

Claus F. Faulenbach

Towards a European External Energy Policy

Interest Divergence between EU Member States as an
Obstacle to a Common Policy

5 October 2009

Master Thesis

by

Claus F. Faulenbach

supervised by

Ass. Prof. Dr. Ronald L. Holzhaacker and Prof. Dr. Norbert Konegen

Universiteit Twente & Westfälische Wilhelms-Universität

Study Program: European Studies

Student Number: s0128864

Abstract

The purpose of this paper is to find out which obstacles exist in the EU on the level of the Member States for the development of a Common European External Energy Policy. Using the example of the Nord Stream pipeline project the diverging interests of four countries are studied and analyzed to show what the different interests mean for a common policy. The paper argues that not only economic interests but to a high degree the securitization of energy policy and historical experiences play an important role and make it difficult to develop a common policy. Moreover it is shown that Liberal Intergovernmentalism can to a certain degree explain non-integration in the European Union.

Abbreviations

BATNA	Best Alternative to a Negotiated Agreement
BCM	Billion Cubic Meter
CAP	Common Agricultural Policy
CEE	Central and Eastern Europe
CFSP	Common Foreign and Security Policy
EAEC	European Atomic Energy Community
ECSC	European Coal and Steel Community
ECT	Energy Charter Treaty
EEEP	European External Energy Policy
EEZ	Exclusive Economic Zone
EP	European Parliament
EU	European Union
GDP	Gross Domestic Product
GNP	Gross National Product
IEA	International Energy Agency
LI	Liberal Intergovernmentalism
LNG	Liquefied Natural Gas
NATO	North Atlantic Treaty Organization
OPEC	Organization of Petroleum Exporting Countries
PCA	Partnership and Cooperation Agreement
RES	Renewable Energy Sources
TEN-E	Trans-European Energy Networks
TFEU	Treaty on the Functioning of the European Union
TPES	Total Primary Energy Supply
WTO	World Trade Organization

List of Figures

Figure 1: The Four Steps on Analysis (p.17)

Figure 2: Conceptions of a European External Energy Policy in the Four States (p.39)

Figure 3: Overview of the Preferences concerning Nord Stream (p.41)

Figure 4: Importance of Interests (p.43)

Table of Contents

Introduction 1

The Need for a Common External Energy Policy..... 3

The Current EU Policy..... 4

Integration Theories and Obstacles to Integration10

The Nord Stream Pipeline as an Example14

Analysis of the Interests of Four EU Member States15

Latvia – Opposed But With Strategic Interests18

Poland – The Fear of the ‘Schröder-Putin-Pact’23

Sweden – Nord Stream as a Threat to National Security.....29

Germany – Nord Stream as an Economic Decision32

The Conceptions of an External Energy Policy – a Comparison38

Diverging Interests about Nord Stream.....41

The Importance of Interests and the Future of an External Energy Policy.....44

Conclusion47

References.....51

Introduction

For observers the first days of the year 2009 seemed to be a déjà-vu of the events in 2005/2006 when Russia cut off the gas supplies to Ukraine for several days. Again there was a dispute between the two countries on gas supplies, debts and transit fees but the effects on Eastern and Central Europe – among them many EU Member States – were more severe than in 2006. Many did not receive gas at all or only a small share of the needed gas through other pipelines, such as the Yamal pipeline which does not pass the Ukraine.

The EU's reaction was regarded as rather helpless by commentators (Knuf 2009; Kim 2009) and it raises the question what the EU and its Member States do to prevent the EU from becoming a hostage of the disputes between third countries. There have been certain attempts in the last years to develop a common policy which is aiming at developing a joint approach towards the issues of energy supply and the special relations towards supply countries. The starting point was a Green Paper of the Commission released in March 2006 (EU Commission 2006 a) which contains several proposals in this field.

Nevertheless the EU is still far away from a real common policy in this area and the Member States conduct national policies to secure their energy supply through bilateral agreements without intensive coordination with the other Member States. This paper wants to focus on the obstacles to a common external energy policy or common foreign energy policy, especially those which can be found in the national interests of the Member States. Instead of generally looking at all Member States and their general interests the paper analyzes the interests of a selection of countries in the case of the Nord Stream pipeline – in the past also called North European Gas Pipeline – which is one of a few big pipeline projects in Europe.

The main research question is: *What kind of diverging interests concerning the Nord Stream pipeline project do EU Member States have and what do they mean for the development of a common European external energy policy?*

This question implies that there are different interests and in this case there are undoubtedly diverging interests, which becomes clear after a short look at media reports and some statements of different governments. Three questions are subordinated to the main research question: First, what is the current state of EU policy in the respective field? Second, what

are the interests of different EU Member States? And third, what are the consequences of these interests for the development of a common European policy?

The structure of the paper will roughly follow these research questions. In the beginning the paper discusses the need for an external energy policy and shows global and European developments which call for such a policy. Afterwards, it will very briefly try to approach the research questions from a theoretical point of view – by using the integration concept Liberal Intergovernmentalism for the formulation of hypotheses and as a tool for analysis. Then the paper will explain why the Nord Stream project is appropriate for the purpose of this paper and why the four countries – Germany, Sweden, Poland and Latvia – were selected. This part is followed by the empirical study of the interests of the countries. Finally the paper looks at different categories of interests and asks what they mean in general for the future development of a European external energy policy.

This research paper is based on different sources. The current policy of the EU is described on the basis of (the) EU documents and comments on the policy by some authors. For the analysis of the interests of the EU Member States, government papers, news agency articles and newspapers were used, but the paper could also rely on different research and policy papers. Robert L. Larsson from the Swedish Defence Research Agency (FOI), for instance, has analyzed implications of the Nord Stream project, particularly under security aspects for Sweden (Larsson 2006, 2007, 2008); Andris Sprūds (Sprūds 2006 a, 2006 b) has focused on the Latvian situation, Heinrich (Heinrich 2007) on Poland. Different papers or books deal with the EU-Russia relations and in this frame touch the Nord Stream project (Aalto 2008) or focus only on Russia, such as Edwards Luca's Russia-critical book 'The New Cold War: Putin's Russia and the Threat to the West' (Lucas 2008). The author of this paper has also tried to get in touch with ministries in the states analyzed, but it turned out that there was a certain reluctance to answer to questions on Nord Stream or to describe the national position towards a common external energy policy. The questions concerning these topics are very "delicate" as a Polish ministerial said.

Few papers also deal with the current situation and problems of an external energy policy (Geden et al. 2006; Youngs 2007; Bummer/Weiss 2007; Umbach 2007). It is a current issue and because of this most of the sources are available online, only some have been published in books or journals. So all in all, the state of sources is rather good but also a bit like a mosaic which needs to be put together.

The Need for a Common External Energy Policy

The topic of a common external energy policy or common foreign energy policy has been a highly relevant topic not only since the two gas disputes between the Ukraine and Russia in the last years. The reason is that energy security – in the sense of security of supply – is usually regarded as the main purpose of an external energy policy (Geden et al. 2006: 9) and this security will be more at risk in the future than before.

Several European and particularly global developments call for such a policy on EU level. The European Union is highly dependent on energy imports; its energy production satisfies less than half of its needs. Especially oil (60%) and gas (26%) have to be imported, but the dependency on imports varies from country to country. Some countries, such as the Baltic States, Sweden, Finland, Bulgaria, even depend as far as gas is concerned on only one supplier – Russia (EU Commission 2008 a: 8). Due to the decline of the indigenous production of fossil fuels the EU Commission expects – even under positive presumptions with a new (more energy efficient) energy policy – an increase in import dependency of the EU (EU Commission 2008 a: 19).

On a global level the world's primary energy needs are expected to increase between 2005 and 2030 by 55% (International Energy Agency 2007 a: 4). Especially the skyrocketing demand of China and also of India contribute to this and increase the competition for access to natural resources all over the world. Particularly in Africa countries like China conduct a (development) policy which aims at getting access to the resource-rich continent (cf. Saam 2008). The increasing competition – together with the depletion of natural resources – leads to an empowerment and strengthening of the position of the resource owners.

Problematic is the fact that most of the natural energy resources are located in countries, which are no democracies in the western sense and/or have unstable political systems. Although they usually adhere to market-rules in energy questions they also pursue geo-political approaches. Europe is also faced with often state-controlled companies on the supply side, such as Gazprom in Russia, whereas most companies in the EU (with some exceptions such as EDF, GDF SUEZ in France or PGNiG in Poland) are in private ownership.

All these circumstances will lead to the fact that “state-level discussions [...] are becoming more relevant” (Geden et al. 2006: 2). The “exploitation of energy resources between the consuming and producing countries often becomes an issue of foreign policy, and an instance of its intersection with other trade interests and interests of energy companies”

(Aalto/Westphal 2008: 7). This is the complex the European states and the EU have to deal with. The EU itself is quite active in the field of energy policy, especially concerning market liberalizations and access to domestic markets, which is regarded as part of the European Single Market.

However a comprehensive common external energy policy has not yet been developed, although the circumstances call for such a policy. Nevertheless, most of the competencies in energy policy remain in the hands of the Member States which “have been developing their own energy policy, depending on geo-strategic elements, their own resources and needs, their diplomatic relationships with providers and transit countries etc.” (Geden et al. 2006: 4). These national policies have repercussions on other countries in the form of external effects – either negatively or positively. If a country decides to conduct a certain policy this affects not necessarily but quite often neighboring countries. The decision to build coal-fired power plants might increase the environmental pollution of other countries, the building of an oil or gas pipeline might increase the access of neighboring countries to these resources (if spurs are built) and at the same time their energy security. Plenty of these external effects occur in the field of energy policy.

Under these conditions it would be a logical step to develop a comprehensive common external energy policy, but this has not yet happened as will be shown later – except for some smaller attempts by the EU Commission.

The Current EU Policy

This paper aims at analyzing the differences of the interests of different EU Member States concerning the Nord Stream pipeline and its impact on a common EU external energy policy. Therefore it is necessary to understand the current state of EU integration and the EU policies with its limits. Only by knowing the lack of integration and the related problems for the EU can the differences in the national positions be interpreted and their relevance for further integration be understood. Not all steps and initiatives on the EU level touching the issue can be mentioned here, for the sake of brevity and clarity the focus lies on the most important steps.

Although the foundations of the European Union lie somehow in the energy field, with the ECSC or the EAEC/Euratom Treaty, a real common energy policy and particularly an external energy policy has not yet been developed. However, it would be wrong to say that the EU

Commission has not realized that on EU level much could be done in the field of external energy policy. Concerning energy policy the former commissioner Loyola de Palacio already said in 2004 at the Brussels think tank the European Policy Centre (EPC) that the EU should boost its internal collaboration and, in addition, the “European Parliament and the Council would have to concede that national sovereignty could no longer resist the global market and the geopolitical scene”(European Policy Centre 2004).

At the Hampton Court summit of the *European Council in 2005* under the UK’s presidency it was acknowledged that the EU needs a coherent energy policy. In March 2006 the EU Commission issued a *Green Paper* titled “*A European Strategy for Sustainable Competitive and Secure Energy*” (EU Commission 2006 a) which laid down the proposals of the Commission for the future European Energy Policy. The energy policy should have three main objectives: *sustainability*, *competitiveness* and *security of supply*. These objectives should be put in a framework – the European Energy Review. One of six elements to meet the objectives – besides for instance security of supply and solidarity between the Member States – the Commission proposed is the development of “a clearly defined external energy policy” so that the EU can pursue it with “a single voice” (EU Commission 2006 a: 20). This includes the identification of European priorities for the construction of new infrastructure, the development of a pan-European Energy Community Treaty, a new energy partnership with Russia, new mechanisms to “enable rapid and co-ordinated reaction to emergency external energy supply situations impacting EU supplies”, the deepening of energy relations with producers and consumers and an international energy efficiency agreement (EU Commission 2006 a: 20).

In the presidency *conclusion of the following European Council* meeting in March 2006, the Council emphasized the need for a common external energy policy, while respecting the reservation of Member States by respecting their choice of energy sources (energy mix) (Council of the EU 2006). This was followed by a *joined paper of the Commission and the High Representative for the Common Foreign and Security Policy (HR)* with the title “An external policy to serve Europe’s energy interest”. The paper demands that a European external policy in the field “must be coherent (backed up by all Union policies, the Member States and industry), strategic (fully recognizing the geo-political dimensions of energy-related security issues) and focused (geared towards initiatives where Union-level action can have a clear impact on furthering its interests)” (EU Commission, Secretary General, High Representative for the Common Foreign and Security Policy 2006: 3). Moreover it does not question any Member State competences concerning external relations or energy mix. The paper sees

two “building blocks” of energy security: functioning of markets (internally and extension to outside of the EU) and diversification (of routes and sources). In this paper Geden, Macelis and Maurer see “no clear sign that the Member States are ready to give up their competencies to the Commission” (Geden et al. 2006: 11).

Two *communications* of the Commission followed, one in October 2006, (EU Commission 2006 b) stressing the need for coherence between internal and external energy policy and focusing on the EU-Russia relations, and another communication in January 2007, (EU Commission 2007) sketching a proposal for a European energy strategy again demanding that the EU and its Member States have to “speak with one voice” and that energy should “become a central part of all external EU relations” (EU Commission 2007: 18).

In *March 2007 the European Council* outlined the objectives of an “Energy Policy for Europe”: (1) increasing security of supply, (2) ensuring the competitiveness of European economies and the availability of affordable energy and (3) promoting environmental sustainability and combating climate change. It also emphasized the autonomy of the Member States concerning energy mix and sovereignty over energy sources (Council of the EU 2007:11).

The Council also decided an action plan for the years 2007-2009 which contains several passages on energy security and on external energy policy (Council of the EU 2007). It outlines the measures that the EU could take to ensure security of supply and to conduct an international energy policy. Concerning security of supply the action plan emphasizes the need for an “effective diversification of energy resources and the need to develop “crisis response mechanisms, on the basis of mutual cooperation [...] taking into account the primary responsibility of Member States regarding their domestic demand” (Council of the EU 2007: 18). To ensure the supply of energy, the Council mentions the need for “an assessment of the impact of current and potential energy imports and the conditions of related networks on each Member State’s security of supply” (Council of the EU 2007: 18) and it wants to establish an Energy Observatory within the Commission.

In the field of external energy policy the Council sees the necessity of speeding up the development of a common approach. For that reason the Council outlined several elements needed so that the EU can speak with a common voice. The first element mentioned – and this might indicate its importance – is the negotiation of a new Partnership and Cooperation Agreement (PCA) with Russia where an emphasis should lie on energy topics. Besides on Russia the Council also wants to focus on other regions, by “intensifying the EU relationship with Central Asia, the Caspian and the Black Sea with a view to further diversifying sources

and routes” (Council of the EU 2007: 19), by strengthening partnerships and dialogs with the other three BRIC states and the USA, and by using all instruments under the European Neighborhood Policy. Other countries with which the EU wants to enhance relationships are Algeria, Egypt and other countries in the Mashreq/Maghreb region, also with regard to “energy infrastructure of common interest” (Council of the EU 2007: 19).

Since 2007 several little steps have been made, such as the implementation of a Network of Energy Security Correspondents (NESCO) or the establishment of the Euro-Mediterranean Energy Market in 2008.

At the end of 2008 the Commission published a *review of its strategy* (EU Commission 2008 b) which is at the moment the latest document of the EU strategy and its future plans. It can be regarded as standing in line with preceding papers. “The EU needs to intensify its efforts in developing an effective external energy policy; speaking with one voice, identifying infrastructure of major importance to its energy security and then ensuring its construction, and acting coherently to deepen its partnerships with key energy suppliers, transit countries and consumers”, (EU Commission 2008 b: 3) states the review. The review contains an “*Energy Security and Solidarity Action Plan*” with five points:

- Infrastructure needs and the diversification of energy supplies
- External energy relations
- Oil and gas stocks and crisis response mechanisms
- Energy efficiency
- Making the best use of the EU’s indigenous energy resources

Concerning *infrastructure* the Commission this time also mentions specific infrastructure projects, such as the Baltic Interconnection Plan, North-South gas and electricity connections, an LNG (Liquefied Natural Gas) action plan etc. but not the Nord Stream pipeline (in contrast to the Southern Gas Corridor which is closely related to Nabucco). The Commission wants to use its instruments to pursue rapid progress in the projects. For the future the Commission is aiming to replace the current TEN-E instrument by the EU Energy Security and Infrastructure Instrument, since the TEN-E instrument – which was established at the end of the 1980s to help to link the national infrastructure networks in the new single market – is relatively old and underfinanced with a budget of only EUR 22m.

