

Energy and Politics

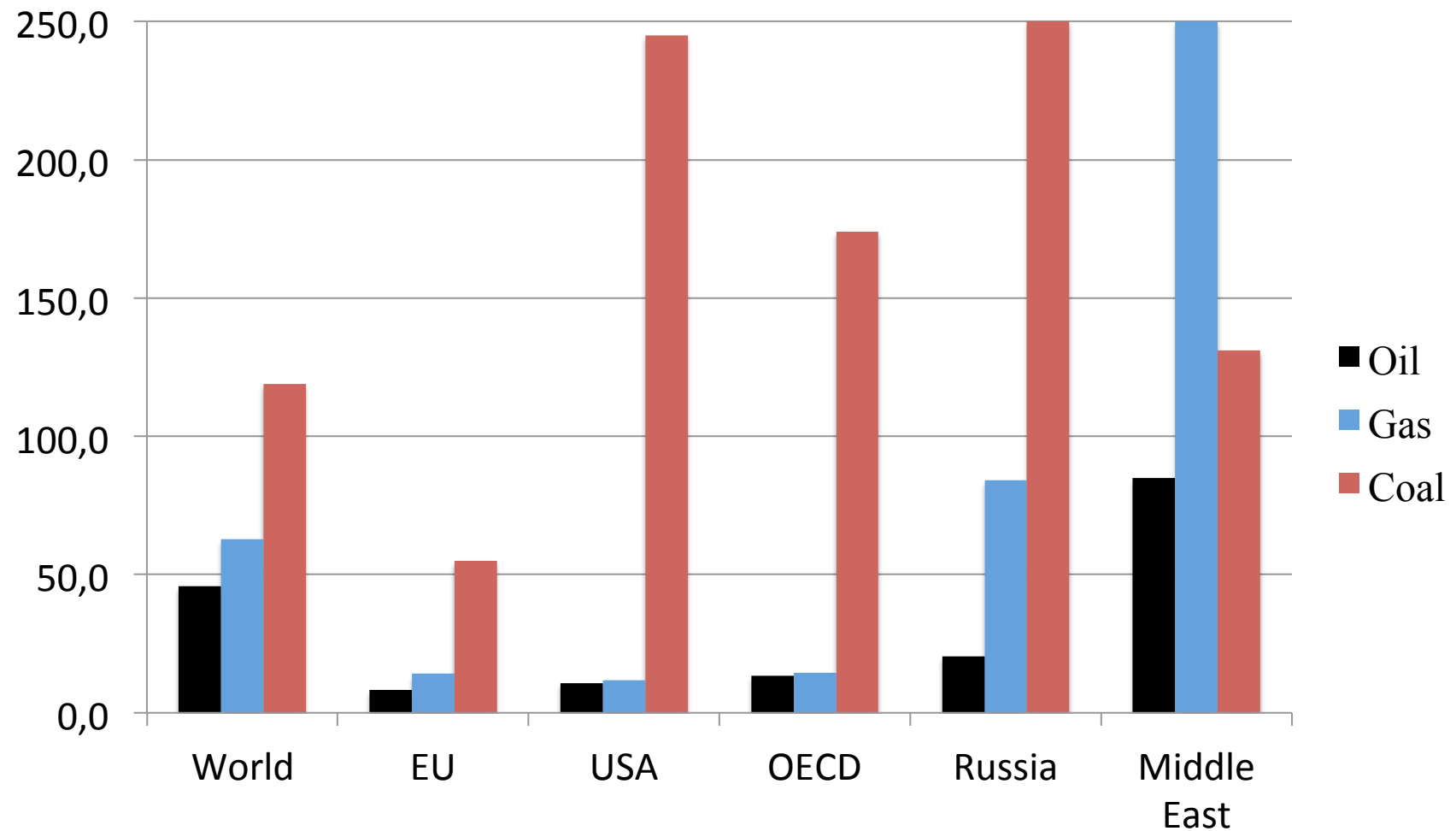
The Geopolitics of Energy Security

Florian Baumann
Center for Applied Policy Research
Research Group on European Affairs
Maria-Theresia-Str. 21
81675 Munich

