Power Politics and Energy Politics

Two Sides of the Same Euro Coin

Markos Troulis

The growing EU energy market and the decline of its domestic hydrocarbon reserves have made the EU-Russia energy relations a very debatable and significant issue of the very near future. It is unquestioned that energy trade is found at the core of every political entity or group of entities desiring to be independent and self-helped. The current paper aims to discuss the theoretical legacy of this energy debate on the basis of international relations theory and international political economy underlining the significance of energy trade and its interlinkage to core aspects of security. In this respect, it is also analysed why natural gas is a special energy product and which are the limits between dependence and interdependence as well as the implications derived from each one of these.

Keywords: energy politics, IR theory, EU energy security, Russia, natural gas, grand strategy, European politics, relative gains, international political economy, strategy

Introduction

Energy politics is a growing domain affecting the core of EU market economy and consequently, the Union's survival as a distinct regional and global actor. Therefore, energy trade, its diversification, or the stability of the environment where energy exports to the EU take place are core aspects of member-states' political and economic autonomy in the world scene, European people's well-being and in general, the

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sustainability of Europe as we know it in the decades following World War II. The scope of this paper is to analyze the importance of energy security for the EU survival. Is the presence of the EU, as a distinct political actor in the global arena, interlinked to the energy diversification principle? Under which circumstances is the implementation of the EU diversification principle considered critical?

The current paper is structured under the purpose of clarifying the interlinkage of energy to politics and economics and consequently, the implications of the structure of the EU-Russia energy relations to the EU structure itself. More specifically, it presents the historical political-economic debate and then it clarifies its linkages to international relations theory and international political economy. Finally, it concludes with referring to EU energy security with an emphasis on issues of its natural gas dependence from external producers.

The Political-Economic Diachronic Debate

International anarchy urges states to struggle for their survival using any means necessary, since uncertainty about the intentions of the other is the rule. Starting from this assumption, geoeconomics arise as the conceptual amalgam of political and economic tools especially in the post-Cold War era, since when the cost of conflict has increased sharply. The notion of territorial sovereignty has signified that state position in the world scene is relative and it is estimated vis-à-vis the distribution of means among the actors. For this reason, 'as spatial entities structured to jealously delimit their own territories, to assert their exclusive control within them, and variously to attempt to influence events beyond their borders, states are inherently inclined to strive for relative advantage against like entities on the international scene, even if only by means other than force'.[1] In this respect, geoeconomics reflects the continuing existence of the competitive international system in the light of economic and trade antagonisms.[2] In other words, the conflictual substance of the international system is analysed on the basis of economic relations and use of economic tools towards implementation of national interests. Geoeconomic elements of power may contain 'natural resources, population, industrial capacity and level of scientific and technological development and innovation potential'.[3] Thus, the geoeconomic dimension is the conceptual starting point for the relation between politics and economics.

The first assumption is that political and economic functions are complementary. In this regard, economic functions are manipulated for the sake of power maximization which is an essentially political goal. Such a mercantilist logic describes the state's struggle to maintain its position in the international system using economic tools. Besides, the liberalists of the 19th century defined security issues as the most important always in conjunction with economic prosperity when someone refers to state priorities. Thus, economic empowerment is the key towards the implementation of political and strategic goals and it is not a one-dimensional prosperity-oriented priority. In brief, Jacob Viner has made four complementary assumptions with regard to mercantilism.[4] First, wealth is the absolutely necessary precondition for either maintaining status quo or implementing offensive action. Second, reversely, political power is also a valuable asset for accumulating wealth. Third, both wealth and military power are interlinked aims of a state simultaneously sought since it is doubtful whether either one precedes. Fourth, the security interest is the upmost aim and thus, economic concessions may be necessary in short-term. A classic example of economic concessions for the sake of long-term security benefits is the Navigation Act of 1651 as it is described by Adam Smith. Its core logic was the subversion of the Dutch position in the world trade even at the small expense of the gains of the United Kingdom.[5] Therefore, the upmost mercantilist aim is power maximization relative to any other competitors on the basis of economic means accumulation. The mercantilist thought defines state at the core of the international economic gamble.