In the section on *external energy relations* of the action plan the Commission points out the need to speak with one voice and demands that the EU should “use all the tools at disposal,

internal as well as external, to strengthen its collective weight with energy supply countries to offer new kinds of broad-based partnerships” (EU Commission 2008 b: 7). Especially important are agreements with suppliers with whom the EU should develop a “new generation of energy interdependence provisions” – a term which expresses the Commission’s opinion that dependency is not one-sided. Therefore the Commission wants to “develop trust and deeper and legally binding ties between the EU and producer and transit countries” (EU Commission 2008 b: 7). This concerns the encouragement of investments, the facilitation of infrastructure investments, clear conditions of market access, dialogue on market and policy developments, dispute settlement provisions and transit arrangements which guarantee the flow of resources also in periods of political tension. The provisions should be based on the EU’s energy acquis and also on the *Energy Charter Treaty (ECT)*. In the long run they should create a political framework which reduces risks and encourages commitment by private companies on supply and transit (EU Commission 2008 b: 7).

With the ECT being in force since 1998, the EU has tried “to extend the market principle outside its own sphere of regulation” (Aalto/Westphal 2008: 11). The Energy Charter’s main aim is to strengthen the rule of law, to create a “playing field of rules to be observed by all participating governments, thereby mitigating risks associated with energy-related investment and trade (Energy Charter Treaty website 2009). Until today 51 countries have signed the treaty but Russia for instance has not yet ratified it. This is why the EU came later up with the EU-Russia energy dialogue (Aalto/Westphal 2008: 11 ff.) which has also been of limited success (Westphal 2006: 56)

Another instrument of integrating other countries into the EU legal framework is the *Energy Community* which today already includes many countries of South-East Europe integrating them step by step into the internal energy market of the EU. Besides the extension of the energy market, the action plan refers to some areas of focus, for instance Russia, with which the EU wants to negotiate a new Partnership and Cooperation Agreement (Poland blocked negotiations for a long time (cf. Klomegah 2007)), the Caspian region and North Africa. But also the relations with the OPEC in the frame of the OPEC-Energy Dialogue and with other consumer countries are important. Besides the fields of infrastructure and external policy, the Commission also proposes a revision of the EU emergency oil stock legislation and a revision of the Security of Gas Supply Directive (EU Commission 2008 b: 7).

Although not having legislative power in the field, the European Parliament has also adopted several resolutions in the last years on Foreign Energy Policy, demanding an external energy

policy and stating that “the lack of a genuine and effective common European external energy security policy undermines the coherence and credibility of the EU's external action” (European Parliament 2009; cf. European Parliament 2007).

The Treaty of Lisbon, which at present is in the ratification process, strengthens – once in force – the EU's competencies (under shared competence with the Member States) in the field of energy, though not mentioning an external dimension. Nevertheless it includes a special article on energy (Art. 194 TFEU), which states that the European Union's policy shall “ensure security of energy supply”. Moreover a kind of solidarity clause can be found which assigns the EU a role “if severe difficulties arise” in the supply of energy (Art. 122 (1) TFEU). These provisions might potentially be the legal basis for further actions of the EU in this field (cf. Fischer 2009).

All in all the current EU policy concerning external energy relations (and energy security) can be summarized in five major points:

- The EU does not touch the autonomy of Member States to conduct their national energy policy – concerning energy mix and geo-strategic choices, such as the construction of pipelines.
- The EU calls for more cooperation among the Member States concerning external relations (“speak with one voice”) and concerning energy projects, but the cooperation remains loose and does not go much further than the ex-change of information.
- The EU tries to support specific energy projects (i.e. through TEN-E) which are supposed to be in the interest of the EU, this approach has its limits in the reservations of different Member States. (E.g. due to German provisos Nabucco was removed from a EUR 5bn stimulus plan in March 2009).
- The EU tries to integrate energy policy into its external policy. The main strategy is to set up dialogue fora and to agree with third countries on legal frameworks – so it is a rules-based approach, which sometimes seems to be something like an export of market rules to third countries.
- The EU hopes to balance the weakness in the external energy policy by trying to better integrate the internal energy market, since a weakness of the European energy market is that it consists of “a series of energy islands, each administered and regulated by national governments” (Lucas 2008: 163-164), which makes a common external policy difficult.

The competences of the EU are very limited, due to reservations of the Member States. EU governments and EU institutions have mostly conducted a market approach “while harbouring concerns that in practice a more geopolitical approach is required” (Youngs 2007: 1), an approach conducted by some energy suppliers.

In a polemic way one might say the EU policy is nearly unbinding, has little power vis-à-vis energy suppliers and only a marginal effect on the energy security of its Member States. As was shown in the last paragraphs the interests of the Member States seem to be an important reason why the EU policy has relatively little power. There has not been a real transfer of competences to the EU level since “Member States are very much attached to their sovereignty in this area” (Geden et al. 2006: 2) and all attempts of the EU “to create an integrated European energy policy have been frustrated by a diverse range of competing national strategies” (Bourke 2008).

But where exactly are the problems and main obstacles to the development of an external energy policy, which is crucial for the security of energy supply? What factors do play a role there? Are national economic aspects the main hindrance? Only by knowing them is it possible to develop strategies to overcome the current situation. These interests shall be examined now by analyzing the case of the Nord Stream pipeline.

To a certain degree the Nord Stream project was supported by the EU, as it received the TEN-E status in 2000, which was confirmed in 2006, but Energy Commissioner Andris Piebalgs said that the EU does not support Nord Stream “over other options” (Lucas 2008: 169). The central point for the EU is to satisfy the increasing demand for gas. On the European level also the EP has dealt with Nord Stream in the Petitions Committee due to a petition, which started in Lithuania, concerning the environmental impact of the pipeline.

Integration Theories and Obstacles to Integration

It is actually difficult to assign this paper to a specific theoretical background, but it is clear that it deals with the topic of European integration or perhaps one should better say with the topic of ‘non-integration’. Many theories focus on the reasons *for* European integration, such as Neofunctionalism or (Liberal) Intergovernmentalism – which have been the dominating theories in this field of research for a long time. However, no specific theory has tried to look at obstacles to integration.

“Any comprehensive theory of integration should potentially be a theory of disintegration” (Schmitter 2004: 47). And if comprehensive theories can explain integration, then why should they not be able to explain non-integration? Why should it not be possible to utilize integration theories to analyze obstacles to integration? The theories explain how, why and under which conditions integration happens, so one could also do the inverse by looking which of these integration enhancing/supporting conditions are not met, which could then be the obstacles to further integration.

In the beginning the author made the assumption that different interests among EU Member States might be the prime obstacles to integration – at least in the field of external energy policy – (which is supported by different authors (Geden et al. 2006; Lucas 2008; Bourke 2009), thus it makes sense to use a theory which captures the interests of the individual members best. This pre-condition for a theory or concept restricts the choice and in fact only one type of theory seems to be appropriate to a certain degree: Intergovernmentalism or more precisely Liberal Intergovernmentalism (Moravcsik 1993,1998). Briefly speaking Moravcsik says that “European integration was driven by considerations of national advantage and economic interest” (Hitchcock 1999: 1742).

Liberal Intergovernmentalism (LI) is a response to Neofunctionalism which assumes that there is an automaticity in integration with spill-over effects from one field to other fields and that the supranational actor gains strong influence on the integration process (Haas 1968). In the case of external energy policy there are apparently no spill-overs, although the EU Commission would like to see them work in this case and the Commission has not gained a strong influence in this field (see above). Although the EU conducts energy policy in the frame of the internal market it has no real competences in external energy matters, so there were no spill-overs. National interests, which impair the development of a common external energy policy, seem to be dominating, therefore all theories which focus on the supranational level and spill-overs fail in delivering explanations.

The Princeton professor Moravcsik, who is one of the most influential intergovernmentalists, has developed a “framework” – not really a theory – (Moravcsik/Schimmelpfenning 2009: 68) which is based on various other concepts (liberalism, bargaining theory, and two-level games (cf. Putnam 1988)). LI rejects the idea of quasi-automatic spill-overs from one field of integration to other areas and also the idea of the strong power of supranational bodies. Instead it emphasizes the power that national governments hold in the integration process.

Moravcsik's concept can be divided into three major elements: The first element is the underlying assumption that states act rationally on the basis of a utility function. The other two elements are a liberal theory of national preference formation and an intergovernmentalist analysis of interstate negotiations (Moravcsik 1993: 480ff).

Governments are assumed to act rationally (utility function) and "on the basis of goals defined domestically" (Moravcsik 1993: 481). Therefore the understanding of the domestic processes and preferences is important to analyze the behavior of states on the international level (similar to Putnam's two-level games). "The most important fundamental influences on foreign policy are (...) the identity of important societal groups, the nature of their interests, and their relative influence on domestic policy" (Moravcsik 1993: 483). The factors which determine identity, interest and influence are both domestic and transnational. In LI the relation between society and government is regarded as one between principal and agent (Moravcsik 1993: 483) – "societal principals delegate power to (...) governmental agents" (Moravcsik 1993: 483). State preferences are not constant – as assumed in many other theories – but they can change according to the "economic, ideological, and geopolitical environment" (Moravcsik 1998: 23) and they are not necessarily material but can also be grounded in ideas. But for Moravcsik economic interests of domestic actors play a crucial role for the process of integration (Moravcsik 1998: 473-474). In Moravcsik's eyes the study of different cases of EU negotiations confirms the "importance of political economic motivations over geopolitical interests or ideology" (Moravcsik 1998: 474). However, he does not want to neglect geopolitical interests and ideas entirely. Geopolitical considerations had (in his studies) importance where they had no direct economic impact on the economy. (Moravcsik 1998: 474 ff.)

This is how preferences on the domestic level are determined, but when will cooperation happen? Liberal theories of economic interdependence – used by the Princeton professor – claim that increased (economic) cooperation causes "international policy externalities' among nations, which in turn create incentives for policy coordination" (Moravcsik 1993: 485). International policy externalities occur when the policy of one country causes either costs (negative externalities) or benefits (positive externalities) for another country. A possibility to avoid these – especially negative – externalities is policy coordination (Moravcsik 1993: 485-486). But "only where the policies of two or more governments create negative policy externalities for one another, and unilateral adjustment strategies are ineffective, inadequate or expensive, does economic interdependence create an unambiguous incentive to co-ordinate policy" (Moravcsik 1993: 486). Against the background of national preference

formation and the interests of national groups, international agreement requires the convergence of the interests in different countries, when they diverge, coordination is precluded. The national preference formation and the conditions for possible coordination can be regarded as a necessary analytical step before analyzing the terms of intergovernmental negotiations.

In intergovernmental bargaining “relative power matters” (Moravcsik 1993: 499). The leverage in the negotiations “stems most fundamentally from asymmetries in the relative intensity of national preferences, which reflect [...] the relative costs and benefits of agreements to remove negative externalities” (Moravcsik 1993: 499). The bargaining power is determined mainly by three factors: Unilateral policy alternatives, alternative coalitions (exclusion of others) and the potential for compromise and linkage (Moravcsik 1993: 499 ff.). The first factor refers to what is called in negotiation theories BATNA – best alternative to a negotiated agreement – so basically the option a country can pursue if negotiations are not successful. The second factor describes the possibility to form other coalitions and to exclude others, third parties which can be a threat to countries which would be excluded. The last factor is nothing else but the inclusion of other issues into the negotiations which might increase the possible set of agreement, some refer to it as issue-linkage or package-deals (cf. Sebenius 1983). LI does not ascribe a strong power concerning the policy outcome and the institutional arrangements to international institutions, instead it regards the preferences of the countries as pivotal.

LI can be criticized for some reasons (cf. Wallace 1999; cf. Caparaso 1999; cf. Scharpf 1999), but only two – which are closely related – will be mentioned here since they are of a certain relevance for the paper. First, some argue that Moravcsik has overemphasized the economic and commercial interests as most important determinants of the national preferences (cf. Hitchcock 1999). For Wallace Moravcsik’s objective is “to contest the [...] assertions about European integration as either a special form of supranationalism or driven by ‘geopolitical ideology’” (Wallace 1999: 155). However, besides economical interests Moravcsik also takes into account the importance of other factors — such as ideology or geopolitics in the “Choice for Europe” for the national preferences. This paper will also look at the economic preferences but the approach here aims at looking at all other possible and viable explanations without blinkers.

Second, it is actually very difficult to disentangle determinants of the national preferences (cf. Kennedy 2001). Economic and geopolitical interests are not always separable, as for in-

stance economic interests can also be behind geopolitics. This problem cannot be overcome since no category of interests can be sharply and exactly defined. Nevertheless this paper will later try to group the interests in different categories, since otherwise generalizations would be extremely difficult.

Due to the rather problem- than theory-oriented approach of the paper, the author abstains from a more detailed theory discussion at this point, which would also be far beyond the scope of the paper considering the impact that Moravcsik's book had on the scientific discourse.

With the concept of LI in mind and by looking at the current state of an external EU policy and at possible obstacles for further integration, some hypotheses can be made:

1. Mainly economic interests determine the positions of the countries.
2. Externalities are one-sided and interests are so different that cooperation is precluded (see above).
3. The common external energy policy cannot be deepened, because it is unattractive to some countries since they have the power to conduct independent national policies

These are some hypotheses which can be directly generated, however the author of this paper does not say that only LI can explain the complex of interests connected with a common external energy policy, nevertheless LI might be a guideline or a help for the analysis, but this does not mean that the analysis will strictly stick to it and not take side roads or roads crossing, so basically other concepts into consideration. Moravcsik does not see LI as a concept which is closed, but open to other elements and ideas, thus this paper is open to other explanations as well (Moravcsik/Schimmelpfenning 2009). The openness of the concept is an advantage, since by selecting one concept, we do not want to become blind to other explanations. What I want to say is that LI will not be a strict frame of analysis, but rather a concept helping to find some of the obstacles to integration.

The Nord Stream Pipeline as an Example

As mentioned a few lines before this paper will study the case of the Nord Stream pipeline – or North European Gas Pipeline as it was named till 2006 by the companies involved – to find out obstacles to further EU integration in the field of an external energy policy. The pipeline – it will actually consist of two pipes – will connect the Karelian town Wyborg in Russia

and Greifswald in Germany and will pass the Exclusive Economic Zones (EEZ) of Russia, Finland, Sweden, Denmark and Germany in the Baltic Sea (Nordstream 2009). The companies involved are the Russian mainly state owned gas giant Gazprom which owns 51% of the Nord Stream shares, the German E.ON and BASF (through its subsidiary Wintershall) and the Dutch Gasunie, GDF Suez from France will join soon.

The case of the Nord Stream pipeline was chosen for various reasons: Gas pipelines are – in contrast to oil projects – in general a very good example to show interest divergence. The character of gas is special, since it is still bound to pipelines (particularly in Europe) and creates cemented relationships of dependence or interdependence. Decisions concerning gas pipelines are therefore influenced by more factors than in the business of oil deliveries (Lucas 2008: 164).

In the Nord Stream case – being perhaps the most controversial construction project in Europe (Proissl et al. 2009) – the interests of the different EU Member States come to light like in no other project in the EU at the moment. With a Russian energy giant involved the pipeline is basically a focal point for diverging interests, since the interests are more pronounced than in other energy projects with an EU dimension. It reveals the interests in a way which makes an analysis more easily possible than in other cases which are not as contentious as this pipeline. For all these reasons Nord Stream can be regarded as exemplary for other energy projects and as a good example to study different interests in the EU.

The importance of the Nord Stream pipeline and the possibility to “filter out” interests with its help will not be impaired by other pipelines such as Nabucco, which would of course diversify the sources, but would probably not change much the interests concerning Nord Stream. Moreover the perspectives for the construction of Nabucco and the origin of the gas are rather unclear.

Analysis of the Interests of Four EU Member States

Although in principle Nord Stream only connects Russia and Germany it affects a number of countries, namely Sweden, Finland, Denmark, Estonia, Latvia, Lithuania, Poland and of course Germany and Russia in different ways. An analysis of the positions of all countries is beyond the scope of this paper, thus it will restrict its analysis to only four countries: Germany, Poland, Latvia and Sweden. These countries were selected on the basis of the following considerations: each of the four is representing a certain type of country group –

concerning length of EU membership, assumed economic repercussions of the pipeline and also attitude towards the two countries connected by the pipeline.

Germany – one of the founding members of the EU – is the country which is assumed to benefit most from the pipeline and whose government – both under Schröder and Merkel – is backing the project. But there are also scientists and politicians who criticize the pipeline for increasing Germany's dependence on Russia and its economic vulnerability (cf. Volker/Weiland 2007; cf. Steinlein 2009). Moreover Germany has – in comparative terms – good relations with Russia.

Sweden joined the EU only in the 90s together with Finland and represents the Nordic Countries in this analysis. It has not as much to do with the project as the Eastern European countries as there are no alternative or competing pipelines passing its territory, but Sweden and Finland have also voiced concerns about the project. Sweden was selected because its interests seem to be slightly more pronounced than for instance those of Finland.

