland and Bulgaria (European Parliament, 2020: 13). For natural gas, dependency on suppliers is more consolidated. This is because unlike oil, petroleum products and solid fossil fuels for which the global market is relatively competitive and the resources can be transported in more flexible and less complicated ways across the world, natural gas is imported through costly and inexorable pipelines via transit countries such as Ukraine (Aalto and Temel, 2014: 759). This infrastructure leads to a fixed dependency on Russia as the main exporter of natural gas to the European Union. The underlying vulnerability was particularly evident when in 2006 and 2009 Russian disputes with Ukraine led to shutdowns in the dependent Central and Eastern European states who were left without sufficient energy supply; for instance, Hungary with 40 percent less and Austria and Romania with 33 percent less, France with 25–30 percent less and Poland at 14 percent (Maltby, 2013: 438). Hence, the implication that follows from the growing dependence on a single supplier is that some Member States will be increasingly vulnerable to supply shocks whilst other Member States, especially the Northern and Western Member States, who have diversified their energy imports, will remain significantly less vulnerable (European Parliament, 2020: 6). The states who perceive their dependency to be a significant vulnerability weaponise Russian gas as an external threat to their national security (Gawlik, 2018: 234). For instance, the Polish Government (2007) said it to be "the greatest external threat" to their security.

The securitisation of the dependency on Russia as a threat to their national security stems from the growing notion that energy is a source of international power, which is a realist-inspired geopolitical approach that sees energy as a source of conflict due to its scarce nature (Kuzemko et al, 2016: 150; Wilson, 2019: 114). Yet, the potency of the perceived weapon is undermined because dependence on Russian gas and vulnerability to disruptions is being reduced in the following three ways (Henderson, 2016). Firstly, there is a strong economic dependence of Russia on energy exports to the EU; fossil fuels, for instance, account for nearly half of their federal budget revenue and the EU is a key export destination (European Parliament, 2020: 13). In energy relations, Russia seeks for security of demand and thus shares an interdependency with the EU (Casier, 2011: 500; Kirchner and Berk, 2010: 864). Secondly, in response to previous Gazprom's abuse of its dominant position in European gas markets, the EU energy market has become more integrated and as a result the Member States can now trade Russian gas with one another (European Parliament, 2020: 13). This takes away Moscow's ability to coerce or sanction individual states by sharply raising prices or cutting off gas exports to an individual country. In this manner, Russia can no longer sanction individual states without cutting off supply to the EU as a whole because it would be an irrational step to take given their aforementioned economic dependence on the EU. Thirdly, there have been no long-lasting disruptions to gas supplies ever since the oil crisis in the 1970s which indicates that, at least for some Member States, Russia has been a reliable gas supplier (European Parliament, 2020: 22). Another argument that could be used to push back on the construction of an existential threat is that renewable energy and Liquefied Natural Gas (LNP) could substitute for the natural gas imports from Russia. However, while the proportion of renewable energy in the EU's energy mix is increasing, imported gas is still highly likely to remain key in the mix and simultaneously LNG is not yet efficient enough to substitute for large quantities (European Parliament, 2020: 7). Although this might lead to a reduction in dependency in the long term, it will not reduce vulnerability to a substantial extent in the short run or medium-term. Overall, the view that Russia is an existential threat to their national security of Member States is not universally held for these reasons. This brings us to the diverging bilateral agreements between each Member State and Russia which are especially distinct between Germany and Poland and demonstrate the different energy relationships with Russia.

