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EDITOR'S POLICY ANALYSIS
A BLUEPRINT FOR EU ENERGY SECURITY

Introduction

In the spirit of this special issue of CEJISS – which addresses a variety of issues and geopolitical questions – on energy security, the following analysis intends to provide insight into the EU's energy vulnerabilities and then suggest some policy options for the EU to consider. This is because if energy security depended on maintaining control over resources, extraction tools, means of transportation and storage – the four main controls inherent in any energy security (ES) strategy – then the EU appears disadvantaged when compared to others. It lags behind the US, Russia and China in controlling vital resources (notably those in Central Asia and the Caspian Sea basin, the Arctic, the Middle East, Africa and the South China Sea); it is more import dependent then any of the other great powers while its fractured energy-boards denotes energy competition *between* the EU's members.

The EU is at internal loggerheads over whether and how to develop an energy strategy that may diminish its more normative preferences in favour of an enhanced geopolitical approach to defend its material security. As the internal debate wages there is a growing tendency among exogenous actors to view the EU as a disjointed international actor which depends on external security provisions. The results of such perceptions have been twofold: the sustained attempts by EU allies (notably the US) to determine the security architecture of the EU without open dialogue, and an increase in explicit challenges to EU interests in its near and more distant 'neighbourhoods.'

From a geopolitical perspective, there are two broad sets of energy challenges facing the EU: those stemming from its international allies, and its traditional adversaries. Reviewing these with some depth helps clarify the energy situation facing the EU and provide some ways out of the current impasse.

Allied Challenges to EU Energy Security

While the EU boasts a more progressive approach to its, and international, security it is often hampered by the actions of its allies and its adversaries. This is acute in the area of ES where four main *allied challenges* seem to undermine the EU's ability to construct and defend its

energy related objectives. This is a largely underwritten area of security in general, and ES in particular, as allies loathe identifying each other as challenges for the fear that doing so would cause alliance disintegration. However, the act of identifying an ally as a security challenge should not erode the alliance, rather it should deepen commitments through dialogue and openness as opposed to allowing discord to take root and increase the potential for misunderstandings over the long-term.

The first major energy related allied challenge facing the EU rests on a larger international security challenge: the fear of allied abandonment. This challenge implies that an ally could diminish a state's ability to achieve its objectives by abandoning it in a time of crisis. In contemporary EU foreign affairs the US is an important vehicle for EU security, and if the US fails to assist the EU achieve its international objectives, the EU's level of influence would be greatly reduced.

Providing ES is one of the prime objectives of the EU and it seems that the US is poised to abandon it especially since the EU has to deal with a reinvigorated Russia as a prerequisite for securing its energy supplies. As the 2008 Russo-Georgian conflict, the 2009 Russian gas cuts to Ukraine (and 10 EU states), and Russia's policy regarding the Arctic demonstrate, the US is either unwilling or unable to adequately ensure EU ES. Alarm bells should have been ringing in the halls of EU foreign policy making. Instead, media attention focused on the US's desire to incorporate Georgia and Ukraine into NATO and not on the energy vulnerabilities facing the EU and ways the US could assist in reducing them. Despite the multitude of areas in which the EU and US continue to cooperate, the idea of US neutrality in energy related disputes should be a cause for concern. In the event that the US adopts a policy of neutrality over energy supplies to the EU, it is tantamount to security abandonment, and therefore must be treated as an allied challenge. If allies discriminately select the issues vital to each other they wish to support, collective action is 'neutralised' and the EU will have to look elsewhere for its security provisions.

Second, challenges may arise from the actions of certain allied states which, when attempting to achieve their own interests may reduce the ability of the EU to fulfil its energy objectives. Although dated, the 1973 Arab-Israeli war and subsequent 1974 oil embargo should act as a stark reminder of what may occur when an ally is embroiled in a military or political confrontation with key energy states. While EU states learned valuable lessons from the 1974 oil crisis, and have taken precautionary actions to limit the influence of OPEC and diversify their supply base,

many of their allies may still, inadvertently damage EU relations to energy producing states. For instance, the post-Cold War relationship between Georgia, Ukraine and the EU, although not set as a formalised alliance, has severely undermined Russian-EU relations in the area of energy.

It is wrong to assume that Russia's blockade of gas supplies to 10 gas-dependent EU states in early 2009 was detached from the EU's open support for Ukrainian and Georgian attempts to join NATO and possibly the EU. While the EU should not be deterred from formulating and pursuing an independent set of foreign policy objectives, it should tread cautiously and ensure that its allies do not unnecessarily – through irresponsible policies – trigger disruptions in energy imports. Balancing between EU ES and its alliance commitments is difficult and risks alienating the EU from genuine allies, of losing EU consensus on deepening alliances, and of exposing additional points of vulnerabilities to the EU project of democratisation. However, it is in the best interest of the EU to ensure that its allies maintain ethical and (internationally) legal approaches to their foreign affairs to avoid, in the first case, unnecessary conflicts and secondly, so that if the EU were to suffer because of the ethically acceptable and legitimate actions of its allies, EU publics would stand behind EU alliance choices instead of seeking to scapegoat.

Third and finally, continued competition between EU members, and between the EU and its international allies, for energy supplies, while unfolding on the economic level, also undermines EU ES. This problem is, in part, due to the nature of the EU and in part due to the nature of producing states attempting to 'divide and conquer' for political and economic leverage. Russia's relationship to Italy and Germany are testament to the policy of favouritism Russia has used to undermine a comprehensive EU energy strategy. But this is not Russia's fault. After all, Russia does not compel Italy and Germany to accept special energy treatment, and it is up to EU members to think about other EU states when they embark on energy supply programmes.

Adversarial Challenges to EU Energy Security

In addition to energy challenges emanating from EU allies, those posed by its actual and potential adversaries have begun to set the EU up to act as other great powers, in defence of material interests, or find itself at a tremendous socio-economic, political and military disadvantage. The main consequence of the former is the diminishment of normative approaches to EU foreign affairs and the heightened potential

of armed conflict on European soil, and the latter is likely to result in a steep decline in EU productivity and an increase in its geopolitical and military vulnerabilities. Both options are negative and while the EU must not alter its international behaviour because of hydrocarbon manipulation, it needs to find a middle-ground between normative and realist approaches to its international engagements. There are two broad adversarial challenges currently facing the EU: the hostile economic challenge and the geopolitical challenge. Both of these are posed by two main actors – Russia and China – and therefore may be examined through the nexus of Russo-Chinese relations.

The Russo-Chinese Axis

EU ES is determined by the political will of Russia. Yet Russia is not aggressive to, neither does it significantly challenge, the EU since the latter requires hydrocarbons and the former requires their sale. However, the emergence of China as a regional and international political, economic and military superpower has changed Russia's relationship to the EU; hoisting it to a new, reinvigorated geopolitical position, while plunging the EU into a state of energy dependency. Whether Russia's political manoeuvres stem from a fear of China or if China is regarded as a vehicle to enhance Russia's international position, the result is the same: Russian behaviour is inadvertently undermining EU interests while solidifying its relationship to China. At the same time, China's newfound confidence, its economic, political and military clout, have begun to reshape its priorities and, for the first time since the Sino-Soviet rupture (1956), China is actively seeking to extend its influence through the construction of a stable alliance network and has been eyeing Russia, among other post-Soviet republics, for that purpose. It is possible that Russia and China eventually abandon their cooperation, and return to an openly hostile relationship. China (an emerging superpower with a population of over 1 billion people) is a net resource importer while Russia, the world's largest geographic entity, with a declining population and vast natural resources is likely to face increased pressure from China. However, the status quo in the Russo-Chinese relationship should have many in Brussels concerned.

Lacking geographic proximity, China does not present a direct physical threat to the EU; however its penetration of the Middle East (re: Iran), Africa (re: Sudan), and Central Asia (re: Kazakhstan) independently and in 'strategic partnership' with Russia is manifesting itself as an opposing pole to the EU, one that has the potential of doing more

than undermining the EU's international influence, but also negatively impact on the EU's economic productivity and political unity by denying the EU access to important energy resources and arming states and sub-state groups that may directly challenge the EU and its interests. Additionally, China's sudden spike in hydrocarbon consumption, at a time of depleting resources, implies that there are fewer resources to share among more actors.

Since 2005, all outstanding border disputes between Russia and China have been resolved and both states feel confident in their own strengths, and in their partnership, to begin the long process of joint military ventures including: military training exercises; intelligence sharing; hard-ware development; and importantly, strategic orientation including the identification of shared threats and challenges. While Russia and China may begin to look at each other suspiciously in the future, they are currently engaged and deeply committed to constructing an alliance network aimed at consolidating their dominant positions in Central Asia, the Caspian Sea region, and East Asia to gain increased leverage in other, outlining areas such as: the Arctic region (Russia), East Africa (China), South Asia (Russia and China), the Middle East (Russia and China), Latin America (Russia and China), and East and South-East Asia (Russia and China).

As the Russo-Chinese relationship gains momentum, the EU remains impotent and is yet to identify either Russia or China as presenting a strategic challenge. Instead, due to deep foreign policy divisions within the EU, it often focuses on ways of advancing strategic partnerships; a toothless appeal to political moderation rather than a partnership in the true sense of the term.

Yet this analysis is not meant to paint a defeatist position. There are many ways for the EU to emerge as a more robust international actor pursuing a wider set of international objectives. Before reviewing some geopolitical advantages the EU retains and discussing how they may be deployed to defend EU energy supplies, among other foreign policy interests, it is useful to present the particular challenges posed by Russia and China.

Russia's Energy Designs

According to *The Summary of the Energy Strategy of Russia for the Period of up to 2020*, Russia contains '1/3 of the world natural gas reserve, 1/10 of oil reserves, 1/5 of coal reserves, and 14% of uranium reserves.' With such an array of strategic resources at its disposal, there is little wonder why Russia has prioritised energy as a vehicle for enhanc-

ing its political influence. However, Russia's awareness of its energy position vis-à-vis the energy dependent EU has enticed it towards aggressive behaviour aimed at maximising political, economic and military opportunities; opportunities that a strong, united EU could limit. Russia's energy designs are therefore aimed at increasing EU dependence on Russian energy resources; increasing its political influence over the EU; reducing the EU's ability to further integrate (re: Common Foreign and Security Policy); to maintain internal EU competition for hydrocarbons; and reduce or altogether end the EU's engagement with post-Soviet republics, such as Ukraine and Georgia. In other words, Russia is using its energy leverage to gain political concessions from the EU. If successful, Russia would centrally feature into the EU decision-making cycle and could render the larger EU project a failure since it is likely that without a common energy position, and renewed internal competition for energy resources, EU states would be unable to agree on fundamental aspects of the future of the Union itself.

To that end, Russia has focused on strengthening its energy position by independently enhancing its domestic energy infrastructure, – reducing reliance on foreign investment into its energy sector – constructing large-scale international pipe-line networks which it maintains control over, purchasing key energy refineries and storage facilities, including in the EU, and purchasing European energy companies. Also, Russia has engaged in threatening and bribing some alternative energy produce states and has even deployed force against EU energy interests. In other words, Russia is pursuing a 'grand energy strategy' that consists of 'dividing and conquering' the EU through a multi-faceted display of power: political, economic and military.

China's Sea-Lane Security

While Russia consolidates its energy position in western Eurasia and the Arctic and attempts to maintain its power position in Central Asia, China has been steadily acquiring energy partners as a means of assuring continued industrial and economic progress, military capabilities and against unforeseen disruptions in its energy importations from Russia, its main supplier of hydrocarbons. China's oil consumption has more than doubled since 1994, and it therefore requires an efficient and uninterrupted flow. While Russia and Kazakhstan have constructed, or are in the process of constructing, direct pipe-lines into western China, China prioritises the defence of the sea-lanes on the approaches to its territory.

China presently imports substantial hydrocarbons from four overseas states: Venezuela, Sudan, Saudi Arabia and Iran, and recognises that it is vulnerable to energy disruptions because it does not directly control, or has allies capable of controlling, vital sea-lanes. Therefore, China has embarked on an ambitious naval project; to develop a series of overseas naval stations, made possible through the development of an alliance network to protect its energy interests and ensure energy diversification. This is having an adverse impact on EU ES since China is attempting to increase its naval presence in areas seen as vital to EU sea-faring, and could undermine EU influence in important regions while heightening the potential of a naval race and/or an accident.

In practical terms China has developed a 'string of pearls' to protect the East Africa-China and Middle East-China sea-lanes. China's 'string of pearls' does not diminish the EU's regional position. It does however indicate that China is unwilling to rely only on merchant vessels, but rather seeks to extend its military arm into areas that are central to EU hydrocarbon and maritime trade. Also, the states China has aligned with for its 'string of pearls' are among the poorest and most strife-ridden in the world, confirming that China's interests are strictly geopolitical. There are four main stations in China's 'string of pearls' namely: Hambantota (Sri Lanka); Gwadar (Pakistan); Chittagong (Bangladesh) and; Sittwe (Burma), and these states have been given vast amounts of financial and political support, which has only deepened their political stagnation and sharpened domestic political tensions.

Pipeline Politics

Whereas Russia is pursuing a pipe-line strategy, China is constructing a sea-lane strategy that may eventually directly threaten the EU's energy life-line. This does not suggest that China is not involved in developing large-scale pipe-line projects, it is; however its strategic orientation requires it to seek control over sea-lanes as well. The EU is able to prevent the rise of China as a naval power, though this will risk direct confrontation. Therefore, the EU is stuck in a quagmire over how to respond: whether to encourage the continued construction of pipelines, originating from Russia and heading both east (China) and west (EU); or to attempt and block extensive pipe-line constructions and encourage China to seek increased reliance on sea-faring trade, an area where the EU maintains an advantage. While both options are risky, the EU seems content on the former, encouraging the construction

of pipe-lines and therefore reducing the militarisation of the high-seas. This may turn out to be a very prudent approach since pipe-lines are not without their share of vulnerabilities, and the EU could exploit these, while enhancing its naval presence, to maintain its energy position and stave off Chinese naval growth.

The potential of the EU to control the sea-lanes has not been lost on either China or Russia and while Russia seeks to evade the EU's pressure points, China is attempting to break out of its perceived encirclement. So far, Russia's strategy is being practised with greater frequency and effect. However, constructing pipe-lines does not solve the fundamental problem of how to ensure uninterrupted energy flows and it seems that Russia's gambit will eventually be more costly than anticipated. Before detailing some of the drawbacks to a pipe-line centric approach to transporting hydrocarbons, it is necessary to highlight Russia's pipe-line problem with regards to China.

As noted, on the surface Russia and China are committed to fulfilling important shared interests. However, Russia may be wary of the growing influence of China. If this is accurate, then Russia would not be interested in quickening the pace of China's assent, but rather allow it to rise slowly and peacefully. At even a cursory glance at the pipe-line networks originating in Russia or from Russian owned oil and gas fields, it is clear that Russian proclamations do not reflect reality; while there is a vast network of pipelines criss-crossing west Eurasia, only a single, operational oil pipe-line connects China to Kazakhstan and Russo-Chinese projects are mostly 'proposed' rather than a reality.

Russia's scramble to construct and control major oil and gas pipelines to the EU and, to a lesser extent, China is short-sighted. There are considerable drawbacks to pipe-line dependence. Security is an issue. Pipe-lines are expansive and extremely vulnerable to a variety of security threats ranging from transnational organised criminal and terrorist groups to organised state violence. It is virtually impossible to adequately defend overland pipe-lines, and the only 'secure' option is to construct them underground and underwater, such as the Nord Stream pipe-line from Primorsk (Russia) to Rostock (Germany) and then onto the Netherlands and UK, which is extremely costly. With hydrocarbons in increasingly scarce supply, it is likely that criminal groups will increase efforts to steal them and pipe-lines offer good opportunities since they traverse remote areas and defensive measures are inefficient. Pipe-lines also offer good opportunities to domestic and international terrorist groups to disrupt a state's well-being and boost their agenda without great

risk to their followers. Additionally, since pipe-lines are constructed for the international traffic of hydrocarbons they are often required to transit some states on their route to others. Transit states usually accept a special 'transit tax' and tributaries to meet their own energy demands, however transit states may fully disrupt a pipe-line by diverting all the flowing resources or simply destroying the pipe-line if it has the political will to do so.

Perhaps the biggest problem of pipe-lines is their inflexibility in terms of source and destination. Once a pipe-line is constructed and hydrocarbons are flowing to their prescribed destination, it is very difficult to halt their flow as both the sending and receiving state would bear significant financial costs. It is also not in a state's interest to invest billions of monies into constructing a vast hydrocarbon pipe-line that will continually be disrupted due to political mismanagement or disputes. Pipe-lines are built targeting a single destination and therefore create a high level of mutual dependence. If a producing state seeks to end its energy relations with an importing state, it not only loses the revenues from consumers, but also the 'sunken costs' of the initial pipe-line construction and the opportunity to invest those funds into other projects.

Russia's pipe-line approach is not without logic; it is intended to avoid transporting its hydrocarbons on the high-seas and lock the EU into a dependency cycle in the area of transportation together with its dependence on Russian resources. However, pipe-lines are vulnerable and irreconcilable with aggressive politics since they lock both PE and IC states into a cycle of mutual dependence. Together with its reluctance to construct more pipe-lines directly to China, it seems that Russia will be forced to invest in a wide sea-faring programme which would give it more political flexibility.

But, enter the EU.

The EU's Potential to Control the Means of Transport

At the dawn of the 20th century, the Royal Navy's Admiral John Fisher, when speaking of the reach and power of the British Empire, remarked that '(f)ive strategic keys lock up the globe.' For Fisher these were: Gibraltar, Dover, the Cape (of Good Hope), Alexandria and Singapore. While these *keys* continue to serve as important geopolitical stations for dealing with current international security issues, particularly ES, they have been joined by eight others: Copenhagen, Istanbul, Dubai, Djibouti, Taiwan, the Caribbean Sea and Panama Canal, the GIN

(Greenland, Iceland, Norway) Gap, and the St. Lawrence Island south of the Bering Strait.

Despite incredible advances in telecommunications, air transportation services, rail networks, and in the automobile industry – overland shipping – including infrastructure, sea-faring trade continues to account for a significant percentage of international economic exchanges between non-proximate states, and is the preferred means of transporting hydrocarbons. The continued importance of maritime trade elevates the significance of the aforementioned *keys* as indispensable assets for gaining and maintaining geostrategic advantages in the increasingly acute competition for dwindling hydrocarbons.

Currently, the EU (together with the US) directly or indirectly controls all the above *keys* though have yet to realise their full potential. Such political lethargy is costly, and the sooner the EU recognises its geopolitical advantages the quicker it will be able to effectively pursue its international relations goals which are not confined to binary conceptions of ES or 'material security' but include the entire spectrum of EU priorities including its desire to enhance international democratisation and human rights regimes. In other words, the EU's ability to identify its geopolitical advantages, provide ES for its citizens and develop efficient mechanisms to limit potential rival's leverage over the EU will assist it in advancing a more fair and democratic international order. On the other hand, if the EU fails to utilise the geopolitical advantages it currently maintains, international relations are likely to slip back into great power competition which will inevitably heighten tensions and the prospects of global conflict.

A Proposed EU Strategy for Energy Security

Identifying the importance of the aforementioned 13 geopolitical *keys* only scratches the surface of realising a comprehensive EU grand strategy synonymous with its energy strategy. With two energy crises looming on the political horizon – the crisis over dwindling energy resources and the crisis over political-military competition for such resources – it is essential for the EU to adopt a more pragmatic approach for enhancing its ES or it will face increasing difficulties to maintain: 1) the structure of a favourable political order; 2) the quality of life currently enjoyed by its population; and 3) its international significance. The concluding section of this work proposes a policy blueprint which incorporates the 13 geopolitical *keys* noted above, and examines some ways the EU could reduce its energy dependence, increase its

international esteem and power-base while defending its value system. To this end, five strategic approaches are introduced and developed.

Political Swaggering

All aspects of EU security begin at home, and cooperation through the construction of mutually reinforcing policies among the 27 EU members forms the foundation of EU ES. Such political reinforcement needs to be formally accepted by *all* EU members, without exception, to send a clear message to the rest of the world that the EU will act as a single entity over its recognised interests. This would assist in preventing a 'divide and conquer' strategy by those attempting to foster disharmony amongst EU members. As part of a comprehensive, EU-wide approach, the EU needs to embark on a policy of political swaggering; changing the nature of political interactions to increase its political assertiveness, heighten its deterrence capabilities and its political unity.

The deployment of military means should always be considered a diplomatic tool of last resort and political processes must be allowed to take their course prior to even considering military options. However, political processes aimed at averting military conflict and reconciling divergent material and/or ideological interests require credibility over the potential for escalation. At present, the EU lacks credibility because it has yet to politically demonstrate its collective will on issues and interests vital to all its members. This is irresponsible and could inadvertently sharpen tensions, as the EU's adversaries may not view its political approaches as credible and are thus unlikely to heed EU warnings or demands. Therefore, the EU should:

1. Prioritise EU foreign policy integration, particularly in ES;
2. Officially and publicly equate 'energy manipulation' as tantamount to an act of hostility;
3. Officially and publicly develop an EU-wide policy of reciprocation (horizontal and vertical escalation) for any act of energy manipulation.

Democratic Energy Alliance Networks (DEANs)

Assuming the EU is successful in constructing a comprehensive political approach to dealing with its ES a new international alliance formula is required to underwrite EU credibility to act on any aggressive intentions by its adversaries. The EU has a lot to offer its alliance partners in addition to strong markets for economic investments and

political stability. Indeed, the EU is a global leader in high-technology, industrial know-how and management, skills which would assist its allies in constructing sustainable political and economic systems. Also, several EU states are ranked among the world's top quality arms manufacturers and may be able to provide their allies with important military hardware as a means of enhancing their own military apparatuses and deterrent capabilities. Finally, the EU represents a consortium of democratic states, whose international relations values have, more than anything else, contributed to the development of a peaceful and prosperous EU zone. EU alliance choices should not be made solely on the basis of the strategic importance of its potential partners. Instead, they should be made according to the democratic potential together with the geopolitical and strategic value of their counterpart. It is no longer acceptable for the EU to align itself with states that violate the international relations values the EU seeks to promote. Its alliance choices must reflect both the normative and practical sides of EU security, including ES. In order to construct a democratic and energy alliance network (DEAN), the EU should deepen its engagement to the geopolitical *keys* and use them as a springboard for a larger and more inclusive alliance networks founded on democratic proliferation together with security provisions.

Sowing Economic and Political Disharmony

In addition to political readjustment and alliance formation, the EU should unambiguously identify those whose interests are conflicting with its own and, deploying political and economic tools endeavour to sow disharmony and therefore retard the ability of exogenous states and alliances to present a concerted challenge to the EU's ES. This is a very controversial approach and may be seen as irreconcilable with EU values. However, as the ES of the EU is at stake, it is not acceptable to simply wait-and-see what happens and respond in kind. Instead, the EU should devote much of its economic and political energies to identifying and reducing the potency of emerging energy related challenges. This should not depend on military confrontation, but rather on economic and political transactions, with military power left as a residual tool.

For example, at the time of this writing Iran has – with the explicit support of China – been constructing autonomous nuclear power, which could be used to develop nuclear weapons, challenging the international relations non-proliferation norm and up-setting the

regional balance of power. A Russia-Iran-China troika represents an ominous danger to the EU since Iran is not governed by the same logic of Westphalian states and is (relatively) proximate to the EU and its regional allies (re: Turkey and Israel). The EU could strategically drive a wedge between Russia and Iran and China and Iran, reducing the ability of the latter to construct unchecked nuclear power. This may be achieved though aggressive diplomacy which balances credible carrots and sticks. Russia would be loathed to lose the EU as a trading partner for the sake of allowing Iran to continue on the nuclear path. Thus, the EU must be willing to threaten severing economic relations and political isolation if Russia would continue to assist Iran realise its nuclear ambitions. Using its economic and political weight and the fact that the EU maintains the ability to control vital sea-lanes suggests that the EU can achieve many of its international relations objectives without resorting to overtly aggressive tactics, but rather by identifying its potential rivals and sowing the seeds of disharmony between them; centring the EU and its lucrative market – but not discounting its ability to fully disrupt sea-faring trade – in the strategic planning of its potential rivals.

Hydrocarbon Hoarding

Once the EU is unified in its energy policy, has developed adequate alliance networks – to increase its international influence, its control of the sea-lanes and its overseas energy interests – and has attempted to sow disharmony among its recognised challengers, it should use its economic clout to purchase as many strategic energy reserves as possible, thereby launching an aggressive hydrocarbon hoarding strategy. This should be undertaken together with massive scientific endowments into researching viable alternative, renewable energy supplies so that the EU would take the lead in producing alternative energy sources for its own consumption and exportation, continue to stockpile its strategic reserves, while denying others freer access to hydrocarbons. As the EU is concerned with environmental degradation, such a strategic approach will help reduce the burning of hydrocarbons because the EU would not use its acquired resources but rather maintain them in storage facilities as energy insurance. At the same time, the EU would limit the ability of China and India to rapidly industrialise and, particularly with China, inhibit its ability to supply its growing demand so that it too may consider alternative energy sources.

Aggressively hoarding hydrocarbons would have the added advantage of locking producing states into financial dependency on the EU

which would become their largest purchaser. Over the long-term, this would assist in forcing such states to diversify their economies, since energy supplies has reached over 'peak oil,' and may promote further democratisation since state purses would be smaller and the governing elites would be unable to purchase political stability with the same effect as previously done.

Advanced Military Tools

In order to achieve any of the above strategic imperatives, the EU must also increase its military credibility. In other words, it needs to develop and maintain suitable naval forces to raise its deterrent capability (to avoid other states' interference with EU energy supplies), repair its current credibility deficit (to further attract allies and solve the collective action dilemma), and defend its maritime trade while reserving enough naval power to interrupt its adversary's (through naval embargoes and blockades) if the need should ever arise. In an age of evolving military tools and codes of conduct, the EU should construct a Naval Task Force (NTF) based on: Rapid Deployment, Intelligence, and Potency (RIP), where numbers of main battleships and aircraft carriers are less important than rapid power projection, task-management and sustainability. An EU NTF should be multinational in character, comprising soldiers from among all 27 EU states, and be deployed under strict civilian command to avoid military calculations trumping political considerations. Also, an EU NTF must incorporate all the technological advantages currently available to ensure that any operations it is tasked with are achieved quickly and decisively and with as little damage to civilian infrastructure as possible. The competition for depleting hydrocarbons in the 21st century is raising the prospects of international conflict and the EU needs to maintain adequate contingency plans, of which gaining naval supremacy is required. Just as the UK used its naval power to turn the tides on France during the Napoleonic Wars, so the EU should now be prepared to enforce embargoes and blockades and generally be able to interdict high-sea vessels, quickly and efficiently deploy naval forces to their required 'theatre' and safe-guard its maritime interests.

Concluding Remarks

While this analysis explored actual and potential challenges to EU ES, and may be considered both current and predictive, the importance

of the presented proposals for the development of an EU energy strategy is rooted in Europe's past. The EU was founded to restrict and ultimately overcome the historic and enduring rivalry between France and Germany, of which WWII was the most recent and destructive – materially and in human life – bout. Its first and perhaps most important organ was the Coal and Steel Community (1950), which created a common market for coal and steel, governed by a High Authority. In other words, the EU was born out of ES considerations; ensuring, through treaty obligations, that France, Germany, Italy, the Netherlands, Belgium and Luxembourg, could not independently control the materials needed to construct and maintain modern militaries. It was through this voluntary interconnection of fuel (coal) and steel markets, that France and Germany anchored their economic and political futures in each others' successes, implying that conflict between the two would be impossible but that joint economic progress would benefit both.

More than 60 years later and the EU is confronted with an increasingly belligerent and competitive world. It continues however to use the logic it had deployed to deal with its own post-WWII conditions, and the enormity of its self-inflicted (intra-European) destruction. The rest of the international community did not, it seems, learn the same lessons or develop similar foreign policy views as EU states have. Indeed, many rising powers have begun to paint the EU into a corner; forcing it to make stark decisions over its security priorities. Yet, the EU is facing foreign policy paralyses, and prefers to engage in open-ended dialogues with its actual and potential adversaries rather than comprehensively confront the challenges which are stacking up against it. This is unacceptable. The EU needs to find a middle ground between its material (including ES) and normative security priorities. More than the promotion of a safer, freer and fairer international system, the EU owes its citizens security and prosperity. Human rights, democratic systems of governance and economic stability must first be protected in EU states before they can be advanced beyond EU frontiers.

Of prime importance for the EU's long-term sustainability is its ability to secure adequate energy supplies and there is growing parity between the EU's security in general and it's ES. While the EU attempt to maintain a normative character to its foreign relations, it should also develop the tools needed to physically defend itself from energy interruptions – for political gain – and those willing to engage in overt threats, bribes or deploy armed force to the determent EU interests. Since most EU members are energy dependent, and such dependence

is likely to continue into the foreseeable future, the EU must begin to exploit the advantages it currently retains and construct an appropriate strategic approach to reduce its energy vulnerabilities. This work argued that the EU (and its allies) has the potential to control the sea-lanes and since most trade (between non-proximate states) continues to be shipped over the high-seas, the EU needs to be more steadfast in utilising this advantage or be ready to live with the geopolitical consequences of exploitation by energy suppliers dissatisfied with the distribution of international influence.

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THE POLITICAL ECONOMY OF ENERGY SECURITY AND NUCLEAR ENERGY IN JORDAN

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Abstract: *In 2007 the Jordanian government announced its intention to build one nuclear power plant by 2015 and a number of others by 2030. The objective of this nuclear energy programme was to provide a sustainable domestic energy supply and relieve the burden of reliance on external energy sources. This burden has led to a massive strain on the government budget and produced domestic discontent, due to rising living costs which has negatively affected regime stability - this latter point is especially important in light of the current geopolitical changes sweeping across the Middle East and North Africa (MENA). This work explores the political economy of energy security in Jordan and the potential role of nuclear energy in the coming decades and argues that there is an energy security dilemma in Jordan and this determines the nature of nuclear technology proliferation there. In this study a number of theoretical assumptions are posited concerning the impact of resource scarcity on economic and political stability which help shed light on Jordanian interests and policies. The nature of energy security and resource scarcity in other states in the MENA are often very similar. As such this case study offers some insights into the political economy of other nuclear energy programmes which have been announced in the past few years in that region, such as in Yemen and Egypt.*[1]

Keywords: Jordanian energy security, civilian nuclear power, nuclear proliferation, hydrocarbon dependence

Introduction

Since the 1960s the issue of nuclear technology proliferation in the Middle East and North Africa (MENA) has been high on the political agendas of both regional actors and those further afield. A number of MENA states have pursued nuclear technology programmes, some with a measure of success, such as Israel and Iran, while others have, more recently, declared their intention to develop such

a programme (in some cases, as in Egypt, this is a resurrection of previously shelved plans which date back several decades). On 04 July 2006 (the then un-challenged) Yemeni President, Ali Abdullah Saleh, announced his government's intention to develop a nuclear energy programme in order to produce nuclear energy for civilian use. The announcement came as Saleh registered his candidacy for a next presidential term for elections held later that year. Official international reaction to this declaration was rather slow and largely muted. However, the announcement of the plan did not go completely unnoticed, even though it was declared that only civilian and not military nuclear technology was to be sought.[2] In the years since Saleh's announcement a number of states in the MENA region have declared their intentions to develop nuclear energy programmes of their own, with work well underway in some cases. In December 2006 the six Gulf Cooperation Council (GCC) states issued a statement declaring their intention to pursue nuclear energy programmes (they also reiterated their call for a nuclear weapons-free MENA).[3] This was followed by the GCC's 2007 request to the International Atomic Energy Agency (IAEA) to assist in developing civilian nuclear capacities.[4] In mid-2006 Turkey announced plans to construct a series of nuclear power stations by 2015[5] while, in October 2007, Egypt presented its plans to develop a number of nuclear power plants to generate electricity.[6] Iran's nuclear programme has rapidly gathered pace since 2006 and has come under increasing scrutiny internationally, resulting in heightened tensions with both global powers, like the US and Britain, as well as with MENA states including Israel and Iran's Muslim neighbours.[7] The Jordanian government has been caught up in the emerging regional proliferation of nuclear technology and has been amongst the keenest to establish a nuclear programme. On 01 April 2007 (then) Energy Minister Khaled Sharida announced that Jordan intended to build one nuclear power plant to produce electricity by 2015.[8]

The wave of plans for national nuclear energy programmes that has swept the region has raised many questions by observers concerned with economic development, environmental sustainability, military security, and energy security.[9] Indeed, the sensitive balance of political, social and economic relations within MENA ensures that the proliferation of nuclear technology will remain a politically and economically sensitive issue for the foreseeable future.

Significantly, a major dilemma in intra-MENA relations is the perception-disparity problem faced by most, if not all, regional actors with regards to the nuclear programmes of their neighbours. The majority of governments in the region have varying perceptions of the need for nuclear energy, the purpose of specific nuclear programmes and the opportunities and challenges such programmes entail. In particular, whether the intention of developing a national nuclear energy programme becomes a major regional political issue or not depends largely on the *perceived* objectives of such a programme and the *perceived* rationale behind it, by both regional and global actors. While all states in the MENA region that have developed plans for nuclear programmes (except Israel) are signatories of the Nuclear Non-Proliferation Treaty (NPT) concern over the pursuit of nuclear technology remains a sensitive area of discussion. A common theme that has emerged in the issue of nuclear proliferation in the MENA region is the challenge of meeting domestic energy demands and the need for energy security. This has often been a stated rationale in the emerging nuclear energy programmes in the region, with the Jordanian government often highlighting energy security as the main challenge it faces in the post-2003 environment.[10]

This work explores the problem of energy security in Jordan, what the political economy of nuclear energy there is and how this programme can help to meet the country's energy demands. The key questions addressed here relate to what the Jordanian government's rationale for pursuing a nuclear energy programme appears to be and whether such a programme is likely to positively affect Jordanian energy security. This work argues that Jordan faces a severe energy security problem, that this is the most significant security threat currently faced by Jordan, and that the pursued nuclear energy programme is intended to attend to this challenge. The first section of this work reviews relevant energy security literature. The following section discusses energy security in Jordan and the political and economic challenges this entails. An analysis of Jordanian policy and the nuclear programme comes in the third section and conclusions are drawn at the end.

In 1979 Deese argued that energy security was 'a widely discussed but little understood problem.'[11] In some ways that is still the case today, although much research has been conducted on the issue and significant strides have been made towards theoretically understanding energy security. Deese defines energy security as 'a condition in which a nation perceives a high probability that it will have adequate energy supplies at affordable prices.'[12] One might add to this that this perception has to be held for the medium- to long-term future. The issue of perception is very important but is largely based on the rational assessment of the realities of energy production/sourcing and consumption in the domestic market.

Deese's model claims that there are two key levels of analytical relevance to energy security: the domestic and international levels of analysis.[13] Any analysis of energy security in Jordan must consider the economic, political and social conditions within Jordan as well as conditions and processes of a more regional or global scope. Furthermore, we need to consider the relationship between these two levels of analysis as deeply interconnected. Indeed, as Ohmae has argued, we are increasingly living in a world where national borders no longer serve to insulate domestic from international affairs.[14] Deese highlights that where problems with domestic energy supply exist, as in the case of Jordan where there are no reserves of hydrocarbons of any significant amount (or any other form of fossil fuel), pressure for energy imports increases and it is this that has the most significant impact on energy security.[15] Bosworth and Gheorghe demonstrate that interdependencies in large energy systems, such as an energy importing state's national system, are abundant and add to the complexity of the energy security problem.[16] These interdependent relationships exist between actors involved in the production, transport and consumption of energy. At each stage there exists a myriad of actors and relationships which can often be in competition with each other. Even when cooperation is evident the interdependency found in such an energy system leads to challenges in ensuring coordination between the different actors. Furthermore, Bosworth and Gheorghe argue that 'interdependencies also cross international borders'[17] thus linking the domestic and international levels of analysis. International hydrocarbons

pipelines as well as shipping infrastructure ties Jordan's domestic energy transport system to those in Iraq, the GCC states, and Egypt.