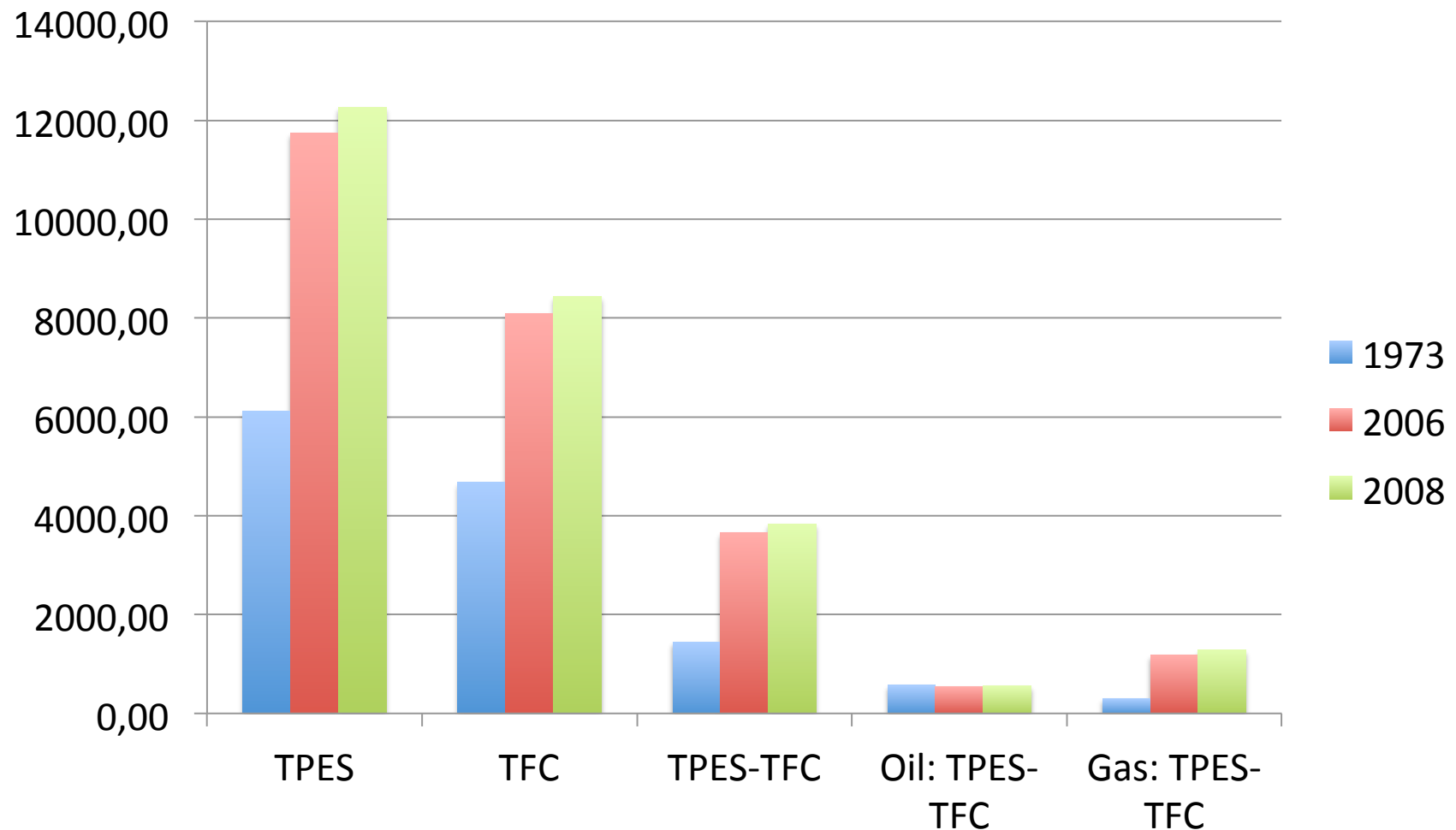
Global and European Energy Challenges

- **finiteness of resources worldwide and especially in Europe**
- **rising global demand**
- old and new conflicts in resource-rich countries / regions
- resource nationalism
- import dependency
- volatility of fossil fuel prices
- global warming / climate change