Poland and Latvia are new EU Member States, both having a communist past, Latvia even as a Soviet Republic. Both have made negative experiences with Russia and Germany in the last century (for instance with the secret protocol of the Molotov-Ribbentrop-Pact). Poland is the country which is probably the one which is more opposed against the project than any other country and has missed almost no opportunity to mention that. Latvia is somehow a bit special – here it represents the Baltic Countries – although the interests in the three states differ slightly and in contrast to the other countries Latvia has one asset which might be of importance – its gas storages. Due to the careful selection of countries nearly all motivations and interests concerning the Nord Stream pipeline should be covered in the following analysis.

Summarizing one can say that the paper deals with four different EU Member States with a varying length of membership, different degrees of affectedness (both positively and negatively) and different (historical) experiences with the two countries connected by the pipeline.

To make such a comparative analysis is not always easy for two reasons. First, in different countries, different actors are involved. This is why it does not make much sense to look in all countries at the same actors and factors, the political systems are different and the debates involve different players. Second, one cannot always clearly say what the interests of a country exactly are. One can rely on (for instance government) statements or other sources,

but this does not mean that we can find (all) the drivers behind the interests. Political science is not an exact science; therefore it is only possible to make plausible deductions.

The problem of the individual characteristics of each country is tackled by including in the analysis of each country a flexible part which looks at actors, factors and drivers which/who might play a special role in the respective country. For each country the analysis follows a four-step approach (Figure 1). First, very briefly the general energy situation of the specific country is presented, which includes the description of the current energy generation, supply situations and dependency (which can indicate the vulnerability). It is crucial to be aware of the supply situation, since the positions of the countries can be better understood with this background information. Depending on the supply situation, the position might be either interpreted as being mainly economically driven or as driven by other factors, such as environment or geostrategic considerations.

Second, this section is followed by an analysis of the position and policy – as far as it exists – concerning a Europeanization of external energy policy. This should show the general attitude towards further integration in this field. The third step consists of (official) statements of the executive of the country. Here the paper concentrates not only on official notes and press releases of the governments, but also on interviews and statements of the officials in newspapers, since official press releases of governments are often extremely carefully and diplomatically formulated and do not necessarily reflect the full position. In a fourth step other actors or factors which were/are important for the country will be looked at. The reason for this is that the discussions in the countries do not follow similar patterns. By only looking at the same actors one would miss actors and drivers of the debate. Therefore an open and

Figure 1: The Four Steps of Analysis

1. Brief presentation of the energy (supply) situation
2. The position (and initiatives) of the country concerning a European external energy policy
3. The position of the government and government officials on Nord Stream
4. Different factors and actors which influence the stance of the country and/or the debate on Nord Stream in the country

flexible approach is needed, which also looks at the drivers and background of the national positions, which can be for instance decisions concerning energy mix, historic experiences in the energy field or special individual interests.

Latvia – Opposed But With Strategic Interests

Latvia is by far the smallest and economically weakest country in this analysis and often seen together with the other two Baltic countries. In the case of Nord Stream Estonia, Latvia, Lithuania and Poland are often regarded as the main opponents of the project.

The Latvian Energy Situation

The Baltic state with its 2.3m inhabitants is “highly dependent on energy imports” (International Energy Agency 2009 a) with an energy dependency rate of 65.7% in 2006 (Eurostat 2009). Concerning gas which is accounting for around one third of Latvia’s primary energy supply (International Energy Agency 2009 a) Latvia is nearly completely dependent on Russia which in 2004 delivered 94% of the Latvian demand of gas (Heinrich 2006), so one can speak of an extreme dependency in this field. Latvia has no resources of its own, but played an important role as transit country for many years, what will be discussed later.

The Latvian Perspective of a European External Energy Policy

The Latvian stance on a European Energy Policy can be regarded as in general positive, however with differences in various aspects. On various occasions government officials have emphasized the importance of European energy policy and have referred to it when criticizing the Nord Stream project as not being in line with EU policy.

There are some official documents, which were drawn up two or three years ago and released before most steps in the field on EU level were made, but are still in power and represent the present Latvian energy strategy and show the importance an external energy policy has for Latvia.

The Energy guidelines for the years 2007-2016 mention two general problems/aspects for Latvia in relation to an EU energy policy. First, Latvia sees the necessity of ending the isolation of the Baltic energy market from the EU market, second, the paper emphasizes the necessity of a common external energy policy vis-à-vis suppliers, such as Russia and OPEC (Republic of Latvia, Cabinet of Ministers 2006: 21).

According to other documents (Republic of Latvia, Ministry of Economy 2009) the Latvian government regards it as necessary to make “legal agreements between the EU and transit countries on the energy dependency principles”, to build alternative routes for the energy supply and also to have solidarity mechanisms that are needed for the case of gas supply disruptions (Republic of Latvia, Ministry of Economy 2009). Concerning European networks Latvia also favors extra EU funding, when the TEN-E sphere is enlarged (Republic of Latvia, Ministry of Economy 2009).

In other documents about Latvia in the EU and its aims, the aspects market isolation and European external energy policy are mentioned as well but they also contain the Latvian reservations about a common energy policy (Republic of Latvia, Ministry of Foreign Affairs 2006). Latvia does not want EU competences to be extended to the national energy mix and primary energy supply or more ambitious RES laws, neither wants a further liberalization of the energy market until the fragmentation of the EU market is overcome (Republic of Latvia, Ministry of Foreign Affairs 2006). So there are certain limits towards a European policy but in general documents show that it is supported by the Baltic state.

Also later statements – such as President Zatler’s statement – of officials show that a general support for an external energy policy is still present: Zatler described the hopes that Latvia has when getting new supply resources – so basically alternatives to Russia – through an EU external energy policy and the PCA with Russia (Dūmiņa 2007).

The Latvian Government and Nord Stream

The position on the Daugava River concerning Nord Stream can be described as in general rather negative in the last years, although one can also find statements of Latvian officials – such as the former Prime Minister Aigars Kalvitis (2004-2007) – who are not generally against the pipeline and might even – under certain conditions – support the project. In an interview Kalvitis gave to the German newspaper “Berliner Zeitung” in 2007, he said that he regarded the pipeline project as a commercial undertaking aiming at meeting the consumer needs. He also stressed that the division in energy security policy among European countries had nothing to do with the fact that Russia was involved in the project. To his mind the reasons are the “physically divided markets and hence the policy requirements of each Member State” (Berliner Zeitung 2007). As a reason for the reservations on the Latvian side he sees environmental aspects and the assessment of the impact on the environment under the so-called Espoo convention (cf. UNECE 2009). The pipeline should not harm the Baltic Sea (Berliner Zeitung 2007).

Kaltivis also referred to Latvian proposals to connect Latvian gas storages (in Inčukalns and Dobele) to the pipeline. The pipeline might be considered as more positive if the route of the pipeline was changed to Latvian waters or land. In Inčukalns, which is North-East of Riga, Latvia has one of the biggest storages in Europe, which according to one of the owners of the operator Latvijas Gāze, E.ON Ruhrgas can store underground 2.3 BCM of gas (E.ON Ruhrgas 2009 a). The storages are used in the winter months to supply consumers in the Baltic States and also in North-West Russia. There is also the possibility to extend the storages so that even people in Finland could be supplied (if a new pipeline is built between Estonia and Finland). Moreover in Dobele gas storages could be built with a capacity of 20 BCM (10 BCM active gas volume) and the geological structure in Latvia would allow to build storages with an active volume of 50 BCM, which would be as much as the entire gas storages of the “old EU” (Jesinska 2007). Already in Soviet times drills were made there (interview, Latvian Ministerial 2009) and plans of Russian companies (namely ITERA) for the development seemed to exist (Lelyveld 2001).

Located between the main consumers in the West and the supplier in the East, the gas storages could become a central element for securing Europe’s energy supplies in the future. This is the asset with which Latvia tries to influence the construction of the pipeline so that it is more acceptable for the Baltic state.

In 2007 the then president Vaira Vike-Freiberga said that Latvia would offer Russia talks on an alternative onshore route via Latvia, but still insisted on an analysis in terms of (environmental) security for the Baltic Sea since “the Baltic Sea has been filled with various kinds of weapons since the two World Wars” (RIA Novosti 2007 a). But she has also pointed in another direction “by stating that since Russia and Germany have preferred a more expensive gas pipeline, there are political reasons behind the project” (Sprūds 2006 a: 18). This argumentation was supported by utterances of the Russian ambassador to Latvia Viktor Kaluzhiny (cf. Sprūds 2006 a: 18).

With the change in government to Ivars Godmanis in December 2007 the position of the Latvian government did not change. The Godmanis government was also against the project and – like the other Baltic States – supported the so-called Amber pipeline, an onshore alternative passing the Baltic States and Poland, which was proposed by Poland. Also the current Latvian president – Valdis Zatlers – supports the Amber project. In an interview with Reuters he said “It is better to talk about Nord Stream's alternatives, like the Amber project. It has the same economic efficiency, but from the point of view of security and the environment it is

much better”, however the countries involved would have to agree upon it (Reuters 2008 b). Zatlērs also mentioned the possibility of connecting the Latvian gas storages to a potential onshore pipeline in a radio interview in April 2009. He emphasized that the project in its current form “is a joint Russian-German project”, which can give Latvia neither commercial benefit nor opportunities for cooperation. Zatlērs stated that Nord Stream was environmentally hazardous, since the Baltic Sea has no tide. But he also said that Latvia would not hinder the implementation of the pipeline if all environmental concerns were addressed (RIA Novosti 2009). The new Latvian Prime Minister Valdis Dombrovskis criticized the project as not being in line with the European Energy Strategy whose assignments were to create a common market and a common infrastructure (Tomsone 2009).

One can summarize that the Latvian government – under all prime ministers and also the presidents during the last years has always been against the project in its current form, mainly due to environmental reasons (hazardous waste)¹, but also because of political reasons. As an alternative Latvia has offered – without success – its huge gas storages and supported the construction of the Amber pipeline. If the gas storages were connected to the pipeline, then Latvia could turn from a dwarf to a giant in the energy sector, having a crucial position, with enough reserves for itself and big parts of Europe. This would guarantee Latvia a strong position in energy questions, especially in times of crisis such as the interruption of supply for whatsoever reasons.

The Latvian-Russian Energy Relations

The Latvian criticism and particularly the claim that the construction of Nord Stream is politically motivated have to be seen against the background of the developments in the last years. Several authors such as Sprūds (Sprūds 2006 a) or Larsson (Larsson 2007) refer to these developments in the context of the Nord Stream pipeline debate in Latvia.

For a long time Latvia was an important transit country for Russian crude oil. A central element in the transit business has been the harbor in Ventspils, which in the Soviet time was the only ice-free harbor of the Soviet Union and which also after the collapse of communism remained a very important hub for the Russian oil exports. In the 1990s around 13-15% of

¹ The Nord Stream company has tried to address the environmental concerns in public hearings – also in Latvia like in May 2009. The media coverage such as in “Latvijas Avīze” reflected the concerns, especially the effects that the construction of the project might have on fishery and shipping – due to the world war ammunition and the toxic waste in the Baltic Sea (Tomsone 2009).

the exported Russian oil (about 30% of the oil exported to the west) was transported through Latvia (Sprūds 2006 b: 111). For Latvia it was a “goldmine” (Syromyatnikova/van Meurs 2003) because the transit charges accounted for up to 10% of the Latvian GNP. According to Sprūds “One-fourth to one-fifth of the GDP of Latvia was estimated to be linked directly to revenues generated in the transit sector and related branches of the economy” (Sprūds 2006 b: 111). In the 1990s Russian companies invested in the Latvian economy, such as Transneft, which invested in a joint venture which supervises the pipeline system, or the giant Gazprom, which invested in the national gas company Latvijas Gāze and has a kind of supply contract for many years which is like a monopoly (interview, Latvian Ministerial 2009). So one could speak of a situation of interdependence and mutual benefits.

The situation changed as Russia tried to diversify its export routes. Discriminatory taxes were introduced by the Russian side in 1998 – partially politically motivated (Sprūds 2006 b: 113-114). Moreover Russia announced the construction of the Baltic pipeline system, which “revealed the presence of various political and economic interests” (Sprūds 2006 b: 114). Russia spent several hundred million USD on foreign ports. The estimations start with 300m and go up to USD 1.5bn (cf. Brodin 2000: 70-71). A climax of the tensions was the dispute on the Ventspils Nafta (cf. Syromyatnikova/van Meurs 2003). Russia attempted to gain control over Ventspils Nafta by cutting-off the crude oil supply to the port. The official reason was that the tariffs were too high compared with the Russian harbor in Primorsk – where terminals were built within a very short time and which began functioning in 2001. Concerning this dispute Latvia has even contacted the EU (Larsson 2007: 52). The crude oil supply has not started again since this dispute. Also Lithuania faced a similar situation. Russia closed the oil pipeline to Lithuania's Mazeikiu refinery. Commentators suspect that the reason for this is the selling of the refinery to the Polish company PKN Orlen instead of to potential Russian buyers (Helsingin Sanomat 2007; Reuters 2008 a; Kramer 2006) .

One could say the Latvian-Russian energy relations have changed from 1998 onwards from mutual interdependence to one-sided dependence of Latvia from Russia. The Russian policy has turned the “previously existing asymmetric relations upside down” (Sprūds 2006 a: 16). Latvia and also Lithuania have lost their roles as important transit countries for oil and a Nord Stream alternative (passing their territory) could help the countries to profit from the transit fees which in the past were extremely important for Latvia (see above) and they could gain weight as transit countries and Latvia especially as *the* gas storage country in CEE.

Another problem in the energy complex is the fact that the Baltic States are energy islands, i.e. they are insufficiently connected to the European energy networks – and Latvia hopes that the EU will end this situation. This problem is addressed by the Second Strategic Energy Review with the Baltic Interconnection Plan which is aiming at connecting the Baltic energy markets with the rest of the EU. Recently it was decided to connect the grid of the three Baltic States with Sweden (in the frame of the Baltic Energy Market and Interconnection Plan) and the Baltic states have agreed with Poland to build together a new nuclear power plant which should replace the Ignalina Power Plant in Lithuania (which will be shut down in 2009) and provide the four countries with electricity, but the new power plant will probably only start functioning between 2015 and 2020. This shows that Baltic countries have problems in meeting their energy demand, which makes the overall energy situation critical for the countries.

The problematic energy relations with Russia and the isolation of Latvia from the common market are probably influencing the negative Latvian position towards Nord Stream and the positive position towards a European external energy policy to a considerable degree.

The Latvian position can be summarized as follows: The Latvian government has a positive stance on a common external energy policy despite some reservations; however, detailed proposals for it have not been made. Nord Stream in its current form is rejected by the government due to environmental reasons, but some governmental representatives suspect political motivations behind the project. Latvia prefers a land-based solution with a connection to the enormous Latvian gas storages. Important for the rejection of the pipeline and the will to get connected to an onshore pipeline is the experience of losing the status as important transit country in the last 15 years. From a theoretical point of view one can say that economic or commercial interests are important for the national preferences, but that also security and geopolitical concerns play a role – foremost because of Russia and its special role. Nord Stream is expected to cause negative externalities on the country. For European negotiations Latvia has its gas storages as an asset.

Poland – The Fear of the ‘Schröder-Putin-Pact’

The position of no other country has received as much attention in the German media as the Polish one. Poland is probably more opposed to the Nord Stream pipeline than any other country on the Baltic Sea.

The Polish Energy Situation

The energy supply situation in Poland is characterized by a very low level of dependency of only 19.9% in 2006 compared with 53.8% in the European Union (Eurostat 2009), which can be explained by Poland's big coal resources. With 58% of its primary energy supply coal is the most important energy source for Poland – especially in the generation of electricity, whereas gas accounts for only 12.5% (International Energy Agency 2009 c). However energy imports from Russia cover 61% of the Polish gas consumption and 98% of the oil consumption (Wyciszkiewicz 2007: 34).

Poland is an extremely important transit country for Central and Western Europe since two of the major oil and gas pipelines, namely the Druzhba (Friendship) Pipeline and the Yamal Pipeline pass Poland. For a while it even seemed as if Poland's position as a transit country would be increased by building the Yamal II pipeline parallel to the existing one, however with the announcement of the building of the Nord Stream pipeline the plan was apparently abandoned (Hubert/Suleymanova 2009).

The Polish Perspective of a European External Energy Policy

“The term “External Energy Policy” has hardly been used in Poland” instead the term ‘energy security’ with a strong notion on security of supply is used (Wyciszkiewicz 2007: 34). Several initiatives by the Polish governments to ensure energy security nationally and internationally have been taken. The general energy strategy of the Polish governments in the last years can be described by two keywords: diversification and Europeanization, both having the aim of energy security. Both will be presented here.

Diversification: Poland actually wants to end its dependency on Russia by diversifying its supplies. Deputy economy minister Piotr Naimski said in 2006 that Poland wanted to diversify its supply of gas, with one third of it coming from Russia, one third from Norway and one third from domestic production (Platts 2006). And Poland launched several projects, such as the construction of an LNG terminal in Świnoujście/Swinemünde, an extension of the Odessa-Brody oil pipeline to Gdańsk/Danzig, the purchase of exploration and production licenses in the Norwegian continental shelf and the construction of the Baltic Pipe – an off-shore gas pipeline connecting Denmark and Poland – bypassing Germany – which can transport Norwegian gas via Denmark to Poland.