Resource scarcity can negatively influence international relations due to heightened competition for resources at the international level.[18] Thus, the energy insecurity felt by some states can lead to policies aimed at securing the required resources which bring the state into conflict with others. Energy security can, therefore, be of importance at both the domestic and international levels of analysis. The importance of energy security can partly be identified in the ways in which it impacts other issues of concern to national governments and private sector actors. It impacts on economic well-being (growth, stability, income), which in turn impacts on domestic political stability (re: regime survival in Jordan) and also directly impacts on military security (through the military industry, military fuels, and strategic constraints and objectives – defence of supply routes, stability of producing states etc.).[19]

In order to pay for their energy needs, developing states that rely on imports for the majority of their energy supply also have to rely on exports of their own goods and services in order to raise adequate revenue and foreign exchange. This increases their vulnerability to external events and processes (and actors). During a period of global recession, for example, levels of international trade decline and the revenue earned from exports will subsequently decline also. Since mid-2008 this has been the experience of Jordan. In particular the decline in exports to the US – due partly to lower levels of imports to the US market since the financial crisis, and partly due to increased competition in the goods Jordan exports to that market (mostly textiles and clothing) – is noteworthy. Events limited to single trading partner states and not at a global level also add to the vulnerability of small developing states. Due to the limited agency of small developing states at the international level there is little scope for the employment of foreign policies to deal with these vulnerabilities.[20] As a result, policy focus turns inward towards domestic policies aimed at managing energy demand. Governments that pursue liberal economic policies encourage a system which does not easily allow for significant subsidies for domestic consumers. Limitations on government budgets also hinder the opportunity for subsidising domestic energy consumption. Since the late 1980s the Jordanian government has adopted economic liberalisation and

since King Abdullah II came to power (1999) these policies have been pursued with more vigour. Record budget deficits each year for the past decade have also left the Jordanian government little room to provide subsidies to the domestic market. An alternative major policy direction is, therefore, to encourage greater efficiency in energy consumption and lower demands in inefficient and non-essential sectors.

The impact of bilateral and/or multilateral relations between energy importers and exporters can determine the nature of energy security within the importing states. A bilateral relationship between an oil importer and an oil exporter, for example, that is characterised by animosity, mistrust or outright conflict (such as economic sanctions or military engagement) is likely to lead to a reduction in, or cessation of, trade in oil between them. The case of the European Union's (EU) embargo on Syrian oil exports due to the Syrian government's violent suppression of a pro-democracy movement (at the time of writing) is a case in point.[21] At the same time however, positive relations between energy importing and exporting states does not necessarily equate to enhanced energy security for the former.[22] There is certainly a correlation between the nature of international relations and domestic energy security; but energy security cannot be guaranteed simply by having good relations with exporters. The relationship between Jordan and Iraq since the mid-1990s, for example, was characterised by close cooperation in economic (and political) affairs and an agreement between the two governments ensured Iraq supplied Jordan with oil at a heavily subsidised price (at a fraction of the international market price).[23] That was up until the 2003 war in Iraq which ended trade in oil between the two states. Bilateral trade in oil has not recovered as of the time of this writing. Changes in international relations and/or domestic affairs are generally beyond the control of small states, such as Jordan, which may play a role in regional affairs, but this is often limited by the state's level of agency at the international level and the behaviour of more powerful external actors.[24] As such, the energy security of small states relies, to a large extent, on unilateral domestic and foreign policies.

It is generally accepted that the most effective ways to ensure energy security include managing domestic demand (such as increasing efficiency in consumptive practices), improving the reliability

of external sources (diversification of sources, supporting stability in producing states and so on), and/or increasing domestic energy supplies.[25]

Energy importing states can develop domestic supplies in order to lower their reliance on external sources, which is the primary challenge for energy security. However, the success of this policy direction in advancing energy security relies entirely on the availability of domestic resources. In terms of hydrocarbons this is limited to states that have significant recoverable reserves that can be exploited cheaply enough for it to be economically and strategically beneficial. Renewable energy resources are more widely available, in particular wind and solar energy. However, the development of these requires significant investment and this is often unavailable in developing states. Private sector investment is usually required, bringing in domestic and international non-state actors, which adds to the complexity of ensuring energy security. The technology required for renewable energy is constantly developing and also requires the long-term involvement of the private sector. Nuclear energy technologies are much the same in that non-state actors as well as governments must be involved in the building and maintaining of crucial infrastructure. The technologies required for nuclear energy often have to be procured by developing governments from developed states, leading to the internationalisation of domestic nuclear energy programmes. Nevertheless, in the medium- to long-term, renewable and nuclear energy programmes require significantly less involvement from international actors and external relations related to importing energy are significantly reduced and the key factor in energy insecurity is largely removed. The Jordanian government has a small number of sources of energy in the MENA region (currently led by Saudi Arabia and Egypt) but these *external* sources account for virtually all of Jordanian energy. In recent years, however, private sector involvement in the energy sector within Jordan has been growing with involvement in the renewable energy sector and now the nuclear energy sector.

Energy Insecurity in Jordan

Jordan is an extremely resource poor state with limited renewable freshwater supplies, no reserves of crude oil and very limited

natural gas supplies. While there are some supplies of shale oil in Jordan, estimated at over 65 billion tonnes,[26] these are currently not readily recoverable in large quantities at viable prices.[27] The total consumption of hydrocarbons in Jordan is approximately 108,000 barrels per day for the former and 2.97 billion cubic metres per year for the latter. All of Jordan's oil needs are imported while 2.72 billion cubic metres of gas are imported each year at a total cost of over $3.5 billion (USD).[28] Indeed, the problem of resource scarcity in Jordan has resulted in a near total reliance on energy imports. For much of Jordan's modern history hydrocarbons have represented its main form of energy supply with alternative, domestic renewable energy sources only being used in any meaningful manner in more recent years. Jordan finds itself in a rather peculiar situation in the MENA region, neighbouring states with the world's largest oil reserves and production levels as well as some of the world's largest gas supplies, but being almost completely devoid of these resources itself. The fact that Jordan's neighbours have large supplies of hydrocarbons has historically helped Jordan import these resources at lower than-international market prices and to alternate, relatively quickly, between suppliers. The problem however, has been the unstable nature of these supplies over the past decade or so coupled with the fact that Jordan has had to switch suppliers due to disruptions in production and transportation in other states – events and processes which cannot be influenced by the Jordanian government. Added to these problems has been the continued reliance on one or two main sources of energy imports for much of Jordan's history since independence. An undiversified supply structure has left Jordan in a vulnerable position and sensitive to changes in one state or another, such as Iraq in the 1990s and post-2003, or Egypt since the January-February (2011) revolution that toppled Hosni Mubarak. A policy which is increasingly acknowledged as key to promoting energy security is the diversification of energy supplies to reduce any reliance on one or two sources and to have access to other suppliers should there be a disruption in any supplying state(s).[29] The Jordanian government has not yet managed to fully consider this challenge.

For much of the past three decades Jordan has relied heavily on imports of oil from Iraq. Under Saddam Hussein the Iraqi government had maintained close economic ties with its Jordanian

counterpart and had supplied virtually all of Jordan's oil imports. Furthermore, these supplies were fixed at a constant and low price for many years, with Jordan having to pay only a third of international market prices.[30] This was particularly the case through the 1990s after the 1990-1991 Operations Desert Shield and Storm when Hussein's regime was keen to reinforce its relationships to the few states that remained friendly to it. However, following the 2003 US-led invasion and occupation of Iraq, oil exports plummeted as the war itself led to the damage or destruction of much infrastructure and the years of insurgency that followed it led to further damage and hindered reconstruction efforts. With the change of regime in Iraq the agreement regarding oil supply between Jordan and Iraq was cancelled and the latter's oil industry liberalised. This resulted in Jordan having to seek oil supplies elsewhere. In 2003 Saudi Arabia, Kuwait and the UAE agreed to offset the loss of oil supply from Iraq and maintain low prices for Jordan. However, these agreements were only temporary and had expired by 2006,[31] after which Jordan had to enter the international market for oil and compete for supplies on a level playing field with others. This meant unstable and much higher prices for oil than the Jordanian market was used to and was in a sense a form of shock therapy for that market.

Since the early 2000s the Jordanian government has sought to somewhat diversify its energy imports by importing oil from more than one major supplier and by moving to natural gas consumption. In the case of the latter, supplies of gas from Egypt through the Sinai Peninsula section of the Arab Gas Pipeline (which supplies Jordan, Syria, Lebanon and Israel with Egyptian natural gas) began in late 2003. But these attempts to adjust to greater consumption of natural gas and rely on Egypt for this source have been fragile. During the Mubarak regime, Jordan and Egypt (as well as Egypt and Israel) had signed an agreement for gas supplies that allowed Jordan to buy gas at around half the international market price. This preferential agreement came under much scrutiny following the fall of the Mubarak regime in February 2011 and for several months the Jordanian and Egyptian (transitional) governments sought to renegotiate the terms of the agreement. This dispute was finally settled in July 2011 when the two sides signed a new twelve year agreement that contains new terms on the price that Jordan will pay, which reflects an amount that is much closer to international market

prices.[32] A series of attacks on the gas pipeline in the Sinai Peninsula through 2011, following the revolution in Egypt, led to significant halts in gas supplies to Jordan, costing the economy $3 million (USD) each day that the supply was shut off.[33] Combined, these two developments in Egypt have weakened Jordanian confidence in the ability of Egyptian natural gas supplies to contribute to Jordanian energy security.

In addition to broader economic pressures, the Arab Spring has affected the political environment in Jordan and increased pressure on the Jordanian regime. While Jordan has not faced the level of instability as witnessed in Libya, Syria and Yemen, the pro-democracy movement in Jordan is well established and popular sentiment implies that the government has to act on political and economic reform. People want better living conditions, higher salaries, more jobs, a better general economic situation as well as political transparency and less corruption. This has been the case in Jordan for a number of years, especially in terms of economic issues, dating back to the structural adjustment programmes that followed the 1989 financial crisis. Protests/demonstrations over rising food prices and the reducing of government subsidies on food occurred in Ma'an and Amman in 1996[34] and protests against soaring fuel prices have been experienced across Jordan since 2008 as government subsidies have been removed in stages and international market prices have risen.[35] The exceptionally high post-2003 market prices for hydrocarbons have presented the Jordanian government with the dual problem of a sky-rocketing energy import bill and domestic discontent by the masses because of the subsequent increase in living costs, thus affecting regime stability.

While domestic fuel price volatility is impacting upon many facets of Jordan's political economy, there is growing economic and political pressure on the government to find ways of increasing electricity supply while at the same time lowering and stabilising energy prices. According to the Jordan Atomic Energy Commission (JAEC) this has furthered the impetus driving the development of the Jordanian nuclear energy programme.[36] As with any nuclear energy programme the Jordanian case has involved a large number of domestic and international state and non-state actors. By early 2011 the JAEC was seeking an international partner (private sector MNC) to help manage and maintain Jordan's first nuclear energy

plant, which is expected to be a 1000 megawatt generation 3 reactor and is planned to be fully operational by 2018.[37] A further four nuclear power plants are intended to be completed by 2030 providing 30% of Jordan's energy needs. Furthermore, the JAEC has been assisted by the Australia-based consultancy firm Worley Parsons in receiving and evaluating the bids from the private sector.[38] Through 2011 three bids were shortlisted: a joint bid with AREVA (French) and Mitsubishi Heavy Industries (Japanese), Canadian AECL, and the Russian firm Atomstroyexport. However, selection of the successful bid has been stalled somewhat by alterations to the selected site of the intended nuclear plant, which was initially to be constructed near Aqaba in the south of the country but is now planned for an area near Mafraq in the north[39] (the reassessment of where to build the plant came after the Fukushima Daiichi nuclear plant disaster in March 2011 in Japan). The site location and safety studies were carried out by the Belgian firm Tractebel Engineering, lasting for 2 years from September 2009 to late-2011.[40] In 2010 the French firm AREVA signed an agreement with the Jordanian government to begin mining uranium ore from the central region of Jordan and to continue to explore for further reserves elsewhere in the country.[41] As discussed below, exploration has led to the discovery of up to 120,000 tonnes of uranium ore within Jordan.

In terms of inter-governmental cooperation, in early 2010 the US government helped fund the construction of Jordan's first (and only) nuclear waste storage facility through the US Department of Energy's Global Threat Reduction Fund.[42] Furthermore, in March 2010 the Jordanian and South Korean governments signed a $70 million (USD) soft loan agreement to support the purchase from the latter of a nuclear research reactor which is being built at The Jordan University of Science and Technology in northern Jordan and which is expected to be completed by 2015.[43] The reactor is being built by Daewoo and the Korean Atomic Energy Institute. In addition to the involvement of international actors in the physical development of nuclear energy infrastructure capabilities the Jordanian Nuclear Regulatory Commission (JNRC) – established in 2007 and which has responsibility for creating the legal framework for any nuclear-related matters in Jordan – has created or revised 26 laws determining the scope of the nuclear energy programme and the nature of international relations regarding this sector.[44]

According to the Director of the JNRC, Jamal Sharaf, the commission has expanded its staff from 250 in early 2011 to over 300 and expects to have 600 full-time employees by 2018 and the expected completion of the first nuclear power plant.[45]

Over the past 4 years the Jordanian government has pursued a number of bilateral agreements with other governments aimed at forging frameworks for cooperation in the nuclear energy sector. These agreements have included text on the exchange or sale of technology, know-how/expertise, equipment and infrastructure. They have also contained text on the monitoring of the Jordanian nuclear programme and mechanisms to ensure its transparency. At the time of this writing, eleven such agreements have been signed with: Argentina, Canada, China, France, Japan, Romania, Russia, Spain, South Korea, Turkey and the UK, and negotiations are ongoing with the Czech Republic, Italy and the US.[46] The Jordan-UK agreement, signed in 2009, directly refers to the need for both countries to meet their energy security needs and that this is recognised by both governments.[47] It also refers to their rights and responsibilities to pursue nuclear energy for peaceful purposes while managing and safeguarding nuclear material and technology as signatories to the NPT.[48] Of particular importance in highlighting the spirit of the agreement is Article II, point 1a) which states:

> The Parties shall co-operate under this Agreement in the promotion and development of the peaceful non-explosive uses of nuclear energy in the two countries, in [any of] the following area[s]: the implementation of projects for the generation of electricity and water desalination.[49]

The other bilateral agreements all contain similar text acknowledging the core of the agreed upon frameworks for bilateral cooperation in this field and the boundaries of the Jordanian programme.

Negotiations with all prospective partners have not been as successful, however, and in particular Jordanian-US negotiations have proven problematic.[50] The Jordanian government approached the US administration before turning to other governments but an agreement has yet to be reached. While Jordan and the US have long had a constructive relationship and been close allies (with Jordan receiving *major non-NATO ally* status from the US on 12 November 1996[51]) the sensitivity of issues related to nuclear technology has proven to be insurmountable thus far. The key sticking point is

the Jordanian intention to enrich uranium ore within its own borders in order to provide itself with entirely domestically sourced fuel for its planned nuclear reactors. It should be noted that the key challenge of energy security for the Jordanian government has been the problem of importing its fuel needs, while access to domestic uranium ore presents the possibility to minimise fuel imports (discussed in more detail below). Thus the Jordanian government has sought to include a clause in its' bilateral cooperation agreements that allows it to process its uranium resources to fuel level. The Jordan-UK agreement does not include text that allows Jordan to enrich uranium, however, it does not include text that disallows this either. Rather, the decision on this aspect of Jordan's plans is deferred to a later stage in the programme's development. Article VI states that:

> Each Party shall obtain the written consent of the other Party prior to the enrichment of any nuclear material subject to this Agreement to twenty (20) per cent or more in the isotope U235 or U233, or to the reprocessing of any nuclear material subject to this Agreement. Such consent shall describe the conditions under which the resultant uranium enriched to twenty (20) per cent or more, or the plutonium, may be stored, used or transferred. The Parties may establish an agreement to facilitate the implementation of this provision.[52]

The US government has argued that Jordan does not need to enrich uranium domestically but should instead sell its uranium ore resources on the global market and buy back enriched uranium from the cheapest supplier according to market mechanisms. It is important to note that a 2008 agreement of cooperation between the United States and the UAE for nuclear energy development in the latter included text which stipulates that the UAE will not seek to enrich uranium domestically but will purchase it on the global market.[53] This is seen as weakening the case for the Jordanian government.

Jordanian Policy and the Nuclear Option

The Jordanian government's policies towards promoting national energy security are tied to broader domestic and foreign policies.

Energy security policies are seen to be interconnected with domestic policies relating to economic growth and stability, the raising of living standards, reducing poverty, the provision of public services, political stability and to some extent environmental protection. Internationally, Jordan's foreign policy has traditionally hinged on promoting peaceful relations with its neighbours and encouraging stability in regional international relations[54] (historically, with varying degrees of success) and securing energy supplies from the region features prominently here. Jordanian economic policy under King Abdullah II has been characterised by liberalisation, structural adjustment, privatisation and market-led practices. These policies have been driven by economic realities, such as the 1989 financial crisis when the Jordanian government defaulted on all of its external debt repayments.[55] The government then signed an agreement for assistance with the International Monetary Fund (IMF). This agreement stipulated that the Jordanian government must reduce (and remove in some cases) government subsidies on food, fuel and other basic commodities.[56] The Jordanian government has also sought to facilitate external trade, in particular exports to large markets such as the US and EU, in order to promote economic growth at home and raise foreign exchange to pay for its imports.[57] However, Jordan suffers from a trade deficit which reached over $7.7 billion (USD) in 2009.[58] Energy imports accounted for approximately half of this figure at around $3.5 billion (USD) in 2010.[59]

Due to the nature of Jordanian economic liberalisation and the open-market economic system emerging there, re-introducing the sort of energy subsidies that existed before reform began in the 1990s is unlikely. It would also be extremely difficult for the government to do this given record budget deficits (estimated at 5-6% of GDP in 2010[60]) and financial pressures stemming from Jordan's experience of the 2008 financial crisis and subsequent global recession. The conclusion, it would seem, is that the only viable policy option that compliments the liberal economic policies being pursued in Jordan is to limit reliance on international energy sources and on the global hydrocarbons sector more broadly speaking. Domestic, private sector driven, energy production makes a lot of sense given the type of economic policy decision-making in the Jordanian government and the energy security problems the country faces.

Within this context the Jordanian government has long expressed an interest in nuclear energy as a key domestic policy relating to energy production and ultimately energy security within a broader framework of policy. In 1990 the Jordanian government sought the help of the World Bank in conducting an advisory study on energy management and planning in Jordan. The World Bank in turn requested that the IAEA conduct an energy and nuclear power planning (ENPP) study which the latter completed later in that year. The IAEA's ENPP study concluded that due to the expected size of the electricity grid in Jordan, the availability of commercial reactors and their size, Jordan would not be able to pursue a nuclear energy programme for twenty to thirty years.[61] This study demonstrates that the Jordanian government's policies regarding nuclear power extend back at least to the late 1980s and that the current pursuit of a nuclear energy programme is in line with the estimated timeframe suggested by the 1990 IAEA study.

The discovery of up to 120,000 tonnes of uranium ore in Jordan since has spurred the Jordanian desire for nuclear energy as this domestic source of nuclear fuel is seen by many in decision-making circles in Amman as the key to ensuring Jordan's energy security for decades to come.[62] The availability of a domestic source of fuel, albeit not oil or gas, has the same effect on domestic energy production as the latter two have in hydrocarbons rich states. As discussed above, the most important element of national energy security is the sovereign access to, and control of, a domestic energy source which is not shared with other states and which is available if investment is made in the correct infrastructure.[63] Rather than importing large quantities of hydrocarbons from other states at market prices (and occasionally at below market prices, as has been the case with gas from Egypt), the Jordanian market would have a reliable, domestic source of energy. Furthermore, in theory at least, other states would not necessarily be involved in producing and transporting this resource. It must be noted, however, that foreign non-state actors will be required to develop this source and engagement with other governments in multilateral and bilateral settings is required in some ways; engagement with the IAEA for example. As discussed above, any nuclear energy programme in Jordan will not make the country entirely self-sufficient in energy production for electricity and energy imports will continue to be

necessary, including hydrocarbons, for both domestic and transport consumption. However, the availability of electricity produced domestically using a domestically sourced resource and domestic infrastructure can be seen as a way of minimising the impacts of external events or processes on domestic energy security as well as a means to diversify energy sources.

The interconnections between Jordanian policy, both domestic and foreign, with its energy policies over the past few decades has resulted in some success in balancing Jordan's international relations with regional and extra-regional powers. Furthermore, in many ways the Jordanian government has long acted as a stabilising actor in many of the region's key relations, for example, the Palestinian-Israeli conflict, with some success. However, the agency of Jordan as a small and relatively poor state, as well as one that is resource poor, is limited. The ability of the Jordanian government to help manage international relations in the Middle East in order to stabilise international energy relations is limited. For example, the Jordanian government could do very little besides publicly call for dialogue before the 2003 invasion of Iraq, and it could only publicly decry the bloodshed that followed there in the following years. On the one hand, the Jordanian government and in particular its intelligence services have been deeply engaged in counter-terrorism/insurgency operations in Iraq since 2003 and this has led to some results, including the 2006 assassination of Abu Musab Az-Zarqawi, one of the prominent leaders of Al-Qaeda in Iraq after 2003.[64] On the other hand, this type of agency has done little to preserve stability in energy supplies generally speaking – and in some ways Jordan's involvement in Iraq and elsewhere may even have negatively impacted upon its energy security. Certainly, there have been tensions between the Jordanian government and the Al-Malaki led Iraqi government in the past few years and Jordanian-Iraqi relations have not been as close as they had been in the mid-to late 1990s and early 2000s.

Consideration of agency aside, the Jordanian government has also had to reflect on its past experiences with economic policies aimed at managing domestic prices of goods and services and increasing self-sufficiency. For much of its post-independence history Jordan's government has pursued price subsidies for basic commodities and services, including food staples, fuel and electricity.[65]

The aim of these policies was to control domestic prices and ensure support for the Hashemite regime while limiting the impacts of external processes on the domestic market. However, given the small size of the Jordanian economy and its inherent vulnerabilities to external forces, public sector control of the economy and continued economic insulation were not possible indefinitely.[66] Following the 1989 financial crisis in Jordan the government was faced with the dilemma of how best to ensure economic stability and growth; would this be through macro-economic restructuring as advocated by the IMF and adoption of the Washington Consensus, or through continued governmental control of the economy? Through the 1990s the former direction was taken and Jordan's economy has continued to liberalise since.[67] At the same time this macro-economic dilemma impacted upon the energy security dilemma in Jordan. A key challenge that emerged through the 1990s was how the government could ensure energy security in Jordan at a time when concrete steps were being taken to liberalise the economy and fully integrate it into the global economic system.

Broadly speaking there are three policy directions that may be undertaken in such circumstances. The first is to reduce domestic fuel demands. This is extremely difficult for a developing country that is seeking to promote industrialisation and economic activity while facing a rapidly growing population. Secondly, Jordan may seek external assistance from major regional or global powers that can ensure sustained energy supplies at stable prices. However, this policy increases reliance on external actors and institutionalises dependence on these actors. Finally, Jordan can increase domestic energy supplies and production. This policy requires significant investment of time, financial resources and technology, which also entails some measure of reliance on external actors for these.

It is clear that the Jordanian government faces a major energy security challenge due to the country's resource scarcity. Furthermore, it is not possible for it to remain insulated from external processes and events, and engagement with international actors is necessary regardless of how Jordan's energy security problem can be met. However, there does seem to be some merit in adopting the third general policy option highlighted above. In particular reliance on domestic energy supplies and reducing dependence on external supplies removes the key obstacle to achieving energy

security. While it is true that reliance on external actors for the necessary investments to establish and maintain a nuclear energy programme (as well as alternative renewable energy programmes such as solar and wind energy sectors) cannot be avoided, these actors will likely be non-governmental, private sector entities. Bilateral and multilateral agreements between the Jordanian government and other governments have been pursued and signed (and others continue to be sought) and these agreements represent the framework for Jordan's nuclear energy cooperation with external actors, it is likely to be private sector multinational corporations (MNCs) that actually engage with the research, planning, construction and maintenance of the nuclear energy infrastructure. This involvement will be essential to Jordan's nuclear energy programme going forward and this presents an interesting dynamic. External supplies of hydrocarbons are fixed in location and are very sensitive to changes in domestic and international relations. At the same time the kind of MNCs involved in nuclear energy as discussed above are actually quite mobile, flexible and not nearly as sensitive to changes in international relations as those involved in hydrocarbons production and transportation. The commodities (knowledge, technology, expertise, financial resources, equipment and infrastructure) being sourced from these MNCs are also less fixed than the hydrocarbons resources that are sourced from external actors in those sectors. The result, therefore, is that domestic energy can be produced while at the same time reliance on external actors is transformed and made more stable thus contributing to energy security.

Conclusions

In understanding the Jordanian nuclear energy programme it is necessary to identify the level of energy insecurity the country faces and the nature of the energy security issues that policy-makers in Amman contend with. The overall reliance on imports of energy from a small number of external sources has left Jordan facing economic and political problems due to the rising fuel bill and the negative impact on economic growth this presents. Furthermore, Jordan's reliance on just a small number of energy sources has left the country extremely susceptible to changes in the international

relations of the MENA region. In the face of such changes as the 2003 invasion and occupation of Iraq the Jordanian government has found that its limited agency at the international level has left it unable to influence international relations in order to promote its own energy security. At the same time new policy directions which have sought to diversify energy supplies, including the reliance on Egypt for natural gas, have also fell foul to instability in other countries which is outside of the influence of the Jordanian government. Faced with this situation and with few significant natural resources of its own along with growing budget and trade deficits the Jordanian government has turned to the development of domestic energy sources as a means to promote its energy security and by extension political and economic stability.

It is hoped that the nuclear energy programme will help alleviate Jordan's energy insecurity by relying on domestic supplies of fuel (uranium ore) and by diversifying the involvement of both external state and non-state actors in the Jordanian energy market. These factors should increase Jordan's resistance to changes in the international system and regional relations in particular. The international legal framework that is being put in place, including bilateral and multilateral agreements, should contribute to the ways in which the programme develops and to the way it is perceived by external actors. The Jordanian case can be explained using an understanding of energy security as discussed above and we can conclude that energy security is a key challenge for policy-makers. Furthermore, a nuclear energy programme would use domestic supplies of energy, reduce the need for energy imports, and diversify the range of international actors relied upon (for technology, maintenance and so on).

Other states in the MENA region also fit this model of energy insecurity and stand to gain some of the same advantages that Jordan seeks if they develop their own domestic energy programmes be they nuclear or alternative renewable energy programmes such as solar or wind energy. The level of available domestic supplies of nuclear fuel and the extent to which they engage with other governments to develop a multilateral (and bilateral) legal framework for such programmes as well as the engagement with external non-state actors in the development of the infrastructure is important. These factors will help determine both the reality and the

perceptions of these nuclear programmes and their roles in combating energy insecurity for some countries.

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MOLDOVA'S POLITICAL SELF AND THE ENERGY CONUNDRUM IN THE CONTEXT OF THE EUROPEAN NEIGHBOURHOOD POLICY

Cătălin Gomboş and Dragoş C. Mateescu

Abstract: *This article employs a method of discourse analysis from a social constructivist perspective to evidence the emergence and stabilisation of a discourse of sovereignty in Moldova over the last decades. Within this context, it also explores the meaning of Transnistria and energy security for Moldova's political ontology. The argument builds on the premise that the discourse of sovereignty signals a collective Moldovan subjectivity expressing its standing in the regional context. The main hypothesis tested is that, if determined to opt decisively between East and West, Moldova may choose the path of European integration even at the expense of renouncing sovereignty over Transnistria.*

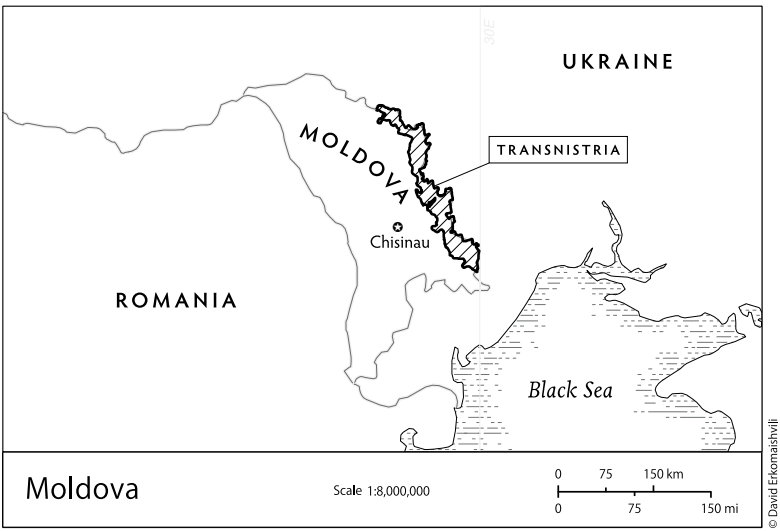
Keywords: sovereignty, Moldova, Transnistria, Russia, Romania, European Union, energy security, Balkans, discourse analysis

Introduction

Moldova is one of the states born in Eastern Europe with the dismembering of the Soviet Union (USSR). Following its 1991 proclamation of independence, this tiny country became isolated from the large Soviet markets and from the Soviet subsidies for energy consumption, thus remaining extremely vulnerable to Russia's gas policies.[1] It is important to note in this context that the *Progress* pipeline for liquid gas from Russia to Turkey and the Balkans passes through Moldova's Transnistrian districts where security problems could affect the stability of energy transfers to the south.[2] Issues of political identity are also, at least, as important as economic aspects on the regional post-communist political agenda. Unlike in the case of other Western Newly Independent States (WNIS), Moldova's population is predominantly non-Slavic, Romanian-speaking and most of its contemporary territory was under Romanian

sovereignty during the interwar period.[3] These details have played a major role in the country's regional positioning over the last decades.

General Background and Methodological Considerations



Boundaries of disputed territories reflect de facto status at the time of publication

A series of laws adopted by the Supreme Soviet of Moldova in 1989 recognised the unity between Moldovan and Romanian languages, thus signalling the rebirth of Romanian nationalism after generations of Soviet rule. This move triggered a sharp response among the Slavic peoples within the country, especially in Transnistria, and from Moscow.[4] Following the collapse of the USSR in 1991, Moldova had to balance between pro-Western and pro-Eastern alternatives, with Romania and Russia still being 'the two poles' of the country's politics.[5]

The so-called "Transnistrian issue" has emerged in this context as a strong intervening variable on Moldova's path toward sovereign statehood and European integration. Transnistria is a strip of land between the Dniester River and the Ukrainian border, currently under Chişinău's *de jure* sovereignty, where Slavs form the majority.[6] The region had been heavily industrialised by the Soviets

and around 40% of Moldova's entire industrial production still originates there.[7] It gradually gained a special status in relations with Moscow, which saw it as economically and politically more reliable than the rural, Romanian-speaking population west of the Dniester River.[8]

In response to the above-mentioned language reforms and suspecting that Moldova would soon join Romania, the people in Transnistria established their own republic within the Soviet Union in 1990.[9] Following the proclamation of Moldova's independence in the summer of 1991, the region also proclaimed its own independence under the leadership of Igor Smirnov. The central authorities in Chişinău attempted to restore their control but encountered the resistance of the locals, supported by an operational group of the Russian 14th Army. The conflict ended in July 1992 when Boris Yeltsin, President of Russia, and Mircea Snegur of Moldova signed a ceasefire agreement. The ceasefire was to be ensured by a military force consisting of Moldovan, Transnistrian, and Russian troops.[10] The status of Transnistria thus became subject to negotiations between Chişinău and Tiraspol, with Russia and Ukraine as guarantors under the auspices of the Organisation for Security and Cooperation in Europe (OSCE).

This region is currently *de facto* independent but has not been recognised by any state, including Russia.[11] This confirms that the Russian support for Tiraspol is not as much for the Transnistrians as it is for an entity apt to undermine the territorial sovereignty of Moldova. Moldovan authorities have been waiting ever since the conclusion of the ceasefire agreement for the removal of foreign military troops from Transnistria, which continues to be under Moldova's sovereignty by international law. After 2005, the status of this province has become subject to negotiations taking place in a larger, "5+2" format. Moldova and the *de facto* authorities in Transnistria remain the main negotiating actors; Russia and Ukraine continue to act as mediating guarantors under the OSCE auspices, while the United States (US) and the European Union (EU) have become observers.[12]

This article analyses in this context the official discourse of the national sovereign self in independent Moldova with a focus on the relations with the West (EU, Romania) and the East (Russia). The US, Germany, the OSCE, NATO and other entities will also

be referred to, but that without altering the general understanding of West-East methodological division of discourses. The central question is about the meaning of energy security and implicitly the meaning of Transnistria for the Moldovan political ontology. Is there a possibility that this country could choose European integration at the expense of renouncing sovereignty over Transnistria? From these concerns derive a number of other questions that are relevant for Eastern European politics. What would be the consequences of such a decision for security in general and energy security in particular in Europe? Which are the main effects of/on the European Neighbourhood Policy in this context? Lastly, is there a possibility of a major change in Moldova's external political orientation in the light of its current political turmoil?

The authors adopt a discourse analysis approach to evaluate the ontological weight of energy security and of Transnistria in the post-communist discourse of national sovereignty in Moldova between the West and the East. The methodology builds on the social constructivist perspective and conscientiously avoids a "realist" approach. In short, realist thinking would not be apt to explicate the survival of this tiny country despite of not possessing any of the means or capabilities that realist theorists consider necessary for viable statehood.[13] Despite this, the evidence deployed will clearly indicate that the Moldovans have been remarkably successful in contouring a discourse of national sovereignty even against the most pessimistic predictions. Analysing the Moldovan understanding of political reality will then demand an exploration of the production of meanings making it in what is essentially a discursive context.

From a constructivist perspective, the "reality" of human society is socially produced and our knowledge of politics is invariably mediated by instrumental and normative dimensions of interpretation.[14] The social constructivist tradition in the study of world politics is intimately tied to the linguistic turn in social sciences, which builds essentially on the idea that social reality can be said to exist in and through language.[15] The specific method of analysis will mainly focus on the intentional and responsible production of a specific, hegemonic discourse of national interest and sovereignty in Moldova.[16] This builds on the premise that discourse signals the presence of a particular subjectivity deciding on the particular meanings of its own sovereign standing.[17]

In effect, the article takes into account discursive constructions which tend to institute a sovereign Moldovan political self within the context of regional politics, implying the emergence of its particular interpretation of developments, one attempting to transgress the hierarchy of meanings established by other regional actors. The result is the constitution of a particular, Moldovan understanding of political reality in the region.[18] The analysis will thus focus on the discourses of sovereignty emanating from Chişinău in correlation with other relevant predications of regional politics. Central in the exploration are those directly involved or interested in the "5+2" negotiations format over the Transnistrian issue and originating in Tiraspol, Moscow, Brussels, Bucharest and Washington. The main hypothesis advanced is that, if determined to opt decisively for one of the sides, either the East or the West, Moldova may engage decisively on the path of European integration even at the expense of renouncing sovereignty over Transnistria. And this, in turn, may bear significant consequences for the regional and continental stability.

The Meaning of "Moldova:" The Emergence of Moldovan Sovereignty and the Transnistrian Issue

The WNIS countries, including Moldova, are important for Europe's energy security. Serious disruptions in the transit of gas and oil from Russia to the EU through these states could lead to unpredictable consequences for both the EU and the main suppliers, such as the Russian giant *Gazprom*.[19] While energy deals depend essentially on solid arrangements between suppliers and beneficiaries, the long-term implementation of such deals still hangs on the security of transfers.[20] And that inevitably leads to questions regarding the stability of the transit states. For the South-eastern Europe, at least until the *Nabucco* and *South Stream* projects become reliable facts, the supply of liquid gas continues to rely on the *Progress* pipeline from Russia through Moldova.[21] This passes, however, through Moldova's Transnistrian districts, which indicates the importance of a solution to the respective regional conflict for the energy flows and the stability of the Moldovan state as a whole.