R/P Ratio 2008



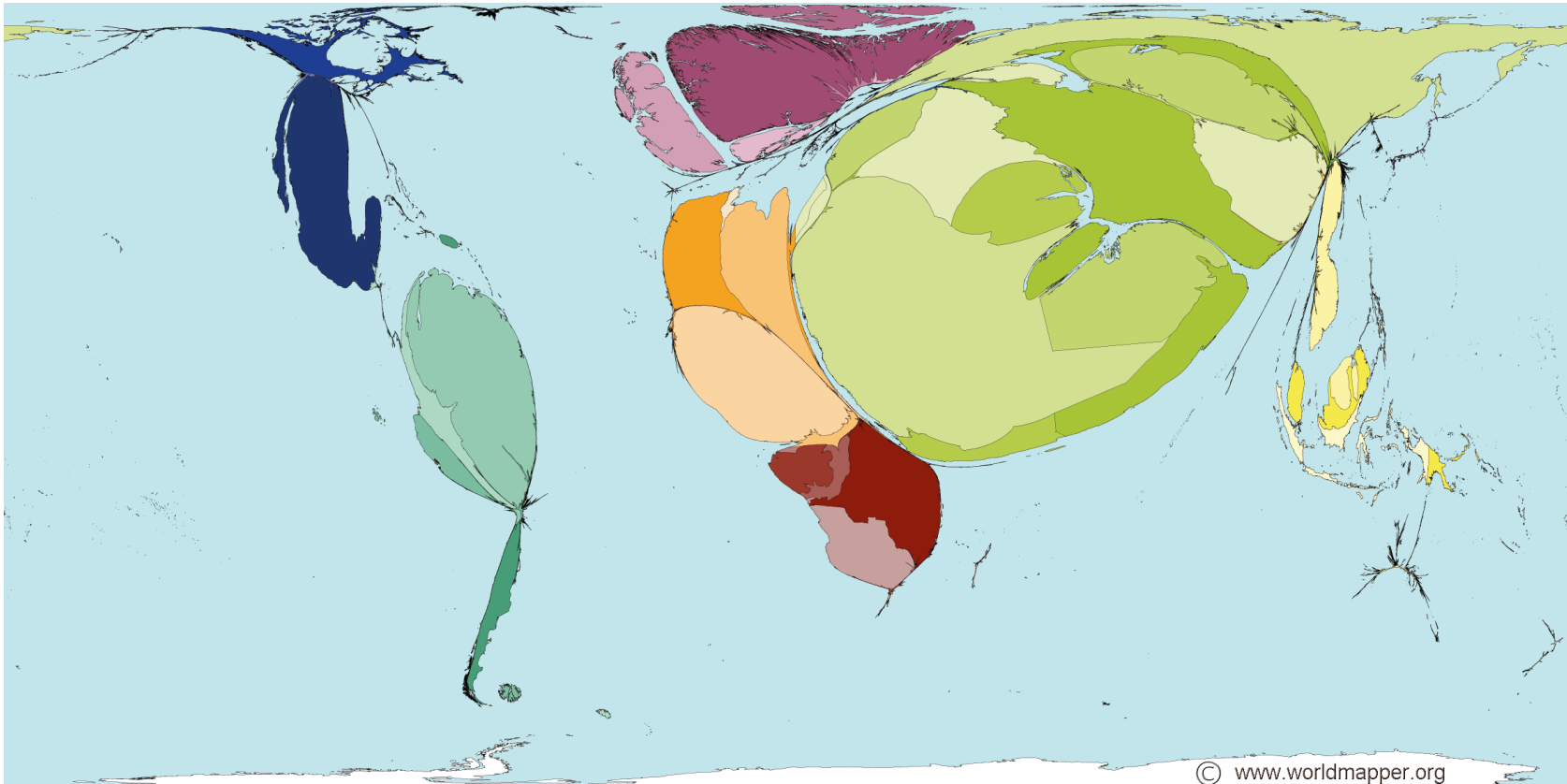
World Energy Production and Consumption



Global and European Energy Challenges

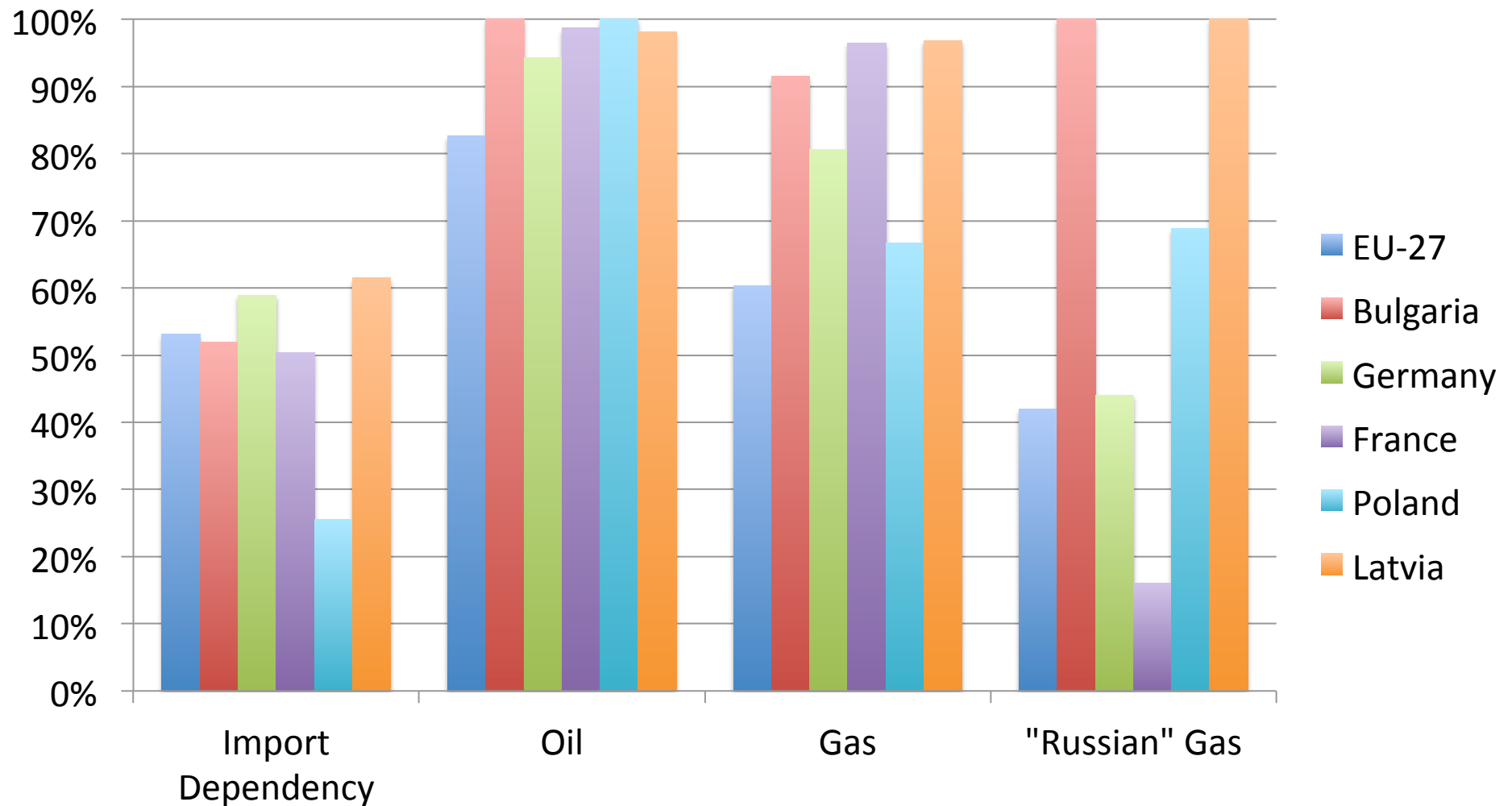
- finiteness of resources worldwide and especially in Europe
- rising global demand
- **old and new conflicts in resource-rich countries / regions**
- **resource nationalism**
- **import dependency**
- volatility of fossil fuel prices
- global warming / climate change