Europeanization: In 2006, not yet under the Jarosław Kaczyński, but under the Marcinkiewicz government, Poland proposed a “European energy security treaty” – often also referred to as

'Energy NATO' (Marcinkiewicz 2006). It should contain formulas as included in the Washington Treaty – which is the so-called NATO treaty – or the Brussels treaty – the predecessor of the Western European Union. The treaty would include a mutual support mechanism if the energy security of one country was threatened – so basically the three Musketeers Formula that Marcinkiewicz mentioned: “all for one – one for all” (Marcinkiewicz 2006). To enable support in the *casus foederis*, investments in storages and transmission system would be necessary (Marcinkiewicz 2006). However the proposal, addressing both NATO and EU partners, never received wide support in Brussels and in the old Member States such as Germany and France, whereas the Visegrád group and the Baltic countries – all highly dependent on Russian gas – supported the idea (cf. Geden et al. 2006: 24)

In an interview on the question of a common foreign policy in the EU Marcinkiewicz stated in 2006 that he sees the energy policy as a potential field for action (Zeslawski 2006). All Polish governments – as early as under Marcinkiewicz with the 'Energy NATO' proposal – have tried to 'europeanize' energy security, so basically to put energy questions (also Nord Stream) on the European level and to strengthen the EU's power in the field. Poland also favors “a more robust external dimension to the EU's energy security competence”, says CEPA analyst Miller (Miller 2008: 17) and according to Tusk Poland has an interest that the HR for CFSP is also responsible for energy questions (Miller 2008: 18). Moreover Poland has always insisted that Russia should sign the ECT and particularly the controversial transit protocol, moreover it favored dialogues with supply countries. According to a ministerial of the Ministry of Economy in Poland there should be consultations among Member States on big energy projects and some coordination of planning energy infrastructure (Łagoda 2009). A paper outlining the Polish energy policy until 2030 says that through the EU “Poland will strive for halting infrastructural projects whose implementation could negatively impact the level of energy security of Poland and other countries”, which could be understood as targeting at Nord Stream (Republic of Poland, Ministry of Economy 2009: 22). In general the ministerial points out that the external policy of the EU should be strengthened and the Commission should have a “crucial” role in this field (Łagoda 2009).

Also on NATO level Poland has tried to push the alliance to focus more on energy security (cf. NATO 2006, 2007). This has probably to do with the fact that Poland “does not weigh much on its own, especially in its relationships with Russia” (Geden et al. 2006: 16) and it can also be interpreted as using the EU to succeed with Poland's national agenda vis-à-vis Russia (Geden et al. 2006: 25). Wyciszewicz sees the Polish focus on security of supply

and on the ideas for a common external energy policy as a “function of current threat perception rather than of long-term planning” (Wyciszczkiewicz 2007: 42).

The Polish Government and Nord Stream

All Polish governments in the last years have been opposed to the project. When the contracts were signed in September 2005, Prime Minister Marek Belka – who was in office for less than one year – called the pipeline a ‘political problem’ (Süddeutsche Zeitung 2005). His successor, the Marcinkiewicz government – which was also in office only for a short time – also opposed the project and emphasized in an interview that Germany needs to take into account the “vital interests” of Poland and the Baltic states (Zeslawski 2006). A German proposal to connect Poland to the pipeline – as a kind of concession to Poland – was rejected by Marcinkiewicz (Glowacka/Wittrock 2006). The by far most frequently cited statement of a Polish official concerning Nord Stream was uttered by Marcinkiewicz’s minister Radosław Sikorski - who was minister of defense till 2007 and is today minister of foreign affairs. Concerning Nord Stream he said that “Poland has a particular sensitivity to corridors and deals above his head. That was the Locarno tradition, and the Molotov-Ribbentrop tradition. That was the 20th century tradition. We do not want any repetition of that.” (Traynor 2006; Deutsche Welle 2006). Sikorski – with two others – also sent a letter to the Financial Times claiming that “Russia gains the ability to decouple old and new members by differentially turning off the tap, as done to Belarus, Georgia and Ukraine and more recently to Estonia and Lithuania”. This fear was apparently amplified by the Russian policy towards former communist countries. Moreover the letter states that the pipeline is the “most outrageous attempt by Mr Putin to divide and damage the EU, it would be an economic and geopolitical disaster for the Union”. To his mind, the pipeline was initiated by Schröder (Sikorski et al. 2007).

Sikorski was also minister under Marcinkiewicz’s successor, Prime Minister Jarosław Kaczyński, who criticized the pipeline as being a “threat to his country's energy security” (RIA Novosti 2007 b). His brother Lech Kaczyński – president of Poland – is also against the pipeline, since it would be “in flagrant contradiction with Polish interests” (Deutsche Welle 2006). In an interview he said that the motivations for building this bilateral pipeline were of purely political nature (Neef/Puhl 2006).

In 2007 the Polish government – namely the ministry of economy – came to the conclusion that the Nord Stream pipeline was crossing the Polish exclusive economic zone (EEZ) – which stood in contrast to the view of Nord Stream till then. The Polish ministry referred to a

kind of grey zone of unresolved sea borders south of Bornholm, which fall under the jurisdiction of Poland and Denmark. The minister of economy Piotr Woźniak said that if the environmental impact assessment was not positive, the construction would not commence (Republic of Poland, Ministry of Economy 2007).

Nord Stream was apparently surprised at it (cf. letter of M. Warnig, Managing Director of Nord Stream (Warning 2007)). Only a few months later Nord Stream changed the route to an area North of Bornholm to “minimise any environmental impact and avoid the possibility of delay due to legal uncertainties with regard to the unsettled sea border line south of Bornholm” (Nord Stream 2007). A bit later the route was changed again.

Also the new Polish government under Donald Tusk – although more circumspect in its articulations than its predecessor – is against the project and calls for a further diversification of energy sources and for a European approach – instead of solo attempts (Neue Osnabrücker Zeitung 2008). The new government also supports alternative routes such as the Amber pipeline – an idea which has existed for a longer time but has not been really pursued actively – mentioned above (cf. Moore 2007). The main argument with which Poland tried to convince Russia was that the pipeline was much cheaper than Nord Stream – according to Polish officials USD 3bn compared to USD 12bn (Reuters 2008 b). But Russia could not be convinced.

Polish Economic Interests

Economic Interests: It is clear that Poland would not get any lucrative transit fees from the Nord Stream project, which would however be the case if the Amber project or Yamal II were constructed. It is very difficult to estimate the transit fees for gas, since these numbers are often confidential. Riley (Riley 2008) makes a little calculation on the transit charges that the Nord Stream Consortium will save with the offshore pipeline. It is based on numbers from Ukraine. He comes to the result that the transit fees would be a bit higher than one Billion USD for the entire strip of 1,200 km between Russia and Germany, but as parts of it pass Russian territory, the fees would be significantly lower (Riley 2008: 7). On Polish territory the pipe might have a length of around 400 km, therefore the charges might be around USD 330m. But these figures are extremely speculative. The figures indicate that the potential transit fees might be big enough to have an influence on the Polish position to prefer an on-shore pipeline.

Another point, which should not be underestimated, is that alternative pipelines passing through Poland such as the Amber pipeline or Yamal II would cement Poland's position as

energy or gas-hub for Europe, whereas Nord Stream once built would undermine the Polish position as gas hub and Germany would become an energy hub as well.

The Polish Fear of Russia

In Poland there is apparently the fear that Russia might cut off Poland from gas supplies, since the new pipeline would allow Moscow to do that without cutting off its important partners in Central and Western Europe, such as Germany. So Poland would be more vulnerable to Russian policy (Larsson 2007; Heinrich 2007). With this fear of a Russian lever on Poland, with the scenario of stops of supply a “rational argumentation in Poland [...] has not permeated the general discourse” (Heinrich 2007: 50). There are not many good reasons why Russia should cut off the supply, since the current transit fees of Yamal I go to Russia to pay a credit, this is why the repercussions on Russia would also be very negative. According to Heinrich many Polish politicians also believe that the project was “designed to reduce Poland’s role in Europe’s energy system” (Heinrich 2007: 52).

In general, when talking about Poland and Nord Stream one has to keep in mind the national identity and the self-image in Poland. The fear of the pipeline can also be seen against the background of Polish history and identity. Sikorsky’s historical comparison could not be regarded as a ‘diplomatic accident’, but as revealing parts of the Polish identity in which Germany and Russia play a special role (one just has to think of the three partitions of Poland). “Polish identity is based on a very strong victimization ethos that emphasises external threats and the moral rectitude of the suffering nation” (Heinrich 2007: 21). Some authors describe the Polish situation as a battle for survival against Germany and Russia, which are the ‘eternal’ enemies (Sokoła 2005: 134). A cooperation between the two neighbors can therefore easily be understood as a security threat to Poland.

To sum up one can describe the Polish position like this: Poland is very positive towards a Europeanization of energy security policy and external energy relations and has made substantive proposals. Nord Stream is vehemently rejected by the government particularly with reference to national Polish interests. A special role – more than in Latvia – is played by the Russia factor and the fear of the country. From a theoretical point of view one can say that economic interests are important for Poland, but even more important for the preferences is the national security of the country which is regarded as being at risk due to the negative externalities of the pipeline.

Sweden – Nord Stream as a Threat to National Security

A big part of the Nord Stream pipeline will cross the Swedish Exclusive Economic Zone (EEZ) and therefore Sweden has a say in the project. In the international discussions Sweden has not been as much in the focus as the Eastern European countries.

The Swedish Energy Situation

From an energy point of view, the existence of the pipeline does not change much for the country, which is dependent on imports. According to Eurostat the energy dependency rate was 37.4% in 2006 (Eurostat 2009). Gas does not play a big role in Sweden with only 1.7% of the TPES (Total Primary Energy Supply) in 2006 (International Energy Agency 2009 b), so gas supplies from Russia are not that important. Concerning oil it looks different, since it accounted for 28.8% of the TPES (International Energy Agency 2009 b) and 32% of its crude oil imports originated in Russia in 2007 (Swedish Petroleum Institute 2009), therefore Russia is an important partner for Sweden.

The Swedish Perspective of a European External Energy Policy

Sweden does not have a very pronounced position concerning the EU common external energy policy and generally this topic is not a priority on the agenda of the Swedish presidency in the second half of 2009. One reason for this might lie in the fact that all in all the government is quite satisfied with the current design of the policy and has a positive stance on it regarding action for enhanced emergency situation handling, notably concerning gas supply, as the current priority in this field.

Sweden supports the EU Common Energy Policy element of “energy solidarity” between the Member States, in the form of emergency stocks and access to energy capacities, and certainly in giving needed assistance in emergency situations, provided all Member States contribute with their fair share to the common total security of supply level (interview, Karlström 2009).

Sweden – like Germany – basically regards supply and security of supply as a “national energy issue”, where each country is eventually responsible for its national energy mix (interview, Karlström 2009). Moreover Sweden has “no ambition to go for an exclusively Brussels based external energy policy” (interview, Karlström 2009). More relevant for the Swedish government is the completion of the internal energy market, *inter alia* in the Baltic Sea region where the Baltic States’ electricity markets are not yet sufficiently open to meet EU regulation, which is a prerequisite for a future further integration with the Nordic energy market thus

also the EU electricity market. Energy infrastructure projects are regarded as something which is done, implemented and run by companies, EU states should just inform each other about them.

In general the Swedish government is however open to more policy cooperation in the energy field, but decisions as to if and how to deepen policy integration are to be taken on a case-to-case basis.

The Swedish Government and the Nord Stream Pipeline

Sweden is – at first sight – not directly affected by the German-Russian pipeline, but the pipeline passes its EEZ. The current Swedish centre-right government is not openly opposed to the project – like the government of Poland – but has reservations about it. In October 2007 the Minister for the Environment Andreas Calgren announced that “the impact that the pipelines will have on the sensitive environment of the Baltic Sea will be closely studied” (Government Offices of Sweden 2007 a). The government also demanded that alternative routes should be reported by Nord Stream to the Swedish government. Particularly the area close to Gotland – the Swedes’ favorite holiday island – which is under protection and where weapons were dumped – is of special concern in the eyes of the Swedish government (Government Offices of Sweden 2007 a).

Only a few weeks after Nord Stream handed in the application for building the pipeline and installing one maintenance platform, the Swedish government sent back the application without letting it circulate in ministries and governmental bodies (Helsingin Sanomat 2008; The Local 2008). It requested more information, because the application of Nord Stream was regarded as insufficient. The government insisted on an environmental impact assessment for the entire stretch of the pipeline and information on alternative routes (Government Offices of Sweden 2008). Nord Stream did not deliver this information.

But not only regarding the environment is the Swedish government critical of the project. Also security (military and intelligence) aspects play a role for the government, as the Minister of Defense Mikael Odenberg has pointed out. Problematic is apparently a maintenance platform 90 km North-East of Stockholm. There are fears – articulated by Odenberg, but also by the domestic opposition – that the staffed platform could be used for intelligence purposes and there are also fears that Russia could send more war vessels to the Baltic to protect the pipeline (Dagens Nyheter 2006; Sveriges Radio International 2006; DER SPIEGEL 2006 a: 149). Robert L Larsson of the Swedish Defence Research Agency also sees the platform as a potential problem, but rejects the idea that it will be used as a “spy base”, however the fa-

cility could still be of dual use, for maintenance purposes and for intelligence purposes (Larsson 2008: 14-15), moreover Russia could protect the pipeline by war vessels, which again would have repercussions on the littoral states (Larsson 2008: 12-13).²

The Russian ambassador to Sweden reacted quite undiplomatically in an interview by calling these critics who believed that Russia would use the platform for intelligence purposes “idiots” (Sveriges Radio 2007). Because of the discussions in Sweden and due to new studies on the feasibility non-platform-based maintenance possibilities with inspection gauges, Nord Stream has refrained from building the platform (Nord Stream 2008 a).

This is the state of play in May 2009 concerning the statements of the government, and official bodies, however, there are also strong reservations in the Swedish public and among influential political persons.

The Public Debate in Sweden

The Swedish liberal party (Folkpartiet liberalerna) which today is part of the governing coalition conducted a survey on the Nord Stream pipeline: 51% of the Swedes asked were against the project (Schulz 2008).

One of the main spokespersons of the critics in the public debate is Krister Wahlbäck – the former security advisor of Prime Minister Carl Bildt – who criticized the project for a variety of reasons, as at the Woodrow Wilson Centre in Washington in 2006. First, there is the environmental aspect with the problem of dumped ammunition and the fact that the Baltic Sea has almost no water circulation. Since the Green Party is not in the government and the majority is slim, the pressure on the government would be high to check the project for domestic consequences. Secondly, he sees a very political dimension in the project, since according to Nord Stream one aim would be to avoid “political and economic instabilities”, which in his opinion would imply that other countries where an alternative pipeline such as Amber could be built were unstable. This would undermine the principle of solidarity within the EU (Dresen 2006). In the scenario outlined by Wahlbäck Sweden could refuse the permission to build the pipeline.

² These considerations about the national security also play a role in Norway and particularly Finland (cf. DER SPIEGEL 2007: 133).

The discussion in Sweden is – compared for instance with the one in Finland – much more political. It is not only about environmental problems with dumped ammunition, fishery etc. like in Latvia, but for a long time also explicitly military security aspects were in the centre of the discussion. This has probably to do with the history of the countries – one just has to think of Soviet submarines on the Swedish coast line – and the perceptions of Russia in the Swedish public. In no other country the military and security aspects have played such a role as in Sweden, but since Nord Stream announced to desist from building the platform, the basis of the worries should have disappeared.

To put it in a nutshell: Sweden is positive towards European approaches in the field of an external energy policy, but has made no concrete proposals. A strengthening of the Commission does not seem to be regarded as positive. The Swedish government has no very pronounced position about Nord Stream and checks the Nord Stream application very carefully with regard to the environmental impact, whereas particularly the public debate is centering around security concerns, which are probably based on Cold War experiences. From a theoretical point of view one can say that apparently economic interests do not play a role for the Swedish preferences, whereas national security and environmental protection are important for Sweden since there are fears to suffer from negative externalities of the pipeline.

Germany – Nord Stream as an Economic Decision

Of the four selected countries, only Germany is a partner and profiteer from the pipeline since Germany is the receiver of the 55 BCM gas of the Nord Stream pipeline. It is criticized by other EU countries for constructing the pipeline and acting bilaterally.

The German Energy Situation

The country – being the biggest economy in Europe – has no significant indigenous energy resources except brown coal. In 2006 the energy dependency rate was according to Eurostat 61.3% (Eurostat 2009). After oil gas accounted for 22.7% of the German TPES in 2006 (International Energy Agency 2009), and more than 80% if the gas was imported (Bundesministerium für Wirtschaft und Technologie und Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit 2006: 11).