Within this context, a central problem may be that the modern Moldovan sovereignty is extremely young and fragile, building on a problematic political identity. The Romanian people dwelling between the Prut and Dniestr rivers were subjected to Tsarist domination and policies of Russification after 1812.[22] After the First World War, this territory, also known as Bessarabia, joined Transylvania and Bukovina to unite with the Romanian Kingdom and thus formed the Greater Romania. This achievement was confirmed by the Treaties of Paris (1920) and inaugurated Bucharest's intensive efforts of Romanianisation and anti-Russian propaganda.[23]

However, Stalin's westward expansion soon stopped the Romanian project in Bessarabia. He had ordered in 1924 the creation inside the USSR of the Moldovan Autonomous Soviet Socialist Republic (MASSR) on a territory east of Dniester River, which had been Ukrainian historically and included today's Transnistria. The aim was to counteract the union of Bessarabian Moldovans with Romania, the MASSR symbolising 'the continuing Soviet territorial claims on Bessarabia.'[24] Following the military defeat of Nazi Germany, Soviet Russia reoccupied Bessarabia and added to it the MASSR to form the Moldovan Soviet Socialist Republic (MSSR).[25] In effect, the authorities in Moscow had more than four decades in the post-war era to engineer a sophisticated version of Moldovan political identity stressing its strong historical links with the Slavic world and thus differentiated from the Romanian identity.[26]

The post-Soviet movement for independence built in response on the Romanian language as distinct feature of Moldovan identity. The Supreme Moldovan Soviet adopted in August 1989 the set of language laws mentioned above that suggested a revival of Romanian nationalism.[27] While acknowledging the importance of Russian in inter-ethnic communication given the country's complex cultural mosaic, the respective laws replaced it with Romanian as language of administration and professional accomplishment.[28] Hence, the threat was for many Russian-speakers that their native tongue would become confined to merely informal communication. Public manifestations of sympathy for Romania alienated even more the Russophone population and its elites. In Transnistria especially, the new trends in Chişinău suggested the possibility of Moldova reuniting with Romania, which many associated with inevitable Romanianisation.[29]

"Pan-Romanianism" occupied a certain place in this context, one usually associated in the 1990s with the country's Western, European alternatives. It found expression in cultural and political activism in both Moldova and Romania, benefitting from the support of authorities at times and feeding on the enthusiasm of partisans of the recreation of Greater Romania representing around 10% of the population, mostly intellectuals.[30] However, the pan-Romanianist discourse built on the Moldovan identity as mere invention of the Soviet propaganda and therefore belonging to a past that had to be renounced. This extreme position determined only the radicalisation of Russophones, the separatist move in Tiraspol, and the emergence of a current more favourable to the strengthening of the Moldovan political identity. Thus, the 1990s can be described as a period when the question about the state's identity emerged, one addressed by two major and fundamentally conflicting camps: the militants for a rapid return to Romanian sovereignty (Romanianists) and the supporters of an independent Moldovan state (Moldovanists), either eastward or westward oriented.[31]

The Romanianists suffered a decisive blow in the elections of February 1994, in which the Agrarian Democratic Party won with the open support of (then) President Mircea Snegur. The same year, the state's constitution was also adopted by the Parliament. Its text built on the essentially Moldovanist idea that the cultural identity of the nation was related to the Romanian one, but its political identity and hence the state was Moldovan.[32] This met in fact the option expressed by the population in a referendum held in 1994. Around 95% of participants expressed disagreement about unification with Romania and support for the sovereignty of the young Moldovan state.[33]

In fact, the electoral episodes in 1994, 1998, and 2001 saw the Romanianist theme retreating from the centre of the political stage and relatively few Romanianist politicians managed to obtain key executive positions, with the significant exception of certain members of the Liberal Party. Instead, initially anti-Romanianist politicians such as Mircea Snegur and others developed a discourse of national sovereignty friendlier to the idea of a common cultural heritage with Romania, while promoting uncompromisingly the country's distinct political identity.[34]

On the issue of Transnistria, the initial cries from both Romanianists and Moldovanist political forces, including President Snegur, invocating the country's territorial integrity and labelling the separatists as traitors were gradually replaced by a more nuanced discourse.[35] Even immediately after the conclusion of the brief civil war, the government 'worked to appease the Gagauzi and Transnistrians by stressing the non-ethnic, citizenship-based nature of the Moldovan state.'[36] The 1994 constitution confirmed later this view by allowing for a large degree of autonomy for the Gagauz and Transnistrian communities and by recognising and guaranteeing the citizens' right to preserve, develop and express their ethnic identities and languages (Articles 10 and 13).[37]

These constitutional principles were also strengthened by other relevant provisions in the Education Law of 1995.[38] The main consequence of this primary and secondary legislation was then the formal silencing of the logic of Romanian nationalism in Moldova. The proclamation of a "national" state with the fundamental law would have raised at least two critical questions: one about the identity of that nation and another about the extent of minority rights under its sovereignty.[39] However, the situation in Transnistria continued as a frozen conflict despite the obvious diminishing of the role played by pro-Romanian nationalism in Moldovan politics.

Until 2001, Moldova's discourse regarding Transnistria had been marked by the country's neutrality and the commitment not to admit foreign troops on its territory under Article 11 of the 1994 constitution.[40] These constitutional provisions were also reflected in the Moldovan 'foreign policy' concept stressing the independence, neutrality and territorial integrity of the state, while capitalising on its definition as a multi-ethnic polity offering large autonomy to minorities. Moldova's foreign policy aimed therefore at underlining the differences in political culture setting the country apart from neighbours such as Romania, Ukraine or Russia. Despite differences, however, Moldova attempted to develop relations of genuine partnership with all neighbours, which projected its own 'middle ground' between the west (Romania) and the east (Russia).[41]

The dominant foreign policy discourse became thus marked by Moldovanist self-confidence also reflecting trust in the good will of other regional actors. However, despite Moscow promising at the

1999 OSCE summit in Istanbul to withdraw its military presence by 2003, Russian troops and munitions stayed in Transnistria.[42] They continued to serve the traditional aim of Moscow's policy of support for the authorities in Tiraspol as to undermine Moldova's sovereignty. This determined Chişinău to look for alternative ways that could lead to securing the territorial integrity of the state, a vital aspect given the importance of the Transnistrian region in the country's economy. By 1994, Snegur was already contemplating the possibility of granting Transnistria full autonomy in a domestic political context in which the blurring of Moldova's Romanian identity was already obvious.

Moscow's gas policy began to influence the Moldovan political landscape toward the end of the 1990s. Gas supplies were reduced on a number of occasions, which eventually produced serious economic problems, a dramatic decrease in living standards and a government crisis in Chişinău that brought the communists to power in 2001.[43] However, Moscow's gas policies cannot be made exclusively responsible for the Moldovan political developments, which owed even more to the structural problems in the economy.[44] The ineffective reform in agriculture, practically the only economic sector on which the state could rely on, a profoundly corrupted process of transition to a free-market economy, and the 1998 economic crisis in Russia may have been among the main causes of the disaster.[45] By 2000 Moldova became the poorest country in Europe, having also reached the highest debt level in the region. Against this background, a series of changes to the constitution in 2000 led to Moldova becoming a parliamentary political system. Following the clear victory in the 2001 elections on a pro-Russia platform, the communists were thus apt to retain the control of domestic politics.[46]

The Party of Communists from the Republic of Moldova (PCRM) and their head, Vladimir Voronin, as President of Moldova initiated efforts toward rapprochement with Russia. A bilateral treaty between the two countries was signed toward the end of 2001, which established Moscow as clearly defined direction in Chişinău's foreign policy. The treaty made Russia guarantor of the peace process in Transnistria and mentioned Moldova's territorial integrity as one of the principles in negotiations.[47] It was hoped that concessions to and closer economic and political ties with Moscow would

eventually bring Russian support for a solution to the Transnistrian crisis. Things went so far that formal talks between the two countries seemed to lead to the exclusion of Igor Smirnov, the leader of the separatist regime in Tiraspol, from the regional chess table. However, the move was never realised and Moscow returned to its original position of support for the breakaway province, thus undermining the territorial sovereignty of Moldova. This apparently inexplicable turn was to become encoded in the so-called "Kozak memorandum" of 2003.[48]

Transnistria and Moldovan Sovereignty after 2003

Dmitry Kozak, deputy chief of Vladimir Putin's presidential administration and a person with little if any diplomatic experience, presented the memorandum to William Hill, ambassador of the OSCE to Chişinău, on 14 November 2003. It contained a unilateral Russian proposal aiming at turning the country into a federal state in which Transnistria would have gained a status equal with that of Moldova. This plan presented two major advantages for Tiraspol. Firstly, it allowed its representatives to veto any federal decision. Secondly, it offered Transnistria the legal conditions for leaving the federal union, which would have facilitated later the international recognition of this breakaway province. Moreover, the memorandum allowed for the continuation of Russian military presence in the province, i.e. on Moldovan soil.[49]

Russian-Moldovan relations in the energy sector also saw interesting developments in 2003. During the first half of that year, the Russian energy giant Gazprom advanced higher prices for gas imported by Moldova, followed by an offer to swap Chişinău's debts for an increased share in the strategic gas company Moldova-Gaz. The move would have augmented the Russian political influence in the region, but it was not realised in a Moldovan domestic context dominated by popular protests against Moscow's general attitude. In November 2003, the same month when the Kozak memorandum was presented publicly, Gazprom also made another offer for lowering the price of gas imports to Moldova.[50]

However, these developments could not draw attention away from the dangers contained in the memorandum. Most European

states and OSCE members opposed the continuation of Russia's military presence in Transnistria. President Voronin and many "Moldovanist" politicians in Chişinău were also deeply unhappy with the idea of Tiraspol having equal power with the Moldovan state in the Kremlin-tailored federal mechanisms. Eventually, both the Kozak memorandum and Gazprom's targeting Moldova-Gaz showed clearly how little a price Moscow was putting on Chişinău's sovereignty.

While Putin was prepared to fly to Moldova to sign the agreement on the memorandum, Voronin declined the offer and thus is said to have affronted the Russian leader so much that relations between the two countries never really recovered.[51] Moscow continued thereafter to support the equal footing of Transnistria with Moldova in a federal state, despite later problems (explained below) with Smirnov's regime. This inevitably increased popular suspicion about Russia and surveys undertaken during that period indicate the growing popularity of the "European" option. An increasingly self-confident communist government in Chişinău resisted in December 2003 Gazprom's plans to also take control of the country's main energy company, MGRES.[52]

Thus, events after 1994 indicate the gradual affirmation of a dominant discourse of a national sovereign self in Moldova. Russia's energy policy and its position on the Transnistrian issue legitimated this discourse taking European coordinates. After 2003, even some traditionally pro-Russian politicians in the PCRM begun to express relative support for the country's European integration, which they saw as more convenient than a pro-Romania discourse.[53] This "Europeanist" card proved the winning one in the 2005 elections when the communists managed to gain for the second time the majority in parliament.[54] The regional context also favoured the westward move.

The Kremlin's "gas wars" with Ukraine and Belarus and the repeated cuts in gas supplies to Moldova diminished Moscow's popularity among ordinary people.[55] When a deal was reached between the PCRM and the anti-communist parties for the election of Voronin as country's president and when Ukrainian and Georgian leaders congratulated the new Moldovan head of state, it became clear that a politically better defined Moldova was emerging in the regional context. However, other developments showed that the

change was even more profound. Ambassador Hill noted recently that the 2003 Kozak memorandum had produced an atmosphere where 'Russian and Western mediators were increasingly at odds.'[56] By now, the US and especially the EU also became more present in the region's affairs.

The EU Factor and the Consolidation of a Non-Romanian "West" in Moldovan Politics

The emergence of the EU as important factor in its eastern neighbourhood decisively shaped Moldova's current predication of sovereignty. The limited options of the early 1990s, i.e. either an eastwards (re)turn to Russia or westernisation through reunion with Romania, gradually started fading in the context of an emerging, broader "European" alternative. In 1994, the parliament in Chişinău approved after significant delay the country's joining the Commonwealth of Independent States (CIS). However, the electoral victory of the Agrarians the same year also inaugurated an official "Moldovanist" discourse, supported by the public opinion, of independence from Moscow and against union with Romania.[57] Also in 1994, a Partnership for Peace (PfP) agreement was initiated with NATO and a Partnership and Cooperation Agreement (PCA) was signed with the EU. The Lucinschi administration even applied for EU associate status in 1997 when it announced the country's strategic target of becoming EU member.[58]

The PCA was ratified by the Parliament in 1998, a step accompanied by the adoption of the Principal Directions of Foreign Policy for the period 1998-2002. This document came in continuation of the 1995 "foreign policy concept" and gave clear expression to priorities as perceived in Chişinău. It indicated as strategic objectives the consolidation of sovereignty, including a solution to the Transnistrian issue, and the integration in the EU, which was also confirmed as priority in the 1999 *European Strategy*.[59] These two capital objectives were thus placed much above issues of bilateral and multilateral cooperation, including relations with Romania, Ukraine, NATO, or the CIS.[60] Significantly, the year of 1998 also marked, as already explained above, the end of Chişinău's control over Moldova-Gaz. A deal concluded in July 1998 handed fifty per cent plus one shares to Russia's Gazprom and thus an important

"bargaining chip" was renounced by the Moldovan authorities in their relations with the Kremlin.[61] Such episodes and subsequent developments inevitably contributed to the alienation of the Moldovan public opinion from the old centre of power in former USSR.

The Kozak episode was particularly decisive in determining a decisive pro-European turn in Moldovan politics, at least in declarative form. The victory of Voronin's communists in the 2005 elections on a platform supporting European integration was followed on 1 July 2006 by Romanian President Traian Băsescu stating to the media in both countries that he invited Chişinău to join Bucharest in the EU. This was one early example of what later became Băsescu's numerous such public, rather unbalanced declarations on both internal and external affairs. The sarcasm implicit in this official statement and its addressing a group of Moldovan exchange students in Romania and not the Moldovan authorities was soon confirmed by developments on the ground.[62] Romania's EU membership became an accomplished fact in 2007, while Moldova continued life on the other side of the fence, as a country not included in the enlargement process, but in the large regional approach under the European Neighbourhood Policy (ENP). It was within the context of this policy that the EU developed an official stance toward Moldova and its Transnistrian problem after 2005.

The EU does not recognise the independence of Transnistria. It has repeatedly expressed support for the integrity of the Moldovan state and has acquired "observer" status in 2005, in what is now known as the "5+2" format of negotiations.[63] This development came at a time when the Western foreign policy makers were becoming increasingly vocal about the centrality of security and political stability in the eastern neighbourhood of the EU for the general continental security. The 2007 enlargement made the Union neighbour Turkey, the Black Sea, and Moldova. Thus, the notion of the "wider Black Sea" took new meanings after 2007 and Chişinău's problems became Europe's, too, as encoded in the ENP.

The perspective of integration into NATO structures could have been another Moldovan objective. However, the signing of the PfP agreement in 1994 did not imply Chişinău's commitment to becoming a member of the organisation. On the contrary, the 1994 Constitution stipulated clearly the country's "permanent neutrality" and successive governments stressed this aspect especially in

negotiations with Russia.[64] The particular consistency regarding this issue clearly indicates a discourse of sovereign self-preservation aiming at creating a place for Moldova independent from the Russian offer within the CIS and the Romanian option for a NATO-based security policy.

The path adopted by Chişinău took instead neutrality and European integration as solutions to the security problem. Integration in the European common market may well be the correct option in the long run for a country that continues to be the poorest in the richest of continents.[65] Indeed, Brussels has offered an alternative approach, reformulated with the ENP and focused on continental stability through economic cooperation conditioned upon democratic reforms.

The idea of the ENP was advanced in 2002 by the United Kingdom as specific offer to differentiate Russia, Belarus, Ukraine, and Moldova from the former Yugoslav states, already covered by the Stabilisation and Association Process.[66] Launched officially by the European Commission in 2003, it inaugurated a discourse of the eastern neighbourhood in which the EU intended to lead the democratic reformation of countries in the region that were willing to adopt its values.[67] The policy offers essentially 'the prospect of a stake in the EU's Internal Market and further integration and liberalisation to promote the free movement of persons, goods, services and capital.'[68] There is evidence that all these are linked to the predication of a common, even if minimal, position over energy issues in relation with 'political and security imperatives' and 'the quality of overall relations with Russia.'[69]

The ENP takes concrete forms in the Action Plans adopted by the EU and the partner countries. These Action Plans establish short and medium-term priorities concerning democratic reforms and reforms addressing specific issues, from economic and social cooperation, trade and market-related rules, or cooperation in justice and home affairs to cooperation in sectors such as transport, energy, information society, environment, etc. The European Commission and the governments of partner countries are responsible for implementation and monitoring, the first set of Progress Reports having been released by the European Commission in December 2006.

The EU-Moldova Action Plan (EURMAP) was adopted by the bilateral Cooperation Council in February 2005 and represents the main guidance for domestic reforms in Moldova ever since.[70] The same year, the EU appointed a Special Representative and opened a Commission Delegation in Chişinău, while also launching the European Union Border Assistance Mission (EUBAM) for improving security along the Moldova-Ukraine frontiers.[71] The discourse about the Transnistrian issue in this context has been dominated by the EU's general preoccupation with the continental security and support for Moldova's territorial integrity. Both the Special Representative and the European Commission Delegation to Moldova (ECDM) are tasked in this context with the monitoring of relations between Chişinău and Tiraspol. It was the ECDM that begun talks on behalf of the EU in the "5+2" format of negotiations.[72]

The EURMAP supports a viable solution to the conflict 'respecting the sovereignty and territorial integrity of the Republic of Moldova within its internationally recognised borders, and guaranteeing respect for democracy, the rule of law and human rights.'[73] The government in Tiraspol is recognised as partner in negotiations but is invariably referred to as *de facto* authority. That is while the legality and sovereign rights of the government in Chişinău are officially supported by the EU, which also recognises Moldova as increasingly important for the eastern dimension of the Union's external relations.[74] Within this general context, the Union has extended until nowadays a visa ban on Transnistrian officials, which had been first imposed in 2003.[75] However, and despite the apparent upgrade in the EU's presence in the region, the effects of the ENP-related reforms had been rather weak on the Transnistrian problem.

It is true that the EUBAM framework facilitated cooperation between Moldova and Ukraine on the management of their borders. This cooperation bore fruit when, in 2006, the two countries reached an agreement by which all goods from Transnistria could enter Ukraine only with new Moldovan export certificates. The implementation of this agreement did reduce smuggling and illegal trade and was therefore welcomed by the EU.[76] However, this episode remained rather singular and the general ENP framework has failed to determine fundamental change in the relations between Chişinău and Tiraspol. In fact, the Head of the EUDM has indicated that the EU is more interested in a "small steps" approach, with an

initial focus on rebuilding infrastructure systems between Chişinău and Tiraspol. Further progress in relations between the two authorities could build, according to the EU logic, on such small achievements that should first bring closer the peoples on the two sides of the Dniestr River.[77]

Russia, on the other hand, continued to play energy (especially gas) games with Moldova to impose its position on Transnistria. Thus, with the exception of brief periods (1999–2001, 2004, 2005–2007) when commercial concerns seemed to prevail, the entire period after 1991 has been marked by Chişinău's dependence on Russian gas and Russia's manipulation of this situation towards its political advantage. This presupposed the interruption of supplies and juggling with gas prices, including the demand that Moldova pay the increasingly high debts made through Tiraspol's ambiguous subvention policies in Transnistria. Ironically, it was the MGRES power plant in Transnistria – by now finally in Russian hands – that cut energy supplies for Moldova during the winter of 2005–2006, simultaneous with Russia's gas supply cuts and an embargo on Moldovan agricultural products.[78]

The EU influence in these energy games has been magnificently absent. And when Voronin explicitly called for an EU, or even NATO led mission to replace the Russian peacekeeping troops in Transnistria, the Union remained mute. The first such proposal was rejected by the Russians in 2003 and the second encountered the reluctance of the EU member States to participate.[79] Even the more recent individual efforts of the EU Special Representative to bring Moldovan and Transnistrian leaders at the same negotiation table in Brussels could not lead to concrete results concerning the conflict. The lack of coordination between the ENP funding and the initiatives of the Special Representative, plus the absence of a common, coherent EU foreign policy render such achievements futile.[80]

The current context of financial trouble and the political situation in the region do not seem to encourage fundamental changes in the near future. Romania could be a partner of Chişinău helping Moldova's European integration but it has its own problems as EU member. The Commission monitors the reforms in the field of justice and home affairs where corruption continues to represent a major matter of concern, which delays the Romania's entry in the Schengen area. The foreign policy initiatives in Bucharest,

while always suffering from a coherence deficit, are also affected by diminished funding due to the financial crisis. Moreover, the "Moldovanist" stance of President Voronin in particular, and his communists in general, has irritated Bucharest for the last decade and made cooperation between the two states difficult.

However, two recent developments after the troubled fall of the communists from power in Moldova in 2009 suggest that the Romanian authorities consider supporting this neighbouring state. The first came in April 2010 when the Romanian President Băsescu and interim Moldovan President Ghimpu signed a protocol granting Moldova €100 million for a period of four years for development projects.[81] The second was the decision of the Romanian energy authorities in 2011 to stop buying electricity from the MGRES power plant in Transnistria. One of the stated reasons behind the decision has been the desire on both sides to connect the two countries' energy sectors toward their integration in the European energy system.[82]

It is important to note at this point that the two countries do not share an identical view of European integration. While the notion was interwoven with that of Euro-Atlantic integration in Romania, which indicated the country's efforts toward EU *and* NATO membership, Moldovan officials have always been keen to refer in their public statements to European integration only. That is partly due to the country's constitutional commitment, underlined above, to neutrality. It is, however, also due to an understanding by the political class in Moldova of the importance of cordial relations with Moscow. Voronin has included this aspect as an imperative in the platform of the Party of Communists for the 2011 elections.[83] Russian foreign policy officials also made it clear that a solution to the Transnistrian problem depends on the preservation of Moldova's neutrality.[84] The country's political leadership after the fall of the Voronin's communists seems to follow this line and refrains from expressing positions contrary to the respective constitutional stipulations.

The Present and Future of Moldova

Currently, the stability of Moldova continues to depend on the solution to the frozen conflict in Transnistria. As underlined above,

this problem has a long history as Russian construct designed to counteract the establishment of a non-Russian sovereignty between Prut and Dniestr Rivers. Transnistria's political ontology has been linked to the political designs of communist Kremlin, which continued under all post-communist regimes placing this province among the Russian "zones of privileged interests," where Russian citizens reside. The protection of these citizens and their businesses is considered to demand Moscow's capacity to intervene in those zones, which has in turn generated an informal but substantial Russian neighbourhood policy by comparison with the formal but less substantial ENP.[85] This seems to have been from the start the so-called Eurasian option in Moldovan politics. The analysis here of the country's first decades of sovereignty indicates the reluctance of Moldovan politicians, regardless of political colours, to adopt that path.

The "Western" card has been from inception a more attractive one overall but it was not really successful during the years when it seemed associated with "Romanianist" ideals. Instead, what gradually emerged was an increasingly coherent official discourse of a national sovereign subjectivity predicating its own condition in regional affairs. This line of thought has been clearly identified for the entire period from the independence until the moment of writing and continues to be the dominant discourse in Chişinău even after the fall of Voronin's communist regime in 2009.[86] It is a discourse that constantly indicates the nation's strategic objective of European integration, while predicating Romania as a neighbour with which Moldova has significant cultural ties, but not much more important politically than other neighbours, such as Russia, or Ukraine.

This perspective continues to be insisted upon in official declarations of Ministers of Foreign Affairs and European Integration, from Andrei Stratan in 2007 to Iurie Leanca in 2011.[87] The Presidents of Moldova have also been generally supportive of this path. The first one, Snegur, initiated and signed the PCA with the EU in 1994. Under his successor, Lucinschi, the country applied for the status of EU associate in 1997 and the PCA was ratified in Parliament in 1998, the European integration being viewed at the time as a way to solve all the country's problems.[88]

Voronin too was considered in the mid-2000s the prime initiator of the current process of European integration, which placed Moldova within the ENP context.[89] And these efforts cannot be viewed separately from the attitude of hostility toward Romania at times. There have been contested Romanian positions in relations with Moldova, such as concerning the status of the Moldovan language and Bucharest's policy of granting citizenship *en masse* to Moldovans on the ground that they had been deprived of Romanian citizenship by the Soviets after World War II. As a reaction, Voronin and his PCRM have chosen after 2005 to express unequivocal support for the preservation of Moldova's sovereignty and for its European integration interwoven with an aggressive stance toward Bucharest.[90]

Caught between two historical options, pro-Russian Eurasianism and pro-Romanian Europeanism, Moldova currently seems to have chosen European integration as the option promising the preservation of its sovereignty and stability. The logic behind the two political myths above has been altered by developments on the ground. The "Romanianist" current has remained in general at a success rate of only around 10 percent, while the pro-Russian positions lost popularity following the repeated cuts in gas supplies and the developments around the Kozak memorandum in 2003. The dubious attitudes in Moscow vis-à-vis the Russian troops still present in Transnistria and the continuous support for the regime in Tiraspol continue to fuel Chişinău's suspicions.[91]

There are signs that even the Transnistrian problem gradually cease to present high interest for a Moldovan public opinion increasingly caught up with the project of European integration and the country's ongoing social and political problems. While public support from politicians for such a solution may still be equivalent to political suicide, a controversial opinion poll in 2007 indicated that had it been necessary for their country's European integration, 68 percent of the Moldovan citizens would accept the independence of Transnistria.[92] Coupled with the perceived dominant support for an independent state all throughout the post-communist years, the public opinion seems, indeed, to incline toward a more pragmatic understanding of Moldovan statehood in which the preservation of sovereignty is prioritised over identity questions.[93] In this sense, Moldova tries its best to advance in the direction of

European integration and significant progress concerning economic integration has been made within the context of the EU-Moldova Association Agreement.[94]

Moldova, Energy & the ENP

The negotiations aiming at solving the Transnistrian issue have also been recently given relative impetus with the parties meeting again in the "5+2" format, for the first time in six years. The meeting was held under the auspices of the OSCE in Vilnius on 30 November and 1 December 2011. It brought together yet again representatives of Moldova and Transnistria as main negotiating parties, the mediators OSCE, Russia and Ukraine, and representatives of the EU and US as observers. The negotiations were described by the OSCE Chairperson-in-Office, Lithuanian Foreign Minister Ažubalis as laying 'solid ground for the future work on promoting the conflict resolution.' The parties discussed 'principles and procedures for the conduct of negotiations' and agreed on their continuation in an official format in February, 2012 in Ireland.[95] The EU continues within this context to opt for the "small steps" policy and welcomes the initial agreement on more practical measures, such as the reestablishment of railway and telephone connections between the communities on both sides of the Dniestr River.[96] However, the constant insistence of the Transnistrian representatives ever since 1992 on a status of equality with Chişinău in a federal structure is expected to compromise any advancement in negotiations.

High on the agenda of Moldovan politics is nowadays the negotiation of a new gas deal with Russia. Moldova consumes annually between 2 and 2.5 billion cubic meters of Russian gas and also serves as transit for 10 percent of this gas to Europe. In this context, the authorities in Chişinău hope for an increase in the tariff for the transit of gas up to the average European level.[97] The conclusion of this new arrangement cannot be separated, however, from political developments. The presidential elections in Transnistria had a relatively surprising outcome in December 2011, when both the long term leader, Igor Smirnov, and the Kremlin-backed candidate, Anatoli Kaminski, were defeated by Evgheni Shevciuk, a former chairman of the Supreme Soviet in the region. Although experts from both Tiraspol and Chişinău interviewed by Radio Chişinău doubt that Shevciuk is going to improve relations with Moldova, there are signs that at least some change would occur, considering the pragmatism expressed by the new leader in Tiraspol.

At 43, Shevciuk represents a generation younger than the previous leadership and, as soon as his victory was proclaimed, he announced plans to simplify the border-crossing procedures, a step cautiously welcomed by the central authorities in Chişinău. Parliamentary and presidential elections also took place in Russia in December 2011 and March 2012, respectively. An opinion poll undertaken in the first half of 2011 showed that around 57% the Moldovans currently view Russia as a preferable strategic partner for their country as compared to 24% for the EU, 7% for Romania, and only 2% for the US and Ukraine.[98]

Against this background, Russian authorities took the opportunity of the parliamentary elections to defy, yet again, Moldovan sovereignty by opening 24 ballot offices in the country. Such gestures, coupled with the general level of sympathy in Russia for the Putin-Medvedev team, suggest that neither parliamentary nor presidential elections (March 2012) can bring fundamental alterations to Russian attitudes toward Moldova. At the same time, the people in Transnistria seem not at all ready to accept the full severance of ties with Moscow regardless of who the leaders of Russia will be.[99]

Eventually, the configuration of political power in Chişinău remains the determining factor for the future of Moldova. The population gives mixed signals as concerning the paths it would prefer. While supporting their country's strategic partnership with Russia, as mentioned above, 64% of Moldovans would also support the EU membership.[100] The people's options are therefore becoming increasingly important in this tiny but strategically important country in the neighbourhood of the EU. It depends on the EU itself, in this context, to make the perspective of European integration more attractive than any other option to the Moldovan citizens and the political powers in their state. In any case, as the aspects underlined in this article clearly suggest, Moldova seems to have left behind the period when its identity pose serious problems. Instead, a more coherent discourse of sovereignty has emerged over the last years, which speaks of a subjectivity apt to predicate its own condition and interests in the region. It remains to be seen in 2012 and the years ahead whether this discourse will come to make sense to and draw full attention from policy makers in Tiraspol, Moscow, and especially the EU.

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WORTH THE ENERGY? THE GEOPOLITICS OF ARCTIC OIL AND GAS

Peter Hough

Abstract: *Climate change is literally and metaphorically bringing the Arctic in from the cold in international affairs with new economic opportunities emerging with the retreat of the ice sheets. Prominent amongst these is the prospect of previously inaccessible oil and gas sources in the High North becoming available for extraction. A spate of extended maritime claims by the states of the region and some high profile diplomatic posturing has prompted much anticipation of a new scramble of resources and even a new, more literal Cold War. The reality, however, appears to be more mundane with the Arctic oil rush proving to be more of a slow and cooperative saunter thus far, as the Arctic powers, and others, seek the new riches with a degree of caution, employing – and even sharing – lawyers and geologists rather than deploying troops.*

Keywords: Arctic, oil, gas, geopolitics, maritime claims

Introduction

In 2007 the Arctic was uncharacteristically thrust to the forefront of the world's media when a robot from a Russian submarine placed the national flag on the exact location of the North Pole for the first time in history in a symbolic act of "conquest" both retro and futurist. The Russophobic response of the Western media and politicians to this stunt was also reminiscent of fears from yesteryear provoked by "the Bear" and seemed a likely precursor for a new, modern, high-tech geopolitical struggle between East and West. Canadian Foreign Minister, Peter Mackay, epitomised Western irritation at the Russian initiative by stating; 'You can't go around the world and just plant flags and say "we're claiming this territory."'[1] However, the governments of Canada, along with fellow Arctic littoral states Denmark and Norway, have been busy in recent years claiming extra (underwater) territory, albeit in a less extravagant fashion. The

melting of the Arctic ice sheets has opened up new possibilities for navigation, fishing and, most particularly, the exploitation of underground resources once thought too costly to extract, awakening the interests of governments and Multi-National Corporations (MNCs).

Frozen Assets

At around the same time the Russian robot was at the North Pole the US Geological Society was carrying out a 'Survey of undiscovered Oil and Gas in the Arctic,' the results of which further kindled geopolitical interest and thrust the region further into the media spotlight and realms of realpolitik. The much quoted survey estimated that the region contained 22% of the world's undiscovered fossil fuels: 13% of oil and 30% of gas. This is in addition to proven reserves currently being extracted near the Northern coasts of Alaska, Canada and Russia, amounting to 10% of the world's known remainder.[2]

Table 1. Estimated Oil and Gas Deposits in the Arctic

	Oil- billion barrels	**Liquefied Gas**- billion barrels	**Natural Gas**- trillion cubic feet	**TOTAL**- billion barrels equivalent
Undiscovered	90	44	1,669	412
Known	40	8.5	1,100	240

Source: UGSS (2008)

The US Geological Society Survey in conjunction with fellow geologists from Canada, Denmark, Greenland, Norway and Russia, divided the whole area north of the Arctic Circle into 33 geologically-defined regions. 90% of the unclaimed hydrocarbons lie in eight fields identified in the map below. 84% of all the undiscovered deposits are offshore.

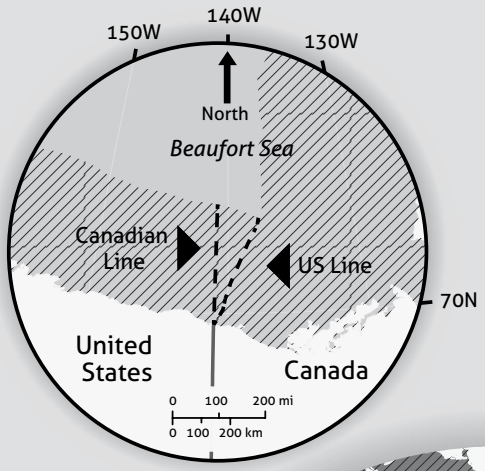
Three of these eight regions – Laptev, Yenisey-Khalana and West Siberia – lie exclusively within Russian jurisdiction. The Alaskan sea region is under US jurisdiction whilst Denmark has sovereignty over the East Greenland region, although economic authority is

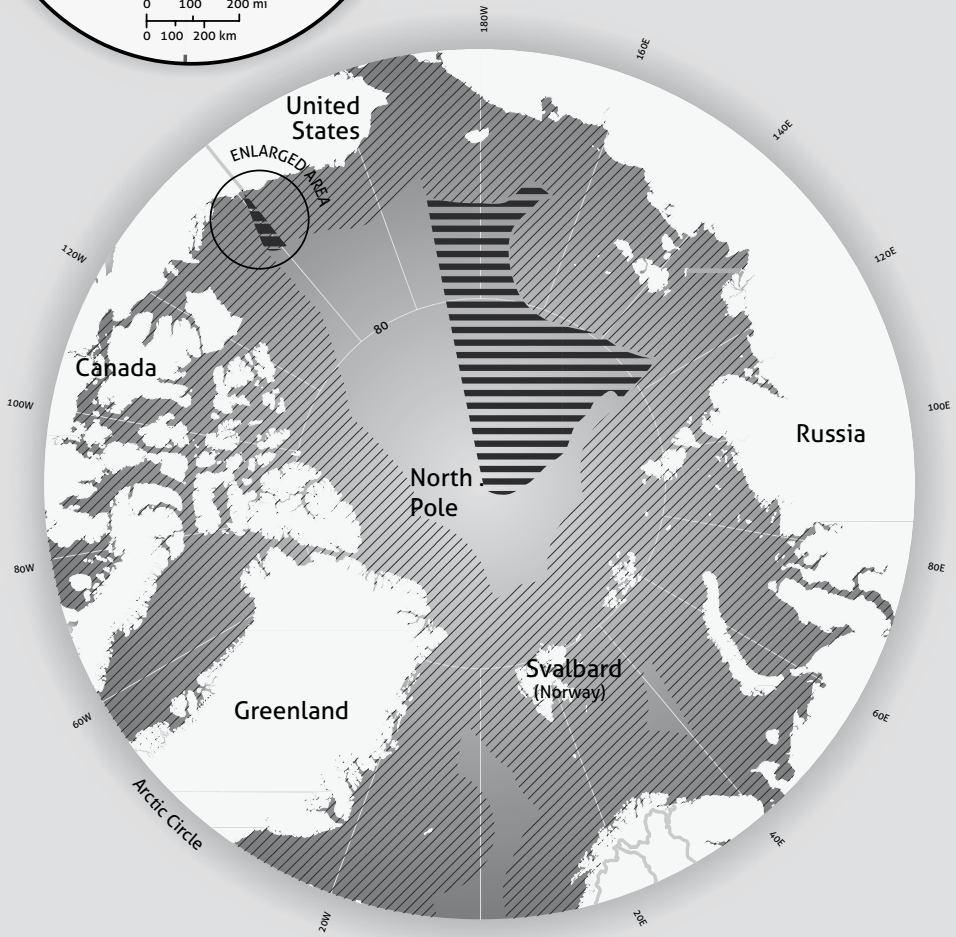
currently devolved to Greenland itself. The East Barents region is politically divided between Norway and Russia; Amerasia between Canada and the US and West Greenland / East Canada between the two named countries. All of these eight regions contain a range of fuels; however West Siberia has by far the largest proportion of remaining gas and Alaska a majority of the oil. Containing smaller estimates of hydrocarbons, though nonetheless politically significant, are two huge regions spanning the North Pole area; Lomonosov-Makarov and the Eurasia Basin, much of which lie outside of the 200 mile Exclusive Economic Zones (EEZ) of any Arctic states and therefore outside any sovereign authority.

Arctic oil is nothing new of course. Commercial oil activity began in Canada's North West Territories in 1920, closely followed by ventures in the Kenai Peninsula in Alaska along with the Komi and Nenets regions of Siberia. The 1968 oil discovery in North Slope, Alaska was a landmark breakthrough and since that time this site has produced 11 billion barrels of oil/gas. At around the same time, the Soviet Union made several new major gas discoveries in West Siberia and the Russians have since been the world's biggest producer and exporter of this energy source. Off-shore drilling in the USSR, US, Canada and Norway (in the Barents Sea) then slowly began to develop from the 1980s.

The "supermajor" Multi-National Corporations (MNCs) and state-owned energy companies have gradually moved further afield to explore new options as Alaskan, Russian and Norwegian reserves have all peaked. In 2011 after a barren decade, the Norwegian state controlled Staoil, in conjunction with private domestic firms Eni Norway and Petoro, discovered between 150-250 million barrels of oil on the Skrugard Prospect in the southern Barents Sea. BP have been active for several years in the Canadian Beaufort Sea and in 2011 the US government finally gave the go ahead for Shell to explore the Alaskan part of that sea, having restricted this over several years for environmental reasons. In the Russian part of the Arctic Ocean, Western MNCs in cooperation with the state owned groups appear to have been falling over themselves to secure access to new oil and gas fields. In 2011 the French-based giant TOTAL bought a substantial stake in Novatek to develop the Yamal LNG field, whilst US-based Exxon-Mobil quickly stepped in to form a strategic partnership with Rosneft to look for oil in the Kara Sea, when a similar

Arctic Boundaries





0 500 1000 mi
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North Pole Azimuthal Equidistant Projection

Russian-claimed continental shelf beyond 200 nm territory

200 nautical miles territorial sea and exclusive economic zone (EEZ)

US and Canadian claims

Source: ESRI, VLIZ Maritime Boundaries Geodatabase,
International Boundaries Research Unit (Durham University), United Nations
Maps: David Erkomaishvili

deal with BP was scuppered by domestic opposition. Prominent amongst newcomers have been UK based Cairn Energy, who were quick to negotiate their rights with the Greenlandic government to establish four new rigs in the Baffin Sea.