Global Oil Exports

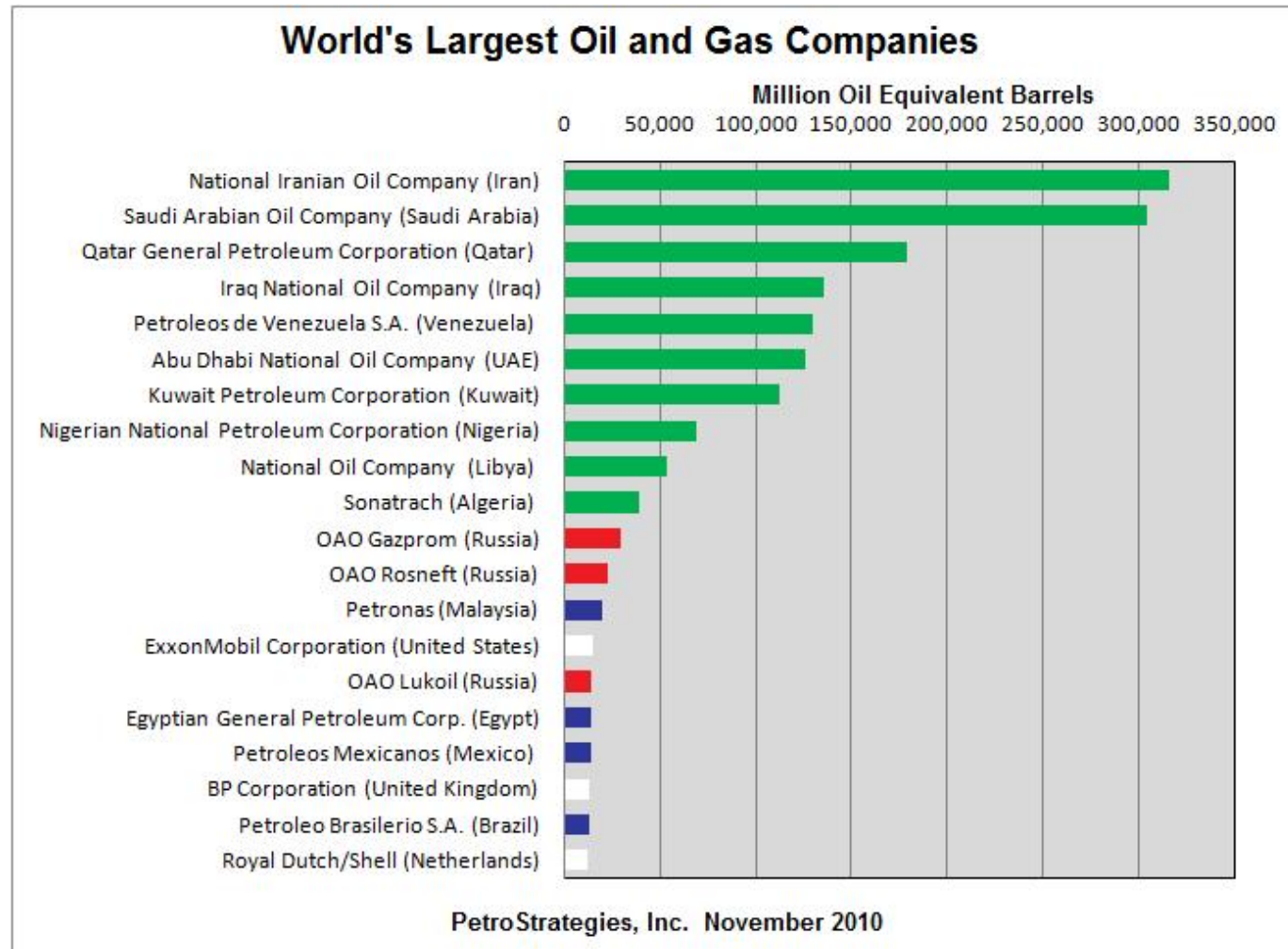


"My father rode a camel. I drive a car. My son flies a jet-plane. His son will ride a camel."