For Germany Russia is the main supplier of gas with 42% of the gas imports (Statistisches Bundesamt 2006: 21). The German energy consumption is not expected to increase, how-

ever the share of gas is expected to increase up to 29% of consumption by 2020 (Bundesministerium für Wirtschaft und Technologie und Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit 2006: 17). Therefore gas will play a more important role in the future energy supply of Germany.

The German Perspective of a European External Energy Policy

Under Merkel Germany has formulated a new energy strategy (“Integriertes Energie- und Klimaprogramm”), which puts special emphasis on RES, but not so much on European cooperation. However during the German EU presidency in the first half of 2007 Germany wanted to have a focus on energy and – being part of it – on cooperation with external partners. Under the German presidency the energy action plan, which also includes the one-voice formula (see above), was formulated.

The current German point of view concerning a common external energy policy does not deviate very much from the current EU policy. Germany sees several fields of action. It advocates the development of a network of energy relations through dialogues and partnerships which aims at converging the policies of the countries, a chapter on energy shall be included in the PCA with Russia, the rules of the internal energy market shall be extended to neighboring regions (such as through the Energy Community) and dialogues with transit and producer countries shall be deepened through different instruments. These are the points which to a high degree reflect the congruence of the German and the current EU position.

A relatively new paper made by a project group of the Ministry of Economy with guidelines for a German energy policy demands – without making concrete proposals – that the common voice of Europe in the Foreign Energy Relations has to be developed further (Bundesministerium für Wirtschaft und Technologie 2009 b).

However the government emphasizes that there should be no ex-ante coordination with other EU Member States and the Commission on infrastructure projects. These should be planned and implemented by the respective companies and countries (Bundesministerium für Wirtschaft und Technologie 2009 a).

As to solidarity mechanisms in the case of disruptions of supply the Germany government describes the positions as ‘no solidarity without responsibility’, saying that solidarity is possible only if all countries make efforts (Bundesministerium für Wirtschaft und Technologie 2009 c). The past has shown that the German commitment to a common European approach has

its limits. In the past the Merkel – government has for instance denied claims that European energy policy should be made in Brussels (Weingärtner 2006).

The Government and Nord Stream

In 2005 Schröder and Putin were present when the contracts between the Nord Stream shareholders were publicly signed only a few days before the national election took place in Germany. Schröder is often assigned a very special role in the project, since he supported the project when he was in office and later as chairman of the Nord Stream shareholder committee. His “special relationship” (Dempsey 2005 a) with Putin – Schröder himself calls him a friend – (Süddeutsche Zeitung 2006) was a point of criticism, also among the eastern littoral states. In his Russian-critical book “The New Cold War” Edward Lucas even calls it the “most notorious diplomatic alliance in Europe’s modern history” (Lucas 2008: 166). When the deal was signed Schröder emphasized that the pipeline would secure a lion’s share of the German energy supplies for decades (SPIEGEL online 2005). He also said – with regard to the opposition in the littoral states – that it would not be aimed against anybody (SPIEGEL online 2005).

The motivations to support Nord Stream can also be seen in decisions regarding the national energy strategy. The red-green coalition under Schröder had decided to phase-out nuclear energy (the power plants will be shut down as they age), which in 2006 contributed 12.5% of the German TPES (International Energy Agency 2009). Although the government implemented a progressive renewable energy law RES can only partly compensate for the loss in energy generation capacity, therefore the shut down will probably lead to an increase in coal and gas-fired power plants (International Energy Agency 2007 b).

Schröder’s successor Angela Merkel – being in office since 2005 – has not wanted to change the energy policy of Germany, however she has emphasized the problem of overdependency and wants to show – according to advisors – a rather multilateral approach (cf. Dempsey 2005 b). Merkel has adhered to Schröder’s policy by also supporting Nord Stream (pacta sunt servanda), however, in general she appears to be more critical of Russia concerning human rights issues. There seems to be a “change of the tone” (Lucas 2008: 174) and a tendency towards more multilateralism in her policy towards other European partners.

The current German position on Nord Stream is explained in an informal document of the government, namely of the Federal Ministry of Economics and Technology (Bundesministerium für Wirtschaft und Technologie 2008). The German government regards Nord Stream as important to cover European demand for gas – which is expected to increase because of

an increase in consumption of gas and depletion of European sources. The document says that the European gas network would be connected to new Russian gas reserves. Besides this security of supply argument the German government assumes that the offshore solution is the most profitable one, since the companies involved would regard it in purely economical terms.

For Germany the project – having the TEN status since 2000 – is a European project due to the participation of Gasunie and supply contracts with other European countries. Moreover it will create interdependence with Russia – which is assumed to be positive. By the government the pipeline is not regarded as a substitute or competitor to other pipelines such as Nabucco.

From an ecological point of view the government emphasizes the obligations that the Nord Stream company has to fulfill in the states whose Exclusive Economic Zone it passes and all obligations in the frame of the Espoo convention. Furthermore the government points out that compared with an onshore solution the offshore pipeline has ecological advantages, since an onshore pipeline would cross nature protected areas and would emit 40% more greenhouse gases due to the necessity of compressors. This argumentation shows that Germany would not delay or stop the project because of environmental reasons, which has never been expected to happen by national NGOs, which criticize the pipeline (Kaczmarek 2009), but have never dominated the debate.

The German government's position of 2008 can be characterized as being partly a reaction to the critics who said it was uneconomical, against Nabucco or only bilateral. The main argument for the project is still – as already under Schröder – the security of supply.

German-Russian Energy Ties

Traditionally German governments have supported energy projects with Russia. The decision to build the pipeline can be considered as the – so far – last step of German-Russian energy cooperation – which started in the 1970s with the construction of the first gas pipeline also as part of the détente and as strategy to become less dependent on the then 'traditional' oil states. One can see the pipeline as part of the German Russian strategic partnership (Götz 2006: 14).

Some authors such as Lucas (Lucas 2008) make a connection between the German pro Nord Stream position and the strategy "Annäherung durch Verflechtung" ('rapprochement through interdependence'), a concept stemming from the Minister of Foreign Affairs Stein-

meier (cf. Auswärtiges Amt 2006). The rationale is that one should “engage Russia” (Bahr 2007: 140-141) to better integrate Russia and support economic and democratic developments there.

From a Russian point of view – the country would become less dependent on transit countries, such as the Ukraine, which in the last years twice has been involved in disputes with Russia on gas supplies and transit fees. Thus the only potential political uncertainty factor would be Russia itself, but due to the historic experience that Russia always (except in the case of the Ukraine disputes) delivered gas to Germany – even if there was tension between East and West during the Cold War is a fact often mentioned also by Schröder (Schröder 2008: 9).

German Companies as Key Players and Profiteers

Besides the security of supply argument, the German government has probably supported the pipeline because of the interests of different German companies. In general one can say that the government leaves the central role in ensuring energy supplies to the national companies and only takes a supportive role in energy projects (Sander 2007). Therefore the focus will now lie on the companies which are important players who made the deal possible.

The linkages between the German energy industry and the Russian one are much deeper especially in the gas sector than with most other European countries. On the German side the major players are E.ON with its subsidiary Ruhrgas, RWE, and BASF with its subsidiary Wintershall – which is the biggest German crude oil and natural gas producer. E.ON – one of the biggest energy companies in Europe – and RWE are very active in many European countries, also in Eastern Europe (cf. RWE 2009; cf. E.ON 2008) where they play key roles in the energy and electricity markets. E.ON, which is also the only larger foreign shareholder of Gazprom, and the Russian giant cooperate intensively (cf. E.ON Ruhrgas 2009 b). While E.ON has its strengths in the downstream sector (distribution) and wishes to get access to the upstream sector (exploration and production), Gazprom is strong in the upstream sector and wishes to expand in the retail markets in Europe, so that it basically would have the entire chain of added value under its control. In the frame of the cooperation E.ON has acquired a share in the gas field Yushno Russkoje in Siberia (E.ON 2009). Kirsten Westphal has called the cooperation of the two companies a “bilateral monopoly [...] dominating the German market and flexing its muscles beyond” (Westphal 2008: 102).

Also BASF Wintershall – a competitor of E.ON Ruhrgas – has very close ties with Gazprom and has as well bought a share in Yushno Russkoje (25% minus one share plus 10% without

voting right) and paid by giving Gazprom 50% minus one share on its subsidiary Wingas– a gas distribution company active in Europe – plus shares in an exploration company in Libya (Tagesschau 2007). Moreover Wintershall and Gazprom have a joint venture called Achimgaz to explore another gas field. Gazprom is very important for E.ON and BASF and Gazprom needs the companies for the exploration and distribution, but the German companies have to compete with each other, whereas Gazprom is a monopolist. Moreover Gazprom tries to come closer to the consumer, by buying shares of different companies in Germany, and sponsoring a popular soccer club.

BASF and E.ON also have long term contracts with Gazprom on the supply of gas reaching decades in the future (20-30 years). The Nord Stream deal is also important for the German companies – each owns 20% of the consortium's shares. Although the costs for the pipeline are criticized by various people as high and “pure economic advantages are rather meager” (Götz 2006:15), the pipeline guarantees that they maintain their position as important gas distributors – or one could say as the bridge or hub for Europe. Moreover the immense investment also from the Russian side ensures that Gazprom will use the pipeline once built. One has to keep in mind that Russia could deliver the gas also to other countries in form of LNG or for instance to China through pipelines as planned with the Altai gas pipeline, which would be supplied from Siberia, areas where for instance the Achimgaz joint venture is active.

Schröder and its special relationship with Putin helped “to assure German companies a privileged position” (Westphal 2008: 104). So far German companies have not been victims of the sometimes arbitrary decisions in Russia like other western companies (Sander 2007; cf. Morozov 2008; cf. Lucas 2008). Moreover the pipeline is a kind of test for other potential German-Russian mega-projects, since so far the cooperation has been dominated by small and medium-size investments (Götz 2006). Recently German and Russian companies have announced plans to increase cooperation, such as Siemens which wishes to cooperate in the construction of nuclear power plants with Rosatom in the future (instead of the French Areva) (Focus 2009), or Opel – a GM subsidiary – with the Russian Gaz (and the Austro-Canadian Magna).

One can say that particularly in the Schröder time there was a “primacy of economics over politics” (Westphal 2008: 106), which can also be seen in the Nord Stream project. The dominance of economic actors like Wintershall/WINGAS and E.ON Ruhrgas, companies which think in economic and not political terms, has led from a German perspective to some “politi-

cally costly” (Sander 2007: 16).developments, such as a weakening of the relations to the Polish neighbor.

All in all one can summarize the German energy complex as follows: Germany has been active in developing an external energy policy on EU level and it seems as if the current design of the policy reflects German ideas to a high degree. The desire for further deepening of the policy is not very pronounced under Merkel.

The German Government does not see the Nord Stream project in contradiction to European policy since it is a European project, which secures European and German gas supplies for the future. Key actors in Germany are the companies, which have – compared with other countries – a great freedom in making their economic choices. They will cement their position as hub for Russian gas in Europe. From a theoretical perspective one can say that the German preferences are strongly colored by economic interests and that Germany does not necessarily need a European solution since it can pursue its aims also unilaterally.

The Conceptions of an External Energy Policy – a Comparison

Before the paper comes to different interests in the case of Nord Stream, the ideas or conceptions of a common external energy policy shall be briefly summarized. A problem concerning the positions of the four Member States is that these positions are often not formulated in detail. The positions frequently just confirm the generally positive attitude to such a policy and are not formulated in detail. More detailed proposals are only made when the topics are on the European agenda. The author tried to get more information from the respective ministries, but there was a certain reluctance to answer the questions, which might not only have to do with the fact that detailed positions do not exist, but might also have strategic reasons regarding potential European negotiations.

Therefore only some parameters are available and since the ideas and/or important points often lie in different fields, they are not always really comparable. Nevertheless these points shall be presented in a matrix (Figure 2). In the columns are the four countries and in the rows different aspects of energy policy. In the first row the general positions of the countries are shown in one word (i.e. positive). The second row “Elements and important points of an EEEP” shows elements or points that were proposed by the government of the specific country concerning a European External Energy Policy (EEEP). Since these elements concern different aspects or fields of a European external energy policy it is not possible to

Figure 2: Conceptions of a European External Energy Policy in the Four States

	Latvia	Poland	Sweden	Germany
General Position	Positive	Positive	Positive	Positive
Elements and important points of an EEEP	<p>Common policy vis-à-vis suppliers, such as Russia</p> <p>Legal agreements with transit countries</p> <p>Necessity to build alternative routes of supply</p> <p>If TEN-E sphere is enlarged, more EU funding</p>	<p>More “robust” EU competence</p> <p>“Crucial” position of the Commission</p> <p>Dialogues with suppliers</p> <p>Strengthening of the High Representative for CFSP in energy questions</p> <p>Reduction of dependency on Russia</p> <p>Russia must sign ECT</p> <p>Consultations on big energy projects</p>	<p>Overall satisfaction with the current design of EU policy</p> <p>No specific preferences</p>	<p>Dialogues with suppliers and transit countries</p> <p>Creating of a network of Energy relations leading to a convergence of energy policies</p> <p>PCA with Russia shall include energy chapter</p> <p>Extension of international energy market to neighbors</p> <p>Further development of the “common voice”</p>
Solidarity Mechanism	Necessity of mechanisms of solidarity in case of supply disruptions	Strong support for European solidarity mechanisms even outside of the EU (Energy NATO)	In principle yes, but all countries have to contribute a fair share	Only if all countries make efforts in this field
Limits	No influence on national energy mix	No influence on national energy mix	<p>No influence on national energy mix</p> <p>Only information on infrastructure project, the rest shall be done by the companies</p> <p>No exclusively Brussels-based policy</p>	<p>No influence on national energy mix</p> <p>No ex-ante coordination of projects</p> <p>Energy projects are issues of companies not of the governments</p> <p>No Brussels-based policy</p>
Special Emphasis on	End market isolation & reduce dependency on Russia	National energy security	Access to other markets (Baltic)	Satisfying increasing demand for gas

create separate categories for a comparison. This is why they are all listed in this category. The category “solidarity mechanism”, however, is separated from the energy policy elements as it describes the stance of the country on mechanisms to ensure energy supply in case of temporary supply disruptions (through emergency stocks etc.). In the row “Limits” the reservations, limits or boundaries for a European policy are listed, so basically the areas where the countries do not want an extension of EU policy. Finally the matrix shows where concerning international or European energy policy the special emphasis is for the countries.

What becomes clear when looking at the comparison is that all countries support a European policy and the European policy in its current form. At the same time the countries have limits, foremost concerning the national energy mix, which should stay in the hands of the single Member States, and apparently there is also not the will/wish to transfer more competences to Brussels. None of the four countries proposes something like that, except Poland which is according to the Ministry of Economy for a strengthening of EU external energy policy, with a “crucial” role of the Commission. Prime Minister Tusk proposed to strengthen EU competencies in energy vis-à-vis externals. For all countries (except Sweden where no information was available) the relations with Russia are an integral part of a European external energy policy. Germany explicitly supports the idea of including an energy chapter in the PCA, which is not very controversial and can be assumed to be supported by the other countries as well. Potential divergence can be seen in the fact the Poland wants consultations on big energy projects, while Germany does not want ex-ante coordination. Whether these positions are opposed depends on how intensive the coordination would be.

A side-element in the field of energy security is a solidarity mechanism for disruptions of supply and there are differences. While Sweden or Germany are not very willing to implement such a system or demand efforts from all countries, Poland has tried for some years to install such a system in Europe. Also Latvia supports such a system. However the design of a solidarity mechanism is rather unclear.

All in all one can say that there are no really big differences between the four Member States concerning the general stance on a common external energy policy (except concerning ex-ante coordination), some countries propose some more detailed elements, but since not all countries have a clear position towards them a well-grounded comparison in detail is hardly possible. One can assume that the detailed positions towards an external policy are formulated when the topic is on the European agenda. Nevertheless one thing is clear: Particularly

Poland has shown that it wants a strengthening of Brussels, whereas Germany and also Sweden seem to be a bit more reluctant.

These are the general positions concerning an external energy policy. But what are the positions and interests in concrete policy cases, such as the TEN-E project Nord Stream?