Arctic Hot Air

The combined effect of the Russian robot and the geological survey prompted some shrill and bellicose reactions in the Western media and academia. A 2008 article in *Jane's Intelligence Review*, widely cited in the UK popular press, reasoned that Russia's recent war against Georgia paired with the heightening stakes could see them, and possibly other Arctic states, 'make pre-emptive military strikes' to secure resources in advance of the UNCLOS adjudication of 2020.[3] Similarly, another widely cited article by a former US Coast Guard Officer in the journal *Foreign Affairs* warned of 'armed brinkmanship' due to the anarchic nature of the emerging Arctic political landscape: 'Decisions about how to manage this rapidly changing region will likely be made within a diplomatic vacuum unless the United States steps forward to lead the international community toward a multilateral solution.'[4] Cold War stereotyping seemed to emerge in a special edition of the *Eurasian Review of Geopolitics* on "The Polar Game" which declared that, 'Russia's decision to take an aggressive stand in the polar area has left the US, Canada and the Nordic countries little choice but to forge a cooperative High North strategy and invite other friendly countries, such as Great Britain, to help build a Western presence in the Arctic.'[5]

Seemingly supporting such reactions was a notable reassertion of energy security interests in foreign policy statements by the Arctic powers. *The Fundamentals of Russian State Policy in the Arctic up to 2020 and Beyond* vowed to establish military and coastguard groups to protect new economic interests in line with their extended Continental Shelf claim and stated that the Arctic would become 'the country's top strategic resource base by 2020.'[6] One of the last acts of the Bush (Jr.) administration was to release a *Homeland Security Directive* on the Arctic, the first official US foreign policy statement on the subject since 1994, which announced that Washington would 'assert a more active and influential national presence to protect its Arctic interests.'[7] The release of the Canadian government's

Comprehensive Northern Strategy in the same year was cohesive with their already well-established "use it or lose" strategy which had prompted regular naval manoeuvres around the Arctic islands and promised the construction of a major military base at Resolute Bay on Cornwallis Island.[8] This new assertiveness was demonstrated in 2009 in what came to be referred to in some North American media as Foreign Minister Mackay's 'Dr Strangelove moment.' During President Obama's visit to Ottawa, Mackay despatched fighter planes to "meet" Russian jets that were flying over the Beaufort Sea only to be corrected by bemused US military officials that the Russians had not entered Canadian airspace.[9] A further militarisation of the Arctic seemed apparent elsewhere that year when the Norwegian government moved their national military headquarters north of the Arctic Circle from Jalta near Stavanger to Reitan near Bodo.

Like the Russians, Norway, Canada and Denmark are making extended continental shelf claims a further 150km from the edge of their EEZs. This has been done by submitting geological evidence to the International Tribunal for the Law of the Sea, established by the United Nations Conference on the Law of the Sea (UNCLOS). The United States have not been part of this process since they are not party to UNCLOS. Isolationist opposition in Congress to the notion of being beholden to an international political body has hence prevented the Americans from participating in the new "carve up." This provides a classic example of "bureaucratic politics" in foreign policy as favoured by liberal analysts over the "rational actor" model of the realists. Presidents Bush and Obama, Secretary of State Clinton and the navy have all promoted ratification, however the government has not been able to implement a self-identified national interest policy due to internal politicking. The Russian, Norwegian, Danish and Canadian continental shelf claims overlap in several places, including the Lomonosov ridge which runs to the North Pole, claimed by Copenhagen, Moscow and Ottawa. Longer running territorial and particularly maritime disputes in a number of the shared seas of the Arctic Ocean have also been given greater prominence.

It seems increasingly apparent that whilst the Arctic natural environment is undoubtedly changing, the economic and political climate is not heating anywhere near the widely predicted rate. Despite how it was widely reported and commented upon, the USGS survey did not bring anything revelatory. Its findings were not out of step with previous estimates of untapped Arctic energy supplies and broadly similar to its previous 2000 report. It does appear to have been the spectacle of the robotic Russian flag bearer which elevated the significance of the survey.

Logistical Costs

The USGS Survey itself warns that, 'no economic considerations are included in these initial estimates; results are presented without reference to costs of exploration and development which will be important in many of the assessed areas.' [10] Evaluating energy opportunities is not, of course, simply a matter of estimating the likely amounts of oil and gas under the ice and rock of the Arctic and comparing this to estimates of the rest of the world. The costs of exploration, extraction and transport are much different. The economic downturn the world has experienced since 2008 has made such costs all the more apparent and many of the companies that have acquired drilling licences for new Arctic fields have not yet set to work. The Shtokman LNG field project, for example, a much heralded joint venture between Gazprom, TOTAL and Statoil, launched in 2007 in the Russian Barents, has yet to begin operations due to the increasing doubts of shareholders.

Even with warming temperatures the Arctic drilling season will only be three months long for the foreseeable future. Despite its retreat, thick ice cover will be a reality in most of the Arctic for most of the year and 24 hour darkness is a constant in the winter months. Offshore prospecting, extraction and transport is much more expensive than onshore anywhere in the world and the costs are multiplied when in such remote locations. Shipping in the Arctic will gradually become more straightforward with warming but still not easy. Many new routes, such as the fabled North West Passage, will

only open for short seasons and an increasing number of icebergs from melting glaciers will present new hazards.

A False Dawn?

Added to all this is the fact that energy supplies are notoriously difficult to predict. There have been many false dawns in petroleum exploration. The "Deal of the Century" struck by the government of Azerbaijan with eight western MNCs in the 1990s to exploit the oil fields of the Caspian has never lived up to expectations owing to downwardly revised estimates, political squabbling over where to locate pipelines and changes in the world price of oil. Oil finds are frequently exaggerated for economic or political effect. Shares in Cairn Energy plummeted in 2010 after their preliminary report on their exploration in Greenland was released with no evidence of significant oil deposits.[11] Arctic oil hunts have been initiated and abandoned before. In the 1970s the Canadian government backed private domestic companies carrying out exploratory projects offshore in the McKenzie Delta and Beaufort Sea. However, even after several successful test drills, federal funding was withdrawn and rigs scrapped or capped-off when the prohibitive costs of extraction and transport became apparent. In a wider sense it suits Russia, the US, Norway, Canada, and the extended community of oil importers, to give the impression that they are not as reliant on OPEC reserves as is commonly perceived.

The International Political Environment

The political environment is also very different from the time when the US, Canadian and Russian governments could and would pour funds into speculative oil prospecting ventures. Whilst energy security concerns are rising again the stakes are not as high as they appeared to be in the 1970s with Cold War rivalry and the rise of OPEC. In addition, the commitments of the Kyoto Protocol in limiting carbon dioxide emissions impose additional costs on new ventures compared to the past for at least the Canadians, Norwegians and Russians. Added to all of these business costs will be the price of fighting off the inevitable environmental protests that will accompany this most aesthetically brutal of industrial encroachments

into pristine wilderness. In 2010 Cairn, irked by two Greenpeace activists who had managed to spend four days in a survival pod on a drilling platform, initiated legal actions against the NGO for the loss of earnings which they estimated at 2 million euros per day.

Domestic Political Costs

Indicative of the slow progress of Arctic oil exploration, the McKenzie gas pipeline, bringing fuel from the delta to the south of Canada and the US, was first discussed in 1974 but has yet to be put into operation. One "complication" has been the need to compensate indigenous Canadians for building through lands they have acquired legal rights over. This represents another key difference between setting up energy operations in the Arctic as opposed to most parts of Latin America or the Middle East. Alaskan Inuits have also negotiated shares in the North Slope oil extraction and even in Russia the notionally federal structure has allowed Siberian territories to extract concessions from Moscow. The regional authority in Murmansk struck a deal with Gazprom to ensure a proportion of gas extracted from the Kola peninsular and Arhangelsk governors have a similar arrangement with Statoil linked to the construction of an onshore base to service the Shtokman field.[12]

Accidental Costs

Oil spills can occur at various levels in the process of extraction, storage or transportation. These may be routine hazards for the industry, but are greatly exacerbated in the Arctic. Oil persists longer in frozen conditions; it evaporates at a more gradual pace and can be trapped in the ice and hence released much later in melt waters. The 1989 Exxon Valdez environmental disaster, in which a tanker hit a reef in Prince William Sound in Alaska, was one of the most notorious in history and the slick continues to affect fishing and wildlife in the region to this day. The US government tightened regulations in the aftermath of the disaster and the threat posed by ship-source pollution does appear to have lessened. Rig spills however, have become more frequent with an average of 4 per year in Alaska in the 1990s growing to 22 per year by the late 2000s.[13] Seas replete with floating pack ice and round-the-clock darkness in the

winter months present particular hazards. Of greater significance than such natural factors that magnify the environmental hazards posed by oil spills are the social characteristics of the Arctic which make the "response gap" bigger than for most arenas of oil industry activity. A paucity of airports, industrial ports, reliable land transport routes or emergency services make this region ill-equipped to cope with a sudden oil rush. The scale of the 2010 Deepwater Horizon oilrig disaster (which surpassed the Exxon Valdez disaster as the greatest US oil spill in history) and the struggle to contain the spill reinforced this fear. That prospecting for new oil sources in the Mexican Gulf, with its benign climate and heavily populated and industrialised coastline, could wreak such havoc led many to speculate that a replication of such an incident off the Alaskan or Siberian coast would have far worse consequences. The US coast guard possesses only one ice-breaker. Environmentalists have poured scorn on assertions of safety planning that have been made by the supermajors. WWF have commented that, 'Shells' 2010 contingency plan for a Chukchi spill identifies the village of Wainwright as the marine hub for a response effort – when Wainwright (population 494) doesn't even have a dock.'[14]

The Cooler Reality of the Arctic

The Russian North Pole flag planting exercise was, as Dodds notes, an act of 'stagecraft rather than statecraft.'[15] As Russian Foreign Minister Lavrov was quick to point out at the time, this was a piece of exploratory showmanship comparable to the Stars and Stripes being planted on the Moon in 1969. Indeed, it is generally overlooked that some of the money for the expedition came from Western sponsors.[16]

The 'supermajor' oil companies' interest in the region is not necessarily indicative of a new black gold rush. Increasingly, they have been compelled to look further afield as a result of the rise in "resource nationalism," as shown by increased state control of hydrocarbon reserves. The Russian government in particular has acquired more direct influence over domestic energy companies and foreign investment ventures as part of the centralization that has occurred since Putin succeeded Yeltsin as President in 1999. The expertise of the supermajors is needed by the Russian government,

inevitably leading to a series of cooperative international ventures at odds with the nationalistic scramble popularly portrayed and predicted.

As well as working with Western MNCs, the Kremlin has also engaged cordially with Western governments over the Arctic. In April 2010, whilst President Medvedev was visiting Oslo, the Russians and Norwegians concluded an agreement ending a low level 40 year diplomatic dispute over how to partition the Barents Sea by amicably splitting it in two. In a joint communiqué that followed, the two foreign ministers announced that 'We firmly believe that the Arctic can be used to demonstrate just how much peace and collective interests can be served by the implementation of the international rule of law.'[17] This initiative took much of the world by surprise but should not have done given that it was a win-win result. Doggedly sticking to their divergent claims had created a "grey zone" amounting to some 12% of the Sea in which neither side could prospect for oil. A discourse analysis of policy statements and speeches by the two countries carried out by Jensen and Shedsmo noted that behind the different tones it was 'tempting to ask whether the Norwegian and Russian approaches to the European Arctic are that different at all.'[18] In line with their relative levels of political power and democracy, Norwegian foreign policy appeared particularly discursive and cooperative whilst Russian policy statements tend to be much more representative of a "zero sum" approach to international political economy questions. Rhetoric and reality are not the same thing when it comes to examining diplomacy. Russian policy in the Arctic has actually consistently been far less belligerent and more cooperative than portrayed in the West. The thaw has been evident since Gorbachev's 1987 Murmansk speech in which he declared: 'What everybody can be absolutely certain of is the Soviet Union's profound and certain interest in preventing the North of the planet, its Polar and sub-Polar regions and all Northern countries from ever again becoming an arena of war, and in forming there a genuine zone of peace and fruitful cooperation.'[19] Russian overtures to the West on the Arctic have been consistently conciliatory, whilst maintaining their claims to the Seas to their north. Gorbachev's words were re-echoed in 2010 by (then) Prime Minister Putin at a meeting of the International Arctic Forum in Moscow where he stated: 'We think it is imperative to keep the Arctic as

a zone of peace and cooperation,' since; 'We all know that it is hard to live alone in the Arctic.'[20]

A similar agreement to the 2010 Barents Sea agreement was reached by the Danish and Norwegian governments four years earlier when they applied the equidistance principle to split the Greenland Sea between Denmark's giant colony and Norway's Svalbard archipelago (over which Oslo's sovereignty is constrained by International Law to permit foreign economic activity). The Canadians and Danes did much the same thing in the Baffin Sea between Greenland and Baffin and Ellesmere Islands in their 1973 maritime boundary treaty. This reliance on legal solutions to territorial sea squabbles can actually be traced as far back as 1893 when US and British (back then the imperial ruler of Canada) agreed to go to international arbitration over how to divide the Bering Sea, producing the settlement inherited by the Soviet Union and US in 1990.

There is only one territorial question to be resolved in the Arctic; a somewhat surreal and ridiculous, although generally good natured dispute between Canada and Denmark over the tiny uninhabited Hans Island in Baffin Bay (which was overlooked in their 1973 boundary treaty). This looks increasingly as though it will be resolved by either dividing or co-ruling the icy slab. Some maritime disputes still exist but this is far from unusual in international relations and there is little precedent for fighting over fish and water. Areas of contention remain in the Bering Sea between the US and Russia, and between the US and Canada over the North West Passage and Beaufort Sea, though these are lower level disputes than the Barents Sea which was amicably resolved. In practise, the US and Canada have cooperated in the disputed areas with arrangements for coordinating coast guard work ,and special permissions for navigation having been in operation since the 1980s. Also, it again appears to be dawning on both sides that a compromise would be a win-win situation since the Canadian claim in the Beaufort (based on extending the territorial border northwards), whilst giving them a larger slice of the Sea up the 200 mile EEZ limit, would also actually give them less of the sea beyond this than under the terms of the US claim (based on equidistance). This is because at this distance Canada's Banks Island comes into the equation. Hence, in a bizarre twist, the Canadian claim has come to favour the Americans and the US claim has come to favour the Canadians.[21] There has been

a deal on the table over the Bering Strait since 1990, though it has never come to fruition due to a reluctance by the Duma to sanction what some Russian nationalists see as a sell out to the Americans by the, in their eyes, discredited Gorbachev government. In practise though, both sides have since stuck to the delineation agreed by foreign ministers Baker and Sheverdnadze and again there is realpolitik for domestic consumption masking the reality of peaceful coexistence at the intergovernmental level.

The Arctic continental shelf claims are being pursued in a distinctly legalistic manner with the Russians, Canadians, Danes and Norwegians patiently presenting claims to UNCLOS and showing every indication that they will abide by their arbitration. Canadian and Danish geological teams have even shared information in compiling their overlapping claims in the Lomonosov ridge area. This legalistic approach was made public with the *Ilullisat Declaration* which followed a meeting of the Arctic 5 in Greenland in 2008 which concluded that: 'We remain committed to this legal framework [UNCLOS] and to the orderly settlement of any overlapping claims.'[22] Whilst this declaration irked the governments of the three other Arctic States and members of the Arctic Council who were not consulted – namely Sweden, Iceland and Finland who are not Arctic Ocean states – it very much indicated that a peaceful carve up of the Arctic between the sovereign powers is in their mutual interests. Hence the declaration also stated the opposition of the Arctic 5 to the alternative model of governance of an Antarctic-style "world park" conservation area outside of sovereign jurisdiction as frequently suggested by other countries and environmentalists.[23] Danish Foreign Minister Moller hence felt fit to announce to the world after the Ilullisat release that: 'we have hopefully quelled all of the myths about a race for the North Pole once and for all.'[24]

Foreign policy statements assert national interests and zero-sum characterisations of energy security because that is what foreign policy statements are supposed to do and what most expect to read. Formal Realism though, often masks a truer discourse of cordial cooperative relations and that is the case with the *Arctic Five*. The toughest posturing has come not from the Russians or the Americans, but from Canada, and even this is still more rhetoric than reality. Grant suggests that, 'claims of protecting Arctic sovereignty seem little more than paper sovereignty' given that no

new icebreakers have been constructed and the Resolute Bay military base has not advanced in spite of the tough talk.[25] In addition, Canadian public opinion is much more sensitive about their Arctic hinterlands than the rest of the world generally appreciates, and the Harper-MacKay government have been playing to this audience more so than an international one.[26]

Conclusions

Rhetoric and reality are often not the same in international relations and particularly not in the politics of the Arctic where declarations are often the howls of sheep in wolves' clothing. Arctic exploration, whether for adventure or profit, has always seemed to be accompanied by much symbolism, jingoism and bombast as man seeks to conquer nature at its most brutal in something of a "masculinist fantasy."[27] This, though, flies in the face of the reality that making money in remote, difficult conditions necessitates cooperation rather than nationalist rivalry. Instead of the old maxim that a successful foreign policy requires one to "speak softly but carry a big stick" what we are witnessing in the Arctic is more a case of, "talk tough but carry a big bag of carrots." Exercising sovereign control over vast, thinly inhabited tracts of land is a difficult task; hence the tradition of cooperation and sharing in the use of common land and resources between Inuit, Sami and other regional indigenous groups. Arctic "incomers" generally come to recognise the reality of this to some degree but domestic public opinion often sees only the flags and oilfields displayed on maps. The cordial cartel that is the *Arctic 5* and the energy-seeking ventures bringing together Western MNCs and the Kremlin represent more a case of transnational symbiosis than a new Cold War nationalism. Far from the lucrative scrambles produced by the discoveries of Yukon gold in the 1920s or Alaskan oil in the 1960s, future energy exploration in the High Arctic is set to be much more long-term and speculative or as Emmerson terms it, a 'slow rush for Northern resources.'[28] Whilst global warming is rightly bringing much needed attention to the needs of its indigenous populations whose lives are being transformed by a transforming physical and economic climate, an awful lot of hot air has been spoken about an Arctic oil rush and a new Cold War.

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THE IMPACTS OF INTERNATIONAL AID ON THE ENERGY SECURITY OF SMALL ISLAND DEVELOPING STATES (SIDS): A CASE STUDY OF TUVALU

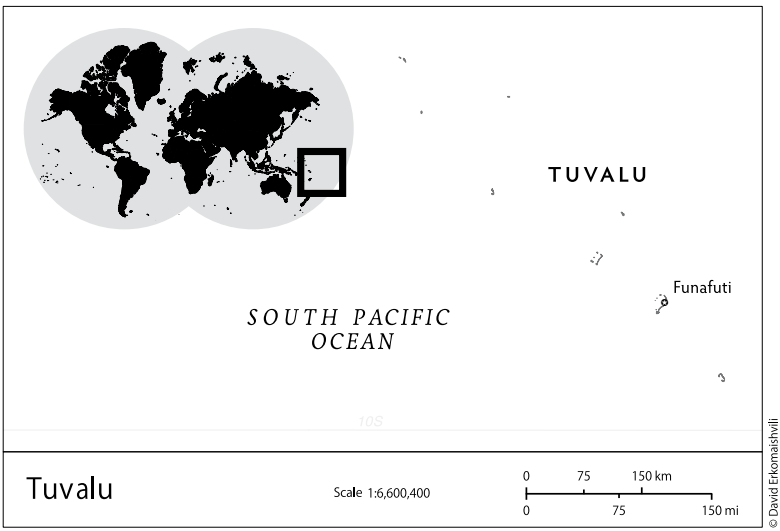
Sarah Hemstock and Roy Smith

Abstract: *Tuvalu is a small island developing state (SIDS) with least developed country (LDC) status. The island has gained international attention due to the threat to its land territory as a result of climate change and subsequent sea-level rises. At the United Nations Climate Change Conference, held in Copenhagen in December 2009, Tuvalu was described as being at serious risk of becoming the first state to become uninhabitable due to the impacts of climate change. The majority of climate change scientists agree that a key driver of climate change is the burning of fossil fuels, predominantly for energy production. Energy security is multifaceted and connections can be drawn between the energy demands of the wealthier, industrialised states and the less developed states that are experiencing the detrimental impacts of the meeting of these demands. For Tuvalu, the lack of access to adequate, affordable, reliable, safe and environmentally benign energy is a severe development constraint. Currently, Tuvalu is close to being a totally oil dependent economy (83% of primary energy), whose energy security is dependent upon foreign aid to ensure its ability to pay international oil companies. Costs of all imported goods are exacerbated by its geographical isolation. This paper analyses the impact of international aid on energy security in Tuvalu and comments on the Tuvaluan Government's commitment to 100% renewable energy – "being carbon neutral" – by 2020. Although this is a commendable aspiration it is clear that even if Tuvalu were to end reliance on fossil fuels it would still be at risk of disastrous inundation unless the industrialised states radically reduce their own dependency on such fuels and dramatically reduce the global levels of greenhouse gas emissions.*

Keywords: aid, bioenergy, climate change, development, energy sector, energy security, natural resource, renewable energy, Tuvalu

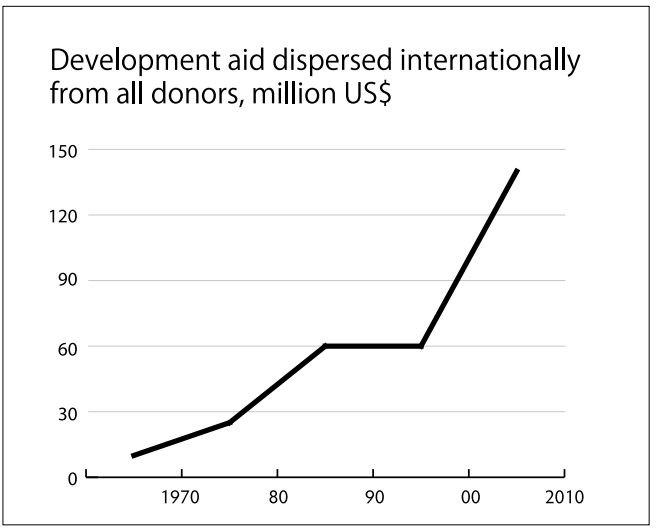
Introduction and Background Information to Tuvalu

Located 1100km north of Fiji, Tuvalu consists of nine atolls with a total landmass of 25 km² spread over an exclusive economic zone (EEZ) of around 750,000km². The physical characteristics of SIDS have enormous consequences for their economy. For example, there is no economy of scale for land-based production and due to transportation costs by the time any goods for export reach the international market they are very expensive. In addition, again due to high costs of transportation, any goods that are imported are also expensive and subject to disruptions in supply.[1] In Tuvalu, two inter-island boats service the eight outer-island settlements. Tuvalu's total population is around 11,000 and population density is high around 423 people per km² across Tuvalu as a whole and 1,610 per km² in Funafuti.[2] The copra market collapsed in 2002, so subsistence-farming households are increasingly reliant on remittances from family members working overseas.[3] The flat low-lying islands of Tuvalu make this tiny nation highly vulnerable to climate change impacts. Many NGOs and international organisations have run awareness campaigns in Funafuti, and Tuvaluan people appear to be alert of climate change issues.[4]



From an international perspective, the particular environmental and development challenges faced by SIDS have been recognised. In 1994 the UN convened the first Global Conference on Sustainable Development of SIDS. This resulted in the Barbados Action Plan with fifteen priority areas, including energy resources. The emphasis on the energy sector was designed to both reduce the financial burden on fuel importation, and shift the means of energy production towards more renewable sources. The text of the Action Plan is strong on aspiration but somewhat weaker with regard to the specifics and practicalities of implementation. The energy resources aspect of the plan is divided into a *Basis for Action; National Action, Policies and Measures; Regional Action* and *International Action*. The emphasis of the Plan appears to be geared towards creating a self-serving institutional framework. This criticism has been levelled at many aspects of the UN's Earth Summit process. There are Conferences of the Parties for the conventions on both climate change and conserving biodiversity, which have created their own momentum and a certain element of their targets, are met by simply having meetings. For example, the Barbados Action Plan Statement on Energy asks national governments to 'Implement appropriate public education and awareness programmes, including consumer incentives to promote energy conservation.'[5] Most Pacific Islanders are v ery aware of the rise in sea-level associated with climate change driven by the use of fossil fuels. They are also aware of the need to conserve energy supplies, especially as energy prices have risen dramatically. However, raising awareness is not the issue. The national action section of the Plan says nothing about the practical implementation of renewable energy schemes or any activity that would reduce energy poverty or increase access to a secure and sustainable energy source.

Figure 1. Development aid dispersed internationally from all donors (total million US$) from 1970 to 2010.



Source: OECD international development statistical database (http://stats.oecd.org/qwids)

There has been a marked increase in total development aid since 2002 (Figure 1). In September 2000, the UN adopted the Millennium Declaration which set a range of development goals. These goals (MDGs) included

1. End poverty and hunger;
2. universal education;
3. gender equality;
4. child health;
5. maternal health;
6. combat HIV/AIDS;
7. environmental sustainability and
8. global partnership.

Each of these has a target to be reached by 2015. Energy security is noticeably absent from this list, although there is an argument

that it is something required to underpin all of the above goals and targets.

Following the Millennium Summit of 2000, the UN convened a further World Summit in 2005 and a High Level Event on the MDGs in 2008 to assess what progress had been made towards meeting the various targets. Although there has been some progress made in each of the designated areas, most are falling short of the desired outcome despite the marked increase in development aid shown in Figure 1.

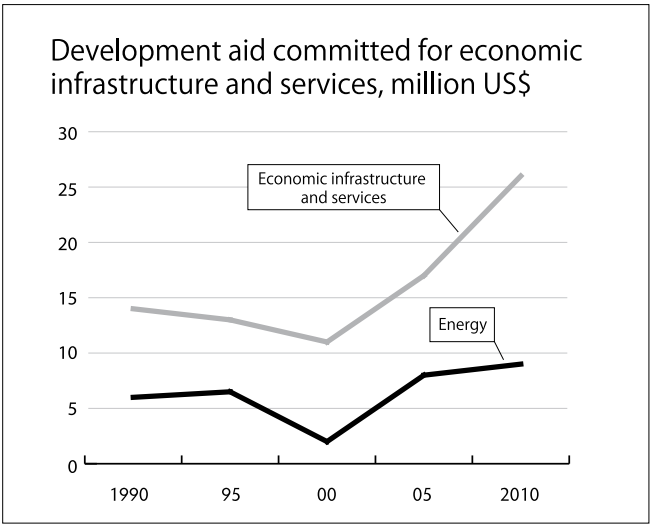
Various donors will have their own priority areas. There are also some very vocal critics of the whole development aid agenda, such as Dambisa Moyo.[6] The main criticisms tend to focus on a dependency culture developing, an increased risk of corruption and mismanagement of funds due to a lack of transparency and accountability and the general lack of mechanisms to facilitate performance feedback and revision of aid effectiveness. Of course these criticisms with regards to transparency and mismanagement of funds do not only apply to development assistance. There is a growing campaign to ensure that funds generated by natural resources and mineral extraction are more open to public scrutiny. The NGO Revenue Watch is at the forefront of calling for legislation to improve transparency of stock exchange transactions.[7] If achieved, this has the potential to create a greater sense of the two-way process of wealth creation and transfer. The critics of development aid budgets tend to overlook the overall patterns of trade and cash flows between the more and less developed economies. The vast majority of wealth travels from the developing to the developed economies.[8] In this broader context the debate surrounding the amount of aid "given" to the developing world creates an alternative perspective. Additionally, in industrialised countries tariff protection for agricultural products is higher than for manufactured products – around nine times higher when aid dispersed began to increase, as per Figure 1.[9] Tariff protection obviously puts many developing nations at a disadvantage where they rely on exporting agricultural products as a substantial contributor to their GDP. Industrial countries also subsidise their agricultural sectors. This has the effect of depressing world prices and pre-empting markets, putting developing countries at a severe disadvantage. For example, in the 1990s the European Commission was spending around €2.7 billion per year making sugar profitable

for European farmers and shutting out low-cost imports of tropical sugar.[10] This had deleterious effects on the sugar exports for SIDS such as Fiji and Mauritius. Mauritius turned this situation around by using bagasse and excess sugar to produce electricity (via cogeneration) and bioethanol for use as a petrol substitute. Fiji, however, did not follow the example of Mauritius and their export market for sugar has yet to recover. Although both are ACP countries and had defined export quotas for the EU under the Sugar Protocol of the Lomé Convention, prices paid for the quotas were not protected. This point reinforces the structural disadvantages and imbalances facing many developing economies.

The example of Tuvalu is a very small entity in the overall global political economy of international trade. There are a relatively small number of exported goods in comparison to imports and development assistance. Some sub-Saharan states have lower per capita rates of development assistance than the Pacific region, and also export significantly higher-value exports of both natural resources and export crops. A much higher percentage of Tuvalu's GDP is in the form of development assistance in comparison to the majority of sub-Saharan states. This raises questions regarding the effectiveness of aid programmes in the Pacific region if a higher proportion of aid is being directed here, yet there appear to be relatively poor levels of improvement in the targeted areas. In addition to the disparities in the amount of aid given to sub-Saharan and Pacific Island states there is also a qualitative difference. For the sub-Saharan states the emphasis tends to be on basic needs such as food security and health. Whereas in Tuvalu and other Pacific Island states the emphasis is more on developing infrastructure and supporting the bureaucracy and delivery of government services.

The following section examines the position of energy as a donor priority in relation to development assistance for broader economic infrastructure.

Figure 2. Development aid committed for economic infrastructure and services



Source: OECD international development statistical database (http://stats.oecd.org/qwids)

The Organisation for Economic Cooperation and Development sector category *Economic Infrastructure and Services* includes economic infrastructure, transport and storage, communications, energy, banking and finance, business and other services. From 1990 to 2009, aid committed for *Economic Infrastructure and Services* accounted for between 29% (in 1991) and 12% (in 2005) of total international aid. From 1990–2009, aid committed for *Energy* has accounted for between 11% (in 1991) and 4% (in 2005) of total international aid.[11] In recent years, much of the aid available for energy services has been for policy development. So in real terms the proportion of aid for practical sustainable energy projects, which deliver energy services to the rural poor, has declined markedly. As the Tuvalu case study shows much of the multilateral aid money available for energy projects in the decade of 1995–2005 was spent on energy policy. Yu and Taplin have argued that energy security issues have not been prioritised with a resulting negative impact on 'social and economic development and environmental protection.'[12]

The current emphasis of multilateral overseas development assistance (ODA) on energy policy development owes much to the fact that in the 1990s development aid related research and analysis highlighted the lack of consensus and ineffectiveness of past aid programmes and espoused the virtues of policy development. For example, a World Bank assessment concludes: 'policy-based aid should be provided to nurture policy reform in credible reformers.'[13] This is a welcome development but remains meaningless unless it results in a marked improvement in the implementation of development aid projects. Where aid is spent in accordance with policy, progress is usually made. However, as the following analysis shows, aid is not always spent in accordance with policy.

A comprehensive National Energy Policy Framework (including Strategies and Activities) was developed by the Ministry of Works and Energy, Government of Tuvalu and National Workgroup, as part of the Pacific Islands Energy Policies and Strategic Action Project.[14] This project was facilitated regionally by SOPAC (from 2003 to 2006), and cost over $1,800,000 (USD). Funding agencies included UNDP-GEF and the Government of Denmark via a partnership between the Pacific Islands Forum Secretariat and the European Union Energy Initiative for Poverty Eradication for Sustainable Development (EUEI).

Prior to this, at the World Summit on Sustainable Development in 2002, Pacific Island Countries (PICs) launched a regional energy sector umbrella initiative: Pacific Islands Energy for Sustainable Development (PIESD). The objectives of this initiative were aligned with the objectives of the Pacific Islands Energy Policy and Plan (PIEPP) namely: 'i) Increased availability of adequate, affordable and environmentally sound energy for the sustainable development of all Pacific islanders; and ii) Accelerated transfer and adoption of clean and renewable energy technologies in the Pacific.'[15] These regional initiatives provided a broad energy policy framework, which PIEPSAP developed into national energy policy, strategies & activities. The Pacific Islands Greenhouse Gas Abatement through the Renewable Energy Project (PIGGAREP), which is currently being implemented, was designed as a practical follow-up to the PIEPP & PIEPSAP initiatives.[16] However, for many Pacific SIDS the efforts to devise appropriate energy policies, strategies and activities have yielded few results as far as PIEPP objectives are concerned re: adoption of renewable energy

sources and energy efficiency initiatives, and a move away from inefficient diesel generation technology.

The example of Tuvalu (section 3) highlights the disparities between the intentions of energy policy development and the actual implementation of energy provision on the ground. The reasons for this are a combination of international and external factors. At the local level politicians and most of the general population in the Pacific Island states are aware of the effects of climate change and the need for sustainable development. However, donors are not necessarily funding projects that are in line with national development priorities. This situation is particularly true for Tuvalu's energy policy and recent energy sector infrastructure development. For example, in 2004/5 Japan International Cooperation Agency (JICA) implemented three 180 diesel electricity generators. During the project planning phase discussions were held with NGOs, Government of Tuvalu (GoT) and engineers from Mitsubishi and DiNipon, who were the implementing agencies.[17] NGOs and GoT representatives lobbied for the generators to be able to run on coconut oil, but were told that the equipment required to do this was too expensive. As a result of this, in 2011 JICA were still paying for the fossil fuel to run the generators at a cost of one million (USD) per year.[18] This is a contentious issue as coconut oil biodiesel is an economically, culturally and environmentally sustainable fuel source for Tuvalu.[19]

Table 1. Economic overview of Tuvalu

Year	2000	2003	**2005**	**2008**
GDP: Gross Domestic Product (million current US$)	12	-	25	32
Development aid contribution to GDP (million US$)	4	6	9	16
Development aid as a % of GDP	33	-	36	50
GNI: Gross National Income per capita (current US$)	1204	-	2383	3213
Available average income per capita (US$)	806	-	1525	1607
Exports (million US$)	-	0.15	0.1	0.1
Imports (million US$)	-	24	18.5	26

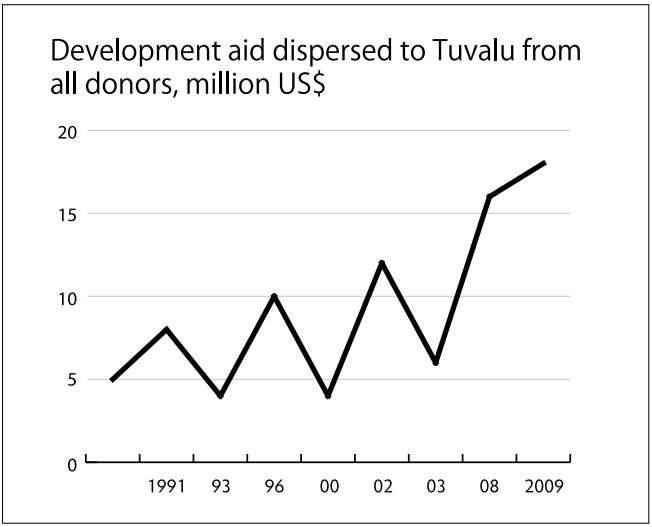
Sources: http://data.un.org/CountryProfile.aspx?crname=Tuvalu OECD international development statistical database (http://stats.oecd.org/qwids) and Government of Tuvalu[20]

Tuvalu's economy is small, disjointed and extremely susceptible to external economic influences such as changes in oil prices. These factors have led to dependence on outside development assistance and a disregard of financial management. Since the local currency is the Australian Dollar (AUS$), the Government of Tuvalu cannot effectively use monetary policy as a tool for fiscal management. In addition, changes in exchange rates affect externally generated revenue such as remittances from Tuvaluan seafarers working overseas. The subsistence economic sector has been declining steadily, by around 0.8% per annum and currently represents around 5% of GDP.[21] Declining subsistence production is part of broader trends such as the growing importance of cash in meeting daily needs; declining outer island populations (excluding Funafuti and Vaitupu) and shifting demographics. This is because the 'economically active population' (aged 15–54) are leaving the outer islands to find paid jobs to support an increasing 'dependent' population of young and old.[22]

Currently foodstuffs represent around 25% of Tuvalu's imports and fossil fuels around 19%. Imports of fossil fuels are a major drain on foreign exchange resources and supply remains vulnerable to disruptions, especially in outer-islands due to transportation difficulties.[23]

Across Tuvalu, mode and average income per day ranges from $1.6 to $4.0 (USD) (Table 1), so the vast majority of people are living in energy poverty; 76% of those in the lowest income deciles live on the outer islands. 23% of the total population of the outer islands live on less than $1 (USD) per day. Household expenditure on domestic energy services currently represents 21% of total current household income on outer islands, and those in the lowest income deciles on Funafuti in theory would need to spend 61% of their total income to buy average level energy services. On the outer islands, diesel electricity generation is limited to between 12 and 18 hours a day. Electricity use in Funafuti is 6 to 7 times higher than on the outer islands combined. There is severe disparity in energy service provision between Funafuti and outer-islands.[24] In addition, many people in Funafuti cannot afford to use electricity, despite the introduction of a "life-line" tariff in 2008.[25]

Figure 3. Development aid dispersed to Tuvalu from all donors (total million US$) from 1990 to 2009



Source: OECD international development statistical database (http://stats.oecd.org/qwids)

Tuvalu received $16.2 million (USD) in development aid payments in 2008, which accounts for half of its GDP (Table 1 and Figure 3). From 2003-2007 JICA provided $9 million (AUS$) for the installation of three 600kW diesel electricity generators, a new grid and connections to all houses in Funafuti. Since 2006 JICA have provided between one and two million (AUS$) to pay for diesel for the generators.