Import Dependency



Resource Nationalism

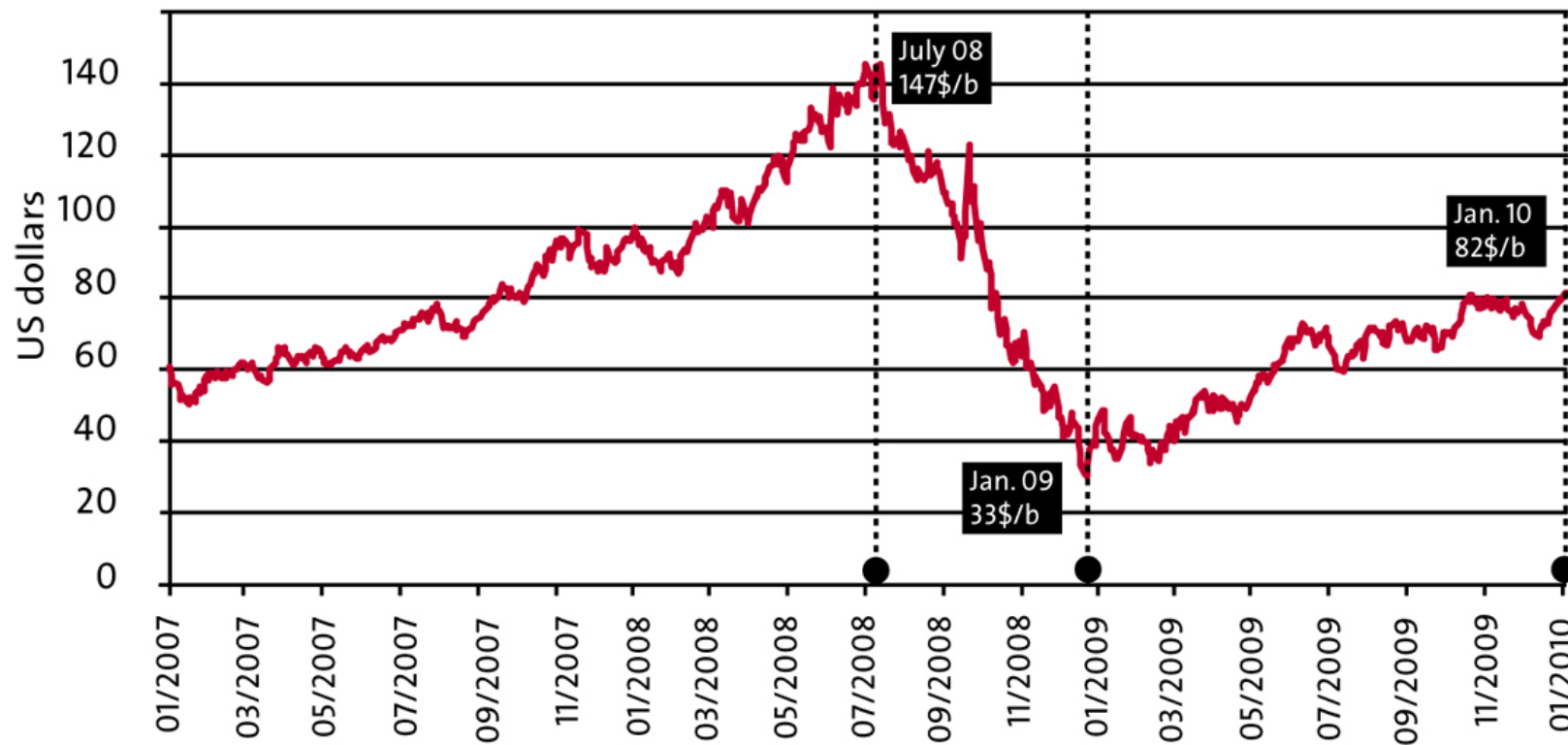


Global and European Energy Challenges

- finiteness of resources worldwide and especially in Europe
- rising global demand
- old and new conflicts in resource-rich countries / regions
- resource nationalism
- import dependency
- **volatility of fossil fuel prices**
- global warming / climate change

Global Oil Exports

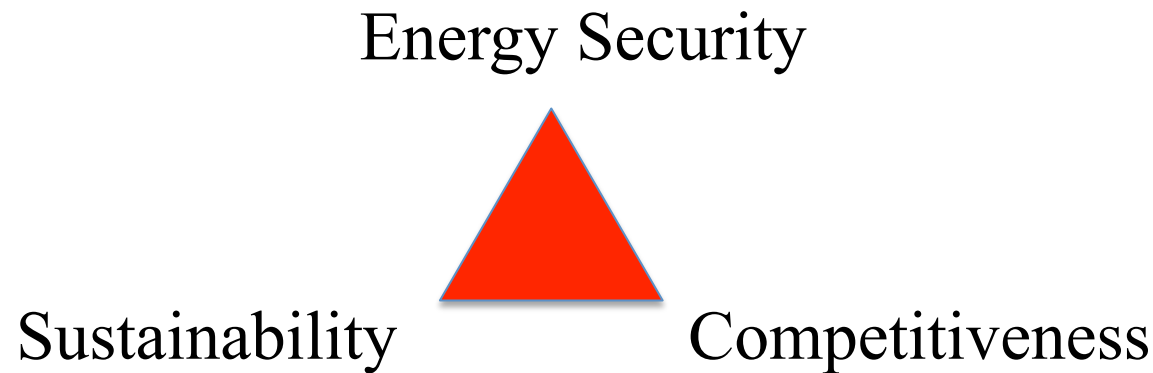
Oil price volatility 2007-10



Strategic Trends 2010 (Center for Security Studies, ETH Zurich)
Source: Energy Information Administration