Modern economic liberalism, also, defines resources accumulation and economic growth at the core of state aims. According to this idea, this happens because the governing elites are checked by citizens with the right to vote, who lobby for economic prosperity as a precondition for satisfying their consumption demands.[6] In 1662, John Gaunt stated that 'the art of governing and the true politiques, is how to preserve the subject in peace and plenty', while Adam Smith referred to mercantilism as well as to himself when he said that 'the great object of the political economy of every country, is to increase the riches and power of that country'.[7] Alexander Hamilton and Friedrich List were not out of Adam Smith's logic. For instance, Hamilton envisaged 'a nation in which sectional economies would interweave themselves into a common national economy and interest',[8] while Charles Kindleberger,

some centuries later, remarked that 'maximization of long run profit approaches very closely the long run political goal of trying to stay in business, that is keeping the economic unit or political community a going concern'.[9]

Currently, the afore-mentioned complementarity is, also, visible in Robert Gilpin's definition about international political economy. International political economy is constituted by 'the market and powerful actors. Both components are necessary, and one cannot comprehend how either domestic or international economies function unless he or she understands both how markets work and how states and other actors attempt to manipulate markets to their own advantage'.[10] Containing both markets and states in the same definition presumes that political economy is a domain of political issues which are ranked under the auspices of economic means. In 1971, Richard Nixon declared that the future balance of power will be determined accordingly. In his own words, 'Western Europe, Japan and China as well as the USSR and the United States are the five that will determine the economic future and, because the economic power will be the key to other kinds of power, the future of the world in other ways in the last third of this century'.[11]

In this sense, politics and economics coexist and co-develop under the prospect of the common goal of state survival and economic prosperity. The upmost national interest of increasing the preconditions of security is served by the simultaneous desire for power and wealth. Essentially, wealth is power and the above-mentioned remark is just a scheme for highlighting their complementarity. However, wealth, in order to become hard power, has to be mobilized and directed accordingly.[12] Besides, the content of economic threats themselves are often directly related to national security issues. Such economic threats usually concern low income or internal instability through inadequate employment and high inflation rates. Moreover, since economic threats result from the competitive international environment, they may concern even state sovereignty, meaning its capability to use its elements of power without limitations or subversions.[13] For instance, in November 1973 in the occasion of the oil crisis, President Nixon called on the United States to 'meet its own energy needs without depending on any foreign sources', while Senator Jackson advocated the establishment of a Strategic Petroleum Reserve (SPR) to supply the U.S. military in times

of national emergency. Jackson was responding to the Department of Defence's claim that it needed sufficient oil supplies to be able to support a ground war on two fronts. All this resulted to the rise of strategic reserves from about 7.46 million barrels in 1977 to 546 million in 1999.[14]

Power Politics and Energy Politics

Economic elements of power are integral parts of state power and pillars of its political-strategic position internationally and regionally. Accumulation of raw materials, technology, knowhow or the communication of a favourable investment environment confirm the above-mentioned assumption. Thus, 'almost every political question has an economic aspect, and once we move from the economic problems of Robinson Crusoe, almost every economic question has a political aspect'.[15] Referring to historical examples, the post-war US primacy at the Western hemisphere is indicative. The Bretton Woods rules and the consequent economic and institutional international order reflected a dual procedure. On the one hand, it resulted from the US political and strategic primacy and the urgent need for balancing the USSR threat. On the other hand, this international order empowered the political and strategic regime of NATO.[16]

What the US favoured was an international order best described by the term 'hegemonic stability'. Hegemonic stability is the reflection of a system of international regimes functioning under the provisions of a dominant power having the role of the single stabilizer and of course, the leading power.[17] Therefore, a system stabilized in hegemonic terms is both a cause and an effect; it reflects a certain balance of power and it, also, furthers the leading country's strategic reach. The strategic partnership between the US and Western Europe during the Cold War aimed to the balancing of the major soviet threat. The weak European partners buckpassed the cost of balancing to the US and the US improved their position in Europe in exchange. This relation was institutionalized by the establishment of the international order as we have known it. However, there are cases that economy becomes a significant weapon in the hands of the stabilizer and, due to shortages or long-term contracts, it acquires its role not for the sake of balance of threat but for the sake of its own imperialist purposes. Such examples can be found to the colonizing powers' policies in Africa and Asia or Moscow's priorities at the expense of the rest soviet republics in the USSR era.