Diverging Interests about Nord Stream

It has become clear that the interests of the four EU Member States analyzed are very pronounced and very different in the case of Nord Stream. One can summarize the positions in the countries in a matrix (Figure 3), where of course some points do not appear but it still

Figure 3: Overview of the Preferences concerning Nord Stream

	Latvia	Poland	Sweden	Germany
Pro/Contra Nord Stream	Contra	Contra	Reserved/Contra	Pro
Government Position	<p>Nord Stream only commercial undertaking</p> <p>No benefits for Latvia</p> <p>Environmental danger for the Baltic Sea / impact assessment is important</p> <p>Suspicion of political motivations behind the pipeline</p> <p>Pipeline not in line with EU strategy</p>	<p>Nord Stream as political problem</p> <p>Against vital/national interests of Poland</p> <p>Suspicion of hidden agenda of Russia to divide the EU</p> <p>Fear that ‘the tap is turned off’</p> <p>Without positive impact assessment no pipeline</p>	<p>Open and intensive assessment of the environmental impact</p> <p>Fear of Russian intelligence and increased military presence</p>	<p>Securing of energy supplies to Europe and Germany</p> <p>Nord Stream as profitable solution</p> <p>Nord Stream as environmentally friendly solution</p> <p>Need to fulfill all Espoo Convention obligations</p> <p>Creation of interdependence with Russia</p>
Special Factors	<p>Not always easy Latvian-Russian energy relations in the past</p>	<p>Stained relations with Russia and the fear of Russia</p> <p>Economic interests (transit fees & energy hub status)</p>	<p>Critical debate focusing on environmental concerns and national security</p>	<p>Very strong company interests</p> <p>Germany as energy hub</p> <p>Rather good (energy) relations with Russia</p>
Alternative	<p>Amber pipeline and connection to Latvian gas storages</p>	<p>Onshore pipeline through Poland such as the Amber pipeline</p>	---	---

helps to get an overview over the four countries and their positions. The matrix is nearly self-explanatory. The general opinion towards Nord Stream is presented in the first row, the second summarizes the arguments of the government, the third row shows special factors which play a role in the country (this the fourth step in the country analysis, which looks at different special factors or developments), finally proposed or supported alternatives by the countries are shown if they exist.

In two of the four countries there is a generally negative stance on the project and in one there are also negative tendencies (Sweden), only Germany really supports the project. Particularly the two former communist states' governments (Latvia and Poland) are opposed to the project because of security concerns and also because of having no-benefits from it. In both countries the relations and historical experiences with Russia play an important role and government officials refer to Russia and Russian policy as a danger when talking about Nord Stream. The Russia-factor seems to influence the stance on Nord Stream to a high degree in these countries. Environmental reasons and (economic) losses or benefits also play a role in these countries which support alternative routes of the pipeline or – in the case of Latvia – also the connection of the pipeline to national gas storages. In Sweden the government is reserved towards the pipeline, although some members of the government are or were openly opposed to the project. In Sweden the debate – and this is really interesting – centers besides environmental concerns around (military) security concerns, which might also stem from historical experiences in the Cold War time.

To answer the research question the nature or character of the interests of the different countries is of special interest. Of what type are the interests in the four countries? Is it possible to sum them up under headings? The paper wants to try that with a three category system (Figure 4), which is roughly following Moravcsik, who distinguishes (only) two major types of national preferences: economic interests and geopolitical ideas and interests. In general this paper wants to follow this line of distinction and add one more category.

The first category "economic interests" shall include things which are directly linked with economic or commercial benefits for a country or its economy. The second category is called security/geopolitics. The term does not follow exactly Moravcsik who would have called it "Geopolitical ideas and Interests" (Moravcsik 1998: 27ff.), here it shall encompass security interests, also including security of supply. Many interests in the case of Nord Stream can be caught with these two major categories, although sometimes economic and security/geopolitical interests are intertwined.

Some interests cannot really be grasped with the two categories, as for instance environmental concerns which can be found in some countries. The threat to the environment can neither be clearly assigned to economic concerns nor to geopolitical or security concerns. Therefore one might create a separate category for them.

Figure 4: Importance of Interests

	Economic Interests	Security/Geopolitics	Environmental Concerns
Latvia	++	+++	++
Poland	+ / ++	+++	+
Sweden	-	++ / +++	++
Germany	+++	++	+

The interests are rated on a scale from - to +++ indicating the intensity of the interests. - stands for no particular interests in this field.

According to Moravcsik *economic interests* play a crucial role in determining the preferences of countries and the first hypothesis was that mainly economic interests determine the preferences. After the analysis of interests in the Nord Stream case this hypothesis only partly holds true and actually only in one of the four cases the prime drivers of national preferences are economic – namely in the case of Germany. Above all German energy companies are profiting, directly – by cementing their position as important gas distributors in the EU – and indirectly – by deeper cooperation with Gazprom and perhaps the chance to get access to the upstream sector. Cost savings – compared with alternative pipelines – do not seem to play a role since the costs for the pipeline partners are enormous.

For Latvia economic interests also play a certain role. Latvia would like to influence the project in two ways which would be very positive for the economy of the second smallest Baltic State; first, by getting a connection to the gas storages and by changing the route to its territory (the Amber pipeline alternative). For Poland economic motivations play in so far a role, as the country might increase its transit charges with the Amber pipeline or might lose some fees/money in case Nord Stream is fully operated. Moreover the country would not cement its status as transit country (and energy hub), which would be the case if Yamal II or

the Amber pipeline were built. Other economic reasons do not really play a role. Sweden has no specific economic interest in the project.

Concerning *security/geopolitics* – this should also include *security of supply* – the situation is different. Surprisingly security concerns can be found in Sweden, although Sweden neither has a link to the pipeline nor is a potential country for an alternative route. These military and intelligence concerns can be found both in the statements of ministers, in the public debate and in expert statements. Poland – more than Latvia – is afraid that it might end up in a position where Russia could stop the gas supplies. Poland would partly lose its status as pivotal transit country, and with Nord Stream Russia would have the possibility to cut off the gas, without impairing supplies to the western states. This is regarded as a risk for the “national security” in Poland. For Germany security only plays a role as far as the pipeline guarantees the (security of) supply of gas, military security is not a topic at all.

Environmental concerns can be found in all countries (cf. Nord Stream 2008 b), foremost in Latvia, Sweden and Poland. On the one hand they refer to risks in the construction phase due to dumped ammunition and on the other hand to risks when the pipeline is operated (i.e. if the pipeline bursts). But especially in Poland opposition against the offshore pipeline seems to be expressed in an undiplomatic way and might actually be “pseudo concerns”, since Poland is planning to build an offshore pipeline called ‘Baltic Pipe’, which would also affect the environment.

To sum up one can say that economic reasons do play an important role, but in three countries geopolitical and security factors trump over economic interests or environmental interests or are of the same importance. Especially in countries critical of or opposed to the pipeline geopolitical and security factors are of special importance. Therefore it can be said that the first hypothesis that mainly economic interests determine the national preferences cannot be (fully) confirmed.

The Importance of Interests and the Future of an External Energy Policy

When one takes a look at an energy project like Nord Stream then it becomes clear that the project – like many other energy projects – causes externalities. If they are real or only perceived as such is irrelevant. In the case of Nord Stream the benefits and costs are distributed very unevenly, Germany and its companies (perhaps also the Netherlands or France) are profiting from access to energy sources, from their position at the end of the pipeline, whe-

reas others suffer from negative externalities in form of potential losses, a worse energy supply situation or potential environmental hazards. Only for countries suffering from negative externalities cooperation is attractive whereas the profiteers do not have incentives to cooperate. So it is basically not attractive for all countries to cooperate at the same time. This holds particularly true for infrastructure projects of a European dimension like Nord Stream which means that the second hypothesis, which says externalities are one-sided and interests are so different that cooperation is precluded, can be confirmed.

The third hypothesis says that a deepening of an EU external energy policy is unlikely, since for some countries a national policy is more attractive than a European approach. If one only looks at Nord Stream, then this might be true. At the moment Germany does not face negative externalities from the policies of other countries, such as Poland, but according to Moravcsik "only where the policies of two or more governments create negative policy externalities for one another, and unilateral adjustment strategies are ineffective, inadequate or expensive, does economic interdependence create an unambiguous incentive to co-ordinate policy" (Moravcsik 1993: 486). Apparently there are no unambiguous incentives for Germany to co-ordinate policy in a project like Nord Stream, whereas for Poland or Latvia there are incentives to co-operate, since national unilateral adjustment strategies have their limits or are extremely costly. To facilitate cooperation interests must converge. In the case studied this seems to be rather unlikely. In negotiations on the European level on this topic "relative power matters" (Moravcsik 1993: 499) and Germany apparently has a stronger power than Latvia or Poland, since in this field Germany has good unilateral policy alternatives by being able to ensure energy supplies on its own, bypassing the eastern neighbors. Therefore Germany does not want European decisions on Nord Stream.

But what does this mean for the future of a European external energy policy? It has become clear that the differences in the case of Nord Stream lie on different levels. On the one hand there is Germany where economic interests dominate and on the other hand there are Poland and to a certain degree Latvia, countries which in the Nord Stream Pipeline see a threat to their position and national security, an attitude which is primarily based on the fear of Russia.

A European external energy policy is faced with several challenges or problems: Although in general all countries have a positive stance on a common external energy policy a deepening of the policy seems to be very unlikely in all fields where countries see a threat to their economic or security interests. Particularly in infrastructure projects like Nord Stream, but

also Nabucco or South Stream, are very contentious and it is unlikely that the EU Member States can agree upon more than just giving them the TEN-E status, which sometimes appears to be not much more than a marketing-label. The negative externalities of such projects make cooperation only attractive for some countries. Problematic in the energy field is that, due to international developments like the Ukraine crisis and the intensification of competition for natural resources, many countries regard energy more and more as being in the centre of their sovereignty and as part of their security interests. (In the case of Nord Stream it has become clear that especially Poland ascribes extreme importance to energy security.) This securitization of energy questions, which is a process that has happened also globally, makes cooperation even more difficult in the European Union.

The different positions of the Member States in the case of Nord Stream and the carefully formulated national positions towards a common external energy policy show that the current EU policy, which was described above, represents the lowest common denominator in the EU. For a while this policy might be the maximum in integration in this field.

Nevertheless these difficulties do not mean that the current EU policy has not taken the right paths. It might help to alleviate security concerns. Poland or Latvia see their energy security as being at risk, therefore there is the need to assure that the energy supplies are guaranteed. The measures taken by the EU to support the construction of a European internal energy market infrastructure will help to create a real energy market, which again makes the balancing of supply disruptions easier. This might contribute to a de-securitization of energy policy in the EU and might create the preconditions for further integration in external energy matters.

If the promotion of open markets outside the EU territory will be successful is questionable. Some authors ask whether the EU should continue following its line of a market-based approach accompanied by different dialogues also with externals (with the ECT, the Energy Community) or if maybe a more geopolitical approach would be appropriate (Youngs 2006; cf. also Westphal 2006), which however would give suppliers and competitors for energy a *carte blanche* to do the same.

What elements could a further developed external energy policy have? Despite the obstacles to integration some ideas shall be presented here. Some authors have outlined possible elements (cf. Geden et al. 2006; Brummer/Weiss 2007) which follow the path the Commission has proposed.

If the EU wants to conduct a real common external energy policy, then it apparently needs a clear competence on a legal basis in the treaties, but the Lisbon Treaty does not assign a comprehensive mandate to the EU in external matters, nevertheless the energy article and solidarity clause (Art. 194 and Art. 122 (1) TFEU) might be the basis for stronger EU competences. Moreover, the EU might need to take a bit more money in its hand for an external energy policy and an energy supply policy. Against the background of the enormous money that is spent on the CAP, it is hardly understandable why only 'peanuts' are spent in the energy field. Geden, Marcellis, Maurer for instance propose to set up an "investment support scheme to guarantee/mitigate non-commercial risks related to energy production and transport investments" (Geden et al. 2006: 26). In general the EU support for projects could have more material substance. The reform of the TEN-E scheme as proposed by the Commission is a step in this direction. To overcome obstacles based on economic concerns of some Member States one might think of package deals and of financial compensation for potential losses (something not unknown in the EU).

Other possible elements are the neighborhood policy, dialogues and also energy diplomacy. The EU could speak with one voice also in the IEA or WTO. In the WTO negotiations – Russia might join the WTO soon – the EU could push for the application of WTO rules on energy, which is not the case at the moment. Another dimension of an external policy might also include military aspects. The fact that in the case of Nord Stream Sweden has military concerns highlights this. One might think of the protection of energy infrastructure, of pipelines or also oil tankers (as currently needed in Somalia's waters with the operation Atalanta). The promotion of renewable energies outside of the EU (Geden et al. 2006) might be another element. The recent idea of the Sahara solar project Desertec might be politically and (if necessary) financially supported, since it would increase Europe's energy security. These are various ideas what the EU external energy policy could look like in the future.

Conclusion

The research question of this paper was: What kind of diverging interests do EU Member States have concerning the Nord Stream Pipeline Project and what do they mean for the development of a common European external energy policy? For this purpose the paper has shown the current state of EU policy and its problems, it has looked at four different EU Member States and the position of their governments towards an EU external energy policy and towards Nord Stream. Then it has compared the ideas for an external policy and looked

at the nature of interests in the case of Nord Stream and what this means for a European policy.

The findings of this paper on energy can be summarized in a few points: *First*, a strong European external energy is necessary due to global developments, the depletion of resources, the location of most resources in unstable countries and an increasing competition for them through China and India. *Second*, energy policy is (still) regarded as being at the centre of national sovereignty and as a prerogative of the nation state. The status of energy policy has been valorized by a securitization, which shifted energy policy away from a mainly or only economic matter (what it of course has never really been).

Third, besides the special nature of energy policy and the fact that it is regarded as a mainly national issue, it has become clear that in special projects some countries have the power to conduct a unilateral energy policy, while causing negative externalities on others. *Fourth*, all countries of the study show a commitment towards a common external energy policy, but (except in a certain way Poland) none of them is really pushing for further integration or even a strengthening of Brussels or wants to give the EU a clear competence in the treaties.

Fifth, in the case study of Nord Stream it has become clear that economic and geopolitical or security interests play a crucial role in energy projects. The economic interests center around economic-strategic advantages and transit fees, while the geopolitical and security interests center around the fear of supply disruptions and the fear that other countries might have a lever in their hands. This is particularly the case with Russia, the country which can be regarded as the *raison d'être* for a common external energy policy. *Sixth*, a further integration is only possible when a de-securitization of energy policy is possible and internal systems contribute to energy security in all EU Member States. This is very difficult to achieve, since it is financially costly and requires a strong political will of the European leaders.

What do the findings of this paper mean for European integration in the energy field? Apparently national concerns (still) play an extremely important role in decisions on further European integration. Hard national economical interests and national security interests determine – in the case of Nord Stream and European energy policy – the national positions to a high degree. The fact that national security interests or security concerns very much influence national preferences is surprising. In the case of Nord Stream but also in the field of an external energy policy particularly Russia or rather the ‘Russia factor’ or ‘Russian fear factor’ have a big impact. In many former communist countries, but also in countries with other negative experiences, there seems to be a fear of dependence, people suspect a hid-

den Russian agenda, such as splitting Europe. This leads to a securitization of (external) energy policy.

How the issue of securitization of energy policy could be tackled is not really clear. If only solidarity mechanisms – whatever they might look like – are enough, is questionable. An interesting proposal to solve the problem of securitization and disputes on energy supply to a certain degree was made by Gerhard Schröder when asked in an event on energy policy in the 21st century by the author. Schröder proposed an internationalization of pipelines, so that all parties which are involved in it are running the pipeline in a common company (Schröder 2009). What this would exactly look like and if this is feasible remains debatable.

A problem is that diverging interests in economic or commercial fields can be compensated for by the European budget or in package deals (*quid-pro-quo*), security concerns cannot be easily compensated for. When these concerns and this fear are not overcome in time/gradually – it is unlikely that this will happen soon – then the EU needs to address these concerns in all fields where they play a role. This means that a common European energy policy with a focus on security of supply needs to be embedded in a wider EU security strategy addressing these fears.

The energy complex can be summarized as follows: there is apparently the need for an external energy policy – this is nearly common sense – and there are many options to develop and extend such a policy; however the political will, the securitization of energy policy as central for the national sovereignty, historically grown national reservations and national economic interests of some countries and companies – which are all present in the case studied of the Nord Stream project – impede the development of a real common policy.

From a theoretical perspective the paper has shown that Liberal Intergovernmentalism is to a certain degree able to explain non-integration or obstacles to integration in the EU. On the level of national preferences LI leaves enough space for different motivations, however in this case economic interests and particularly security/geopolitical interests are very important. The theory is able to explain under what conditions cooperation is unlikely – which is the case when the effects of externalities are distributed unequally, like in the Nord Stream case. Moreover on the level of intergovernmental bargaining on a common policy LI makes the assumption that relative power matters, which is determined by three factors: Unilateral alternatives, alternative coalitions and the potential for linkage or compromise. In the case studied a/the unilateral alternative of Germany is a national external energy policy (with projects like Nord Stream), which can also be conducted without the cooperation with European part-

ners and therefore more EU cooperation is not essential for Germany. In a nutshell one can say that LI is a toolbox that is able to explain why EU Member States do not cooperate.

When looking at future negotiations on EU integration one might ask whether Moravcsik's assumption that EU integration is mainly driven by economic interests holds true also in the future. Although the paper deals with non-integration or obstacles to integration the geostrategic and security concerns especially in Eastern Europe seem to be important for the national preferences. In the future these concerns might determine whether there will be integration or not. Or to say it differently and in a question: Will the conditions and mode of integration be the same after the enlargement of the EU?