Golden Triangle



- ⇒ necessary trade-off between these objectives
- ⇒ sustainability as (false) priority?
- ⇒ a new emphasize on energy security?

What is Energy Security?

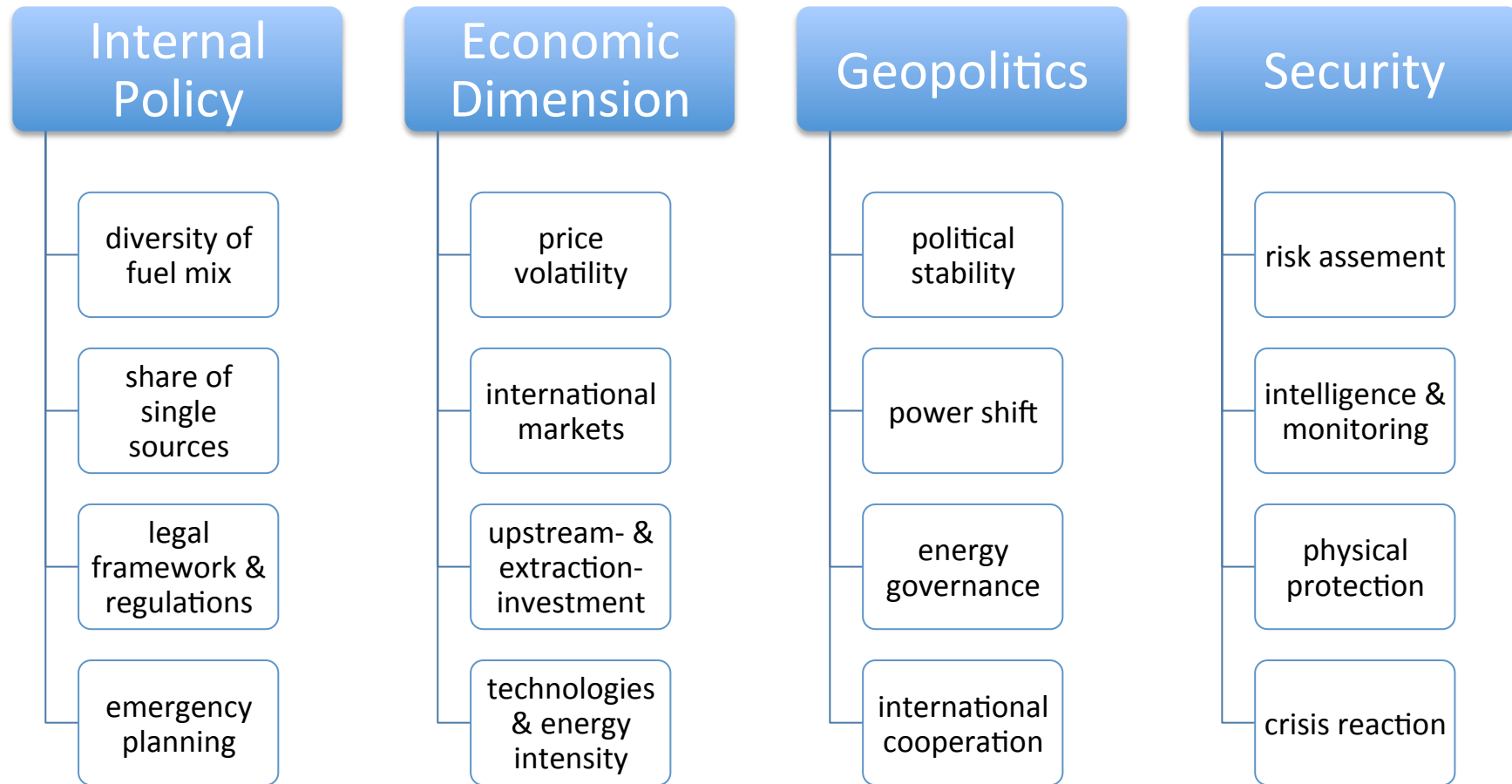
- **usual definition:** reliable supply and affordable prices (Daniel Yergin)
- security of demand: energy exports as essential contribution to state budget and necessary for the return on investment
- **minimization of the risk of energy crises using the tools of politics** (Clingendael)

⇒ Energy security is a underdeveloped concept!