Bilateral donors, such as RoC-Taiwan, JICA, New Zealand Aid, AusAid and Canada Aid have tended to fund GoT or community requested "concrete" projects and infrastructure. In contrast to this, over the past decade, regional and international organisations (such as United Nations Development Program (UNDP) and Global Environment Facility (GEF), South Pacific Applied Geosciences Commission (SOPAC), Pacific Islands Forum Secretariat (PIFS), South Pacific Regional Environment Programme (SPREP), (etc) which all rely on multilateral aid), appear to have focused their development assistance on the formulation of policy frameworks

and energy policy development. Since 1999, energy policy efforts have had some degree of coordination via the regional organisation CROP – Council of Regional Organisations of the Pacific Energy Working Group.

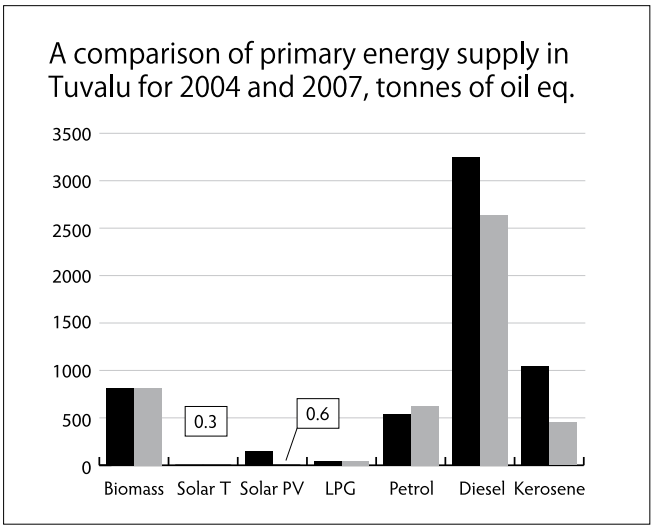
Figure 4 shows that in 2004, the total energy consumption was 4.6 ktoe, with oil accounting for 3.8 ktoe (82%) and biomass for 0.8 ktoe (18% of the total primary energy consumption.[26] This includes diesel charged by the two inter-island vessels (Nivaga II and Manu Folau) in Suva, Fiji. Annual energy consumption in 2004 was approximately 0.4 ktoe per capita.

By 2007, the total energy consumption had increased to 5.8 ktoe, with oil accounting for 4.8 ktoe (83%), biomass for 0.8 ktoe (14%) and solar 0.1 ktoe (2%) (Figure 1). Annual energy consumption in 2007 was approximately 0.5 toe per capita.[27] The kerosene use of 1045 toe in 2007 accounts for refuelling of the Air Pacific plane in Funafuti. From 2004 to 2007, petrol use decreased by 13% (Figure 1). This is mainly due to the impact of increased retail fuel prices. This has resulted in an increased use of "traditional" fishing canoes, rather than a large reduction in road vehicle use. The use of toddy ethanol to fuel small fishing boats could provide a viable role for toddy production.[28]

In 2004, a total of 1170 toe (36% of total national energy consumption) was used for domestic purposes, 91% of it (1070 toe) was used for cooking & boiling water. Biomass provided 64% (746 toe) of total domestic energy use, kerosene 23% (263 toe), electricity 10% (118 toe), and LPG 4% (43 toe). Solar energy provided 0.6 toe mainly for lighting and electrical appliances. These values have been estimated from in-country survey.[29] By 2007, a total of 1383 toe (25% of total national energy consumption) was used for domestic purposes, 88% of it (1213 toe) was for cooking and boiling water. Biomass provided 54% (746 toe) of total domestic energy use, kerosene 29% (401 toe), electricity 14% (193 toe), and LPG 3% (41 toe). Solar energy provided 0.6 toe mainly for lighting and electrical appliances (on Nuilakita the only electricity source is solar pv). These values have been estimated from in-country survey.[30] However, despite these increases in primary energy, there is relatively little impact

for those living on outer-islands, who remain up to 80% biomass energy dependent.

Figure 4. A comparison of primary energy supply in Tuvalu for 2004 and 2007



In-country survey (2004-2009) (Woods et al. 2006; Hemstock, 2005; Hemstock, and Radanne, 2006; Hemstock 2010; Lifuka, 2009; Lotolau, 2009)

Source: In-country survey (2004–2009)[31]

Tuvalu is currently importing the vast majority of its energy (83%) in the form of fossil fuel, which is a major drain on foreign exchange resources. Without the annual AUS$2 million subsidy from JICA, electricity production on Funafuti would be economically unsustainable. Tuvalu's small size, remoteness, diseconomies of scale and the manner in which electricity tariffs are structured all contribute to an over-reliance on external aid programmes.[32] Obviously, in order for Tuvalu to improve its energy security situation, it must use its indigenous energy resources such as biomass, solar and wind.[33] However, as with fossil fuel technologies, renewable energy technologies (RETs) will require the capital costs of equipment to be covered by donor agencies.

Renewable Energy Technology Implementation (Tuvalu)

Tuvalu has had experience with renewable energy technologies (excluding traditional uses of biomass energy) since the early 1980s when 12v stand-alone solar photovoltaic (pv) systems were installed for domestic use. These systems ran well initially, but fell into disrepair when replacement components were needed. A "pay-to-hire" mechanism was implemented at the same time as the pv systems, with some families providing 100 coconuts per month for use of their system. However, these payments did not produce the revenue required to buy replacement components. In addition, safe disposal of spent batteries from solar systems proved problematic and lessons have been learnt from this. For example, the NGO Alofa Tuvalu is currently implementing low-tech domestic energy systems, such as biogas, along with extensive training for users so that repair and maintenance of systems can be carried out on site using available materials. In addition, new solar installations are grid connected and run by Tuvalu Electricity Corporation.[34] Tuvalu's capacity for wind generation is currently being assessed. For these recent renewable energy installations various approaches have been taken to ensure long-term sustainability of such as: capacity building via training and strengthening service provision; tariff setting; community involvement from the outset; appropriate technology which does not require the continuing intervention of foreign agency "Technical Assistance;" the build-up of a critical mass of similar apparatus throughout Tuvalu, so systems maintenance is cost effective; an integrated multi-disciplinary and multi-sector approach which builds on Tuvalu's existing infrastructure and institutions for service provision; and rigorous assessment of the natural resource base which can be sustainably accessed and harvested for use in the case of biomass energy projects.

Biomass is a fuel that people are familiar with and currently provides 64% of energy to the domestic sector.[35] However, although continued use of traditional biomass will provide for basic needs, it will not solve the problem of providing the modern energy services required for economic growth and improved living standards. It is apparent that the modernisation of biomass energy use, via biogas, biodiesel and gasification, will involve some social and cultural changes. In addition further political and techno-economic changes will be

required for successful implementation of the biomass energy initiatives discussed. The successful implementation of sustainable modern biomass energy schemes is certainly a major, but achievable, challenge for Tuvalu. The following table lists identified constraining factors for such schemes, plus strategies to overcome these constraints.

Box 1. Constraints on renewable energy technology adoption and strategies to overcome the constraints

Constraints	Strategy
Lack of appropriate technology selection – mainly due to a reliance on outside aid which has dictated technology options.	Technology selection must follow energy policy strategies and activities. Aid for energy applications must take into account PIGGAREP, PICCAP, PIREP & PIEPSAP recommendations and GoT Energy Policy/Strategy. Only appropriate and established RET's should be implemented. An international agreement signed by all UN members and bilateral funders, such as RoC Taiwan, which states that all funded projects will be in accordance with national and regional policy.
Lack of technical expertise and institutional structure to plan, manage and maintain RE programs.	Training is the key to this barrier. Any RE intervention must have an associated training program. In addition, Tuvalu's existing facilities (TMTI, Amatuku) should be strengthened to provide ongoing training & back-up. All interventions should have an agreed management & economic plan, possibly with the set-up of a dedicated or strengthening of an existing (Tuvalu Electricity Corporation) service provider, as part of any project exit strategy.
Ineffective long-term management.	To be effective training must be given in organisational structure & accountability. A service provider needs to be set-up for any energy services. Dedicated specialist units with technical & financial expertise would be most beneficial. Regional accountability & provision of expertise may also be a useful role for existing regional institutions.
Misguided institutional mechanisms – including badly targeted subsidies and legislation which limits consumer choice (e.g. JICA fossil fuel subsidy; Funafuti electricity regulation – all electricity use has to be via connection to TEC; diesel fuel is duty and tax free for power generation; subsidised TEC tariffs.	Any legislation should at least provide a level playing field for all sources of energy. RET's reduce pollution & GHG emissions firstly by replacing polluting fossil fuels & secondly as they are zero net carbon emitters when used sustainably. Using bioenergy would revitalise Tuvalu's copra industry and help reach GHG commitments. It therefore makes sense for Tuvalu to introduce institutional mechanisms which favour renewables. Assisting with subsidy targeting and energy related legislation is a clear role for existing regional institutions. Although a National Energy Strategic Plan has been developed via PIEPSAP/PIREP, no help with existing legislation or targeting incentives has been given in order to alleviate RET implementation difficulties related to existing legislation and subsidies.

Requirement for complex project proposals by financing institutions and lack of awareness of available funding.	Reduce complexity. Additional training and support for TANGO (Tuvalu Association of NGO's), TEC and GoT. Engage the skills of international funding institutions and NGOs to help prepare funding requests. An internet based network/forum to provide further information on available funding. A business co-ordinator/ business development centre to appropriate funds for projects. These are all roles for existing regional institutions.
Focus of funding organisations on "market development" and "policy."	Re-focus on practical installation of RETs. The "market" will never be self-sustaining in a SIDS such as Tuvalu as there is no economy of scale, no export products and US$2 mode and US$4 median income per day. Tuvalu's energy sector is aid dependent and will remain so for the foreseeable future. Development of energy policy which supports RET implementation is pointless unless funders agree to follow it.

Discussion and Conclusions

To assess the final outcomes of this "policy-based" multilateral approach to development aid for energy, a future analysis of SIDS energy sectors will be required. However, it is apparent at this stage that there has been no success in increasing the renewable energy contribution to the national energy budget of Tuvalu, nor have there been any effective moves towards more efficient generation or end-use technologies. In addition, in contrast to the rhetoric surrounding the "policy-based" approach, Woods (et al) showed that successful RET implementation in SIDS was often due to the skill and enthusiasm of a few individuals, focused NGOs and entrepreneurs, rather than regional strategies, reports, feasibility studies and policy implementation.[36]

Tuvalu's decision-makers are aware of the value and potential of Tuvalu's indigenous energy resources. Unfortunately, they do not control the capital or have the capacity to capitalise on indigenous resources as a means of sustainable energy provision.[37] At the UNFCC Cop16/CMP6 (Bangkok, July 2009), the then Minister for Public Utilities and Industry, the Hon. Kausea Natano, declared: 'We look forward to the day when our nation offers an example to all – powered entirely by natural resources such as the sun and the wind,' and set a goal of having all Tuvalu's energy from renewable resources by 2020. Clearly, there is political backing of renewable energy technologies, at least intellectually. In practice however, the

picture is very different as per Figure 4. Tuvalu's balance of payments, and resulting dependency on overseas aid programmes, makes it very difficult to translate the well-intentioned aspirations of a fossil fuel-free future into a reality. Failures are not due to a lack of political will, and successes (though limited) are not due to policy formulation. Tuvalu's energy security is aid dependent – the majority of recent energy sector infrastructure has been paid for by external development aid. Subsidies which encourage the use of fossil fuels are also currently in place, such as the JICA donation to cover fuel costs of diesel for electricity generation. To improve energy security, aid has to be spent in line with needs, and with a view towards sustainability. In addition, multilaterally funded regional efforts to encourage renewables have previously placed much of their emphasis on policy and "market development" rather than practical help and actual RET installations, such as the e8 (which comprises ten leading electricity companies from the G8 countries) 40 kW grid-connected solar system in Funafuti.[38]

A pro-active role for existing regional institutions would be to assist with subsidy targeting and energy related legislation. Although a National Energy Strategic Plan has already been developed for Tuvalu via PIEPSAP, no help with existing legislation or targeting incentives has been given in order to alleviate policy implementation difficulties related to existing legislation. This oversight appears to indicate that there are inherent difficulties in applying relevant one-size fits all policy/strategic actions by regional organisations at a regional level. Although the National Strategic Energy Plan was targeted specifically at Tuvalu's needs, it did not account for Tuvalu's specific existing legislative and policy frameworks.

Despite the activity of the "alphabet-soup" of organisations and multilateral programmes active in the region, there is little evidence of successful practical grassroots initiatives, which actually improve access to renewable, or even just plain affordable, energy service provision for the rural poor of Tuvalu and other Pacific region SIDs. Currently, on a regional basis, it may be a case of "too many cooks spoil the broth," rather than "many hands make light work." Very little funding appears to filter down to actual practical initiatives. For example, PIGGAREP (the practical regional follow-up to the PIEPP and PIEPSAP), has only committed $16.2 million (USD) to projects that will directly increase RET generation capacity

and energy security out of a total budget of $33.3 million (USD).[39] Conversely, much time and effort goes into preparing national and regional reports, strategies and feasibility studies, and study after study appears to be generated with no apparent intention of following through on the findings. The streamlining of regional organisations and multilateral programmes appears to be necessary to allow limited development funds to be spent on practical solutions to energy security and the alleviation of energy poverty, rather than on allowing organisations to "feed themselves" by generating reports and feasibility studies. In addition, for countries such as Tuvalu, with limited capacity, the application processes which need to be completed in order to access funds are so torturously complicated that the funding organisations need to send a costly technical assistant to help with the application.

However, the development of regional and international *streamlined* support will be necessary to establish technical support and capacity to underpin the successful development of *practical* biomass energy projects and programmes if Tuvalu is going to achieve its carbon neutral target by 2020. This will be necessary in order to:

1. Promote the development of clusters of projects based around similar production, supply and conversion pathways with the aim of developing entrepreneurial capacity to carry out maintenance, repair and development of systems.
2. Establish academic research and development programmes in Universities (preferably at local level utilising in-country campuses) and linkages with international groups and the private sector already involved in bio-energy research and development in order to avoid re-inventing the wheel.
3. Ensure that multilateral and bilateral aid for the energy sector is in line with national energy policy and legislation.

The above discussion has highlighted a key element of the power dynamics that underpin international aid programmes. Much of the rhetoric surrounding such programmes is about raising awareness and community education agendas, yet in many instances local communities are fully aware of the problems they are facing and have a good sense of the measures required to address these problems. Tuvalu gained international attention when GoT representatives highlighted the extent and immediacy of the threat to low-lying atoll states at the UNFCC COP15 meeting in Copenhagen

in 2009.[40] GoT officials and the wider Tuvaluan community are not in need of a further set of workshops to raise awareness relating to the issue of climate change. They need direct practical assistance to reduce their reliance on imported fossil fuel. However, even if such plans were implemented this in itself would not significantly reduce the threat of sea-level rise. Tuvalu's contribution to global greenhouse gas emissions is miniscule when compared to the major industrialised economies. Without a major, meaningful commitment and resulting action to reduce such emissions, whatever policies Tuvalu attempts to enact will have little practical impact.

If past RET experience in the region is going to be built upon, and lessons learned, it is evident that a streamlined programme (with simple funding application requirements) for developing practical regional and national RET initiatives is required to assist the process of successful project development and implementation. This will also require significant community, local political and focused practical support. As there is no silver bullet solution to implementing RET strategies, each project should be developed and assessed on a case-by-case basis.[41]

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NATO, DISCOURSE, COMMUNITY AND ENERGY SECURITY

Giovanni Ercolani

Abstract: *This work analyses the relationship NATO has been constructing through its Strategic Concepts (1999 and 2010) between the military alliance and the "world-word" of energy security. Both NATO Strategic Concepts are viewed as meta-narratives which have been constructed to re-invent a role for NATO after the implosion of the USSR and with the aim to reinforce a sense of NATO community in a period of critical security threats. Despite NATO's continuous use of the term "security," without providing a clear definition, through the production of these meta-narratives, Energy Security emerges as one of the strong motivation in the construction of a "we-NATO-community" and the others. Energy Insecurity comes to appear as a "new ideology" to be fought with the military alliance claiming a right to intervene in non-NATO-areas to "secure" NATO countries. A reading of these meta-narratives through critical lenses, and with the use of a critical IPE approach, demonstrates the naïveté of the above NATO discourses in a world marked by continuous change.*

Keywords: NATO, discourse, critical security discourse, geopolitical-narrative-framework, securitisation, energy security

Introduction

On 19 November 2010, during NATO's Lisbon Summit, Secretary General Anders Fogh Rasmussen presented a new version of NATO's Strategic Concept which re-defined the purpose of this security alliance nineteen years after the Cold War. Reading the following extracts from NATO's official documentation will help frame the methodology of this work, which is based on discourse analysis, and securitisation applied to the specific topic of energy security: a preoccupation which has been a constant presence in NATO discourse and that has apparently replaced the old enemy once represented by the now evaporated USSR.

In theory, the evaporation of the Soviet enemy, which had supplied the main reason for the establishment of NATO, should have provoked the dissolution of the military bloc. In practice this did not happen and in order to survive the alliance has substituted its main *raison d'être*, specifically its defence (military and ideologically) from a unique enemy, with the 'ability to confront the existing and emerging 21st century security threats.'[1]

"Securing our future 1949–2009"[2] was the motto chosen by NATO to condense its activities at its 60th anniversary, and the purpose of this work is to focus on the Alliance's recent narrative which has permitted the Organisation to reinvent itself; to define a new geopolitical context of interests and military operations, and then to proclaim its own production and interpretation of the concept of security in which energy security is of particular importance. Both NATO's 1999 and 2010 Strategic Concepts[3] contributed to the construction of what I term a "geopolitical-narrative framework," which represents the "liquid" field of existence of the NATO concept of security.

Methodology: Discourse Analysis, Securitisation, and "Security"

The main reason to use discourse analysis as an interpretative tool in this work is based on two rationales:

- the nature of the process of securitisation implemented by NATO;
- the etymological meaning of security.

This logic is necessary because NATO has moved from a "defence" to a "security" terminology in its discourses. Indeed, as Buzan, Waever and de Wilde note

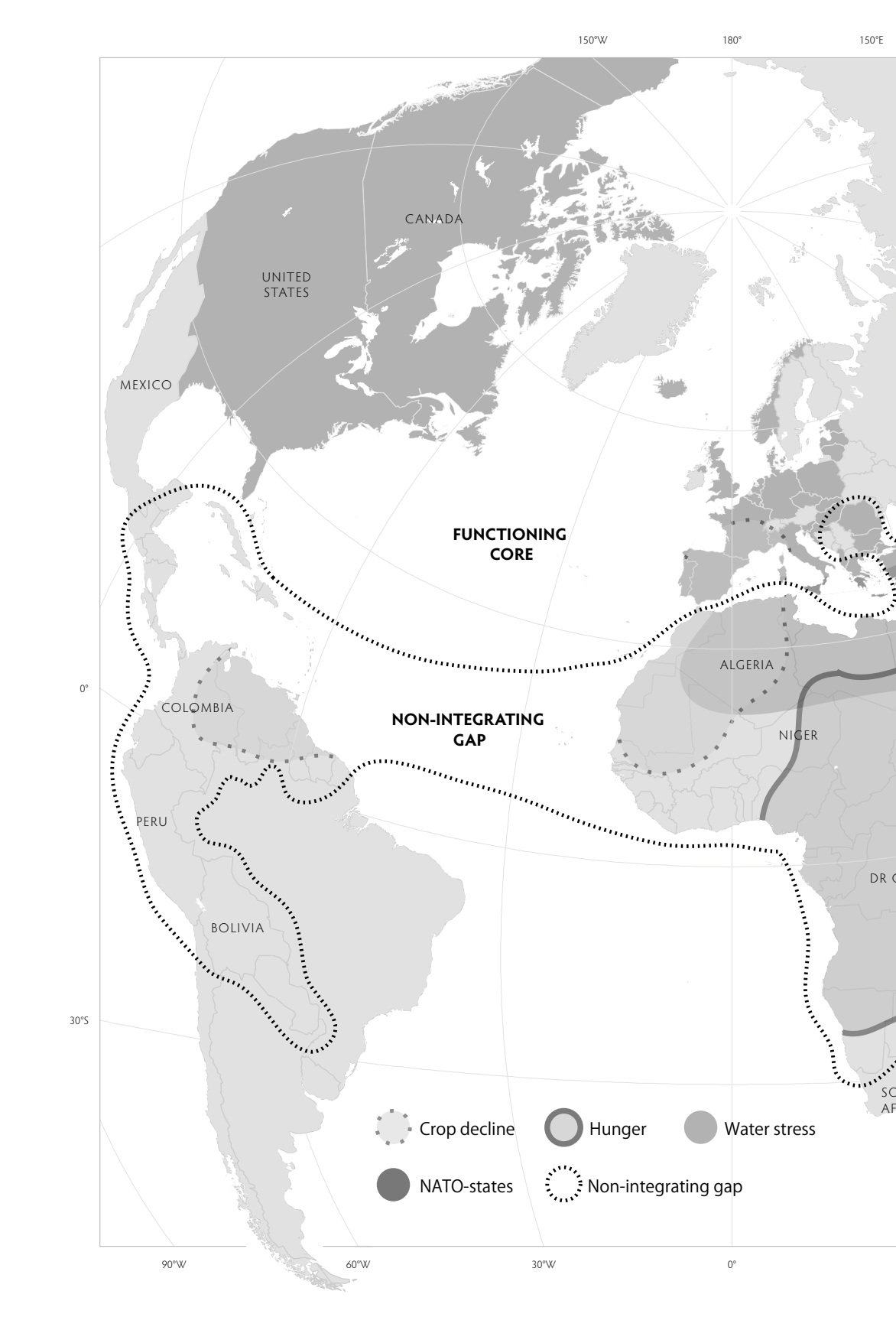
> "Security" is the move that takes politics beyond the established rules of the game and frame the issue either as a special kind of politics or as above politics. Securitization can thus be seen as a more extreme version of politicization. In theory, any public issue can be located on the spectrum ranging from non-politicised (meaning the state does not deal with it and it is not in any other way made an issue of public debate and decision) through politicised (meaning the issue is part of public policy, requiring

> government decision and resource allocations or, more rarely, some other form of communal governance) to securitised (meaning the issue is presented as an existential threat, requiring emergency measures and justifying action outside the normal bounds of political procedure) [...] The process of securitization is what in language theory is called a speech act. It is not interesting as a sign referring to something more real; it is the utterance itself that is the act. By saying the words, something is done (like betting, giving a promise, naming a ship).[4]

But whereas 'by saying the words, something is done,' in this specific case of "securitisation," when we use the word "security," something more is done: an emotional element has been added to the narrative.

Our human condition is to be completely surrounded and immersed into stories; stories which are told to us through the use of a language, images and media. However, the story can be a language because 'language itself conditions, limits, and predetermines what we see. Thus, all reality is constructed through language, so that nothing is simply 'there' in an unproblematic way – everything is a linguistic/textual construct. Language does not record reality; it shapes and creates it, so that the whole of our universe is textual.'[5] Moreover, when we look at our capacity to memorise, neuroscience has proved that 'the brain has two memory systems; one for ordinary facts and one for emotionally charged ones.'[6] According to Cassirer humankind, in order to mentally adjust itself to the immediate environment, and through its capacity to imagine, is capable of creating a new dimension of reality, defined as a symbolic system. 'He lives rather in the midst of imaginary emotions, in hopes and fears, in illusions and disillusions, in his fantasies and dreams.'[7] The securitisation performance represents a very particular case because 'the labelling of an issue as a security problem by the government automatically legitimises the use of exceptional means.'[8] Why do we arrive at this result? The explanation is in the fact that we are using an emotional word which has emotional consequences.

Here we come to the second rationale of my methodological approach: the etymological meaning of "security." NATO's new strategic concept (2010) is 'for the Defence and Security of the Members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of the North Atlantic Treaty Organisation,' then the word which is central to our study is security[9] (freedom from danger, fear, anxiety, destitution, etc.), which in its etymological meaning bears strong emotions: it is derived from the Latin "securitas" then from 'sine' (= without) + 'cura' (= anxiety, worry).[10]

However, there is a difference between anxiety and fear. While anxiety is a generalised mood condition that occurs without an identifiable triggering stimulus and is the result of threats that are perceived to be uncontrollable or unavoidable, on the contrary, fear occurs in the presence of an observed threat and is related to the specific behaviour of escape and avoidance. In the case of anxiety, this can be provoked by a stimulus without the presence of a real material threat. Therefore, there is a strong relationship between who triggers the stimulus, the receiver of the stimulus, and the space in which the stimulus is broadcast.

This space is what Cassirer[11] calls the 'symbolic space:' due to capacities to create signs and symbols which help people interact with reality, the humans then, no longer a positivist rational animal, becomes an 'animal symbolicum,' and, as such, lives in a symbolic space, and this is a space which frames even his capacity of imagination. And it is the peculiarity of the construction of this symbolic space through the use of the media of mass communication that the nature of the 'animal symbolicum,' as producer and consumer of myths, evolve in the image of the 'homo videns.'

With the publication of 'Homos Videns – Television and Post-Thinking,' Sartori sheds light argues that with the advent of the television we entered into a new political era characterised by what he calls post-thinking: the inability to think. It is the primacy of the image and the manipulation of public opinion through television which leads us to see and watch, but without being able to understand, that represent the new challenges democracy faces under the influence of the television and more, in general, of the media.

To sum up, 'homo videns' is an evolution/devolution of the 'animal symbolicum' of Cassirer, and Sartori is conscious of that. In it we should go back to the division between signal and symbol operated by Cassirer on the Pavlov's dog experiment.[12] A division now difficult to sustain due to the very fact that the symbol can be interiorised as a signal, and has every signal produces conditioned reflex and a reflex behaviour.

It is in dealing with security issues and the importance that this topic has for the 'polis,' that the above process is linked to the political discourse and, more than ever, in our times where democracy has been defined as a government of public opinion.[13] I call this space a "geopolitical-narrative framework," (GPNF) the space where the process of securitisation becomes a 'more extreme version of politicisation.'[14] This means that a "geopolitical-narrative-framework" is a physical and intellectual-symbolic space (as a hermeneutical circle), in which emotions and perceptions are elaborated through a narrative (narrative is a re-presentation of real or invented events), in order to produce a particular image and meaning (the referential code[15]) to be attached to the word "security." It is a space in which the reader, "volente o nolente," willy-nilly, is part of it and where s/he is called to play an active emotional/interpretative role. As a result, the emotional state of the reader depends on the opinion-narrative of others.

The "Geopolitical-Narrative Framework:" An Interpretative Dimension

The GPNF is essentially this representation of space, time, and emotions as they are produced and spread by NATO to its readers (the model reader, and the non-model reader), with the aim of assembling a cultural artefact 'a cultural practice traceable to a particular historical context concerned with shaping the politics of security.'[16] Even if a narrative can be seen as a story or plot, in reality this is not the case: 'A "Story" consists of all the events which are to be depicted. 'Plot' is the chain of causation which dictates that these events are somehow linked and that they are therefore to be depicted in relation to each other. 'Narrative' is the showing or the telling of these events and the mode selected for that to take place.'[17] Thus, in this GPNF, where a secure-insecure narrative is produced, what is important is first knowing who the teller is, then the showing, and the process of selecting certain events, and, of course, the reader who has to interpret the narrative text. In the way the GPNF is working in persuading the reader, we find the same Aristotelian rhetorical elements of Ethos, Logos, and Pathos. Thus, the main constituents of this GPNF NATO narrating space are: the author-ethos (NATO), the imaginary-pathos, the reality-logos, and the "model reader."

According to what we read on the Alliance's official web-page, NATO is:

1. **Solidarity:** it is an alliance of 28 countries from North America and Europe committed to fulfilling the goals of the North Atlantic Treaty signed on April 4th, 1949 (Art. 5);
2. **Freedom:** the fundamental role of NATO is to safeguard the freedom and security of its member countries by political and military means;
3. **Security:** NATO safeguards the Allies' common values of democracy, individual liberty, the rule of law and the peaceful resolution of disputes, and promotes these values throughout the Euro-Atlantic area;
4. **Transatlantic link:** The Alliance embodies the transatlantic link by which the security of North America is permanently tied together. It is the practical expression of effective collective effort among its members in support of their common interests.[18]

Reading about "What does NATO do?" what does it, in fact, do? Its main *raison d'être* is military defence: 'NATO is committed to defending its member states against aggression or the threat of aggression and to the principle that an attack against one or several members would be considered as an attack against all.' This, in brief, is the essence of Art. 5 of The North Atlantic Treaty.

However, more recently, 'NATO is a security Alliance that fields military forces able to operate together in any environment; that can control operations anywhere through its integrated military command structure; and that has at its disposal core capabilities that few Allies could afford individually.'[19]

Indeed, asserting NATO as an internationally recognised authority that has 'moral competence,' – Aristotle's ethos – is required of any speaker to establish from the beginning of his "speech" with his audience. NATO then becomes an ethos because it is the only "winning" defence military organisation and military structure which has survived the end of the Cold War and the implosion of the USSR. Its ethos is in the historical fact that the ideals that

characterise the NATO community, nations, or ideology, have won over time.

However 'the monolithic, massive and potentially immediate threat which was the principal concern of the Alliance in its first forty years has disappeared. On the other hand, a great deal of uncertainty about the future and risks to the security of the Alliance remain.'[20]

After the adoption of the 1999 Strategic Concept, NATO reasserted its 'indispensable role to play in consolidating and preserving the positive changes of the recent past, and in meeting current and future security challenges. It has, therefore, a demanding agenda. It must safeguard common security interests in an environment of further, often unpredictable change.'[21]

NATO's journey into the future and its supposed 'management of the future' as 'reflexive security'[22] sounds as a hermeneutical circle in which the management of security becomes the management of risk, then the management of the future, and as a result the management of anxiety.

Apparently NATO is not the only authority in this declarative-performative activity which has become the process of securitisation of the future. Another actor has been successfully involved for centuries, even before the establishment of NATO, in the management of risk. And this actor very recently has been engaged in the NATO narrative: Lloyd's of London.

Lloyd's joined the group of NATO authors and the relation started on the topic of energy security: 'when NATO first began to discuss its role in energy security, I asked Lord Levene to brief NATO Ambassadors on the risks and challenges of ensuring reliable energy supplies,'[23] said Jaap de Hoop Scheffer, (then) NATO Secretary General. And Lord Levene of Portsoken, chairman of Lloyd's of London, remarked:

> Until now, energy security has felt like a very high level geopolitical problem. One which is best left to governments and strategists, and something that is very far removed from the boardroom. There is certainly no doubt that energy security is a very complex subject. But with a more dynamic global operating environment affecting almost all of us, at Lloyd's we believe that it is an issue of increasing importance for boards everywhere. A former

> US defence secretary said: 'Instead of energy security, we shall have to acknowledge and to live with various degrees of insecurity.' To some extent, perhaps we are already doing this, whether we recognise it or not. Today's businesses typically face an increasingly complex supply chain, a growing presence in emerging markets, energy bills which are oscillating wildly, and growing pressure to "think green." For all these reasons, energy security is no longer an issue about which business leaders can risk being in ignorance.[24]

Can we say that in this operation in which NATO and Lloyd's come together we are witnessing a *ménage à trois*: the market-state,[25] its insurance company and a military structure? Could I be so cynical or Machiavellian to see in it a kind of NATO metamorphosis, from a security Alliance to an insurance Alliance?

On this management of risk-future it is interesting to note how NATO looked for new authors to contribute to its new "literature genre." Considering NATO's strategic concept as a hypertext in which the official author (NATO) lives in a text which is produced by various authors, it is interesting how on 03 and 04 April 2009, NATO's Heads of State and Governments tasked the Secretary General to develop a NATO New Strategic Concept (NNSC), which was later presented at the NATO summit in Lisbon (2010).

To facilitate the process, the Secretary General appointed a group of twelve experts selected from large and small NATO members and representing a combination of insiders and outsiders, including from the private sector, think tanks and the academic community. Madeleine Albright, former US Secretary of State, chaired the group with Jeroen van der Veer, former CEO in Royal Dutch Shell, as vice-chair.[26]

NATO's official page clearly highlights the genealogy of this narrative-enterprise which contributed to the re-writing of the NNSC (2010) which replaced the previous NNSC 1999. Undoubtedly, the presence of van der Veer stands out from among the authors, representative of a particular interest on the topic of energy and energy security.

The relationship between NATO and Lloyd's does not end there. Lord Levene, together with Rasmussen not only signed an article published in The Telegraph on 01 October 2009, on "Piracy,

cyber-crime and climate change – bringing NATO and insurance together" but hosted a Lloyd's conference on the Alliance's updated Strategic Concept: "360 with NATO: Climate Security, Cyber Crime, Piracy."[27] The article states that 'industry leaders, including those from Lloyd's, have been involved in the current process to develop NATO's new guiding charter, the Strategic Concept; indeed, the vice-chair of the group is the former chief executive of Shell, Jeroen van der Veer.'[28]

Again, we can appreciate the particular sensibility on linking management of risk-future to energy interests, and the establishment of the official liaison between NATO and insurance. This liaison was further reinforced at *Lloyd's NATO 360 Risk Conference*, held in New York 30 October 2009.

At Lloyd's 360 live debate *Managing Risk in the 21st Century*; experts discussed piracy, cyber security and climate change for an audience of more than 200 insurance executives, risk managers and business leaders. Richard Ward, Lloyd's CEO, suggested that

> The joint Lloyd's and NATO conference would not have happened 20 or even 10 years ago. However, today, forming new coalitions is an essential part of risk management ... In the modern era, we are able to form new alliances to fight our common threats ... We need to speed up our response ... This calls for a combination of visionary policies, thinking the unthinkable and pragmatism- finding ways to mitigate and adjust to a new reality.

Ward was echoed by Admiral Luciano Zappatta, Deputy Supreme Allied Commander Transformation for NATO who stressed that threats 'changed from a cold war scenario with a well-defined enemy, to a wide spectrum of risks, threats and potential strategic surprises, and during the past decades NATO has extended incrementally its interests outside the traditional area of responsibility.'[29]

NATO's Imaginary-Pathos: The Emerging Security Challenges and the Construction of Anxiety

NATO's production of threat perception which falls under the slogan of *Securing our Future* is a non-imaginary map where the pathos is constructed through the use of metaphor or storytelling which, capturing readers' attention, sympathies and emotions, causes the audience to identify with the writer's point of view; to feel what the writer feels.

The discursive part of the map is best seen through *NATO: Emerging Security Challenges* recorded by Rasmussen's London (01 October 2009) speech on emerging risks who remarked that the 'challenges we are looking at today cut across the divide between the public and the private sectors' and included several pretexts for NATO interventions which include:

1. piracy
2. cyber security/defence
3. climate change and associated issues such as extreme weather events, catastrophic storms, flooding and sea rises
4. mass migrations due to natural or man-made disasters
5. food and water insecurity
6. energy insecurity, including transmission networks and infrastructural.

As Rozoff pointed out, 'none of the seventeen developments mentioned can even remotely be construed as a military threat and certainly not one posed by recognised state actors.'[30] Curiously, NATO's map was presented by a 'hard' military personality, Lieutenant-General Jim Soligan of the US Air Force and Deputy Chief of Staff of NATO Allied Command Transformation.[31]

In his presentation Soligan showed a map of potential areas of intervention for NATO and defined potential regions of crisis as 'Multiple Stress Zones,' adding that '(i)nstability is likely to be greatest in areas of Multiple Environmental Stress.'