References

Literature and Internet Sources

- Aalto, P / Westphal, K (2008): *Introduction*. In: Aalto, P: *The EU-Russian Energy Dialogue. Europe's Future Energy Security*. Hampshire/Burlington, Ashgate. pp. 1-22.
- Auswärtiges Amt (2006): „Außenpolitik im Zeichen von Energiesicherung“ – Interview mit Bundesaußenminister Steinmeier im rbb-Inforadio. (<http://www.auswaertiges-amt.de/diplo/de/Infoservice/Presse/Interviews/2006/061014-SteinmeierRBB.html> 12 June 2009)
- Bahr, A (2007): *Germany and Russia: A Special Relationship*. In: The Washington Quarterly 30:2. The Center for Strategic and International Studies and the Massachusetts Institute of Technology. pp.137-145
- Bourke, T (2008): *Lisbon Treaty could be EU's pipeline to better energy security*. In: Irish Times, 28 October 2008. (<http://www.irishtimes.com/newspaper/opinion/2008/1028/1225061111263.html> 15 May 2009)
- Brodin, A (2000): *Ports in Transition in Countries in Transition. The changing situation of ports in Russia and in the Baltic States in times of geopolitical and economic transition*. (<https://gupea.ub.gu.se/dspace/bitstream/2077/2958/1/BrodinLic.pdf> 21 May 2009)
- Brüggemann, M (2009): *Polen ändert Energie-Strategie*. In: Handelsblatt, 26 June 2009. (<http://www.handelsblatt.com/politik/international/polen-aendert-energie-strategie;2396907> 26 June 2009)
- Brummer K / Weiss, S (2007): *Europa im Wettlauf um Öl und Gas. Leitlinien einer europäischen Energieaußenpolitik*. (http://www.bertelsmann-stiftung.de/bst/de/media/xcms_bst_dms_21446_21447_2.pdf 13 June 2009)
- Bundesministerium für Wirtschaft und Technologie / Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit (2006): *Energieversorgung in Deutschland. Statusbericht für den Energiegipfel am 3. April 2006*. (<http://www.bmwi.de/BMWi/Redaktion/PDF/E/energiegipfel-statusbericht.property=pdf.bereich=bmwi.sprache=de.rwb=true.pdf> 18 June 2009)
- Bundesministerium für Wirtschaft und Technologie (2008): *Die Nord Stream-Pipeline: Ein Projekt zur Gewährleistung der europäischen Gasversorgungssicherheit*. Informal and unpublished paper.
- Bundesministerium für Wirtschaft und Technologie (2009 a): *Europäische Energiepolitik*. (<http://www.bmwi.de/BMWi/Navigation/Energie/europaeische-energiepolitik.did=281900.html> 23 June 2009)
- Bundesministerium für Wirtschaft und Technologie (2009 b): *Projektgruppe Energiepolitisches Programm (PEPP): 10 langfristige Handlungslinien für die künftige Energieversorgung in Deutschland*. (<http://www.bmwi.de/Dateien/Energieportal/PDF/pepp-10-langfristige-handlungslinien-kuenftige-energieversorgung-gesamttext.property=pdf.bereich=bmwi.sprache=de.rwb=true.pdf> 20 August 2009).
- Bundesministerium für Wirtschaft und Technologie (2009 c): *Europäische Energiepolitik*. (<http://www.bmwi.de/BMWi/Navigation/Energie/europaeische-energiepolitik.did=281908.html> 20 August 2009)
- Cameron, F (2007): *The Nord Stream Gas Pipeline Project and Its Strategic Implications*. Briefing Note. Note requested by The European Parliament's committee on Petitions. (<http://www.europarl.europa.eu/document/activities/cont/200801/20080128ATT19812/20080128ATT19812EN.pdf> 24 June 2009)
- Caporaso, J A (1999): *Toward a normal science of regional integration*. In: Journal of European Public Policy 6:1, March 1999. Routledge. pp. 161-164.
- Council of the European Union (2006): *Brussels European Council 23/24 March 2006. Presidency Conclusions*. (http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/89013.pdf 20 April 2009)
- Council of the European Union (2007): *Brussels European Council 8/9 March 2007. Presidency Conclusions*. (http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/93135.pdf 18 April 2009)
- Dagens Nyheter (2006): *Rysk Gasledning säkerhetspolitiskt problem*. (<http://www.dn.se/nyheter/sverige/rysk-gasledning-sakerhetspolitiskt-problem-1.695117> 2 June 2009)

- Dempsey, J (2005 a): *Russian gas to flow to Europe via Baltic Sea*. In: International Herald Tribune, 12 April 2005. (<http://www.nytimes.com/2005/04/11/world/europe/11iht-ties.html?scp=1&sq=Russian%20Gas%20to%20Flow%20to%20Europe%20via%20Baltic%20Sea&st=cse> 20 June 2009)
- Dempsey, J (2005 b): *Schröder and Putin cementing relationship*. In: The International Herald Tribune, 8 September 2005. (<http://www.nytimes.com/2005/09/07/world/europe/07iht-germany.html> 23 June 2009)
- DER SPIEGEL (2006 a): *Russen vor Gotland*. No.47/2006 p.149.
- DER SPIEGEL (2006 b): „Die Schuld würde wieder relativiert“. Spiegel-Gespräch mit Lech Kaczyński . In: DER SPIEGEL, No.10/2006. pp.113-115.
- DER SPIEGEL (2007): *Angst vor dem Bären*. No.38/2007 p.133.
- Deutsche Welle (2006): *Poland Hits Out at Germany over Gas Partnership with Russia*. (<http://www.dw-world.de/dw/article/0,2144,1986869,00.html> 3 June 2009)
- Dresen, F C (2006): *Russian Energy and Northern Europe. How Much Scope for Political Pressure?* Meeting Report. (http://www.wilsoncenter.org/index.cfm?topic_id=1424&fuseaction=topics.publications&doc_id=209100&group_id=7718 1 June 2009)
- Dūmiņa, Z (2007): *Gaida vienotību ES enerģētikā*. In: Diena Online, 12 October 2007. (<http://www.diena.lv/lat/arhivs/ekonomika/gaida-vienotibu-es-energetika> 12 August 2009)
- E.ON (2008): *Strategy and Key Figures 2008*. (http://www.eon.com/de/downloads/EON_Strategy_Key_Figures_2008.pdf 22 June 2009)
- E.ON (2009): *Gasfeld Yushno Russkoje: Beteiligungsvertrag unterzeichnet*. (<http://www.eon.com/de/presse/news-detail.jsp?id=9230> 22 June 2009)
- E.ON Ruhrgas (2009 a): *Porträt. Strategische Stellung*. (<http://www.eon-ruhrigas-international.com/cps/rde/xchg/SID-3F57EEE6-F707FD33/er-international/hs.xsl/2629.htm> 07 May 2009)
- E.ON Ruhrgas (2009 b): *E.ON Ruhrgas und die russische Gaswirtschaft*. (<http://www.eon-ruhrigas.com/cps/rde/xchg/er-corporate/hs.xsl/1004.htm?rdeLocaleAttr=de> 22 June 2009)
- Energy Charter Treaty website (2009) (<http://www.encharter.org/index.php?id=7> 30 April 2009)
- EU Commission, Secretary General, High Representative for the Common Foreign and Security Policy (2006): *An External Policy to Serve Europe's Energy Interests*. (<http://www.consilium.europa.eu/uedocs/cmsUpload/st09971.en06.pdf> 20 April 2009)
- EU Commission (2006 a): *A European Strategy for Sustainable, Competitive and Secure Energy*. (http://ec.europa.eu/energy/green-paper-energy/doc/2006_03_08_gp_document_en.pdf 12 February 2009)
- EU Commission (2006 b): *Communication from the Commission to the European Council. External Relations – from principles to action*. (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2006:0590:FIN:EN:PDF> 20 March 2009)
- EU Commission (2007): *Communication from the Commission to the European Council and the European Parliament. An Energy Policy for Europe*. (http://eur-lex.europa.eu/LexUriServ/site/en/com/2007/com2007_0001en01.pdf 24 March 2009)
- EU Commission (2008 a): *Second Strategic Energy Review. AN EU ENERGY SECURITY AND ACTION PLAN. Europe's current and future energy position. Demand – resources – investments*. (http://ec.europa.eu/energy/strategies/2008/doc/2008_11_ser2/strategic_energy_review_wd_future_position2.pdf 1 March 2009)
- EU Commission (2008 b): *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Second Strategic Energy Review. An EU Energy Security and Solidarity Action Plan*. (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0781:FIN:EN:PDF> 29 April 2009)
- European Parliament (2007): *European Parliament resolution of 26 September 2007 on towards a common European foreign policy on energy*. (<http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P6-TA-2007-0413&language=EN&ring=A6-2007-0312> 20 August 2009)

- European Parliament (2009): *European Parliament resolution of 17 September 2009 on external aspects of energy security*. (<http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2009-0021&language=EN&ring=P7-RC-2009-0040> 20 August 2009)
- European Policy Centre (2004): *EU Energy Supply Security and Geopolitics*. (<http://www.epc.eu/en/er.asp?TYP=ER&LV=293&see=y&t=2&PG=ER/EN/detail&l=&AI=440> 3 April 2009)
- Eurostat (2009): *Energy dependency*. (<http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tsdcc310&plugin=1> 7 May 2009)
- Fischer, S (2009): *Energie- und Klimapolitik im Vertrag von Lissabon: Legitimationserweiterung und wachsende Herausforderungen*. In: *Integration*. No.1, 2009. pp. 50-62. Nomos Verlagsgesellschaft, Baden-Baden.
- Focus (2009): *UPDATE: Siemens sieht sich bei Zielerreichung voll auf Kurs*. 25.06.2009 (http://kurse.focus.de/news/UPDATE-Siemens-sieht-sich-bei_id_news_110212466.html 24 June 2004)
- Geden, O / Marcellis, C / Maurer A (2006): *Perspectives for the European Union's External Energy Policy. Discourse, Ideas and Interests in Germany, the UK, Poland and France*. (http://www.swp-berlin.org/common/get_document.php?asset_id=3521 4 March 2009)
- Glowacka, M / Wittrock, P (2006): *Streit um Energieversorgung. Verwirrung um polnische Pipelinepläne*. (<http://www.spiegel.de/politik/ausland/0,1518,415540,00.html> 20 July 2009)
- Götz, R (2006): *The NEGP: German and European Interests*. In: Kazin, P (Ed.): *Baltic Mosaic Analytics (Winter-Spring 2006). The North European Gas Pipeline: Political and Economic Implications for Russia and the EU*. p. 13-15.
- Government Offices of Sweden (2007 a): *The Government wants alternative routes for gas pipelines to be presented*. (<http://www.sweden.gov.se/sb/d/8202/a/91330> 29 May 2009)
- Government Offices of Sweden (2008): *Additional information needed for Government to examine applications for gas pipeline in Baltic Sea*. (<http://www.sweden.gov.se/sb/d/10123/a/98019> 29 May 2009)
- Haas, E B (1968): *The Uniting of Europe. Political, Social and Economic Forces*. Stanford University Press, Stanford. (First published Stevens & Sons Limited, London 1958)
- Hautala, H (2007): *The Baltic Sea gas pipeline – power or partnership*. In: *Baltic Rim Economies*. 28.02.2007. 1/2007. (http://www.tse.fi/Fl/yksikot/erillislaitokset/pei/Documents/bre/expert_article79_12007.pdf 17 June 2009)
- Heinrich, A (2006): *Gazprom – A Reliable Partner for Europe's Energy Supply?* In: *Russian Analytical Digest 01/06*. (<http://se2.isn.ch/serviceengine/FileContent?serviceID=RESSpecNet&fileid=217D09A6-A7E6-B16D-7A47-4B3DADC305CA&lng=en> 7 May 2009)
- Heinrich, A (2007): *Poland as a Transit Country for Russian Natural Gas: Potential for Conflict*. KICES Working Papers No.9-10 September 2007. (http://www.kices.org/downloads/KICES_WP_09-10.pdf 5 June 2009)
- Helsingin Sanomat (2007): *Lithuanian oil refinery feels clout of Russian energy industry*. (<http://www.hs.fi/english/article/Lithuanian+oil+refinery+feels+clout+of+Russian+energy+industry/1135229298078> 10 May 2009)
- Helsingin Sanomat (2008): *Swedish government sends back Nord Stream application, demands clarification on environmental impact*. (<http://www.hs.fi/english/article/Swedish+government+sends+back+Nord+Stream+gas+pipeline+application+demands+clarification+on+environmental+impact/1135234030955> 29 May 2009)
- Hitchcock, W (1999): *Review: The Choice for Europe: Social Purpose and State Power from Messina to Maastricht* by Andrew Moravcsik. In: *The American Historical Review*, Vol. 104, no.5 (Dec. 1999), pp. 1742-1743. The American Historical Association.
- Hubert, F /Suleymanova, I (2009): *Baltic Sea Pipeline. The Profits Will Be Distributed Differently*. DIW Weekly Report. (http://www.diw.de/documents/publikationen/73/98511/diw_wr_2009-12.pdf 3 June 2009)
- International Energy Agency (2007 a): *World Energy Outlook 2007. Executive Summary*. (<http://www.iea.org/Textbase/npsum/WEO2007SUM.pdf> 3 March 2009)
- International Energy Agency (2007 b): *Energy Policies of IEA Countries. Germany 2007 Review*. Paris, International Energy Agency.

- International Energy Agency (2009 a): Information on Latvia on the website (http://www.iea.org/Textbase/country/n_country.asp?COUNTRY_CODE=LV 10 May 2009)
- International Energy Agency (2009 b): Information on Sweden on the website (http://www.iea.org/textbase/stats/pdf_graphs/SETPESPI.pdf 27 May 2009)
- International Energy Agency (2009 c): Information on Poland on the website (http://www.iea.org/textbase/stats/pdf_graphs/PLTPESPI.pdf 3 June 2009)
- International Energy Agency (2009 d): Information on Germany on the website (http://www.iea.org/textbase/stats/pdf_graphs/DETPESPI.pdf 17 June 2009)
- Jesinska, A (2007): *The Outlook of Latvian Potential Underground Gas Storages and Prospects of Utilization of this Potential for Securing of Reliable Gas Supply to Europe*. (http://www.unece.org/energy/se/pp/wpgas/17_countries.htm 29 May 2009)
- Kaczmarek, M (2009): *WWF nach Anhörung zu Nord Stream. "2010 wird keine Ostseepipeline gebaut"*. (<http://www.euractiv.de/energie-klima-und-umwelt/artikel/2010-wird-keine-ostseepipeline-gebaut-001733> 29 August 2009)
- Kaltivis, A (2009): Interview with Berliner Zeitung. 23. April 2007. (found on <http://www.baltischerdialog.eu/wisls-cms/content/7/Letzter+Termin/20/Interview+%22Berliner+Zeitung%22+2007.html> 7 May 2009)
- Kennedy, S (2001): Commentary on Andrew Moravcsik, "De Gaulle Between Grain and Grandeur: The Political Economy of French EC Policy, 1958-1970 (Part 1)," *Journal of Cold War Studies*, Vol. 2, Issue 2 (Spring 2000): 3-43. (<http://www.h-net.org/~dipl/reviews/PDF/Kennedy-Moravcsik.pdf> 7 July 2009)
- Kim, L (2009): *Putin Undermines Gazprom as Ukraine Pact Freezes Out Yushchenko*. (<http://www.bloomberg.com/apps/news?pid=20601102&sid=aueVXFAtO5XI&refer=uk> 25 March 2009)
- Klein, A M (2008): "Hey Russia, hands off Georgia!". *Reaktionen aus den Baltischen Staaten auf den Krieg in Georgien*. (http://www.kas.de/proj/home/pub/39/1/year-2009/dokument_id-14454/index.html 20 May 2008)
- Klomegah, K K (2007): *RUSSIA: The Meat of the Polish Dispute is Politics*. In: IPS News, 19 December 2007 (<http://ipsnews.net/news.asp?idnews=40528> 2 April 2009)
- Knuf, T (2009): *Geisel im Gasstreit*. In: Frankfurter Rundschau. (http://www.fr-online.de/in_und_ausland/politik/meinung/kommentare/1655910_Geisel-im-Gasstreit.html 12 February 2009)
- Kramer, A E (2008): *Lithuanians Are Given a Taste of How Russia Plays the Oil Game*. In: New York Times, 28 October 2006. (<http://www.nytimes.com/2006/10/28/business/worldbusiness/28embargo.html?pagewanted=1&r=1> 10 May 2009)
- Łagoda, W (2009): E-mail to the author on 1 October 2009.
- Larsson, R L (2006): *Sweden and the NEGP: A Pilot Study of the North European Gas Pipeline and Sweden's Dependence on Russian Energy*. (<http://www2.foi.se/rapp/foir1984.pdf> 9 May 2009)
- Larsson, R L (2007): *Nord Stream, Sweden and Baltic Sea Security*. (<http://www.foi.se/upload/english/reports/foir2251.pdf> 9 May 2009)
- Larsson, R L (2008): *Security Implications of the Nord Stream Project*. (http://www.foi.se/upload/nyheter/2008/security_implications_of_nord_stream_robert_larsson.pdf 2 June 2009)
- Lucas, E (2008): *The New Cold War. Putin's Russia and the Threat to the West*. New York, Palgrave Macmillan.
- Marcinkiewicz, K (2006): *The European Energy Security Treaty: let us respond together to energy threats*. Published in: Financial Times. 10 February 2006. (Found on: <http://www.sipa.columbia.edu/REGIONAL/ECE/academics/regional/conf/Appendix%203%20-%20letter%20of%20Prime%20Minister%20Marcinkiewicz.pdf> 14 June 2009)
- Miller, R R (2008): *Central Europe's Energy Security Schism*. Center for European Policy Analysis, Washington. (http://www.atlantic-community.org/app/webroot/files/articlepdf/Central_Europe_Energy_Security_Schism20080724.pdf 13 June 2009)
- Moore, T (2007): *Gas pipeline tears up Baltic fears*. (<http://news.bbc.co.uk/2/hi/business/7153924.stm> 13 June 2009)