Energy Security as multidimensional concept

- prices and availability are not sufficient for conceptualization
- time-horizon: short-term vs. long-term risks
- energy security: status quo vs. process
- **4 dimensions:**
 1. internal policy
 2. economic dimension
 3. geopolitics
 4. security policy

Four dimension, various facets



The New Great Game

1. Rising import dependency induces a major shift in political power resources.
2. The higher tension on energy markets can trigger local / regional / international conflicts about remaining fossil fuels.
3. Access to energy resources is one of the driving forces of international relations.

Energy Policy for Europe

The four pillars of the EU's energy policy:

1. internal energy market
2. energy security
3. efficiency, energy savings and renewables
4. interconnectivity

+ “spirit of solidarity” (Art. 194 TFEU)

EU as an Actor in International Energy Politics (I)

- COM as driver for (geographical) diversification (Nabucco, etc.)
- international cooperation /dialogue: Energy Charter, early warning mechanism (EU-Russia), BASREC, EU-OPEC Ministerial Meetings, ...
- Neighbourhood policy: Energy Community, Eastern partnership, ...

EU as an Actor in International Energy Politics (II)

- strategic deficit
- focus on internal aspects of energy politics / energy security (IEM + ETS)
- barely any competences for external energy policy on EU level
- national restrains

2nd Strategic Energy Review

Solidarity as best answer on the challenges to energy security:

- infrastructures and diversification
- external energy relations
- strategic oil and gas stocks
- energy efficiency
- indigenous energy resources

Energy Solidarity

- What do I mean by energy solidarity?
 - ... more than mutual emergency assistance,
 - ... not necessarily more communitarization,
 - ... but a fundamental value of EU-integration.
- Preconditions:
 - define common (energy) interests
 - elaborate common risk perceptions
 - formulate common strategies

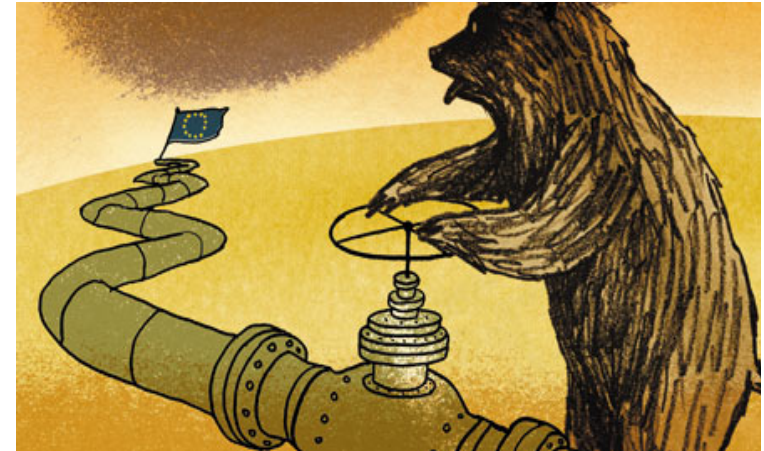
The EU and Energy Geopolitics

- The EU should concentrate on ...
 - ... strengthening global energy governance,
 - ... a joint approach on suppliers, transit countries and other major consumers,
 - ... a common risk assessment and crisis reaction.
- The EU should not ...
 - ... build pipelines and other infrastructures,
 - ... prioritize one of the three strategic objectives.

NATO and Energy Security

- NATO's interest for energy: military origin vs. political component
- (possible) added-value: limited but significant
 - monitoring: choke points and critical infrastructures
 - training of security forces in producer and transit countries
 - collective emergency planning and crisis reaction
 - **energy diplomacy**
 - **deterrence**
- synergies from EU-NATO cooperation on energy security

Energy and Politics



Thank you for your attention!