Power Politics, Interstate Antagonisms and Strategy Implementation

For the above-mentioned reasons, it is more than obvious that power is the motive. The more powerful an actor, the closer to the implementation of national interest finds itself. Power represents the means for achieving survival. Taking into consideration that the actors struggle to survive and the game is zero-sum, this struggle for power takes place at the expense of the other's security. Thus, power is considered the means to change the other's behaviour either for maintaining status quo and deter its offensiveness or maximizing power implementing own offensiveness.[18] In practical terms, power is reflected into two separate expressions interlinked to political and strategic results. It can be potential or putative, which means respectively either a pillar for building military power (effect) or a leverage for achieving strategic aims (power in outcomes).[19] As far as it is defined potential, power is identified with military build-ups. Conversely, as a leverage and power in outcomes, it may promote economic primacy of a state on a market as a monopoly or a monopsony, it may determine decision-making processes of opponents and allies, it may restrict the opponents' economic capabilities undermining its growth prospects and it may symbolize its own desires.[20]

Potential power contains population and wealth as those elements contributing to military build-up. Population contributes to the creation of big armies but, also, to the consolidation of a large internal market, which is the backup for decreasing external dependencies and broadening the prospects of industrial and agricultural production in the interior. Wealth is reflected by the measurement of GDP, which is affected by all the pillars of national economy, such as industrial and agricultural production, technological innovation as well as the stable and uninterrupted access to raw materials. Of course, there are many intervening variables determining national power, but GDP is the only measurable and relatively credible. In the case of energy politics, for instance, a state with large reserves of hydrocarbons – such as Norway – may proliferate its gains through an effective technical and organizational structure. However, there are also ineffective and underdeveloped energy-rich states – such as Nigeria – with limited gains.[21] For this reason, the possession of energy resources is not efficient by definition. A state's capability to extract, use and trade this power determines its fate in the margins of the international system.

In the case of power as a leverage, it is a tool itself and not an intermediate for acquiring another tool. In these terms, there are two possibilities; (a) projection of hard power aims to contribute to the implementation of an economic goal with political implications; (b) exercise of economic power – for example, through embargo – aims to contribute to the gain of strategic benefits. According to Jacob Viner, 'in the seventeenth and eighteenth centuries, colonial and other overseas markets, the fisheries, the carrying trade, the slave trade and open trade routes over the high seas, were all regarded, and rightly, as important sources of national wealth'. Thus, states owning the capability to mobilize economic goods remain to efficiently use raw materials as well as the conditions of international trade.[22] What is stressed, here, regards the difficulties of describing the efficiency of hydrocarbons as a 'weapon'. Is it an effective means or not? It is very important due to the absence of competitive substitutes in many cases. However, even if a producer uses efficiently the "energy weapons", there are many limitations to its behaviour due to the fact that this economically efficient use of hydrocarbons creates growth, which should not be at risk.

In other words, there are many parameters towards analysing the strategic manipulation of energy and nothing is self-evident. The efficient manipulation of energy can be determined by the existence of substitutes, the magnitude of the internal market, the level of diversification of routes and producers, the geographical proximity to the production area or, reversely, to the threatening country. Respectively, the producer has also the interest for diversifying its markets, carefully including energy trade to its economic growth efforts and increasing its deterring capability in order to be able to deal effectively with any external pressures. The threat declines as far as the cost increases via a broadly interdependent economic structure. Stabilization results from the threat of a mutual cost and the limitation of asymmetries. When one part aims to exploit its relative advantage and maximize tis gains, the other feels insecure taking measures to balance the threat and then, the partnership is destabilized. International system is constituted by similar actors in the sense that they are all state entities which are, however, unequal in terms of their capabilities.[23] Unequal capabilities lead to imbalances of power and then, uneven growth, which is a core cause of war and instability. Lowes Dickinson analyses the causes behind the World War I – which followed a period of great economic interdependence among the Great Powers – concluding that the Ger-

man economic growth and its conversion to hard power created a security dilemma for the rest powers of that era, meaning Russia, France and the United Kingdom.[24]