According to Soligan the impact of these *Emerging Security Challenges* for NATO will produce security and military implications:

The security implications include: a general rethinking of Article 5; enhancing and creating new partnerships; expanded opportunities to positively shape and influence ideas, values, and events and changes in military operations to reduce technological vulnerabilities.

Militarily NATO will be forced to: adapt to the demands of hybrid forms of security; adapt force structures and doctrines to train other nations' security forces; adapt C2 and organisational structures; enhance WMD detection and consequence management; strengthen EU/NATO/UN relationships, and win the battle of the narrative.

If, until the demise of the USSR, the terminology of the "balance of power," "nuclear weapons," and "communist enemies" was

framed in a "defence" vernacular, now – with the disappearance of a concrete, identifiable and definable enemy – the foe becomes a situation (Multiple Stress Zone) in which the particular interests of NATO countries are at risk: NATO itself us that we are dealing with a narrative.

Behind NATO's Narrative: The Madonna Curve, Energy Security and NATO's Strategic Concepts

The last of the three elements of persuasion listed by Aristotle is represented by logos, the argument itself, which, accordingly, means 'reasoned discourse.'[32] It is from within this reasoned discourse – which I consider the reality of the discourse itself – that the true purposes and intentions of the narrative are revealed. NATO, in its efforts to regain an image which is more believable, to face potential new threats, and with the aim of maintaining a narrative which justifies its "aesthetic surgery," the alliance has relied on two key elements:

1. a marketing approach defined as the Madonna-curve, and
2. the evolution of NATO terminology which, whilst maintaining a constant interest for energy security issues, has exploited a critical security studies language.

Peter van Ham captures NATO's marketing approach succinctly and notes that

> the quality of adapting to new tasks whilst staying true to one's own principles is something which business analysts qualify as the Madonna-curve. This curve is named after the legendary pop-diva who reinvented herself each time her style and stardom went into inevitable decline, but whose audacity has lifted her up to ever higher levels of relevance and fame.[33]

Just as Madonna adapted her style and music in a bid to retain relevance, stardom and income, NATO too has been forced to rewrite its lyrics and rebrand itself.

This rebranding first occurred the adoption of NATO's first New Strategic Concept (24 April 1999) which added two articles – 20 and 24 – recognising NATO members' interests (energy among them) being jeopardised by 'critical-security threats.'[34] These articles clearly link threat-instability-interests and while article 20 notes that

'(e)thnic and religious rivalries, territorial disputes, inadequate or failed efforts at reform, the abuse of human rights, and the dissolution of states can lead to local and even regional instability ...'article 24 suggests that '(a)lliance security interests can be affected by other risks of a wider nature, including acts of terrorism, sabotage and organised crime and by the disruption of the flow of vital resources.'[35] And then, at the 2006 Riga Summit entitled: *Transforming NATO in a New Global Era*,[36] several defining occurrences took place. Firstly George W. Bush declared that 'NATO is in transition from a static force to an expeditionary force.' This was not a departure from NATO's policy direction, it was entirely in-sync with Rasmussen, though coming from such a polarising president, illustrated NATO's transformation and its marketing angles. This was accompanied, in Riga, with the determination of constructing an unbreakable linkage between energy security and the global war on terror to and the development of NATO's new geopolitical map.

Indeed, US Senator Richard Lugar suggested the possibility that NATO countries invoke article 5 in cases of deliberate energy supply disruptions,[37] while Shea looked to create a NATO Energy Security and Intelligence Analysis Cell responsible for the gathering of information on terrorism and energy security.[38]

The Model Reader: The NATO Reader

If NATO is seeking to win the battle of narrative, then the main question is who or what is the target? As in the case of Madonna, the target was the market, the audience. For NATO's narrative, the goal is to convince those who pay attention to NATO's strategic rewrite in a toe-the-line manner, the "model reader." Indeed, a "model reader" is able to interpret a text in a similar way to the author who generated it. Eco reminds us that '(t)he author has thus to foresee a model of the possible reader (the Model Reader) supposedly able to deal interpretatively with the expressions in the same way as the author deals generatively with them.'[39]

In our case, the model reader is what I call the NATO reader, the reader who physically belongs to the cultural-geopolitical space of the Alliance members. The NATO reader is one who, reading the NATO narrative is capable of understanding and psychologically

experiencing NATO anxieties and is capable of cooperating with the NATO narrative.

The Function of the Geopolitical-Narrative Framework

Cox's posits that a

> theory is always for someone and for some purpose. Perspectives derive from a position in time and space, specifically social and political time and space. The world is seen from a standpoint definable in terms of nation, or social class, of dominance or subordination, of rising or declining power, of a sense of immobility or of present crisis, of past experience, and of hopes and expectations for the future.[40]

Building on this, I argue that a narrative – including the GPNF – is always for someone and for some purpose. The authors of NATO's documents confesses that the NATO-narrative-text is for NATO and that its purpose is to win the NATO battle of narrative.

The GPNF becomes a vital text and a specific idiom, which its 'interpretative fate is part of its creative process: to produce a text means carrying out a strategy in which the moves of the adversary are foreseen. In military strategy, the strategist builds up a model of an adversary;'[41] within the GPNF two opposing forces operate: the centripetal and the centrifugal force, and in two directions: 'for someone,' and 'for some purpose.'

"For someone," the GPNF reinforces and recreates the author identity, in this specific case the NATO identity (centripetal force). In this part, the GPNF constructs the plot, the anxieties, the threats, the enemy and the hero in which the reader will identify. At the same time, as far as it produces this narrative, NATO spreads a message which, as a centrifugal force, captures the reader who is present (physically and/or emotionally or for interest) in its geopolitical field of existence.

"For some purpose," – re: to win the battle of narrative – is achieved through a combination of emotional-identity-cultural elements which "interpellate"[42] or even to "seize and incorporate"[43] readers. They find themselves hit by the centrifugal force spread by the text and are sucked into it (centripetal force). The text will

interpellate these readers, and it will participate in constructing their identities in which, in turn, they will identify themselves. The model reader (interpellated-seised-incorporated), will live in the text and will see the reality through the text.

Reading is a process of having something in common with games of skill or strategy that have a set of rules that do not impose a predetermined behaviour on the player, leaving room for individual creativity and ability.[44] But in the case of NATO's narrative, the reader becomes a target (the Madonna's curve) which will not have possibilities to cooperate autonomously. The authors will do the maximum to use referential codes and to construct situations which the model reader will completely understand and they will push their style in order to stimulate a precise effect and to ensure that a horror reaction will arise they will speak early and say 'at this moment something terrible has happened.' On a certain level the game will work.[45]

The GPNF, being a closed text, at the same time establishes precisely the intellectual profile of the model reader; an ideal reader who has the capacity to interpret the world only through and inside the GPNF, and which puts the GPNF at the centre of a bigger worldview. A reader who, at the same time, moves and lives inside the GPNF space and whose behaviour is the outcome of mental maps provided to him by his local culture.[46] In short, the GPNF has to educate and "interpellate" the reader in order to win the battle of narrative: 'you are addressed – by ads, for instance – as a particular sort of subject (a consumer who values certain qualities), and being repeatedly hailed in this way you come to occupy such a position.'[47] But what is specific of this GPNF is that it represents the space where the security relationship[48] is constructed and assembled. Because, despite the commercial-marketing approach identified in the Madonna's curve, what is very specific here is a relationship based on emotion, and a very particular one: anxiety.

The GPNF becomes a large political stage where we can realise what Jackie Orr defines as 'Psycho-power'[49] which can be seen as an exercise of 'engineering of consent' (through reason, persuasion and suggestion) which, as a manufactured product resembles so much to the 'panic broadcast' experiment carried out by Orson Wells on 30 October 1938, with his radio play adaptation of H.G. Well's novel *The War of the Worlds*.[50]

What happens when the GPNF is not read by a model reader (the NATO reader) but by an empirical one who is located outside the GPNF space?

Those texts that obsessively aim at arousing a precise response on the part of more or less precise empirical readers [...] are in fact open to any possible "aberrant" decoding. A text so immoderately "open" to every possible interpretation will be called a closed one.[51]

To challenge the GPNF, and highlight its cultural relativism, I need to take the position of the empirical reader, of the non-participating observer-reader: the one who has not been transformed in "animal symbolicum" – "Homo Videns" – NATO Model Reader-Homo NATO.

To do this, as an empirical reader,[52] I use the following tools:

1. the meaning of "energy security,"
2. the idea of "Rhetorical Territory,"
3. the concept of "Cosmopolitan Realism."

If NATO has a plan 'for the defence and security of (its members),' and apparently one of its major concerns is energy security, it is essential to, at the very least, attempt to define it. In this the World Economic Forum offers an adequate definition which maintains that Energy security is an umbrella term that covers many concerns linking energy, economic growth and political power. (...) The traditional energy security elements – supply sources, demand centres, geopolitics and market structures – have been joined by additional considerations. These include the interconnectedness of world economies and energy infrastructure systems, climate change concerns, technological innovation and increased pressure from a broader array of stakeholders.[53]

Yergin, for his part, explains energy security's ten principles:

1. Diversification of energy supply sources is the starting point for energy security,
2. There is only one oil market,
3. A "security margin" consisting of spare capacity, emergency stocks and redundancy in critical infrastructure is important,

4. Relying on flexible markets and avoiding the temptation to micromanage them can facilitate speedy adjustment and minimize long-term damage,
5. Understand the importance of mutual interdependence among companies and governments at all levels,
6. Foster relationships between suppliers and consumers in recognition of mutual interdependence,
7. Create a proactive physical security framework that involves both producers and consumers,
8. Provide good quality information to the public before, during and after a problem occurs,
9. Invest regularly in technological change within the industry,
10. Commit to research, development and innovation for longer-term energy balance and transitions.[54]

"Energy security" is a combination of two terms in which a commodity (energy) is linked to an emotional word (security – re: freedom from anxiety) implying that a sense of anxiety is linked to energy concerns. But the process of securitisation is a political/speech activity in which 'what is essential is the designation of an existential threat requiring emergency action or special measures and the acceptance of that designation by a significant audience.'[55]

Then we can understand the emotional link between threat and fear, and assuming "energy security = energy anxiety" will help produce a new use of the term "Energy Security" in which the designation is divided in two components: "energy-security" per se, and "energy-defence." While "energy-security" covers the topics related to vulnerabilities stemming from the lack of energy, and then close to the points of Yergin, "energy-defence," the second component of the definition is addressed to the fear of threat against energy structure. "Energy-defence" represents the hard side of energy security and here NATO could play a role.

But if we look at the events of some years ago when the price of oil dropped from $140 (USD) per barrel to $40 (USD) per barrel and we try to understand this event through the lens provided by my definition of "energy security" you will see that my approach like the others mentioned hitherto is insufficient.

Between the two fields ("energy-security" and "energy-defence") which define my concept of Energy Security, there is a zone termed here as the "grey zone" which not only concerns international oil

markets, oil companies, but also includes insurance companies, speculators, private security companies (PSC), and organised criminal groups. Entities and agencies which are the very actors in the energy sector profiting, in various ways, from rises in oil prices, and suffered from price falls.

So what can NATO do against this grey zone? If "energy-defence" is provided to oil companies by insurance contracts and by private security companies (PSC) and NATO could help the investors of Lloyd's of London in saving some money by employing NATO forces, NATO can do nothing against the grey zone. An irony of the case is that members of the grey zone are amongst the authors of the GPNF despite the fact that NATO is not an actor in the international oil market. But the NATO reader will be convinced of it, and with taxes will contribute to paying for NATO soldiers' deployment (instead of PSC, then at no cost for insurance companies) to protect insured energy infrastructure but will not participate in the establishment of the oil/gas prices.

In his 2006 article, Buzan sustains the thesis that Washington is now embarked on a campaign to persuade itself, the American people and the rest of the world that the 'global war on terrorism' (GWoT) will be a 'long war.' This 'long war' is explicitly compared to the Cold War as a similar sort of zero-sum, global-scale, generational struggle against anti-liberal ideological extremists who want to rule the world. Both have been staged as a defence of the West, or western civilization, against those who would seek to destroy it.[56] It is the lack of precise definitions and explanations about the necessity to use a military organisation to face future security challenges which opens the field to the use of ontological questions related to the validity of the GPNF. Reading the GPNF pragmatically, as the Empirical Reader does, we should be able to answer the following two sets of questions in order to test the supposed "universal" message of peace and security imbedded in the NATO narrative. Firstly, what is reality? What is real knowledge? What can we do? And secondly, what is being secured? What is being secured against? Who are the enemies? Who defines them? Who provides security? What methods can be undertaken to provide it?

The Empirical Reader reads the GPNF from a different position, from a non-perspective as mentioned by Cox. Being a non-NATO reader, he is not enchanted and captured by the text and is

referential codes. He does not collaborate with it according to the intention of the authors, and least of all he is not even interpellated, hailed, seised of incorporated by it.

The GPNF is a specific geographical map in which a large number of security-economic interests of NATO national countries are in territories outside the boundaries of its map (Multiple Stress Zone). At this point is more than clear that the NATO narrative is nothing more than an attempt in the 'strategicalisation of global politics,' the rendering of events as subject to human mastery at the hands of statesman and to the logic of a peculiarly contemporary, (i.e. post-war strategic discourse). And 'by talking of "strategicalisation," we identify processes by which political domain is extended beyond realms of immediate sovereignty.'[57] Despite NATO's use of a critical security studies terminology which refers to security in a broader meaning (in which the referent object of security is the human being) than defence (typical of the Cold-War period), the danger is represented by a return to a pseudo-colonial approaches to international politics. Indeed, 'what is distinctive about "strategicalisation" is the extent to which state behaviour becomes encoded within world views and then becomes the basis of the whole bureaucratic apparatuses – of security analysis, intelligence estimates, and international surveillance.'[58]

Consequently, it is the NATO narrative pretension to "strategicalisate" global politics that crash dramatically against the complex reality outside its own GPNF. If NATO's NSC aims to locate a theoretical position between the realist and the idealist vision, I perceive its discourse (which can be seen as the sum of the various Alleys' national security looks) completely as an example of "cosmopolitan idealism" in contrast to the concept of 'cosmopolitan realism which adheres to the principle that political action and political science make us blind without cosmopolitan concepts and ways of seeing the world.'[59]

NATO's NSC, as a national outlook, is sandwiched between its own interpretation of reality, its strategicalisation of it, and a cosmopolitan dimension of the reality that can be summarised in the following six points which embody the "forgotten realities" not envisaged by the NATO narrative:

1. Other countries, like China, have produced their own concept of war. "Unrestricted Warfare" is a book on military strategy written in 1999 by two colonels in the People's Liberation

Army, Qiao Liang and Wang Xiangsui. The book, rather than focusing on direct military confrontation, examines a variety of other means which can be summarised in the Formula: Schwartzkopf + Soros + Xiaomolisi + Bin Laden.[60]

2. At the 2010 Seoul G20 meeting even the map of the unfolding global financial crisis was altered. Despite the Western countries depicting the financial crisis as global, its perception from others was markedly different. According to O'Neill (Goldman Sachs), policy makers in Asia were referring to the global credit crisis as the 'North Atlantic Crisis.'[61] Thus, and for the first time, the "others" defined our military alliance as a financial system.
3. Regarding the "Multiple Stress Zone" map presented by NATO's Soligan in 2009, it is clearly a replica of a 2004 Pentagon Map[62] meant to highlight US grand strategy. Furthermore the Pentagon Map is much more than a simple cartographic representation of the planet, it is a division of the world into a "Functioning Core," characterised by economic interdependence, and the "Non-Integrated Gap," characterised by instability and absence from international trade. The Core can be sub-divided into Old Core (North America, Western Europe, Japan, Australia) and New Core (China, India). The Non-Integrated Gap includes the Middle East, South Asia (except India), most of Africa, Southeast Asia, and northwest South America. Thus, using a realist terminology, the Functioning Core can represent the land of order while the Non-Integrated Gap the land of anarchy and disorder and also it can be seen as an attempt to "ethnicalise" the world.[63] If what can happen in the Non-Integrated Gap can produce security concerns for NATO countries and justify military intervention then 'fear is something that is actually missing in a situation of international anarchy, and because it is missing it must be invented and skilfully deployed.'[64]
4. World Population Growth Rate: 'By 2003, the combined populations of Europe, the United States, and Canada accounted for just 17% of the global population. In 2050, this figure is expected to be just 12% ... Today roughly nine out of ten children under the age of 15 live in developing countries ... Indeed, over 70% of the world's population growth between

now and 2050 will take place in 24 countries, all of which are classified by the World Bank as low income or lower-middle income, with an average per capita income under $3,855 in 2008.'[65]

5. The consumption factor: 'The estimated one billion people who live in developed countries have a relative per capita consumption rate of 32. Most of the world's other 5.5 billion people that constitute the developing world, with relative per capita consumption rates below 32, are mostly down toward 1.' [66]
6. The life expectancy rate: will the people living in the "multiple stress zone" (the non- integrated gap) accept their dramatic living conditions, and live less than the people living in other parts of the globe? Will they accept the status quo that has produced their misery or will they rebel? And will the "peace" NATO will likely impose be "positive peace" or "negative peace" which will reproduce the same structural violence that provoked unrest and internal conflict, and not seeing instead the 'civil war as a system?'[67]

Conclusion

It is a quantitative and qualitative fact that the above "forgotten realities" are reflected on the map of oil consumption and oil trade which is moving from west to east, with demand growing in a region of scant supplies. The rise of Asia has been reflected in energy and oil demand, while oil production in the region has grown more slowly, supplying less then a third of consumption by 2008. Since 1995 the Asia-Pacific oil deficit – the shortfall of production over consumption – has exceeded that of the rest of the world outside the exporting countries of Russia, Central Asia and the Middle East. (...) The shift of the oil deficits to the east is massive and clear. By 2030 the Asia-Pacific oil deficit will be seven times than that the Atlantic, where demand will grow more slowly, even without the Copenhagen climate change.'[68]

The above mentioned energy deficits are already producing a new geopolitical map which is drawing what Mitchell calls "new oil axis" with three main regions: Atlantic, Russia and Central Asia, and Asia Pacific.

This is a new situation in which NATO could play a role. But like the strategic narrative of the GPNF on both side of the Atlantic, foreign policy analysts have convinced politicians that the west faces severe energy security challenge. The 1970s myth of energy independence is back. We hear the same 'moral equivalent of war' speeches and see the same subsidies to well-connected industries to save the west from 'energy superpower' and oil-funded 'islamofascists.' (…) Energy policy has become high politics and energy security is hard security. The appropriate institution to deal with these concerns is no longer the International Energy Agency (IEA) but NATO.[69]

It is not only Noel who challenges this vision by noting that 'the global oil market is not falling apart,' Victor and Yueb even suggest the creation of an Energy Stability Board modelled after the Financial Stability Board in the banking sector. The Energy Stability Board could gather together the dozen biggest energy producers and users … At first, the Energy Stability Board's activities would need to be ad hoc so that other institutions, such as OPEC and one more of the Asian security organizations, could easily join its efforts; it would need to be specially welcoming to China, India, and the other important countries, which have been left on the sidelines of energy governance system so far.[70]

With this 'NATO for energy is dangerous nonsense,' I would like to conclude by suggesting that reading the GPNF outside its "rhetorical territory" is nothing more than an example in which Machiavelli's suggestion to the Prince to *appear* in order to maintain his power has been updated throughout a new plot in which the NATO narrative has maintained the ever-present ingredients represented by the contrasting emotive words of "security" and "fear." The NATO reader's "existential space" is not only the territory of the NATO GPNF, but the world itself, full of complex interactions. A territory in which domestic state power struggles, inter-state power struggles and non-state power struggles dovetail with one another can no longer be located within the frame of the reference of either "national" or "international" arenas. The political theory of national political realism is empirically wrong. What takes its place, though, is not cosmopolitan idealism, but rather cosmopolitan realism, meaning that this meta-power politics – a politics that cuts through and blurs boundaries, as well as setting new, fragile

boundaries – needs to be conceptualised and analysed as a New Global Political Economy.[71]

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Notes to Pages 113-135

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UNCOVERING NORTH KOREA'S ENERGY SECURITY DILEMMA: PAST POLICIES, PRESENT CHOICES, FUTURE OPPORTUNITIES

Virginie Grzelczyk

Abstract: *Over the past two decades, the Democratic People's Republic of Korea has allegedly developed nuclear energy while suffering near collapse caused by catastrophic economic policies. This article presents an evaluation of North Korea's contemporary energy policies and suggests that despite retaining communist ideals and "Chu'che" policies, North Korea has slowly started to modernise its energy sector and recognises the necessity to start engaging with the international community. While it is argued that Pyongyang's newfound concerns for sustainable development, equity and the environment are a welcomed departure from its usual belligerent rhetoric and present a number of exciting engagement opportunities, the regime has not abandoned its nuclear energy programme.*

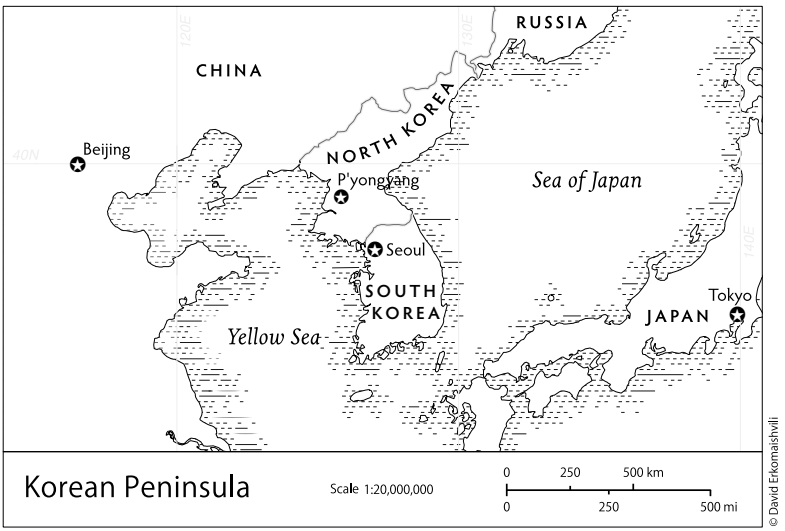
Keywords: North Korea, energy security, economic policy, energy security dilemma

Introduction

Nestled east of China and south of Russia, the Korean peninsula has played a prominent role in history due to its geographical location. Largely ignored by western powers for many centuries, it weathered many conquests by neighbouring Japan before becoming an important strategic stopover on major trade routes linking Europe and the Americas in the late 19th century. Eventually, Korea became a casualty of World War II and divided into two halves to facilitate the removal of Japanese colonial structures. If Korea was of geostrategic use, it was never particularly sought after for its natural resources as almost half of its landmass is covered by forests and woodlands, while numerous mountains leave only about a fifth of the territory as arable land. Natural resources include coal, which

both the Democratic People's Republic of Korea and the Republic of Korea have abundantly mined. Both North and South Korea have chosen very different development paths, with North Korea attempting to sustain a failing communist system while South Korea embraced capitalism. It is now generally accepted that Seoul succeeded in becoming a world economic player, and that Pyongyang has turned most of its attention toward developing nuclear weapons in a bid to ensure its own security in the region, given the US's large military forces still stationed in the South and Japan.

A general understanding of North Korea's position regarding energy and economics, especially coming from the Seoul-Pyongyang competition patterns that were seen during the 1960s and 1970s maybe harvested from Cumings and Oberdorfer as they provide a good picture of North Korea's energy sector during the Cold War and into the 1990s.[1] More recently though, the Nautilus Institute has gathered extensive data on North Korean minerals, power grids and energy shortages, and has been able to paint part of North Korea's energy picture by meeting, on numerous occasions, with North Korean officials.[2] A lot of attention has been given to North Korea's peaceful and military nuclear energy programmes,[3] but ultimately, North Korea's approach toward its own energy situation, and what its potential goals are within the system has largely been ignored.



This article focuses on how the North Korean regime conceives of energy and energy security by de-linking energy and frequently cited international concerns over North Korea's development and possession of weapons of mass destruction (WMD). As such, the work argues that though North Korea appears to be a rather monolithic state that resists changes and does not adapt well to new ideas and technologies, Pyongyang has started to develop a rather nuanced energy discourse. The work therefore focuses on: 1. summarising North Korea's traditional energy concerns that focus on production and avoiding economic decline, 2. introducing the notion that North Korea has begun to shift efforts toward more efficient and green technologies, and 3. suggesting that North Korea might be seeking a new place within the international energy community by taking a more active role in sustainable development.

The data presented in this article has been extracted from approximately 1,200 energy-related news items published by the Korean Central News Agency (KCNA) between 1997 until 2011. The KCNA is the only official press organ in North Korea and has publicised news on behalf of the North Korean elite since 1946 while providing an accessible archive after 1997. Although the KCNA is known for its anti-American rhetoric and general Kim-family-focused propaganda, it has also always provided very technical information on North Korea and the rest of the world. Hence, despite the shortcomings that should be anticipated from the absence of alternative information channels to corroborate facts, the data presented here gives an unprecedented record of North Korea's evolving stance on economic change and modernisation, its rhetoric and understanding of past, present and future energy deals with others and its overall understanding of energy security and evolving approaches toward developing a stable and sustainable domestic energy sector.

North Korea´s Traditional Energy Focus

The Korean War (1951) left the Koreas artificially separated by an Armistice since 1953. Nothing, however, is artificial about the differences that have sprouted from the separation, both politically and economically. South Korea was economically and militarily bolstered by the US for decades, enabling Seoul to develop light

industrialisation in the 1960s and 1970s before it became an "Asian Tiger" and transformed into one of the most advanced technology-producing countries in the world. South Korea's political system also mutated from near-totalitarianism in the 1960s and 1970s into a flourishing democracy: the country is now a recognised international player, sponsoring events such as the FIFA World Cup, and hosting the 2010 G20 Summit. In the North the story could not be more different: under Soviet and Communist Chinese influences, General Kim Il Sung, the Democratic People's Republic of Korea's spiritual and political father, cultivated isolation and autarky, promoting economic plans and over-industrialisation. Pyongyang maintained scant contacts with the rest of the world, with the exception of Beijing and Moscow: an alliance with Mao's China enabled North Korea to receive preferential treatment and economic assistance while closeness with the USSR meant that hard currency was not always needed when trading with the Soviet giant. By the early 1990s it was clear that North Korea had failed to develop and modernise enough to compete with South Korea, and with most of the developing and developed nations in the world. Kim suggests that highly unrealistic economic plans based on fallacious growth projections in the 1980s led to such a debacle, but those were, unfortunately, only a prelude to what was to come: the end of the USSR had devastating effects for North Korea, as it suddenly lost a large part of its crude oil supply along with a market to sell its manufactured products.[4]

Producing At Any Cost

While industrialisation often relied on around-the clock exploitation of both people and resources, climactic conditions swept away many of the North's hopes for a robust economy: droughts and floods led to tragic famines in the 1990s with millions of lives lost with state teetering on the verge of economic collapse.[5] Subsequent nuclear ventures aimed at keeping the US at bay while potentially providing a reliable source of much-needed energy entrenched North Korea even more as Pyongyang was heavily sanctions by the international community and could rely only on a few states for limited economic exchanges. Old "allies" such as Russia and China started to request that North Korea pay for materials and goods in

cash. Even international aid was extremely regulated and limited, and only a few organisations currently operate on North Korean soil.[6]

North Korea's Energy Security Dilemma

Given those extreme conditions, it is hardly surprising that North Korea has focused its efforts on two major tasks: producing as much energy as possible and trying to alleviate the devastating effects that its crumbling economy had on its infrastructure by attempting to secure aid and investments. While many thought that North Korea was on the brink of collapse upon the death of Kim Il Sung in 1994, his son Kim Jong Il managed to consolidate power and attempted to achieve some of the policy goals formulated by his father.[7] Energy directives created by Kim Il Sung emphasised hydro-electric power and were still being implemented in 2009 when Pyongyang announced that 'President Kim Il Sung's desires' had come true through the construction of the Kangwon, Anbyon and Wonsan power stations.[8] In the late 1990s, North Korea's energy discourse was still centred on increasing outputs, but with a budget that would both support the construction of new power stations to alleviate power shortages as well as investments in new technologies such as coal gasification.[9] Emphasis was also put on publicising the construction of a number of new hydro-electric plans and Kim Jong Il's field visits were used to showcase North Korea's drive to develop new technologies: a visit to the Huichon Machine Tool Factory highlighted new hydroelectric generators,[10] while a visit to the Korean People's Army Unit 614 in early 2004 showed that a partnership with Kim Chaek University of Technology had developed wind-power.[11] On many of his field guidance outings, Kim Jong Il's message was clearly voiced: priority was given to increasing North Korea's power output, calling for developing energy innovation technologies.[12] The DPRK's flag is reflective of this economic ambition, as it represents Mt. Paektu, one of North Korea's most important mountains and supposed birthplace of Kim Il Sung along with the representation of a hydro-electric power station.[13] This drive for energy can be seen in other parts of North Korean life as well: the 2005 Worker's Party Committee's slogan chanted that its comrades should 'produce more nonferrous minerals and non-minerals at ore mines!'[14] while new books and CDs produced in the past few years celebrate a story called 'Spring in My Native Town' which lauds the efforts of those who built hydro-electric power stations.[15]

In a candid manner, North Korea largely publicised its energy shortages and had to 'solve the electricity problem of the country and revitalise the independent national economy.'[16] Parallel reporting from Korean specialist Oh, in late 1999, highlighted this shortage by describing North Korea as a land where 'workers are idle, factory chimneys are cold, power outages are frequent, motorised transportation is slow and intermittent'.[17] More surprisingly is the lack of a nuclear energy propaganda policy though North Korea's tendency to blame Washington for not holding its end of the Agreed Framework bargain,[18] namely building two light-water reactors and providing Pyongyang with heavy oil shipments to compensate for energy losses due to North Korea's freezing of its civilian nuclear programme led to more vociferous outbursts against the US throughout 2003 when the Agreed Framework was officially buried and Pyongyang withdrew from the Non-Proliferation Treaty.[19] During this time, North Korea often insisted on how Washington had failed to fulfil its obligations, and resumed the DPRK nuclear programme.[20] There is evidence which suggests that Washington did aim to ensure that 'the failure of enhanced diplomacy should be demonstrably attributable to Pyongyang'[21] though Pyongyang's uranium enriched production was a key element in the Korean Peninsula Energy Development Organisation programme collapse.[22] North Korea also actively sought compensation for losses of electricity from KEDO which had been created to manage the 1994 Agreed Framework, but was denied on several occasions.[23]

Seeing that assigning blame could not sufficiently extort energy from others, North Korea swiftly realised that it had to seek new partnerships with both China and Russia. Regular meetings were held to foster cooperation through the 50-year old Korea-China Hydroelectric Power Company.[24] Yet despite evidence of meetings throughout the years,[25] very little transpires about the content of meetings, resolutions, and agreements. Even though China has been involved in several projects to help develop North Korea's economy, with yearly investments of more than $15 million (USD) – representing close to 85% of the total foreign investment in North Korea – it is unclear whether or not Pyongyang will come out of its

closed economic system.[26] At the same time, China's role in North Korean security energy is ambiguous, with Lee suggesting that Beijing could be deploying energy as a foreign policy leverage to ensure stability in the region.[27] As a result, there is some guarded interest for engaging Pyongyang, but some attempts have been made such as the Tumen River Area Development Program: initially launched in 1991 by the UN, China, Russia, North Korea and Mongolia, and aiming to jointly develop 'trade and investment, transport and communications, environment, tourism and energy.'[28] But such programmes are very limited in scope, and have not yet created momentum for expanding partnerships to other countries. Hence, the promising option of a regional opening has not become a reality, though it is the option most favoured by economists.[29] One of the main factors that prevented countries other than China from investing in North Korea is the paucity of information available on how to open up contacts with North Korea, as well as what criteria and conditions for investments are in the country. As Kim states, North Korea still 'lacks basic frameworks needed for drawing in foreign investment. Policies, laws and regulations about tax, for instance, are not in place.'[30]

Moreover, limited data is available on raw production outputs, as Pyongyang cultivates the rhetorical art of being specific while remaining vague, with output figures often given as percentage of energy produced compared to previous years' data, which largely remains unspecified (further contextualise). As such, increases in electricity production in 1999 is listed as 45% more than in 1998 leading to important questions: given the climactic disruptions that year, one cannot fail to wonder if the 1999 production was not, in fact, lower than outputs in 1995 or 1996.[31] Figures gathered or extrapolated by other experts strengthen this position, with some suggesting that North Korea's energy production had, by 2000, fallen to a quarter of its 1990 level.[32] Under a new long term plan though, emphasis started to be placed on energy economisation and rationalisation[33] and North Korea began to develop a range of technologies such as solar energy, the utilisation of tidal power, as well as methane-fuelled heating systems.[34] Towards the end of the 2000s, ever more emphasis was put on improving living standards, especially in more rural areas.[35]

By the mid-2000s, economic indicators started to point at a very slow economic recovery,[36] thus suggesting marginal success with Pyongyang's commitment to 'direct big efforts to operating power plants at full capacity, step up the construction of large hydro-power plants and build new large power plants.'[37] This was noted in the literature just a few years after Kim Jong Il officially assumed power, and was understood as heavy industry and agriculture centric rather than light industry and agriculture centric.[38] Eventually, power station projects, construction and upgrades to existing plants were widely reported in the North Korean news.[39] Indeed, changes such as improving drinking-water reserves, protecting flood-prone arable land as well as ensuring sustained irrigation suggested higher productivity in a more energy-secured environment.[40] In parallel, coal gas power plants were still being built but development of new process to gasify coal was prioritised throughout the past decade.[41] But most of the production has been achieved thanks to an apparent commitment to geological prospection that has taken place both in terms of actual search of new resources, as well as the development of new technologies to prospect more efficiently. As such, a massive geological survey was undertaken in the early 2000s, leading to the drawing of more than 5,000 maps to aid surveying for resources.[42] New technological developments by Kim Chaek University of Technology also appeared to have aided prospection, with machines no longer requiring boring. As such, North Korea claims to have exported the technology to China, Russia as well as Laos, Thailand and Namibia[43] while its satellite imaging efforts led to the discovery of many underground water resources as well as coal and copper reserves.[44] Smaller developments in more specific areas of production also appear to show that North Korea is slowly modernising some of its infrastructures: computer systems installed in 2003 at the Sunchon Cement Complex for example led to improvements in firebricks energy-generating length,[45] while research in more accurate meteorological equipment could reduce hydro-electric power construction costs significantly.[46]

Technological Changes

Such investments support the argument that North Korea has started to gradually shift its focus from production at all costs to considering ways to support various sectors and increase their productivity through modernisation. This change is largely noticeable with North Korea's realisation that rural areas must be developed in order to strengthen the economy as a whole.[47] Rural villages started to be outfitted with methane units and solar panels as heating sources[48] and solar energy was also being used to heat greenhouses promoting fish breeding and vegetable production while recycling methane by-products to heat and light villages.[49] The impetus for such technological developments could be attributed, in part, to the Scientific and Technological Presentation on Natural Energies held in 2006 and which focused on scientific and technological researches and experiences for effectively developing and utilising various energies and saving them and achievements in the research and introduction of different kinds of combustion devices and heat-preserving methods of heating facilities.[50]

Some technologies focused on how to use residual energy from heat furnaces and boilers[51] and also showcased technologies used in the Tudan Duck Farm and developed in partnership with Kim Chaek Technological University: it reuses methane gas produced by ducks living in climate-controlled farms fuelled by geothermal heat. Kim Jong Il praised the process during his 2009 visit,[52] and further geothermic and solar energies are being developed at the Yongsong Machine Complex and at the Solar Equipment Centre in Mangyongdae.[53] It is questionable, however, whether such small projects would be able to resolve North Korea's massive energy problems, as they probably could only be 'providing power and energy services to local areas when national-level supply systems are unreliable at best.'[54]

Learning about the World

Technological awareness and innovations are only one aspect of North Korea's changing relationship with energy as Pyongyang appears to have a deep interest in domestic energy policies that have been implemented by some of its trading partners. For example, North Korea reports on China's drive to save energy and highlights the newest Chinese

five-year plan (energy-saving companies increased from 80 in 2005 to more than 800 five years later[55]) and focuses on Russia's Siberia modernisation approach through oil pipeline projects.[56] Moreover, North Korea appears interested in how Venezuela has chosen to tackle its energy problems by using educational programmes and public relation campaigns aiming at raising its citizens' awareness of energy-wasting.[57] Pyongyang also highlights Cuba's low-energy houses and bathrooms running on only two litres of water and recycling wastes for irrigation purposes and bio-gas to generate lighting, an example very relevant for North Korea's work on its own farming villages.[58]

Large-scale projects are also on Pyongyang's radar but while North Korea is still confident that hydroelectric power must be developed and as such outlines Panama's efforts to build twelve new hydropower plants,[59] its outlook is resolutely focused on gas. Indeed, Iran's natural gas production and the construction of the Qom reservoir to store Iran's reserves is noted by North Korea as being the second-largest in the world.[60] This interest in natural gas belies Pyongyang's hopes for the development of a Russian gas pipeline that would cross North Korea and could help open up the country to other Asian markets,[61] and points to its will to devote more time and resources toward its own gas generation projects. Developing new technology outlets to enhance its production appears to be a cornerstone of North Korea's energy policy: citing the examples of Spain and the Toresol Energy Company's plans to develop solar facilities capable of delivering energy round the clock[62] and Indonesia's plans to develop solar cell power generators[63] shows this shift in attitude. Indeed, by 2011, North Korea appears to be focusing its attention toward confronting its energy shortage in a more efficient manner than in the past, especially by no longer relying on energy resources promised by or negotiated within the Agreed Framework or the Six-Party Talks process. In this sense, North Korea appears to be returning to some of its "Chu'che" values of self-reliance and economic pride. This change has also been noted by several researchers who have recently met with the North Korean elite.[64]

Environmental Protection

Could this apparent return to self-reliance be nothing more than a rational way of using energy while preserving resources which

would eventually be needed in the future? Pyongyang's potential commitment to geothermal technology is clearly stated when discussing Reykjavik's approach to using energy which is not only efficient but also does not harm the environment: North Korea's more radical development over the past two years is therefore its apparent concern for internationally-agreed targets such as pollution levels and the Millennium Development Goals. At the same time, Pyongyang is concerned with inflated and unfair energy prices generally affecting the developing world and this could indicate that North Korea is concerned with the necessity to adopt capitalist market structures while still being ideologically opposed to becoming a non-socialist system. Pyongyang is also as reluctant as ever to depend on a limited amount of resources controlled by external market forces, and stresses this through the example of Cambodia's recent appeal at the UNGA for the international community to work on the food and energy crisis.[65] Articles also highlight Indonesia's efforts to reduce its dependency on fossil fuels and its focus on developing renewable energy sources[66] and South African policies to reduce dependency on coal resources and fighting for greenhouse gas emissions reduction.[67]

North Korea and the Global Energy Community

The discourses are sophisticated but lead to questions regarding Korea's true intentions when it comes to saving the environment given the country's past environmental abuses and heavy deforestation in the 1980s and 1990s which led to unstable soils and many deadly mudslides during floods. The data suggests, however, that North Korea's newfound concern for the environment is crafty a way of marrying self-reliance and increased efficiency: Pyongyang has relegated old technologies such as coal mining to a more minimal role and has chosen new energy policies in the hope of gaining efficiency and stability while at the same time continuing to develop nuclear energy. As such, the country's recent energy policy can be divided into two broad lines: one the one hand, Pyongyang is conscious that new partnerships must be developed, but on the other hand, there is a strong desire to remain self-sufficient which leads to a sustained rhetoric on its right to produce nuclear energy.