- Moravcsik, A (1993): *Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach*. In: Journal of Common Market Studies, 31 (4), 473-524.
- Moravcsik, A (1998): *The Choice for Europe. Social Purpose & State Power from Messina to Maastricht*. London, UCL Press.
- Moravcsik, A / Schimmelpfennig, F (2009): *Liberal Intergovernmentalism*. In: Diez, T / Wiener, A (Edit.): *European Integration Theory*. Oxford, Oxford University Press. pp. 67-86.
- Morozov, V (2008): *Energy Dialogue and the Future of Russia: Politics and Economics in the Struggle for Europe*. In: Aalto, P: *The EU-Russian Energy Dialogue. Europe's Future Energy Security*. Hampshire/Burlington, Ashgate. pp. 43-62.
- NATO (2006): *Polish President discusses Afghanistan, energy security and missile defence at NATO*. (<http://www.nato.int/docu/update/2007/06-june/e0606c.html> 13 June 2009)
- NATO (2007): *NATO Secretary visits Poland*. (<http://www.nato.int/docu/update/2006/02-february/e0216a.htm> 13 June 2009)
- Neef, C / Puhl, J (2006): *SPIEGEL-GESPRÄCH: „Die Schuld würde relativiert“. Der polnische Präsident Lech Kaczyński, 56, über das Verhältnis zu Deutschland, die Rolle seines Landes in der EU und historische Schwierigkeiten mit Russland*. In: DER SPIEGEL, No.10/2006. pp. 113-115.
- Neue Osnabrücker Zeitung (2008): *Ukraine braucht von EU klare Perspektive*. Interview with Donald Tusk. 6 September 2008. (http://www.neue-oz.de/archiv/noz_print/interviews/2008/09/tusk.html 11 June 2009)
- Nord Stream (2007): *Nord Stream re-routes Pipeline north of Bornholm*. ([http://www.nord-stream.com/en/press0/press-releases/press-release/browse/4/article/nord-stream-re-routes-pipeline-north-of-bornholm.html?tx_ttnews\[backPid\]=24&cHash=9afee75a40](http://www.nord-stream.com/en/press0/press-releases/press-release/browse/4/article/nord-stream-re-routes-pipeline-north-of-bornholm.html?tx_ttnews[backPid]=24&cHash=9afee75a40) 4 June 2009)
- Nord Stream (2008 a): *Maintenance of Nord Stream Pipelines Feasible Without Service Platform*. ([http://www.nord-stream.com/en/press0/press-releases/press-release/browse/2/article/maintenance-of-nord-stream-pipelines-feasible-without-a-service-platform-1.html?tx_ttnews\[backPid\]=24&cHash=f842f22119](http://www.nord-stream.com/en/press0/press-releases/press-release/browse/2/article/maintenance-of-nord-stream-pipelines-feasible-without-a-service-platform-1.html?tx_ttnews[backPid]=24&cHash=f842f22119) 1 June 2009)
- Nord Stream (2008 b): *White Book of Comments*.
- Nord Stream (2009): (<http://www.nord-stream.com/de/the-pipeline/pipeline-route/route-details.html> 2 April 2009)
- Platts (2006): *Poland looks to end reliance on Russian energy*. (<http://www.platts.com/Natural%20Gas/Resources/News%20Features/ukrainegas/index.xml> 4 June 2009)
- Proissel, W / Hecking, C / Wetzel, H (2009): *Krampfader Ostseepipeline*. In: Financial Times Deutschland, 18 February 2009. (<http://www.ftd.de/politik/europa/Agenda-Krampfader-Ostseepipeline/476471.html?p=1> 19 February 2009)
- Putnam, Robert D. (1988): *Diplomacy and Domestic Politics: The Logic of Two-level Games*. In: International Organization, Vol. 42, No. 3 (Summer, 1988), pp. 427-460. The MIT Press.
- Republic of Latvia, Cabinet of Ministers (2006): *Enerģētikas attīstības pamatnostādnes 2007. – 2016. gadam*. Rīkojums nr. 571. (http://www.em.gov.lv/images/modules/items/Par_Enerģetikas_pamatnostadnem.doc 30 July 2009)
- Republic of Latvia, Ministry of Foreign Affairs (2006): *Latvijas dalība Eiropas Savienībā – pamatprincipi, mērķis, prioritātes un darbība 2007.-2013.* (<http://www.mfa.gov.lv/lv/eu/diskusija-par-ES/zinojums> 12 August 2009)
- Republic of Latvia, Ministry of Economy (2009): untitled and unpublished document prepared by the Ministry on Energy Policy (the author has received it from the ministry).
- Republic of Poland, Ministry of Economic (2007): *Polish stand on the construction of the Nord Stream gas pipeline (the northern gas pipeline)*. (<https://www.mg.gov.pl/English/News/gas+and+petroleum2.htm> 4 June 2009)
- Republic of Poland, Ministry of Economy (2009): *Energy Policy of Poland until 2030*. Draft from 5 March 2009. (accessible through <http://www.mg.gov.pl/English/Programmes/Polands+Energy+Policy+until+2030.htm> 10 September 2009)
- Reuters (2008 a): *FACTBOX – Russian energy transit states*. (<http://www.reuters.com/article/companyNews/idUSL0488667120080304?pageNumber=3&virtualBrandChannel=0> 10 May 2009)

- Reuters (2008 b): *Poland's Tusk seen leading call for land gas route.* (<http://www.reuters.com/article/latestCrisis/idUSL05520500> 18 May 2009)
- RIA Novosti (2007 a): *Latvia favors Nord Stream pipeline onshore rather than seabed.* (<http://en.rian.ru/world/20070517/65656734.html> 10 May 2009)
- RIA Novosti (2007 b): *Outgoing Polish PM Kaczyński warns Russia is still dangerous.* (<http://en.rian.ru/world/20071024/85355290.html> 3 June 2009)
- RIA Novosti (2009): *Latvia set to propose alternative to Nord Stream.* (<http://en.rian.ru/world/20090417/121186949.html> 18 May 2009)
- Riley, A (2008): *Nordstream: An Economic and Market Analysis of the North European Pipeline Project.* (<http://www.europarl.europa.eu/document/activities/cont/200801/20080129ATT19854/20080129ATT19854EN.pdf> 15 June 2009)
- RWE (2009): *Facts & Figures 2009. (Update May 2009).* (<http://www.rwe.com/web/cms/mediablob/en/108808/data/41192/Facts-Figures-2009.pdf> 22 June 2009)
- Saam, W (2008): *Chinas Griff nach Afrikas Rohstoffen. Auswirkungen auf Afrikas Entwicklung und Europas Versorgungssicherheit.* In: ANALYSEN & ARGUMENT. No.49 January 2008. (http://www.kas.de/wf/doc/kas_12782-544-1-30.pdf 1 July 2009)
- Sander, M (2007): *A "Strategic Relationship"? The German Policy of Energy Security within the EU and the Importance of Russia.* In: Foreign Policy in Dialogue. Vol. 8, No.20. *Dealing with Dependency. The European Union's Quest a Common Energy Foreign Policy.* Trier, Chair for Foreign Policy and International Relations. pp.16-34. (<http://www.deutsche-aussenpolitik.de/newsletter/issue20.pdf> 20 April 2009)
- Scharpf, F W (1999): *Selecting cases and testing hypotheses.* In: Journal of European Public Policy 6:1 March 1999. Routledge. pp.164-168.
- Schmitter, P (2004): *Neo-Neofunctionalism.* In: Wiener, A / Diez, T (2004): *European Integration Theory.* pp. 45-74. Oxford/New York, Oxford University Press.
- Schröder, G (2008): *Speech at the „Industrietag Russland“ on 16 September 2008 in Dresden.* (http://www.smwa.sachsen.de/set/431/rede_gerhard_schroeder_industrietag.pdf 22 June 2009)
- Schröder, G (2009): *Speech on "Mit Energie im 21. Jahrhundert" on 7 September 2009 in Bochum.*
- Schulz, S (2008): *Nordstream: Die Ostseepipeline und die Angst vor russischen Spionen.* (<http://www.manager-magazin.de/unternehmen/artikel/0,2828,536176,00.html> 2 May 2009)
- Sebenius, J K (1983): *Negotiation arithmetic: adding and subtracting issues and parties.* In: *International Organisation.* Vol. 37, No. 2 (Spring, 1983), pp.281-316. Massachusetts Institute of Technology
- Sikorski, R / Olex-Szczytowski, M / Rostowski, J (2007): *Russian gas pipeline would be geopolitical disaster for EU.* (http://www.ft.com/cms/s/0/db259cf2-0cb7-11dc-a4dc-000b5df10621.html?nclick_check=1 3 June 2009)
- Sokół, W (2005): *Historical experience as a factor shaping Polish security policy.* In: *The Polish Foreign Affairs Digest,* 5(2): 133-155.
- SPIEGEL online (2005): *Russland und Deutschland unterzeichnen Pipeline-Abkommen.* (<http://www.spiegel.de/wirtschaft/0,1518,373728,00.html> 20 June 2009)
- Sprüds, A (2006 a): *The NEGP and Russia's Gas Diplomacy: Latvian Perspective.* In: Kazin, P (Ed.): *Baltic Mosaic Analytics (Winter-Spring 2006). The North European Gas Pipeline: Political and Economic Implications for Russia and the EU.* pp. 15-19.
- Sprüds, A (2006 b): *Latvian-Russian Energy Relations: Between Economics and Politics.* In: Muižnieks, N (Edit.): *Latvian-Russian Relations: Domestic and International Dimensions.* Latvijas Universitāte Akadēmiskais apgāds, Rīga.
- Statistisches Bundesamt (2006): *Energie in Deutschland.* Statistisches Bundesamt, Wiesbaden. (http://www.destatis.de/jetspeed/portal/cms/Sites/destatis/Internet/DE/Presse/pk/2006/Statistisches_Jahrbuch/Pressebrochure_Energie_property=file.pdf 18 June 2009)
- Steinlein, C (2009): *Gas ohne Umweg?* In: FOCUS. (http://www.focus.de/wissen/wissenschaft/klima/ostsee-pipeline-gas-ohne-umweg_aid_360522.html 25 March 2009)

- Süddeutsche Zeitung (2005): *Russland und Deutschland besiegeln Ostsee-Pipeline*. (<http://www.sueddeutsche.de/politik/606/359431/text/> 25 July 2009)
- Süddeutsche Zeitung (2006): *Der deutsche Zeigefinger sollte nicht so groß sein. Interview mit Gerhard Schröder*. 27 October 2006. (<http://www.sueddeutsche.de/politik/471/394260/text/11/> 20 June 2009)
- Sveriges Radio International (2006): *Sicherheitspolitisches Stirnrunzeln über Ostseepipeline*. (<http://www.sr.se/cgi-bin/International/nyhetssidor/amnessida.asp?programID=2108&Nyheter=0&grupp=2397&artikel=1036126> 29 May 2009)
- Sveriges Radio (2007): *Ryske ambassadören: Gasledning var EU's idé*. (<http://www.sr.se/cgi-bin/ekot/artikel.asp?Artikel=1198646> 2 June 2009)
- Swedish Petroleum Institute (2009): Information on crude oil imports on the website (<http://www.spi.se/eng/statistics.asp?stat=43> 27 May 2009)
- Syromyatnikov, O / van Meurs, W (2003): *Russisch-Lettische Ölgeschäfte. Zwischen Marktwirtschaft und Geopolitik*. (<http://www.cap-lmu.de/aktuell/pressespiegel/2003/oelgeschaefte.php> 7 May 2009)
- Tageschau (2007): *Steinmeier und Medwedjew öffnen Gashahn in Sibirien. „Gasexporte nach Deutschland für 15 Jahre gewährleistet“*. (<http://www.tagesschau.de/wirtschaft/gazprom14.html> 22 June 2009)
- The Local (2008): *Sweden unimpressed by Baltic pipeline proposal*. (<http://www.thelocal.se/9964/20080212/> 2 June 2009)
- Tomsone, I (2009): *«Nord Stream» – projekts bez ietekmes? Gāzes vada no Krievijas uz Vāciju būvniecība nedaudz ietekmēsot tikai zvejniecību*. In: Latvijas Avīze. 6 May 2009. P.8.
- Traynor, I (2006): *Poland recalls Hitler-Stalin Pact amid fears over pipeline*. In: The Guardian, 1 May 2006. (<http://www.guardian.co.uk/world/2006/may/01/eu.poland> 3 June 2009)
- Umbach, F (2007): *Towards a European Foreign Energy Policy*. In: Foreign Policy in Dialogue. Vol. 8, No.20. *Dealing with Dependency. The European Union's Quest a Common Energy Foreign Policy*. Trier, Chair for Foreign Policy and International Relations. pp.7-15. (<http://www.deutsche-aussenpolitik.de/newsletter/issue20.pdf> 20 April 2009)
- UNECE – United Nations Economic Commission for Europe (2009): Information on the website on Convention on Environmental Impact Assessment in a Transboundary Context. (<http://www.unece.org/env/eia/> 4 April 2009)
- Volkery, C / Weiland S (2007): *Deutschland will Abhängigkeit von Russland reduzieren*. In: SPIEGEL Online, 8 February 2007. (<http://www.spiegel.de/politik/deutschland/0,1518,458414,00.html> 25 March 2009)
- Wallace, H (1999): *Piecing the integration jigsaw together*. In: Journal of European Public Policy 6:1 March 1999. Routledge. pp. 155-159.
- Warnig, M (2007): Letter to Polish Minister Woźniak(2007). (https://www.mg.gov.pl/NR/rdonlyres/934FDC60-7B85-4C2F-BDFC-B8835A5E777A/31364/070412_OdpowiedzNordStream2.pdf 3 June 2009)
- Weingärtner, D (2006): *Energie-Monopoly geht weiter*. In: Das Parlament No. 14, 2006, 3 April 2006. (<http://www.bundestag.de/dasparlament/2006/14/europa/001.html> 23 June 2009)
- Westphal, K (2006): *Energy Policy between Multilateral Governance and Geopolitics: Whither Europe?* In: International Politik und Gesellschaft. Verlag J. H. W. Dietz Nachf. GmbH, Bonn. pp. 44-62.
- Westphal, K (2008): *Germany and the EU-Russia Energy Dialogue*. In: Aalto, P: *The EU-Russian Energy Dialogue. Europe's Future Energy Security*. Hamshire/Burlington, Ashgate. pp. 93-118.
- Wyciszkiwicz, E (2007): *“One for All – All for One” – The Polish Perspective on External European Energy Policy*. In: Foreign Policy in Dialogue. Vol. 8, No.20. *Dealing with Dependency. The European Union's Quest a Common Energy Foreign Policy*. Trier, Chair for Foreign Policy and International Relations. pp.34-42. (<http://www.deutsche-aussenpolitik.de/newsletter/issue20.pdf> 20 April 2009)
- Youngs, R (2007): *Europe's External Energy Policy: Between Geopolitics and the Market*. CEPS Working Document No. 278 / November 2007. (http://www.frice.org/download/WP_CEPEnergy_ENG_nov07.pdf 4 May 2009)
- Zeslawski, M (2006): *Marcinkiewicz-Interview. “Es geht nicht um Glücksgefühle*. In: FOCUS, 9 July 2006. (http://www.focus.de/politik/ausland/marcinkiewicz_aid_111578.html 20 July 2009)

Interviews:

- Ministerial of the Latvian Ministry of Economy on 22 June 2009 in Riga. He wishes to be not mentioned by name.
- Karlström, H (2009), Deputy Director in the Energy Division of the Swedish Ministry of Enterprise, Energy and Communications, Telephone Interview on 21 August 2009.