Economic interdependence may render into one-sided dependence through the manipulation of the trading product. This may happen, if an actor feels powerful enough to maximize its gains risking its position. How powerful it is, it is determined relatively. Power is not measured as an absolute volume, but its distribution matters. Besides, the magnitude of the world market is very specific and the accumulation of any share by the actor A is a loss for the actor B. Thus, the more interdependent a relation the more politically stabilized it is, since it is of mutual interest a win-win situation to be kept. On the other side of the coin, relations of high one-sided dependence are identified with economic imperialism. Such a system cultivates the perception of mutual interest but, since this is imaginary and maybe a product of propaganda, the environment becomes extremely conflictual and even war-prone. Conflict of interest is 'a special case of conflict in general, defined as a situation where parties are pursuing incompatible goals'.[25] In the case of hydrocarbons, where substitutes are scarce, the mutual interest is the maximization of economic gains for both parts. The producer may export increasing quantities, while the consumer may satisfy its internal demand with cheap energy. If one part limits its dependence and diversifies its exports or imports respectively, then each one will be able to increase prices or limit quantities.

In these terms, the upmost aim is autarky. Taking into consideration that actors are uncertain about the others' intentions, they make efforts to take advantage of an economic relation because the more dependent an actor the larger cost it will have in case of an end of the partnership. On the other side of the coin, the less dependent an actor, the less threatened it feels. Therefore, rational actors take care even of their allies' policies, since power is relative and the level of dependence is identified with the interstate chasm created. Also, they cultivate their production share and technological innovations in order to be able to handle international transitions. Wealthy states, with high GDP and a large and prosperous internal market, handle international transitions more efficiently since they have the capability to channel their production to their interior instead of other states.[26] Thus, they are more flexible in their strategy-making.

The highest level of strategy is grand strategy. Grand strategy refers to the use of all available means (military, economic, diplomatic etc.) at a state's disposal, in order to achieve the objectives set by policy in the face of actual or potential conflict.[27] Grand strategy is formulated by the political leadership. It is grand strategy that deals with the fundamental issues of war and peace. Grand strategy will decide whether a state will go to war in order to achieve the objectives set by policy. In addition, grand strategy will align the military strategy of the war with the political, diplomatic and economic strategies that form part of the war effort, making sure that they interact harmoniously and that one of these strategies does not have a detrimental impact on another. It is the amalgam of means and aims defined for the purposes of the balancing effort. The balancing effort has two dimensions; internal and external. External balance aims to the implementation of alliances and the prevention of the opponent to form alliances from its behalf. Internal balance contains all these means contributing to the self-help of the state; economy, industry, effective bureaucracy and of course, military forces.

Why is energy important as one of the means of the internal balancing effort? Why is it interlinked so closely to the essence of survival and sovereignty? There are four parameters with regard to the inclusion of energy in strategy-making.[28] First, strategic planning is a complex procedure in the sense that it involves all those dimensions of power and organizational skills. Thus, it is not limited to the operational or the logistical level and consequently, it does not ignore crucial parameters of power such as energy. Second, an actor implements its strategy multidimensionally in terms of geography. This means that it has to look, for example, also to its energy supply apart from the theatre of conflict where the main threat exists. Third, national security involves at its core the accumulation of economic elements of power and often energy resources. Fourth, above all, an actor implements a certain grand strategy. This means that it is not limited to transitory threats or changes in balance of power, but it is interested in the distribution of power in the long-run. Therefore, it often focuses on energy or other economic factors instead of military ones.

Moreover, energy is a strategic good meaning 'an item for which the marginal elasticity of demand is very low and for which there is no readily available substitute [...] From the standpoint of international

trade, a strategic item is anything is needed to pursue a given strategy and that is relatively inefficient to produce at home'.[29] How strategic is a good depends on domestic consumption, domestic production capability, availability of substitutes and availability of alternatives which means how dependency rates are formulated. In accordance, if the EU domestic consumption increases, domestic production capability declines, the increase of substitutes is marginal and alternatives collapse, then energy increases its strategic significance and its character as a strategic good for the EU member-states while one-sided dependency rates present a sharp rise. Defining energy as a strategic good reveals its significance with reference to political sovereignty.