Whether or not North Korean nuclear energy will only be used in a peaceful way is more questionable, however.

A Reasonable Stakeholder?

North Korea's relationship to the international community is a rather complex one: on the one hand, Pyongyang has had very limited contacts with other states and its participation in international organisations and in global governance more generaly is rather scant, but on the other hand recent years have shown more consistency in considering partnerships. North Korea also started to take on a more active role in the global community by actively participating in international meetings on energy such as the recent World Congress on Wind Energy that took place in Cairo in November 2011, and during which its delegates outlined the nation's wind strategies.[68] Prior to this Congress, North Korea had held several international workshops on the environment in Pyongyang since the mid-2000s, and has focused on 'measures to improve and strengthen the environmental protection such as ecological environment, technology of using resources, water purification technology, and use of renewable energy and protection of birds' habitats.'[69] North Korea's adoption of vocabulary such as "greenhouse gas emissions" or "climate changes" in 2007 also suggests a new North Korean role and place within the international community[70] and is also exemplified in its active participation at the 65th meeting of the Economic and Social Commission for Asia and the Pacific of the UN held in Thailand in 2008: all of these forums allow the country to have a voice on the global scene without, for once, being the target of sanctions and criticisms.[71] North Korea's legal framework even started in 2011 to codify 'the development and use of renewable energy, the establishment of an environmental authentication system and the introduction of technologies of recycling resources.'[72] This overall sense of responsibility and need to be concerned with its own resources is also mirrored in new prospection endeavours well beyond North Korean borders, with Pyongyang highlighting the fact that the Arctic region is likely to become the terrain for 'a state of new Cold War' over who can claim them first.[73] Such stance is also paving the way for independence in dealing with its own potentially lucrative but yet unexploited mineral resources: North Korea is sensitive to

China's advances in seeking legal rights to exploit deep sea beds,[74] as well as the recent discovery of a new natural gas fields in the Gulf of Mexico.[75]

Nuclear Energy

North Korea's Energy Security Dilemma

But North Korea has adamantly kept on defending its right to develop nuclear energy over the years and has denied any collusion with other dangerous nations even though the United States has alleged that uranium hexafluoride had been sold to Iran and that North Korea had sold motors for nuclear facilities to Libya with Pakistan's logistical help.[76] It is thus very likely that North Korea will pursue nuclear power as it has engaged in a much broader campaign to justify its own right to have a peaceful nuclear programme by showing that other countries including South Korea are developing the technology without being singled out. Pyongyang has been especially active in this regard in 2011 by focusing on Cuba's commitment to 'using nuclear energy for peaceful purposes'[77] while at the same citing data from the International Atomic Energy Agency's Technical Cooperation Division for Latin America outlining more than seventy peaceful nuclear development projects currently underway in parts of Latin American and the Caribbean.[78] Pyongyang also did not fail to address Iran's nuclear programme and Teheran's willingness to maintain its peaceful nuclear energy programme despite growing concerns from the international community.[79] Moreover, North Korea relied on heavy-weights' stances on nuclear energy, focusing on Russia, China and France's continued commitment to nuclear energy.[80]

Justifying nuclear technology is interwoven with a will to draw attention on worldwide problems of energy supply, dependency and affordability, and energy saving. North Korea shows here an acute understanding of world issues, a surprising feature given how self-reliant and remote from the international community it often appears to be. Problems of pricing and resources are usually addressed by presenting facts such as the rising energy prices in the US,[81] the monitoring of price increases in Germany by the summer of 2011,[82] and by presenting China's calls at the recent G20 summit in Cannes to take actions toward stabilising commodity prices worldwide by creating a more stable energy market.[83] North Korea also appears

concerned with "old enemies" and there is an obvious grudge still held toward Japan and its plundering of Korean resources during its colonial period ('the Japanese imperialists plundered Korea of gold, silver and other kinds of minerals, agricultural products including rice and cotton, marine, foreign and all other resources during their colonial rule'[84]). As such, North Korea is wary of Japan trying to take over disputed islands with a view to exploit resources[85] while also being concerned with Japan potentially exploiting some of Kazakhstan's uranium natural reserves.[86] Even though North Korea's focus appears to be on resources, the message is largely political, as it warns of imperialistic tendencies and persecuted weaker countries robbed of their natural attributes: for example, Pyongyang highlights the US's apparent design to use the Middle Eastern terrorist menace to gain control of oil and natural gas resources in strategic areas such as Central Asia.[87] There is also a sharp focus on how US allies might be following on similar trends with Hezbollah's claims that Israel is attempting to take control of Lebanese gas and oil offshore resources.[88] Concepts of fairness and equalities are important to North Korea when considering Sudanese oil production, and how revenue should be divided between North Sudan and South Sudan.[89] In essence, Pyongyang is concerned about its own cooperation patterns with South Korea on how new minerals reserves should be exploited, and is exemplified through Lebanon's drive to exploit its own offshore gas reserves in order to become an energy exporter[90] or Zimbabwe's commitment to process its own minerals by including new clauses in its legislation.[91] Pyongyang also displays a sophisticated sense of justice when considering US oil pollution stemming out of some of its military bases in South Korea, and how it affects the local environment,[92] as well as calls by Brazil for Chevron to come clean about its recent oil spillage off its coasts.[93]

Consequently, North Korea has been cautious in developing energy relationships with its neighbours but has also started to consider new projects at the regional and global level: a joint declaration between Pyongyang and Moscow in July 2000 speaks of cooperation that will take place in 'various fields such as metal, power, transport, forestry, oil, gas and light industries'[94] while recent meetings held as late as August 2011 suggest that gas provision as well as the linking of railway systems were being worked on.[95] An extensive joint energy programme was also bolstered by the late Kim Jong Il's August

2011 visit to several parts of Russia including Far East regions and parts of Siberia.[96] The crux of the talks involved Russia's newest gas pipeline project and whether it should be laid across North Korea, hence allowing Pyongyang access to gas while enabling Russia, one of the world's largest natural gas producers, to supply the Asia-Pacific region.[97] Hence, Pyongyang has suggested that were the pipeline project to go ahead, the Six-Party Talks process could be likely positively affected.[98] If the Six-Party Talks could restart through a new conversation on denuclearisation of the Korean peninsula, it might also be possible to develop the Seoul-Pyongyang dialogue and relationship to new heights. Indeed, inter-ministerial talks held in 2001 opened up discussion on a number of energy-related topics, with an emphasis on 're-linking the Sinuiju-Seoul railways', 'supplying electricity', as well as discussing the gas pipeline issue,[99] and eventually closed with an agreement to 'positively cooperate with each other to put the project of linking the two parts of Korea-Russia railways into practice and examine the work of linking gas pipeline.'[100] At the same time, North Korea appears keen on strengthening "South-South" cooperation, calling for 'economic and technological cooperation among developing countries' though it is unclear whether or not Pyongyang considers itself to be part of the developing world or at the forefront of assistance: some of its current projects surprisingly include 'the training of specialists in various fields such as agriculture, science and technology, water resources and minor hydro-power stations for developing countries in Asia and Africa.'[101] Though this international cooperation is promising, much more should be done for North Korea to develop a stable energy system, and such rehabilitation will 'require major intergovernmental cooperation, investment by international financial institutions and technology transfer', according to Williams.[102]

Conclusion: Empty Words or the Beginning of a New Korea?

While it is undeniable that energy is North Korea's economy policy cornerstone, Pyongyang's efforts to redevelop its energy production capacities are very limited when compared to the amount of effort, investment, and openness to international cooperation a complete rehabilitation of the North Korean energy system would entail.

Despite this important shortcoming, analysing North Korea's energy rhetoric since the late 1990s yields surprising results about the degree of sophistication North Korea shows, especially in regards to Pyongyang's growing understanding of and interaction with the international system. As such, the country has emphasised its general approach toward production while at the same time delving into a multitude of topics related to energy development. Overall rhetoric is therefore articulated around the Democratic People's Republic of Korea's broad energy policies and development which includes its general propaganda on production as well as its future targets, and the celebration of milestones such as improvements in energy production as well as new technical prowess. Over the past few years, new trends have also developed and have slowly started to replace propaganda and achievements: North Korea has started to showcase its resources, perhaps with the view to provide a stronger image of its production as well as to attract potential businesses. Hence, resource-related articles publicise existing economic and development areas and highlight current underground resource prospection projects. Construction of new energy plants have also been showcased especially recently, with an emphasis on both new commissioned units as well as future investments. The last category that has recently started to emerge from North Korea's engagement in various projects is a rather surprising one given the country's difficult economic conditions and limited engagement with the international community: while new rhetoric on how to develop new ways of producing energy at a cheaper cost is understandably of concern to Pyongyang, its new commitments to international environmental standards and its apparent work toward sustainable development is rather unexpected.

How much credit can be given to this discourse, especially given the fact that the Korean Central News Agency is notorious for its daily and sustained anti-American rhetoric and general aggressive stances that are anything but constructive? The question of how Pyongyang aims to portray itself through its only news outlet is central, and has different implications for different actors. Indeed, when it comes to the North Korean population, most of the articles aim at controlling and influencing North Korean citizens' perception of their own country as well as of the world. As such, domestic efforts are lauded, while the international environment is described

as a place where North Korea has a hoist of relationships, and where North Korea's traditional "enemies" are not always faring well. For the international reader, be they laymen or expert, the KCNA energy-focused articles offer a departure from unconstructive rhetoric centred on old animosities between North Korea and the United States or Japan. It also highlights the fact that Pyongyang is not in denial about the need to redevelop its energy system, and that even though self-reliance is praised and favoured, the international environment might provide an answer to North Korean plights. If it fails to give economic advantages, it can at least be used as a justification for North Korea to pursue specific policies, and as a way to show its population it is at the forefront of science when developing new types of energy that are also being implemented around the world.

Overall, the analysis shows that North Korea is trying to update its energy network system, and has also done so in a relatively independent way, even though China has been investing into North Korean infrastructure.[103] Could North Korea slowly rehabilitate itself through its stance on energy, and its participation in several international projects? Could North Korea even be seen as a reasonable stakeholder? Some have argued that North Korea now has 'established official relations with nearly all governments in Europe and Asia, been admitted to the ARF, and received substantial food and energy assistance from the KEDO members.'[104] In this sense, talking about the environment and the concept of sustainability is a conversation North Korea can take part in without being castigated for unlawful or inhuman behaviour, as long as this does not involve nuclear energy. But because of the nature of the North Korean regime and how the country has been understood as a rogue state by many in the literature, there are very few avenues left for Pyongyang to interact with the international system.[105] Therefore, if North Korea wants to hold a conversation with main powers such as Japan or the US, it will be forced to change some of its behaviours in light of sanctions and international pressure. Eventually, North Korea's interest in energy and especially environmental issues of sustainability might lead to a reform within the North Korea society, with 'a hybrid system in which the state provides a basic supply of crucial goods and leaves the distribution of the remaining available output to free markets.'[106] In the meantime though, North Korea's focus on developing new ways to become energy-sustainable should be

noted by the international community, and should also bring about a more constructive understanding of North Korea not just as an Axis of Evil, but as a country that should be helped to open up so that investments can benefit those who need it the most, and who are oftentimes forgotten: the North Korean underprivileged population that has given its all to support a system that is unsustainable if it remains closed up. With Kim Jong Un recently becoming the new North Korea leader, it will be crucial to monitor North Korea's understanding of the energy sector even further for any sign of opening.

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CONTROVERSIES OF PUTIN'S ENERGY POLICY: THE PROBLEM OF FOREIGN INVESTMENT AND LONG-TERM DEVELOPMENT OF RUSSIA'S ENERGY SECTOR

Olga Khrushcheva

Abstract: *This work evaluates the long-term effects of Putin's energy policy on the development of the Russian energy sector from the perspective of Critical Security Studies. One of the concerns related to recent developments of the Russian energy sector is the increasing level of governmental control over energy production and the limitations imposed on both private domestic producers and foreign investors. This policy has resulted in a lack of investment in the development of new oil and gas fields and in the upgrading of infrastructure. To avoid further decline in natural gas production and the deterioration of natural gas transportation networks, Russia needs to encourage foreign investors. However, while many foreign companies want to invest in the Russian energy sector, they often feel insecure due to the current legislation.*

Keywords: Russian energy policy, Foreign Direct Investment, securitisation

Introduction

Ever since Vladimir Putin came to power in the early 2000s the energy sector has played an important role both in Russia and in EU-Russian energy relations. It is argued that the nature of the energy trade between Russia and Western Europe changed dramatically in the 2000s and there is a view that the Kremlin has attempted to regain the status of a superpower using energy supplies. Rutland notes that 'it has become commonplace to refer to Russia as an "energy superpower."'[1] Both Russian and Western publications discuss the ability of Russia to use energy supplies as a "political weapon." For instance, Rahr writes that due to the uneven distribution of energy reserves and their crucial importance for economic growth,

the energy resources have a potential to become 'the nuclear weapon of the twenty first century.'[2] This article argues that the motives behind Putin's changes to Russian energy policy are primarily driven by domestic factors: an enhanced position in the international arena could only be achieved by becoming strong domestically. According to the view of the current Russian government, this internal strength could be achieved by the exploitation of the Russian energy sector.

According to Oleinov, the hydrocarbons sector contributes to around 25% of Russia's overall GDP, 30% of its industrial production, 50% of the federal budget income and 65% of income from exports.[3] Russia is one of the world's leaders in hydrocarbons production and export. 169 billion cubic meters of gas and 247 million tons have been produced in Russia in 2011.The Russian Federation is also the world's largest exporter of gas and the second biggest exporter of oil.[4] The energy sector plays the key role in Russian economy ever since Putin came into power. This article looks at the development of Putin's energy policy from the perspective of the securitisation theory proposed by the Copenhagen School of Critical Security Studies. This article argues that the securitisation of the Russian energy sector created vulnerabilities in the future development of the energy industry. The article also discusses the importance of introducing changes to the position of foreign investors in Russia's strategic industries in order to ensure the long-term energy security of the country.

Theoretical Framework

This article applies securitisation theory to the analysis of Russian energy policy. According to the Copenhagen School the issue could be securitised through the speech act. The securitisation process includes three main elements: the speech act, the securitising actor and the audience.[5] Sheehan explains this process as 'something is designated as a security issue because a convincing argument can be made that this issue is more important than other issues on the political agenda, and that it should therefore take absolute priority.'[6] The important question is who can act as a securitising actor for the speech act to be accepted by the audience? For the speech act to be successful, the authority of the securitising actor should

be accepted by the audience. Spitzel argues that 'an actor cannot be significant as a social actor and a speech act cannot have an impact on social relations without a situation that constitutes them as significant.'[7]

The Copenhagen School considers language to be a central aspect of the securitisation process. The securitising actors articulate specific issues as the referent objects of security in order to justify the use of exceptional measures.[8] However, McDonald argues that the Copenhagen School underestimates the importance of the context for the success of the securitisation, in particular, 'the dominant narratives of identity,'[9] which contribute to the construction of security in general. He writes that 'those interested in the construction of security must pay attention to the social, political and historical contexts in which particular discourses of security... become possible.'[10] The context influences the construction of security throughout time and space. Depending on the identity of the specific audience, certain issues may or may not be accepted as threats. Spitzel writes about two main types of context: socio-political and socio-linguistic.[11] He explains the importance of these contexts as follows:

> Actors can exploit linguistic contexts as a reservoir of analogies, similes and contrasts. We can therefore often observe that securitizing actors speak to and from broader linguistic context by framing their arguments in terms of the distinct linguistic reservoir that is available at a particular point in time. In contrast, the socio-political context concerns the often more sediment social and political structures that put actors in positions of power to influence the process of constructing meaning.[12]

To summarise, the securitisation process includes the securitising actor, whose authority is recognised and accepted by the audience, and the context, which influences both the perspective of the securitising actor and the possibility for justification of the issue to be significant enough to become the referent object of security. This article argues that the main figure behind the securitisation of energy trade in Russia is Putin: current Prime Minister and former President of Russia. Putin's personal vision of the way to reconstruct the Russian economy and position in domestic and international politics is centred around the use of natural

resources. He is an influential figure in Russia, strong enough to 'influence the evolution of an individually proposed meaning into a collectively held representation.'[13] In other words, the audience accepts his perspective on the importance of the energy reserves for Russian national security. However, the securitisation of the energy sector is not only caused by the personal views of the former Russian president. An equally important concept in understanding the roots of the securitisation process in Russia is the concept of identity. Both Putin's ideas and the willingness of the population to accept this position have been influenced by historical, political and economic factors. The narratives of identity are used by Vladimir Putin both to defend his speech act and to influence his own understanding of security construction. In the case of Russian energy security, the identity is both the reason for and the mechanism of securitisation.

An important element of identity construction is the distinction between "us" and "them." According to Buzan (et al), Russian identity might be vulnerable to the strengthening image of other identities as compared to the Russian one.[14] Buzan writes that: 'Russia is worried about …a "world order" of concentric circles, with Russia somewhere in the second circle.'[15] At the same time, the desired self-image could be used as an argument for securitisation of particular issues in order to achieve political goals. For instance, Sheehan deploys the following example: 'US foreign and defense policy are seen as playing a crucial role in creating the very identity they defend.'[16] In the case of Russia, in the last ten years the authorities have used the image of a resurgent Russia in international relations to support the securitisation of energy production in Russia. For example, the Energy Charter Treaty is presented in Russia as an attempt by the West to take advantage of Russia by imposing values and rules which contradict Russian interests. Ultimately, the decision on whether or not to ratify the ECT has been presented as a zero-sum game: either Russian national interests would prevail over the ones of the European Union or vice versa.

This identity was used in the construction of security not only in relations with external actors, but also internally. Using the concept of securitisation as a speech act, it is possible to argue that Vladimir Putin labelled the issues and actors in the Russian energy sector as threatening the security of the state. Buzan (et al.) note

that' if securitising actor "a" on behalf of community "A" claims "A" is threatened by "B", he or she will present "B" as an actor, as responsible for the threat as an agent who had choice.'[17] The oligarchs who became rich in the early 1990s because of the imperfections of the privatisation reforms became "actorised" in the way described by Buzan. One of the first steps of Putin's energy policy was the prevention of oligarchs from influencing politics and the consolidation of the energy sector under governmental controls. One of the most well-known examples of this policy is the Yukos case. Putin used the negative image of the oligarchs by the majority of the Russian population to justify the Kremlin's actions (questionable from the Western perspective). Below is a quick overview of Putin's vision of Russian energy policy, along with its implications and the outcomes of this policy.

Putin's Energy Policy

The level of governmental control over energy sector increased significantly after Putin came into power. Hanson describes Putin's policy change as: 'the move for control of parts of the economy – both by direct state ownership and by ensuring that politically compliant businessmen are running things – would on this view be a move to ensure that no significant base of independent social and political power exists.'[18] Putin believes that the collapse of the Soviet Union itself is one of the biggest geopolitical catastrophes of the twentieth century, along with some of the decisions over domestic governance. In particular, he argues that the liberalisation of the energy sector in the 1990s wasn't thought through and that the mineral resources should be used by the Russian government to restore Russian economic and societal stability. It is widely known that in 1997 Putin completed a thesis on the importance of natural resources for the reconstruction of the Russian economy. Two years later he published an article in the Journal of the Sankt Petersburg Mining Institute expanding on his ideas with regards to Russian energy reserves. These academic publications present the reader with Putin's views of the key role of energy resources for the development of the economic and geostrategic position of Russia.[19] Hober provides us with a summary of Putin's views:

> Russian government should play a decisive role in major decisions about energy and natural resources. Total control is not necessarily required, but rather a "managed" market with the possibility of multiple forms of ownership. While the importance of market forces and private property is recognised, it is clear that the primacy of the state in Russia's energy sector is non-negotiable.[20]

This means that Putin believes that even though private property could still exist, the rights of property owners are not absolute, and the state's interests are superior to those of private firms and market regulations.[21] In the opinion of Putin, governmental control over the mineral resources would protect the interests of society as a whole by ensuring economic security.[22] In his article, Putin argued that in order to catch up with the world's leading economies Russia needsan annual economic growth rate of between 4%and 6%.[23] Indeed, Putin emphasised the development of the energy sector. Balzer summarises his views as follows:

> If used effectively mineral resources can provide the basis for Russia's entry into the world economy. This means the raw materials sector is crucial to all aspects of the state supporting industry and providing 50% of GDP and 70% of export revenues. It represents the basis for modernizing Russia's military-industrial complex. It promotes social stability and can raise well-being of the population.[24]

When Putin came to power, he began the slow re-organisation of the energy sector according to the ideas described above. At the end of Yeltsin's term, the Russian oil sector consisted of thirteen major vertically-integrated companies, eight of which were held in private ownership with three under governmental control, but by the end of Putin's second term the amount of oil companies had been reduced to five. Pleines divides this process into two stages, which are interlinked with Putin's two presidential terms:

1. **1999 to 2004:** During these years the number of major oil companies was reduced from thirteen to eight. The Federal state retained control overjust one oil company, Rosneft, which reduced governmental ownership of the oil sector to less than 15%.[25]
2. **2004 to 2008:** The energy sector in Russia was dominated by five major companies: Gazprom (with Gazprom Neft),

Rosneft, Lukoil, Surgutneftegaz and TNK-BP, with two former companies being under state control and three later being in private hands. As a result of the consolidation process state shares in oil production had risen to nearly 40%.[26]

At the centre of Putin's beliefs is the idea that the State as the guarantor of social well-being and stability has exclusive rights over the industry and local authorities. He believes that 'the Russian state had fallen victim to the very reforms, which it had sponsored'[27] and needed to fight back. Starting from his time as Russian Prime Minister he began to take actions to reduce the presence of oligarchs in politics and to consolidate the energy sector with a higher level of governmental control. Consolidation of the energy sector under the control of vertically integrated companies and higher levels of governmental interference in the sector is criticised in the European Union. It is assumed in the Western Europe that Putin's energy policy undermines the results of privatisation and liberalisation reforms of the 1990s. In particular, Western commentators were disappointed with the YUKOS affair and with the increase of the governmental share in Gazprom to 51%, and the sale of Sibneft to Gazprom, which became Gazprom Neft.[28] However, neither Putin nor the majority of the Russian population considers privatisation to be beneficial for the development of the Russian Federation. According to opinion polls conducted in 54 cities in the Russian Federation the majority of the Russian population does not believe that privatisation reached its aims. 60% of participants think that the privatisation was conducted without respect to Russian legislation; 77% think that the owners of large corporations do not have legal rights for ownership; 80% of respondents mentioned the negative consequences of corruption which resulted in an unfair distribution of strategic industries.[29]

Putin himself believes that by 'the assertion of state authority in the energy sector'[30] the government protects the interests of the Russian population. He believes that energy resources are important for Russian economic recovery. At the same time, he is sceptical about the mechanisms of the world market. He is concerned that the global market forces would not be able 'to provide the economic opportunities and social support necessary for the Russian people to make a successful transition to a modern European-style economy and political system.'[31] In summary, Putin thinks that by

acting as the "supreme regulator" of the energy sector, the state protects the interests of society.[32] As a matter of fact, the Russian population seems to share Putin's views. For instance, the YUKOS affair is presented in the EU as an unlawful attempt to regain control over the energy sector from private hands. At the same time, the majority of the Russian population saw it as the reconstruction of order and the rightful punishment of the billionaires who gained their wealth at the expense of the Russian population.[33]

The introduced changes to the structure and ownership of the energy sector were supposed to ensure domestic energy security and boost Russia's economy. For example, the Gazprom representative emphasised in his interview the specific role of Gazprom in the domestic system of gas supply. He said that: 'the natural gas supplies to Russian population by the low price are the priority for Gazprom.'[34] The section below describes the implementation of this policy and its consequences for the natural gas sector.

Dual Pricing Policy on the Domestic Market of Natural Gas

As mentioned above, Putin's energy strategy aims to use the energy sector to reconstruct the Russian economy and to improve the standard of living of the Russian population. In this case, Gazprom's dual pricing policy is one of the ways to achieve this goal. The price of gas for domestic consumers is set by the Federal Tariff Service. Gazprom is obliged to supply domestic consumers with gas at set prices according to the Russian Federation Act on Natural Gas Supply.[35] Non-Gazprom producers supply only around 28% of domestic consumption requirements.[36] Gazprom, together with Russian authorities, establishes the annual gas consumption balance.[37] There are different tariffs for households and industrial consumers. The household price is 25% lower than the one for industrial consumers.[38] Since January 2005 there are 13 pricing zones, depending on the distance from the wellhead.[39] Beforehand there were 7 pricing zones.[40] Moreover, up to 80% of households are not paying according to their consumption volumes. Their prices are calculated according to the size of the living space and number of people living there.[41] Industrial consumers have a specific volume of gas which they can buy at a regulated price; if they consume more than this

limit, they have to pay a higher price. According to Ahrend and Tompson'some large industrial consumers are able to buy all their gas from Gazprom at regulated tariffs, while many others buy 30–50% of their needs at much higher prices.'[42]

According to Dudek (et al.), Russian domestic pricing policy for natural gas could be considered a cross-section subsidy. According to the 2006 data 'the long-term marginal cost of natural gas production is equal to $44–50/toe, well above household or industrial prices.'[43] Of course, the natural gas industry (including Gazprom) would benefit from the deregulation of the domestic prices from a commercial point of view. The deregulation of prices on the Russian gas market is a part of the requirements for Russian WTO accession and an important issue in EU-Russian cooperation in the energy sphere.[44] The main argument in favour of the price liberalisation is the potential financial benefits. Grigoryev writes that if domestic prices were to reach the European level this would bring an additional 60 billion US Dollars in profit to Gazprom. And this, in turn, would allow Gazprom to invest in the infrastructure and new gas field developments.[45]

However, at this moment such an increase is impossible for a number of reasons. Prior to a significant increase in the gas price for domestic consumers, the Russian government would need to ensure that domestic consumers are capable of paying this price. Non-subsidised natural gas would 'be unaffordable for the majority of Russian population.'[46] As a result, it may lead to a decrease in gas demand at the domestic level in favour of coal consumption, which, in turn, would have a negative impact on the environment.[47] Independent gas producers do not have to regulate their prices and are allowed to sell their gas at a higher price than Gazprom. However, since Gazprom controls access to pipeline networks, their access to consumers becomes difficult. That is why independent producers such as Novatek[48] have had to sell gas at a significant discount (up to 20%).[49] The situation around the independent gas producers causes concerns in the EU. It is important to understand the roots of these decisions. Independent producers are not going to be interested in selling gas to domestic consumers, because in order to be competitive domestically they will need to set prices at the same level as Gazprom or possibly even lower. That is why if they were to have free access to the transportation networks they would prefer

to export the natural gas abroad, which would undermine the interests of Gazprom, which is already affected by the dual pricing policy.

Due to the specific pricing policy, Gazprom's revenues from domestic sales and sales to the Commonwealth of the Independent States are significantly lower than from the European market. Domestic pricing policy requires Gazprom to sell gas internally at prices below the full recovery costs. According to Ahrend (et al.) exports to Europe, which take up around one third of Gazprom's output, account for two thirds of its income. For these reasons, Gazprom used to lose money in the domestic market up to 2004.[50] In recent years, Gazprom has started to raise prices for natural gas on the domestic market. In the time period between 2000 and 2006 average domestic prices rose almost threefold.[51] And, according to Russian obligations to the World Trade Organisation (WTO) and as a part of the EU-Russia energy cooperation, Moscow agreed to gradually lift prices up to 2015.[52]

Nevertheless, Gazprom is currently in desperate need of investment. The Russian gas monopoly needs to invest in the upgrade of the existing infrastructure, the development of new gas fields, and into the gasification of the Russian territory as well. The development of the new fields is the key priority. Currently, the biggest share of Gazprom's output comes from the three major fields: Urengoy, Yamburg and Medvezhie. All three fields have been in decline since the beginning of the 2000s. Stern estimates the decline to be 18-25 billion cubic meters per year.[53] At the same time, domestic demand has continued to grow. In such a situation the investment into the development of new fields is crucial for Russia to maintain its current contract obligations.[54]

The economic recession affected the implementation of Gazprom's investment strategy. As pointed out by Stern, due to the economic recession Gazprom had to reduce funds for investment in the development of the natural gas fields situated on the Yamal Peninsula, and the construction of the essential infrastructure (railway and pipelines).[55] Stern provides us with the following data: 'By July 2009, the reduction of Gazprom's investment programme included a reduction of Yamal-related investment by RR62 to RR147 bn.'[56] The other important consequence of the investment reduction is the delay in the development of the supergiant Shtokman

gas field in the Barents Sea. According to Russian estimations the Shtokman field accounts for 3.8 trillion cubic meters of gas and 37 million tons of gas condensate.[57] The potential output of Shtokman field is going to be aimed at export: through the second string of the Nord Stream pipeline, and through the LNG terminal to be constructed near Murmansk.[58] The Shtokman development costs are estimated at 30 billion US Dollars.[59] However, due to the economic problems, the development of the field has been postponed and the final decisions with regards to the investment plans are to be made by April 2012.[60] The question of investment becomes even more pressing because the out of date infrastructure contributes to energy losses. As Boehme writes: 'transmission and storage amount for 65% of total losses, production and processing for 12% and distribution and end use for 23%. Gazprom estimates leakage from its high-pressure pipeline network at 8 bcm or 1.4% of total throughput for 1998.'[61]

The delays in Russian investment plans are expected to have a negative impact on Russian production capacities. Sheffield points out that, in order to meet domestic demand and export contract obligations, Russia needs to invest around 11 billion US Dollars annually in the natural gas sector.[62] However, Stern does not support this argument. He wrote that the concerns over Russian inability to meet the contract obligations are overrated. Stern points out that the economic recession influenced not only Gazprom's investment strategy, but also the demand for energy on the world market.[63] Stern notes that

> if Gazprom had made the investments to start the Bovanenko field in 2011 or even earlier as many of its critics were urging – it would during 2009-2012 be facing an even larger problem of shutting in production, having invested as much as $20 billion on a gas delivery system that turned out not to be needed for several years[64]

Considering, that the rise in domestic prices to European levels is not possible at the moment, the only solution for Russia is to attract foreign investors into the development of the Russian energy sector. The situation around foreign investment is another stumbling block for Russian energy policy. From one point of view, the Russian government is interested in attracting foreign investors, but at

the same time the Kremlin cannot allow the rights demanded by foreign investors due to the internal aims of the energy policy.

Foreign Direct Investment into the Hydrocarbons Sector

According to interview evidence provided by Cameron, Director of the EU-Russia Energy Centre, foreign investors have concerns about the ability of the Russian government to protect the rights of foreign investors.[65] Cameron says that the position of foreign investors in Russia has changed a number of times throughout history depending on the priorities and needs of the government.[66] The representative of EU Commission also said that Russian legislation imposes a lot of bureaucratic barriers on foreign investors.[67] The most common type of foreign investment in the Russian energy sector is through the Production Sharing Agreement (PSA). The PSA Law was developed and signed under Yeltsin's administration in 1995. Such an agreement is signed between the Investor, the State and the local authorities in the region in which the Investor wishes to invest.[68] This agreement gives an investor the rights to exploration, development and production of energy resources for a certain period of time. Both Russian and foreign companies can sign the PSA agreement, but for foreign investors there is an established limit of 30% of Russian energy resources.[69] There are other requirements which an investor should consider. They include: Russian companies have a priority to sign such an agreement, 80% of the personnel should be Russian, and an investor pays the State either in share of resources extracted or share of product sales. An Investor has the right for reimbursement 'for the costs of its investment out of an agreed portion of the oil that the Investor produces, before any profit oil is taken by the parties to the agreement.'[70] At the beginning of his first term, Putin promised to improve the situation for foreign investors. However, by the time of his re-election it became obvious that improvement of the FDI laws would clash with the new developments of Russian energy policy.

When Putin came to power he claimed that Russia needed to become more attractive for FDI to support the Russian economy. Indeed, the inflow of FDI increased during his first presidential term. According to Liuhto, in 1990-1995 the annual inflow of foreign

investment into the Russian economy was around $1 billion (USD). Ten years later (in 2005) the number had risen nearly fifteen fold.[71] Nevertheless, the situation changed again after his re-election for a second term. In 2004-2005 the additional limitations of the investment into Russian strategic industries were explained by the security implications. Liuhto quotes Putin's address to the Federal Assembly in April 2005:

> Investors sometimes face all kinds of limitations, including some that are explained by national security reasons, though these limitations are not legally formalised. This uncertainty creates problems for the state and investors. It is time we clearly determined the economic sectors where the interests of bolstering Russia's independence and security call for predominant control by national, including state, capital. I mean some infrastructure facilities, enterprises that fulfil state defence orders, mineral deposits[72]

The sectors mentioned in this address are referred to as the strategic industries. Consequently, foreign owned companies could not be permitted to participate in the development of large hydrocarbons reserves.[73] In April 2007 Putin signed a new law on foreign investment in the strategic industries of the Russian economy. The law states that any foreign company wishing to obtain a controlling stake in a company operating in a strategic sector, or to buy more than 10% in larger hydrocarbons deposits, needs to get the approval of a governmental commission. Putin himself became head of this commission after his second presidential term.[74]

In other words, foreign investors have different experiences in Russia depending on the industry they invest in. For example, companies working in the retail sector feel more secure compared to investors interested in the natural resource sector. According to interview evidence with the representative of DG Energy in the European Commission, European investors are apprehensive with limits imposed on foreign investors wishing to participate in strategic sectors. Moreover, there is no legal international framework that can guarantee the interests of investors: 'there is no agreement on FDI since 2008, when Russia withdrew from the Energy Charter Treaty.'[75] The European concerns with regards to protection of foreign investment have also been expressed by Cameron, director of the EU-Russia Centre. In his opinion, it is worrying that

without a clear international framework the Russian government has the opportunity to change legislation at any moment (as it used to do in the past). That is why small and medium sised businesses avoid investing in the Russian energy sector.[76] However, even the larger investors (such as BP) are not protected from the controversies of Russian legislation on foreign investment. This article uses the examples of the Kovytka gas deposit license, and the Sakhalin-2 projects to demonstrate how the interests of the Russian government override the interests of foreign investors.

