

## **Russia and the West's problem of energy security**

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Russia is and will be an inevitable companion for Europe in energy matters. But these relations are determined by a set of two interrelated problems:

1. Russia moves along a fine line between its **own political interests** in a global struggle for power and regional dominance while at the same time it needs to be a **reliable supplier** because a major share of Moscow's national budget depends on energy exports. So Russia has to permanently balance between politics and economics.
2. And second: Within Europe we are still missing a common approach towards our Eastern neighbour, which is mostly due to **different perceptions** about Russia and our relationship with it. Our views vary between a symmetrical partnership – a perspective that is very common for instance in Germany – and Russia as the "evil energy superpower" – which is the dominant picture in some of the Eastern EU member states that have been most affected by the recent gas dispute.

So what could be a **possible conclusion** or recommendation for the transatlantic partners on “Dealing with Russia” in the field of energy? I think there are three things we have to do:

1. First of all the 27 EU members have to decide how serious they really are about a **common energy policy**. Over the past years we have heard a lot about a coherent European approach, including external energy relations. But substantially nothing much happened. So now it is time to either commit to a comprehensive common policy or leave it. If we can finally agree on the basic principles of political cooperation above the level of an internal energy market and the emission trading scheme we have to define our **common energy interests** and the **scope of joint measures**. In that case Europe might be able to establish an effective approach on energy matters, based on **solidarity** and political coordination (“**speaking with one voice**”). The Commission’s 2<sup>nd</sup> Strategic Energy Review is in my opinion an adequate move in the right direction as it presents a clear action plan on these questions.
2. The second step after the implementation of an intra-European agenda for energy security is to intensify the EU’s cooperation with other major consumers like the US to gain a **common understanding** of the global energy situation, overlapping or conflicting interests and other relevant

concerns, like sustainability or possible conflicts about the access to resources. Both Europe and the US are dependent on foreign supplies and confronted with increasingly tighter markets for fossil fuels. Thus the transatlantic partners should deepen their cooperation on different aspects of energy security, such as **energy efficiency**, **smart technologies** and **concerted crisis reaction** in the case of supply interruptions. The latter one should include **early warning mechanisms** to prevent energy cut-offs if possible.

3. The third recommendation for “Dealing with Russia” and other suppliers is to create a global framework for **energy governance**. One of the sources of tension in energy relations worldwide is a lack of transparency and reliability. In combination with distinct national interests – in particular security of supply and security of demand – energy is a highly politicized issue. Hence a comprehensive **regulatory framework** is essential to normalize global energy relations. This framework should include rules for **more transparency** in energy trades, the principle of **reciprocity** and an effective mode for **dispute settlement**. Such an agreement has to respect the different interests of producers and consumers and the existing interdependencies between them. But, and that is my last point, on the way to this energy governance framework Europe and its transatlantic partners have to employ a **double-track strategy**:

While accepting energy producers as equal partners with legitimate interests we should draw a clear line in how far we are willing to grant concessions.

Energy security is one of the main challenges of our times and no country will be able to deal with these issues on its own. So **cooperation** – in Europe, within the transatlantic partnership and globally – is key for the security of our energy supplies. But cooperation must not be limited to the Western world or only the group of net importers. If we are not able to integrate Russia and other suppliers, cooperation is worthless.