Energy Security and Natural Gas Dependences

Energy security is achieved in three stages; transit country, energy hub and energy centre.[30] These reflect essentially the steps towards achieving the highest possible energy security. A transit country receives certain transit fees (a) failing to put priority on domestic needs, (b) being satisfied with average transit terms and conditions and (c) not being able to re-export considerable amount of oil and gas passing through its lands. An energy hub has an extensive influence on a web of oil and gas pipelines as well as LNG trade not only in terms of ability to influence transit terms and conditions, but also to re-export some of hydrocarbons passing through this system. It owns pipelines, storing facilities, terminal stations, refineries and other capabilities. Compatibility between international agreements and domestic energy mix is of utmost significance to avoid negative impact of one on other and describes the level of success in terms of energy security. In a way, an energy hub may act as a quasi-producer as it may claim re-sale rights. Finally, an energy centre reflects a situation in which energy hub features have been supported by massive investments such as nuclear power plants, renewable energy program and a comprehensive infrastructure composed of additional refineries, natural gas storage facilities, LNG trains, vessels, marine terminals and ports. An energy centre requires achievement of sufficient energy intensity and a sustainable energy mix. In these terms, a state, which is an energy centre, diversifies extensively its domestic supply deterring any possibility to be dependent from any other actor. In other words, it succeeds if get-

ting energy in affordable and rationally defined prices reliably and uninterruptedly.[31] Energy security is discussed even more intensely when referring to natural gas. Gas is traded on the basis of bilateral agreements between producer and consumer. Moreover, it is transferred via established structures, meaning pipelines, and thus, it is easy to be manipulated especially seeing that LNG (liquefied natural gas) technology is still inadequately used due to the long-term pipeline contracts especially with Russia. On the contrary, oil is traded in international markets in a way closer to the logic of free market and multilateral free trade.[32] In addition, the increasing interest in gas is reasoned by the relevant predicted increase of world consumption from 23% to 28% by 2025.[33] In brief, easiness of political-strategic manipulation and the rising world consumption represent the two most important variables explaining the international interest in gas. It is indicative that the companies supplying Europe with natural gas today – such as the Russian Gazprom, the Algerian Sonatrach, the Norwegian Statoil, the Qatari Qatargas and Rasgas – are state-owned. The general rule is that if you have to import natural gas, then do it from as many differentiated resources as possible.

Apart from the location of supplies, their number is important. This means that diversification of the energy imports still counts. The resiliency of the economy is increased and dependence on imports is lessened by improved methods for the use and recovery of the materials.[34] Thus, the efficient use of materials has a distinct role influencing basically internal consumption and afterwards, state dependence. As it has been underlined already, balancing dependence and transforming a relation into interdependence arises from communicating credibly that the cost of an end of the partnership will be mutually significant. A consumer is manipulated by a producer or an intermediate country under five specific circumstances.[35] First, when a consuming country has a large share of global energy supply, it may provoke a high cost to the producer at a time of a dissolution of the partnership. Second, when a consuming country has alternative producers and routes, it is evident that it reduces the level of its dependence. Third, the efficiency of the domestic infrastructure and the state's access to investment capital are very crucial. In other words, technology has its impact on politics. Fourth, apart from the diversification of energy supply, the economy itself should be diversified. This means, for instance, that economic

growth should not be left exclusively to energy-intensive industries. Fifth, domestic political strength and legitimacy of the regime make it credible to deal with any external affair, including energy politics.