Poland has suffered from disadvantageous energy gas contracts with Gazprom because the Member State, for instance, had to pay $526 per 1000 cubic meters in 2013 relative to $379.30 that Germany paid for the same quantity in the same year (Wigell and Vihma, 2016: 516). The difference cannot be explained by transportation costs but by the diverging bilateral agreements on natural gas contracts between Russia and each Member State (Wigell and Vihma, 2016: 616). Germany who enjoys relatively more advantageous agreements with Russia considers Gazprom to be a reliable supplier and, therefore, does not regard increased dependency on their natural gas as an existential threat to their national security. For instance, Germany allowed the five largest energy companies in Europe to construct a new pipeline, Nord Stream 2, which directly transports gas from Russia to Germany (Aalto and Temel, 2014: 764). Which indicates that Germany plans for Russia to remain a key supplier in the future. Poland, on the other hand, does not consider Russia to be a reliable supplier but instead a threat, and therefore has tirelessly lobbied for EU energy solidarity and has taken a vigorous stance for the Europeanization of energy security (Roth, 2011: 603). This, in turn, was countered by Germany who does not want to centralise an approach in external energy relations and deviate away from their bilateral agreements (Roth, 2011: 614). Wigell and Vihma (2016: 616) argue that Member states who enjoy more advantageous gas agreements have distanced themselves from the European Commission's efforts to pursue a strong stance in external relations with Russia. Furthermore, Poland is concerned about losing political leverage over Russia which the position as a transit country gave them because they are more vulnerable to sanctions given that the Nord Stream 2 project might allow Gazprom to cut off gas supplies to Poland without stopping their supply to Germany (Roth, 2011: 608). This is an issue faced by most Eastern European Member States on the transit routes. Thus, by the use of distinct bilateral agreements Russia weakens the cohesion of the EU in external energy relations (Wigell and Vihma, 2016: 617). In this regard, the Nord Stream 2 project exemplifies the division between Member States who want individual bilateral agreements on the one side and the Central and Eastern, exemplified with Poland, who want a unified stance and solidarity on the other (Fischer and Geden, 2015: 2).

The concern following from the Nord Stream 2 project about the weakening of Poland's position and the perceived threat is not the only one; there is also concern about the weakening of the EU's ability to take a strong unified stance against Russia beyond the realm of energy (Roth, 2011: 609). Deepening the dependency on Russia with Nord Stream 2 arguably contracts the cohesion on an EU-level to sanction Russia given that Russia has more leverage over Germany because of the fixed supply of natural gas. For this reason, the Nord Stream 2 project led to tension in EU-US relations as the U.S. Congress labelled the project a "drastic step backwards for European energy security and United States interests" and urged the EU to cancel the project (The U.S. Government Publishing Office, 2018 cited in Schoen and Krijger, 2019: 28). Hence, it would be beneficial for the EU's transatlantic relationship to take a strong coherent stance on external relations. However, one can push back on this concern because all the Member States have agreed on a unified stance on sanctions against Russia (Wigell and Vihma, 2016: 19). In this regard, the EU's cohesion in foreign policy is strong and demonstrates the EU's ability to take a coherent stance on external relations. Nevertheless, according to the Green Paper by the Commission of the European Communities (2006: 14), the EU still does not speak with a "single voice" in external energy relations. In the Green Paper it is noted that a "single voice" would strengthen the EU's ability to integrate their energy objectives in relationships with third countries and on bi- or multilateral platforms (Commission of the European Communities, 2006: 14). More specifically, this would for instance help the EU with promoting international agreement on energy efficiency on fora as the United Nations, Internal Energy Agency and the Group of Eight. Hence, there are incentives to pursue a coordinated approach but the tension between national energy sovereignty and intra-European solidarity in terms of external energy relations remains an obstacle for the EU to implement one. The extent to which these objectives could drive cooperation on an EU-level has been beyond the scope of this essay but would be an interesting further topic to pursue.

In conclusion, I have argued that the key obstacle for the EU to pursue a common foreign energy policy is the internal division between Member States who either seek to maintain their national energy sovereignty and avoid a unified stance in external relations, and the states who seek for the Europeanization of energy security. In this essay I have exemplified this respectively with Germany and Poland. First, I have argued that the EU's overarching conception of energy security does not apply to the diverging issues and priorities of the Member States given their different mix of energy and suppliers in combination with the diverging bilateral agreements. Thereafter, I have argued that the national energy specificities and differences in dependency on Russia translates to a difference in vulnerability to

disruptions. Following, I argued that this vulnerability underlies the extent to which the dependency on Russia is securitised. In response, I have objected to the potency of the theoretical threat of dependency which, in turn, showed that the securitised view is not universally held among Member States. I then countered this view with the difference in bilateral agreements among Member States by exemplifying the contrast in gas contracts with Russia and the Nord Stream 2 project. This showed the division between Germany, which wants to maintain their individual bilateral agreements with Russia, and Poland, which wants a unified stance and solidarity. Finally, I argued with regards to the Nord Stream 2 project that a strong stance of the EU in external energy relations would be beneficial for transatlantic relationships, and I suggested that another incentive to take a strong stance is the ability to facilitate the promotion of energy efficiency in international agreements, which would be an interesting follow-up topic. All in all, this leads me to conclude that the tension between national energy sovereignty and intra-European solidarity demonstrate the diverging priorities of the Member States which is the obstacle to pursuing a common foreign energy policy.

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