The European Union Member-states' Energy Security

The EU member-states' energy security can be achieved by the diversification of energy routes and producers. The diversification principle can be found at the core of the EU priorities with regard to the member-states' normal and uninterrupted energy supply. Thus, it is identified with the concept of energy security and, consequently, the economic stability of the Union. In these terms, the European Commission has defined energy security and particularly energy supply as 'ensuring that future essential energy needs are satisfied by means of a sharing of internal energy sources and strategic reserves under acceptable economic conditions and by making use of diversified and stable, externally accessible sources'.[36] Following this definition, energy security is considered and implemented to the extent that any consumer has stable and normal access to a viable pipeline network and, consequently, necessary energy reserves. In the anarchic and full of uncertainty inter-state system, this stable and normal access is secure only if it is diversified. Essentially, energy security means obtaining multiple choices and becoming as independent as possible. This is the crux of the matter for energy politics and this is where the meaning of pipeline diplomacy is derived from.

According to Henry Kissinger, 'aside from military defence, there is no project of more central importance to national security and indeed independence as a sovereign nation than energy security'.[37] Moreover, diversification of routes and producers is a precondition for energy security and consequently, state independence. Besides, 'a state that controls lines of communication has full strategic independence. It does not have to rely on the goodwill and protection of other states to access the resources it needs, project power where it wants, and maintain commercial relations with whom it wants. When a state does not have control over the routes linking it with the source of resources and other strategic locations, it falls under the influence of the power in charge of those lines of communication. This is why control of routes has always been an objective of states'.[38] Why the implementation of the EU diversification principle is considered critical? First, the inher-

ent significance of the energy product is an undisputed fact. The logic of the European Commission's above-mentioned definition is fully identified with the substance of gas as a strategic good. Strategic goods become more and more important as adequate quantities cannot be produced in the interior. As it has been mentioned previously, the definition of a good as strategic or the level of its strategic importance is not the same for the whole international system, but it is determined by internal consumption, internal – actual or potential – productivity, availability of substitutes as well as the level of dependence; i.e. to what extent energy imports are diversified. Here, someone could say that apart from monopoly there is, also, monopsony; Russia is, also, dependent on the EU market in order to keep its economic growth. This is valid in the current case study but not at the level that the EU is dependent on Russia. Russia – on its behalf – has opened its export markets for not being so vulnerable to possible turbulences regarding the EU-Russian energy trade. Indicatively, the country exports 37% of its gas to the CIS (Commonwealth of Independent States) even with low pricing, 14% to Turkey while, also, being paid high revenues for oil exports to China and other non-European markets.[39] Indeed, there is a pattern of interdependence but not at an equal level.

Second, it is geoeconomics that matters. Geoeconomics is identified with the usage of economic means for the attainment of strategic aims as a result of the post-Cold War evolutions. The debate on energy security is both economic and political depicting the European states' strategic leverage in the world. The extent of an actor's possession of or accessibility to raw materials is a decisive variable when the correlation of power is measured. This is because raw materials feed the industrial and military capabilities and thus, they contribute to the implementation of national interests.[40] In this sense, the debate on the diversification principle refers to the member-states' core priority; their survival. Besides, in theoretical terms, energy represents an element of power in two ways; on the one hand, it is a means contributing to economic growth and empowerment in general and on the other hand, it is an effect defined as a tool for increase of strategic and political leverage. For these reasons, it is found at the core of peer hegemons' interests.

Third, in the recent years, the EU energy capabilities seem to decline sharply. Domestic production declined mainly with regard to the gas production in the North Sea. The output peak had been in 1999 and

production since then has been declining steadily creating problems not only for the UK's and Norway's trade balance, but also for the EU's energy supplies, which have to be covered increasingly by other producers. It is worth to be indicated that even the United Kingdom, which is a gas producer itself, proceeded to imports for the first time in 2004 satisfying 1% of its internal demand and what is more interesting and worrying is that, by 2030, this number will have climbed to 75%.[41] It has been mentioned already that 'although about £14 billion ($21 billion) was invested in the basin in 2013 on new production; maintenance and repairs cost a further £9 billion'.[42] So, even the core gas producer among the EU member-states – i.e. the United Kingdom – becomes more and more dependent on imports. Overall, between 2004 and 2014, the EU internal production of energy fell sharply with 'the largest reductions being recorded for crude oil (-52.0 %), natural gas (-42.9 %) and solid fuels (-25.5 %), with a more modest fall of 13.1 % for nuclear energy'.[43]

Fourth, the situation concerning the EU internal production seems to deteriorate because of the sharp rise of the internal consumption. The EU member-states have been demanding more and more energy in order to sustain their growth. The natural gas consumption rose about 30% in the 1990s, while environmental considerations suspended nuclear energy and oil trade development. At the same time, the development of renewables – basically wind and solar systems – is extremely slow and inadequate to meet the increasing internal demand. This is why it is argued that substitutes are not developed adequately. Furthermore, the close to 209 Mtoe (million tonnes of oil equivalent) of natural gas gross inland consumption in 1990 rose to almost 387 Mtoe in 2013.[44] Under this lens, a declining production fails to satisfy an increasing demand.

Fifth, peripheral instability seems to put into question any potential for cooperation with the alternative route of North Africa. One of the potential arteries is North Africa, but since the beginning of the Arab Spring revolts, it has been destabilized significantly. The Arab Spring started out from Tunisia in 19 December 2010 after a street vendor's self-immolation. It was in this country where the first regime change took place in 16 January 2011 as a result of the revolts. Nevertheless, the most significant case study is Libya, which had been exporting gas to Europe already. The end of the civil war found Libya in chaos with the status of pariah state and absolutely eliminated from the world

scene. Nowadays, Libya is politically torn and its future as a unified state is uncertain. During the Libyan Arab Spring, a new democratized polity model was demanded since Qaddafi's autocracy was not acceptable anymore. However, at the expense of Libyan nationalism, it is indicative that individual groupings even claim their independence. Consequently, due to Qaddafi's divisive policies which were not compatible with his rhetoric, Libya's future polity remains unclear. Such evolutions have set back investments on gas reserves, which are poor anyway. It is indicative that Libya, which supplies Italy with gas via the Green Stream, is 45th in the world ranking of gas producers.[45] In 2015, the EU gas imports from Libya represented 2.2% of the total volumes, while the respective gas imports from Algeria, between 2014 and 2015, fell from 6.3% to 5.4%.[46]

Sixth, as has been underlined already, the EU's increasing need for energy imports has been met by Russia. Considerations that energy dependence could become a political problem has led Europeans to look for alternative supplies and declare the principle of diversification. The great dependence on Russian resources led to the subversion of EU principles of market economy and competitive economic environment. It also led to a limitation of security of gas purchases for the member-states' markets due to relevant instability in transit countries such as Ukraine. Such tensions and the consequences regarding gas purchases have proved to be substantial obstacles highlighting the need for diversification. It is indicative that about 80% of the Russian gas purchases crosses Ukraine towards the EU market, while the dependence of some EU member-states reaches, for instance, 89% in the case of Bulgaria and 100% for Slovakia.[47] For this reason, political instability in Ukraine seems to affect energy security and consequently economic growth in the EU.

Conclusive Remarks

It is an undisputed fact that energy becomes more and more intensively a core political and economic tool identified with the implementation of national interest. It serves political goals, while energy politics is conceptually defined as a domain of increasing interest towards the maximization of relative gains. Thus, considering that state is the principal actor behaving in a selfish way and making efforts to increase its benefits at the expense of the others either they are opponents or not

since it is uncertain about both of them, it has also to implement a long-run strategic framework and secure its energy supply accordingly. The possibility of conflict or antagonism always exists, but it can be limited when there is a clear co-perception that an end to the partnership would be of high cost. In these terms, Russian energy domination in many member-states should worry the Union since the level of potential cost is not equal, the destabilization mainly in Ukraine creates problems and their growth sustainability is related to an actor not hesitating to follow activist strategies.

Natural gas exploitation and trade, exactly because it represents a very special case, has become a field of great interest due to its easiness of manipulation. For six specific reasons, the implementation of the diversification principle tends to become a core interest for the EU in order to sustain its global role and its member-states' economic growth. The theoretical and historical roots of the political-economic debate have proved that it is about a gamble of international politics with the state characteristics and simply with differentiated means. Power politics is still present and energy politics is an integral part of it.

MARKOS TROULIS is affiliated to the Faculty of Turkish Studies and Modern Asian Studies, National and Kapodistrian University, Athens and may be reached at *marktroulis@yahoo.gr*

Notes

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