The Case of the Kovytka Gas Deposit License

Kovytka is situated in Irkutsk Oblast. This gas field boasts 2.13 trillion cubic meters of gas and 108 million tons of condensate.[77] It is one of the richest gas deposits with potential annual production of 40–45 billion cubic meters. According to Perovic and Orttung, 'Kovytka could produce enough gas to satisfy 15–20% of the non-contracted gas demand of China and South Korea by 2020.'[78] The original licence holder for the development of this field used to be RUSSEA Petroleum, the company jointly owned by TNK-BP and Interros. TNK-BP owned a 62.4% stake in RUSSEA Petroleum.[79] Gazprom has been interested in participation in the development of Kovytka's gas since the beginning of the 2000s. For TNK-BP it had been extremely difficult to avoid inclusion of Gazprom in the project because 'Gazprom is the official coordinator for the development of gas production in the Russian East, and… has the right to own and operate gas export pipelines.'[80] In June 2010 TNK-BP announced the bankruptcy of RUSSEA Petroleum. In March 2011 Gazprom bought the assets of RUSSEA Petroleum at auction.[81]

The Case of Sakhalin-2 Project

Some other foreign investors also experienced pressure to sell parts of their shares of major energy operating companies to major Russian companies. Sakhalin-2 was established in 1994. The license for the development of hydrocarbons belongs to a company, Sakhalin Energy, which used to be owned by three foreign companies: Royal Dutch/Shell (55%), Mitsui (25%) and Mitsubishi (20%).[82] For a long time, Sakhalin-2 was the only project that lacked Russian

participation in it.[83] However, in December 2006 Gazprom also acquired stakes in the Sakhalin-2 project. Perovic and Orttung argue that the Russian government used the accusation of violations of Russian environmental legislation to press foreign partners to sell shares of Sakhalin Energy to Gazprom.[84] At the moment Gazprom owns 50 plus one share of Sakhalin Energy, Royal Dutch/Shell owns 27.5% of shares, Mitsui 12.5% and Mitsubishi 10%.[85]

Returning to securitisation theory it includes three main elements: the securitising actor Putin (as it is established above), the speech act and the audience. The audience should accept the securitisation of the particular issue for the speech act to be successful. According to Balzacq, aspects influencing the construction of security are: '(i) the power position and the personal identity of who "does" security; ...(ii) the social identity, which operates to both constrain and enable the behaviour of the securitising actor; (iii) the nature and the capacity of the target audience.'[86] In the case of Russian energy policy, the social identity was an important mechanism, which Putin skilfully used to justify his actions. Putin's policy might be criticised abroad, but the Russian population demonstrated a lot of support towards Putin's decisions. For instance, the controversial issue of Foreign Direct Investment is criticised in the EU, but comforts traditional Russian lack of trust towards foreign investors.

For a long period in Russian history, the hydrocarbons sector has been closed to foreign investment. Only before the revolution private foreign firms were actively involved in the development of the industry. Between 1898 and 1917 foreign investors had almost absolute freedom in trade and industrial production in the Russian empire, and the only exemption was in military production. At that period of time foreign investors were responsible for 54% of oil extraction and 75% of trade in oil. After the Bolshevik revolution the legislation on foreign investment has changed dramatically:since the nationalisation process in 1918 all foreign companies have been included into Soviet planned economy. Soviet leaders had mainly negative attitudes towards foreign investors[87] with the exception of the short period of time known as the New Political Economy, which among other ideas, included the decision to invite foreign investment into Russian oil production. The collapse of the USSR did not dramatically improve the investment climate.

That is why, in the early 1990s the question of foreign direct investment into strategic industries, including the hydrocarbons sector, caused a hot debate among Russian politicians. More conservative parts of the Russian government called any concessions to foreign investors 'selling country's mineral endowment to foreigners at fire sale prices.'[88] This negative perspective towards the foreign direct investment from some Russian politicians and the Russian people almost undermined the development of the PSA Law in the middle of the 1990s.[89] The negative perspective on foreign investment in the Russian energy sector is shared by the general public as well as the politicians.[90] The Russian Public Opinion Research Centre conducted two opinion polls in 2006 and 2007 about the necessity of Foreign Investment into strategic industries, including the hydrocarbons sector. In 2007 none of the respondents thought that all the restrictions on foreign investment should be lifted in either the oil or gas industry. At the same time 51% considered that any foreign investment is unacceptable in the oil sector, and 17% were against any foreign participation in the gas production industry. The majority of the respondents (39% for the oil industry, and 63% for gas) thought that foreign investment into the energy sector should be limited to 25%.[91] In 2005 Putin also introduced the term "strategic industries:" such industries as military complexes and the telecommunications and energy sectors. These sectors are considered to be of major importance for Russian national security, which is why access of foreign companies has been limited in these sectors.

The Outcomes of Putin's Energy Policy

The outcomes of the securitisation of the energy sector are controversial. Putin's policy brought some positive results: his regime enjoyed the support and trust of the population, the Russian economy had overcome the crisis of 1998–1999 and Russia paid off the biggest share of its foreign debt. And, most importantly, the Russian domestic political situation stabilised. But the achievements of Putin's policy came with a price. The consolidation of the energy sector under the governmental control, gaps in the legislation on foreign investment and the reliance on energy exports for economic reconstruction created a risky situation for the energy sector and the

Russian economy in general. Many experts argue that Russia could not be considered a rising economic power, as, for example, China or India was. For instance, Youngs writes the following: 'Russia… is on a long term path of decline enjoying new influence thanks to a moment of rising energy prices.'[92] The potential fluctuation of oil prices is the main risk to the Russian economy.

The successes of Russian economic growth have been achieved by the exploitation of the Russian natural reserves. Moreover, the growing revenues from the hydrocarbons sector have been achieved not by the increase in production, but due to the increase in oil prices since the beginning of the 2000s. For instance, oil prices fell in 1998 which resulted in a fall in Russian revenue from oil sales, which in turn contributed to the collapse of the country's economy. Conversely, oil prices rose in 2000, which resulted in an extra 70% of revenue for Russian oil companies and accordingly an additional $8.1 billion (USD) in tax for the Russian state.[93] Keeping in mind that oil price levels change over time and that a period of price growth would most likely be followed by a period of price fall, the Russian economy may be vulnerable to this fluctuation. Moreover, the income received from the energy sales was minimally invested in the development of the industry. On the contrary, outputs of natural gas are stagnant: three supergiant fields that have been in operation since the Soviet times and are in decline. Oil production also slowed down after a short period of growth in the early 2000s.[94]

Considering that energy sales constitute 50% of Russian exports, the only realistic way to increase the export to match the import growth is to increase the export volumes of hydrocarbons.[95] Nevertheless, at the moment there is a question of whether Russia can increase the exports at all, including the energy sales. Already in 2003 it was known that some of the major gas fields were in decline. For instance, Stern provides us with the following numbers: 75.8% of reserves of Medvezhe gas field have been used, 65.4% in the case of Urengoy, and 54.1% of the Yamburg gas field has been exhausted.[96] To keep up with the current supply volumes Gazprom needs to invest a lot into the development of the new oil-and-gas fields. A lot of these fields are situated in the 'inhospitable areas, especially the Yamal Peninsula, as well as eastern Siberia and the Barents Sea.'[97] Moreover, big pipeline construction projects (Nord Stream, South Stream, etc.) also require large investment and put additional

limits on Gazprom's investment budget. According to rough estimations, Russian productions declined at the approximate rate of 18–25 bcm/year in the 2000s.[98] The current policy doesn't offer a solution to investment problems. It is almost impossible to support such a demanding sector without private investors. If Russia would let foreign investors participate in some of the projects it would be able to get essential money to increase the productivity of the energy sector and improve its image in the EU. If European customers could be involved in the development of new energy fields in Russia or pipeline projects it would help to rebuild trust between Russia and the EU. Recently, Russian experts have begun to realise this. For instance, Simonov said that Russia would invite more foreign investors in future.[99]

Conclusion

This article provides an evaluation of Putin's energy policy and the potential improvements to the energy policy. The article adopts the provisions of the securitisation theory proposed by the Copenhagen School. The Copenhagen School defines the securitisation as a speech act: the specific issue is presented as a threat to security through the negotiation process between the securitising actor and the audience. In the case of the Russian energy sector, the securitising actor is Putin and the audience is the Russian population. This article argues that Russian national identity plays an important role in the securitisation process. First, it affected the personal views of Putin with regards to the development of Russian energy policy, and second, it has been used by Putin to influence the perspective of the audience on the securitisation process.

When Putin came to power he emphasised the energy sector as a key method of recovery of the socio-economic situation in Russia. Using the terminology of the Copenhagen School, Putin is the main securitising actor, the driving force behind the securitisation of energy trade. In the EU, his actions are interpreted as an attempt to use the energy sales as a political weapon. A closer look at the motives behind Putin's actions demonstrate that energy security has been placed at the top of the Russian security agenda mainly because of domestic factors, rather than Russian international ambitions. Indeed, the Russian government strives to be the key actor

in international affairs. However, Putin believes that this should be achieved by becoming stronger domestically. In other words, the energy sector is the basis for reconstruction of the Russian economy, but not the lever of international influence. Putin came into power at the time of a growing demand for energy sources and growing oil prices. In his opinion, Russian energy potential was and is the main way to strengthen Russia: first to reconstruct the Russian economy by exploiting the energy sector, thus a strong economy would guarantee a stable socio-political situation and consequently Russia would become much stronger actor internationally.[100]

From one point of view, Putin's policy decisions paid off: the Russian economy has demonstrated signs of stable growth over the last ten years, the political situation within the country is more stable, and finally Russia has started to be perceived as a stronger player in the international arena. The Russian economy overcame the crisis of 1998 and 1999. The growth and progress of the Russian economy was acknowledged by the International Monetary Fund in 2004. A large proportion of revenues from energy sales have been used to establish the stabilisation fund. Some of this money was used to pay off Russian foreign debt, which went down to just 4% of GDP in the middle of 2007.[101] The inflation rate has been brought down as well.[102] These achievements required significant changes in the Russian energy sector. First of all, the Kremlin had to exercise higher levels of control over the energy production. The energy sector became the referent object of security, and all the forces (domestic and foreign) which could undermine the Kremlin's position in the energy sector were presented as a threat.

Even though in the short term Putin's energy policy brought some positive results, it came at a price: the securitisation of energy production and trade put Russia into a vulnerable position to any changes on the European energy market (especially drops in price). Gazprom needs to invest $4–5 billion (USD) per year in the development of the new fields in order to keep the current supply rates.[103] At the moment Russia is spending only around $1 billion (USD) per year.[104] In the last couple of years, not only did Gazprom not increase its investment budget, but on the contrary it reduced it. In 2009, Gazprom announced that the development of the new Bovanenko field on the Yamal Peninsula would be postponed and that production would begin in the third quarter of 2012 instead of

2011 as had been planned before.[105] Kjaestad and Johnsson write that large investments are needed in more or less all parts of the Russian energy sector in order to guarantee future supplies.[106] Without investing in the development of the new fields and upgrades to the existing infrastructure, Russia may lose its share of the European market[107] and, this, in turn, will negatively affect the Russian economy. To ensure energy security in the long term, Russia should work on the improvement of the investment climate and encourage the participation of European investors in the development of new hydrocarbons fields. This can both help the development of the Russian energy sector and improve EU-Russian energy relations.

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POLAND'S QUIET REVOLUTION: OF SHALE GAS EXPLORATION AND ITS DISCONTENTS IN POMERANIA

Edyta Materka

Abstract: *This research highlights the unravelling of Poland's shale gas revolution and analyses the structural problems faced by villagers who oppose testing, drilling, wildcatting, and the production of shale gas in their rural communities in northern Poland. I argue that the bed-fellowship between global energy (oil and gas) companies[1] and the Polish government have ignored villagers' complaints and excluded the public from discussions on shale gas exploration and its ecological effects. Due to the lack government-sanctioned legal protections against shale gas exploration granted to villagers, the rural poor have been burdened with the task of reaching out to international organisations and the academic community to establish alliances and leverage influence in order to be heard by their own government. Lastly, I argue that the "transition" into the market economy for these villagers is over as they now have to fight for the very private property rights they fought for during Solidarity and are now entering into the larger, rural struggles on the global level against global companies' intrusion and dispossessing them of their natural environments, private property, and rural livelihoods. I urge post-socialist scholars, ethnographers, citizens, activists with access to such rural communities to help amplify their voices in the international sphere.*

Keywords: shale gas, oil companies, wildcatting, rural movements, Poland, transition

The Quiet Revolution: The Unfolding of Shale Gas Exploration in Eastern Europe

A great injustice that has characterised the unfolding of the shale gas revolution in Poland since 2010 concerns the temporal disjuncture between when information is made public (about shale gas) versus

when that same information had already been known to private companies and the Polish government. Among the earliest media coverage of shale gas in Europe was released in December 2009 in which *The Economist*, basing its information on a fresh 2009 GASH[2] study on shale gas reserves in Europe, accurately predicted that 'Across Europe, a stealthy land-grab is under way' and stated that Tony Hayward, BP Executive, called the hushed encroachment of shale gas exploration in Europe a 'quiet revolution.'[3] In order for the shale gas revolution to be complete, the companies and their allied governments must act faster than European publics can organise, mobilise and counter them. In order for the revolution to work, companies and governments must be several pages ahead of public: concessions must be granted before a publics agrees, companies must drill bore-holes before a public demands that more coherent shale gas laws be passed, companies must test shale gas with hydraulic fractuation ('fracking') before a public can ask what chemical concoction are being used in the process, companies must jump from site to site ('wildcat') before a public demands compensation for several-kilometre, deep bore-holes drilled in their backyards and contaminating their fields. The race against time is also against other organisations: the companies and the governments will have already done enough environmental damage before the European Union (EU) passes shale gas regulations mandating that operations must be monitored by outside organisations, before human rights groups demand that shale gas exploration be more transparent and that companies must be held accountable for ruining communities and environments and governments must be held accountable for squandering democratic debate and prioritising foreign company rights over citizens' rights. Time translates into freedom and political leverage as a public plays 'catch-up' and gives a government and companies a vantage point to help steer the debate, create dead-ends for dissenters, and finish their revolution.

For example, in February 2011, the US Energy Information Administration (EIA) reported that Poland had a technically recoverable 187 trillion cubic feet[4] of shale gas reserves, the largest in Europe, the ninth in the world, and enough to make the country gas independent for the next 300 years.[5] It was the first time that the public was made aware how much shale gas had been located on Polish territory. By the time EIA report made its media splash and shale

gas entered national discourse, however, Poland's northern province (Pomeranian voivodship) had already been zoned into large concessions and global oil, energy and gas companies were granted exploration licenses by Poland's Ministry of Environment to jumpstart the exploration process. As early as October 2007, Lane Energy Poland – a subsidiary of 3LegsResources (UK) – had already been granted concessions from Poland's Ministry of Environment to explore shale gas in its Silurian gas shales.[6] This has had environmental effects, as chemicals used during shale gas exploration had already been used on testing sites and environmental side-effects prior to public debate and outside monitoring by environmental groups. Several years later in July 2010, Poland joined the US led Global Shale Gas Initiative (GSGI), which opened the flood gates for more global shale gas exploration in northern Poland's Baltic Basin.[7] As a GSGI member, Poland directly benefited from U.S. technical expertise to jumpstart exploration.[8] Concessions granted by Poland's Ministry of Environment's Department of Geology and Geological Concessions[9] were given to the global oil, gas, and energy companies: 3Legs Resources, BNK Petroleum, Cal Energy,[10] Chevron,[11] ConocoPhillips,[12] ENI,[13] ExxonMobil,[14] Gas Plus,[15] Lane Energy,[16] Mac Oil,[17] Marathon Oil, PGNiG, Realm Energy International, San Leon Energy,[18] Saponis Investments,[19] Silurian Hallwood, Talisman Energy, Total SA (TOT),[20] et al. By September 2010, just several months later after Poland's entrance into the GSGI, the Baltic Basin's first shale exploration wells had already been drilled by ConocoPhillips and 3Legs Resources in the villages of Lebien LE1 and Łęgowo LE1.[21] It is unclear just how early on the global companies and governments were aware of the shale gas reserves in Europe and in Poland before the news caught up with the public. Presumably, much of the research on shale gas undertaken by private companies has been behind closed doors; not publicly debated in the media or by activist groups on local, national or international levels. Global oil, energy and gas companies and the Polish government have acted in advance of the expected wave of public scrutiny, with little transparency, and at the expense of democratic, public debate and villagers' access to information on shale gas exploration in their backyards. In Poland, such exploration could have evaded the public eye because the government initially granted concessions on state property, thus avoiding the potentially risky process

of asking villagers to consent until after selected companies were comfortably present in the province. The speed of shale gas exploration over the past years has, therefore, been occurring at a faster rate than international organisations can report on.

'Energy Security' as a Geopolitical Framework

When Poland's shale gas revolution was exposed to public scrutiny, the government attempted to frame it as an opportunity to increase the country's prestige and power. In November 2011, during his acceptance speech after the Parliamentary Elections held in October 2011, Prime Minister Donald Tusk stated that shale gas exploration was Poland's chance to tap into 'our dreams of underground riches' which will contribute to future decisions on tax reliefs, new-born baby allowance, and a single, universal relief in the form of a pension fund.[22] Shale gas enthusiasts – in the media and government – anticipated that shale gas economy could create up to 100,000 jobs and generate much needed export revenue that would solve *all* of Poland's economic problems with unemployment, low wages, lack of financial security for the future generations. Shale gas production would lower the cost of emissions, and clean up Poland's dependence on air-polluting and carcinogenic coals.[23] Exploration companies also advertised similar grand visions. The Polish-state owned PGNiG exploration company called the country's shale gas boom, 'a flame of hope,'[24] a cure-all to its economic challenges. According to Petroinvest president Bertrand Le Guern, Poland could even become a 'second Texas or Norway.'[25] Shale gas could be Poland's key to a re-branded, global economy less like EU member states and more like the US and economically like Norway.

Dreams aside, to convince Poland and the EU that shale gas exploration was necessary, the buzz term 'energy security'[26] emerged which encapsulated both the global companies' shale gas fever and the Polish state's geopolitical interests in cooperating with such companies. Its origins are traced to US Secretary of State, Hillary Clinton who instilled the US geopolitical vision of an energy secure Poland when she invited the latter to join the GSGI membership pool back in July 2010 during her trip to Poland to sign the US-Poland Bilateral Missile Defense Bill with Poland's Foreign Minister Radosław Sikorski. Clinton stated that the US wants to make

Poland 'energy independent' and 'a leader in Europe on energy alternatives.'[27] Currently, Poland imports two-thirds of its conventional gas, for annual consumption, from the Russian state-controlled giant Gazprom and its present contract will terminate in 2022.If Poland develops shale gas production by that date, it would not renew its contract with Russia and may even scoop up Russia's West European customers. In addition to Gazprom's Yamal-Europe pipeline that currently cuts horizontally across northern Poland into Germany, the Nord Stream pipeline, opened in August 2011, connecting Russia's conventional gas to France, Holland and Germany underscores the dependence of West Europe on Gazprom. In the past, to gain political leverage, Russia has bullied EU member states by threatening to sever gas supplies to European countries and seek markets in Asia.[28] Energy security in Poland represents an alternative to Gazprom for all European countries. Indeed, Poland's energy independence could bring regional geopolitical changes to related to alternative energy, within the EU. In sum, on the national and international levels, shale gas interests in Poland are an intersection of US geopolitical interests, global and national oil, energy, and gas companies' economic interests and the Polish governments' dream of prosperous Poland independent from Russia and a leader in the EU.

Green Matters: The Contested Green Identity and Politics of Hydraulic Fractuation

Although shale gas is a geopolitical and economic panacea for both Poland and the EU, its technical execution has garnered acute international resistance. Shale gas has been branded as a 'clean' and alternative energy source to coal and crude oil.[29] On 25 January 2012, President Barack Obama, in his State of the Union Address, stated that

> Our [American] experience with shale gas, our experience with natural gas, shows us that the payoffs on these public investments don't always come right away. Some technologies don't pan out; some companies fail. But I will not walk away from the promise of clean energy.[30]

In reality however, the exploration, testing, and extraction of shale gas requires complicated methods dependant on high-quality

expertise, human capital, and a well-developed infrastructural system in and around the bases that ensures the efficiency of moving materials, extracting shale gas, disposing of wastewater and chemicals, and its production for consumers. First, exploration companies carry out seismological testing to detect shale gas in the rocks which, in densely populated areas, can create ground tremors and infrastructural damage. If shale gas is present then the company drills, several kilometre deep bore holes into the ground to tests the quality of the gas. The extraction of shale gas includes the controversial technique of hydraulic fractuation, or "fracking," which, according to the US Energy Information Administration (EIA) website,

> involves the infection or more than a million gallons of water, sand and chemicals at high pressure down and across into horizontally drilled wells as far as 10,000 feet below the surface. The pressurized mixture causes the rock layer ... to crack. These fissures are held open by the sand particles so that natural gas from the shale can flow up the well.[31]

The difference between the extraction of shale gas and conventional gas from kilometre underground is that: conventional gas deposits are pooled in a basin or rock fissures and require tapping into underground pools whereas shale deposits are trapped within the rock and involve the process of hydraulic fractuation to extract the shale gas from the rock itself.[32] Thus, shale gas extraction requires fracking: controversial, since it is suspected of contaminating water-tables, generating fowl smells above-ground, the seeping of left-over chemicals to the surface, and generally damaging the ecosystem. The disposal of the contaminated, chemical water and sand also requires highly-monitored infrastructure to ensure that the chemicals do not leak into the environment. The long-term environmental effects are confounded by the process of 'wildcatting,' which means drilling bore holes, testing the shale gas, and leaving the bore-hole to explore at an alternate site as the property owner deals with the environmental effects of the bore-hole on his/her land. While Obama claimed that some 'companies' fail during the process of exploration, he did not mention that entire ecosystems fail as they are dispossessed of their environments in the process. Shale gas exploration

carries a tremendous environmental risk that is ignored through its branding 'clean energy.'

Environmentalists have demonstrated that water-table problems have been caused directly by fracking both in the US and Canada. In December 2011, a US Environmental Protection Agency (EPA) report claimed that fracking contributed to groundwater pollution in Wyoming,[33] however in all cases, the exploration companies have denied a direct relationship, claiming instead that contamination is due to natural processes unrelated to shale gas excavation, or had existed prior to the drilling. According to Greenpeace, hydraulic fractuation is 'wreaking havoc on communities all over the country, as well as on our climate.'[34] It argues that fracking includes over 260 chemicals in the fracking cocktail that toxic, carcinogenic and mutagenic and 'can contaminate groundwater due to failure of the integrity of the well bore and migration of contaminants through subsurface pathways.' When the fracking water is disposed of, 'The vapor that rises from the "evaporation pits" where fracking wastewater is often stored has been recorded as containing the potent carcinogen benzene' and lastly, 'when you include the full carbon footprint from fracking – from the production of the chemicals to the uncaptured emissions of gas into the atmosphere – the global warming pollution could be as bad or worse than coal.' For political, economic and environmental reasons, Gazprom also has taken a stand against shale gas exploration, indicating that 'The production of shale gas is associated with significant environmental risks, in particular the hazard of surface and underground water contamination with chemicals applied in the production process.'[35] It is 'a danger to drinking water.'[36] Indeed with respect to shale gas exploration in Europe and Poland, environmental groups and Gazprom have become allies. For such environmental concerns, moratoriums on shale gas exploration have been passed in France, the Province of Quebec (Canada), and New York State (partially lifted), Maryland, New Jersey and has met widespread resistance in the Netherlands, the UK while in Bulgaria, there were multiple protests in Sofia in (2011) calling for a moratorium on shale gas exploration.

Taking environmental dangers into account, European countries are split between the geopolitical versus environmental merits of shale gas exploration. While post-Soviet states support exploration and favour geopolitical over environmental arguments, West

European states have taken a reversed stance (although when shale gas is in production, those states will probably consume shale gas from Poland). The EU has been incredibly slow on this front. In June 2011, the European Parliament's Directorate General for Internal Policies released a report suggesting that the EU develop a comprehensive mining law, a publicly available regulatory framework on shale gas extraction, conduct of mandatory, on-site monitoring[37] of surface water flows and air emissions, statistics on complaints and accidents:

> (b)ecause of the complex nature of possible impacts and risks to the environment to human health of hydraulic fracturing consideration should be given to developing a new directive at European level regulating all issues in this area comprehensively.[38]

It claimed,

> In many cases, mining rights are privileged over citizens' rights, and local political authorities often do not have an influence on possible projects or mining sites as these are granted by national or state governments and their authorities.[39]

Shale gas exploration and extraction in Poland and other parts of Eastern Europe is the oil and energy companies' race against EU time. According to Maciej Olex-Szczytowski, special advisor to Poland's Ministry of Foreign Affairs, Poland will attempt to veto EU attempts at creating European-wide regulations on shale gas exploration. Claiming that shale gas exploration should be decided on the national-level rather than via Brussels, PGNiG's deputy chief executive Marek Karabula stated that shale gas exploration is 'an energy security issue'[40] for every country. Thus, Poland's investment in shale gas is so deep that it is willing to frame shale gas exploration as a national, rather than European issue, and vests it upon the very definition of what a sovereign nation can and cannot do in the EU. Thus, The future of shale gas is, therefore, facing grid-lock in the EU. Poland wants to develop shale gas independently without EU regulation because it believes that production will benefit the EU's position with regards to Gazprom; yet it is willing to do so by compromising its position in the EU and the EU's environmental record. West European countries seek a European solution to shale gas production to protect their environments but still face, as

individual countries, high prices and dependence on Russia's Gazprom. So, the time between now and when shale gas regulation is being voted on in Brussels, Poles who are against shale gas exploration are in a critical position to make their voices heard, to make environmental claims against such exploration and amplify their case through national and international discourses.

Poland's public favours the geopolitical rather than environmental vision of shale gas exploration. The latest statistics from September 2011 by the Public Opinion Research Centre (CBOS) show that 73% of Poles agree to shale gas drilling, 4% disagree, and 23% are unsure.[41] However, when asked whether or not hydraulic fractuation was safe for the environment, 43% of Poles said it was safe, 16% said it was unsafe, and 41% were unsure.[42] While most Poles want shale gas exploration they do so while not being convinced about its environmental merits as a 'clean energy.' And the 41% who are unsure about hydraulic fractuation reveal a considerable portion of the Polish public whose opinions could be still swayed.

Although the Polish government has accepted Poland's inevitable future as a prospective shale gas market, the reality is that the future of shale gas production remains uncertain. According to Stanisław Rychlicki, supervisory board chairman of Polish state-owned PGNiG which currently holds shale gas concessions in northern Poland, companies are still trying to figure out whether the quantity of reserves and costs of drilling and production will be cost-effective in the long-run.[43] Drilling costs in Poland (and Europe in general) are more expensive than in the US because shale gas is located deeper underground and more difficult to extract. Sinking one well in Poland costs about three and a half times more (about $14 million) than in the US. Poland also does not have a robust shale gas extraction infrastructure and establishing an export market will require a great deal of infrastructural investment and development. Europe is also more densely populated, meaning that the environmental hazards caused by shale gas extraction are likely to affect more people even if exploration is contained within the territory of a single country. Also, while in the US the mineral rights are privately owned, in Europe and Poland, they are owned by the government, which means that government interests must correspond with those of the oil and gas companies. While the Polish government does not have a comprehensive shale gas law, its mineral

laws are based on the premise that geological formations constitute a 'public good' and the prioritisation of companies' interests over dissenting public interests over shale gas mean that the government is picking and choosing. The fact that mineral rights are national, not private, could imply that a well-organised public could lobby to augment those laws in their interests. At this point however, the Polish public is far from demanding a moratorium on shale gas exploration. Yet, these above-mentioned challenges for companies constitute the Achille's heel of shale gas exploration, a political site that villagers should capitalise if they wish to seriously jeopardise the unfolding of the shale gas boom.

Shale Gas Mania in Pomerania

Disconnection is a major theme underlying Poland's experience with shale gas exploration. The temporal disconnection between shale gas exploration and distribution of information to the public sphere, the disconnection between geopolitical and environmental discourses on the value of shale gas exploration to society, the policy disconnection between the EU and Poland, reveals disharmony on shale gas exploration while companies are degrading entire local environments. This work now turn to analysing the Polish villagers who encounter exploration. It covers the disconnection amongst and between Polish villagers, between villagers and their local and national government, and also their missed connections between both environmental activists in the European Commission and in Warsaw. The sites where connections will be forged in this shale gas mania will certainly be the most successful to purporting villagers' goals.

This quiet revolution has already caused irreparable damage to polish villages. Global companies' lack of responsibility for educating the public about the process of shale gas extraction at its speed of exploration and the Polish governments' lack of regard for educating its citizens and establishing a democratic debate about the shale exploration process. The movement for greater transparency, access to information, and the demands for public debates have had to occur from the ground-up, but lagging behind several years before the quiet revolution actually began. Private information about public goods (such as minerals, geology, environment)

lacks transparency and has stirred great confusion among villagers, environmental groups, local governments once they had discovered the elephant in the room: that their private properties are being degraded by the bed fellowship of global companies and the Polish government while they were not included in the initial talks nor do not they have access to detailed information of the process (blueprints, plans, chemicals, etc) itself.

The Structure of Local-level Dissent against Shale Gas Exploration

As of December 2011, 85% of the surface of northern Poland's Pomeranian Voivodship (henceforth: Pomerania) was covered by shale gas concessions.[44] In addition to the 104 concessions that the Ministry of Environment had already given out to 19 companies,[45] as of January 2012, shale gas licenses are continuously being granted and shale gas exploration looks set to remain in northern Poland.[46] Due to the spatial squeeze between the global companies and the predominantly rural province, the number of local problems and protests are growing; becoming a regional problem. While on the national level statistics show that Poles support shale gas, on the local and regional level, where exploration occurs, a different story unfolds.

As with any exploration frenzy expanding a vast geographical expanse, the stages during which different oil companies unroll their seismological and drill testing has been an uneven process. Some companies received concessions sooner and began earlier; others later. Some of the earlier starters were unsuccessful in their first bore-holes, and began at new sites. Thus, the feedback from the villagers in different areas of rural Pomerania has also been an uneven series of responses, based on complains to different stages of the exploration process. In general, this has made inter-village consensus difficult to obtain because not everyone is under the same concession and not facing the same geophysical services company. However, untouched villages are learning quickly from wildcatted villages and are building consensus among themselves; developing strategies to keep their villages free from exploration. That too has become a very uneven, messy process filled with contradictions, miscommunication, hyperboles, scapegoating, irresponsibility and confrontations with authorities that demonstrate clashing visions. Additionally, information is also distributed unevenly about the

villages through the media, with certain villages providing only pieces of the puzzle of this emerging, disorganised movement against exploration in the province.

This uneven unraveling of shale gas exploration in northern Poland has generated organisational hurdles for villagers and a coherent, inter-village movement. Without a 'hub' or organisational core, dissent is coming in different forms of discussion and through different strategies, from individuals to informally organised groups of villagers, to formally organised villagers with local governments supporting their village-level moratoriums. Dissent is still located within separate territorial units of the rural counties (gminas) rather than in the form of an inter-village movement across the region. Moreover, local coverage of the villages is also very limited and bound to dramatic confrontations between villagers and companies in village meetings. The following sections seek to shed some light on these movements and their discontents.

Private Property Rights as Weapon against Dispossession and Organisational Tool

Mining laws in Poland are not privatised and all concessions are granted by the Ministry of the Environment. In cases where land has been deprivatised during the transition to a market economy, certain companies have been fortunate to simply gain consent from the national branch of government that contains the rights to that land. Other companies have to gain consent from the property owners themselves. Thus, private property rights, in a situation where the national government is on the side of the dispossessor, constitute an important weapon against shale gas exploration. Some villagers are only now being greeted by representatives for the first time, asking for consent to drill on their land. However, the experiences of villages which allowed shale gas exploration are setting the precedent for other village. One villager from Krępy, Ewa Wyrzykowska, stated that 'We know, that the testing is not the same as extraction, but if we do not allow for it, then sooner or later they will be drilling here.'[47] An increasing number of villagers are becoming conscious of the slippery slope of giving shale gas companies consent to explore (not even drill yet) their properties. If shale gas is found, then the village is likely to have to bear the presence

of a gas company for an indeterminate period of time. And, if the property owner does not sign a consent form for the company to search for shale on his property there is not much that can be done.

The reality is not so black and white especially when the economic stakes are so high. In the village of Niezabyszewa, farmer Werner Rutkowski is suing Geofizyka Toruń (GT) – a geophysical services company subcontracted by BNK Petroleum to conduct seismological testing and preliminary drilling – for breach of private property. Maria, his wife, claimed that the GT crew drove onto the property after the farmers had explicitly denied to give consent for the operation. GT apologised and claimed that there was a 'human error' involved and that such errors occur in large-scale exploration projects. However, the claim is still with the police who will decide whether or not this was an intentional breach of property, and if the documentation GT was using was falsified. According to the incident report, this was not the first time GT had been using suspicious techniques in Niezabyszewa.[48] In cases where the company had to provide compensation, it would go to the village representative and asked him to sign off on private residents' compensation packages, to which he refused because he did not represent every single private person. Thus, many of the issues with the villagers and the GT company have been based on of contractual signatures, and issues about private property. To villagers like Rutkowski who won their property rights during the transition from Communism, dispossession again, this time at the hands of global corporations, are frustrating thousands of residents who have had enough with dispossession and want to fight for their land, using their property rights.

To protect their land, entire neighbourhoods within villages have also filed collective petitions against encroachment on their properties. In Gołubie, a neighbourhood wrote a letter in solidarity with the other small villages in the county against shale gas exploration. The authors, villagers Małgorzata Prybylska-Pitak and Leszek Pitak, 'The (GT) firm encroached without pardon onto the terrain of our neighbourhood, not warning us, setting up measuring poles on the terrain of the owners' properties, if they were not fenced, and on the fences, wherever the family farms had them.' In that case, the neighbourhoods are acting as a group to amplify their voices against what they collectively see as a breach of their individual private

properties. In a similar case, seventy-five Miszowo residents filed a complaint against BNK Polska and claimed 'We do not have anything against shale gas exploration, but we do not want for this to be done in the vicinity of our homes.'[49]

In the case of Stężyca where a majority of the villagers are unified against shale gas exploration, the local mayor (wójt) of the village, Tomasz Brzoskowski took a public stand against such exploration, rejected the company's compensation package and stated that as an entire village, 'We are going to protect ourselves as far as the law allows.'[50] By sticking together, the villagers and their local government imposed an informal moratorium by blocking all their properties to any shale gas exploration on county territory.[51] This is a much more successful strategy in which the villagers are protected by the local governments. Thus, the right to private property is an important medium of organising and voicing dissent on the individual, neighborhood, and village-wide levels. It can also be an effective one if practiced when villagers and local governments are aligned politically and economically.

Preservation of Pristine Environments as Expression of Tradition and Rural Heritage

Every villager dissenting to shale gas exploration hedges their arguments on an agrarianism and environmentalism that has allowed them to preserve the natural environment. In Nożynko, GT representatives went around gathering consent forms for a joint concession of the territory shared by Indiana Investments and BNK Polska (both subsidiaries of BNK Petroleum).[52] The representatives went to the villagers during the afternoon and received approval from the elders while their middle-aged children were at work. With their signatures, the elderly sold out the next generation of farmers. When the younger generation had discovered what the elders signed, a meeting was set up in the village where 86 of the 116 total villagers filled out and signed a petition against shale gas exploration in their village. Such a petition reads like a manifesto that adequately encapsulates many of the villagers' respect for the environment and the rural lifestyle in the province:

> Nożynko is a beautiful, isolated place, surrounded by forests, lakes and expanses of fields and meadows. The

> residents of Nożynko value quiet and peace, clean air, isolation from the urban areas, and most of all the protection of nature, which presents unusually accommodating conditions of life in this region...The exploration and extraction of shale gas fetters us, residents, into a series of burdens. We do not want in Nożynko and its environs increased movements of trucks and machines and with them, noise, pollution and dust. We reject the destruction of local roads from heavy transport of technology. We do not want to be fettered to the risk of cracked buildings from the effects of releasing seismic tremors. We will not allow for the destruction of the natural environment in Nożynko and in its neighbouring terrain ...The release of shale gas could ruin our water resources, which could be harmful to people and animals. We do not agree to enduring the noise of drilling machines and difficult lighting, and also breathing in emissions from generators by the drills. Emergencies and human recklessness on the terrains of extraction can lead to an unprecedented ecological catastrophe in our small fatherland. We have no guarantee, that in the case of destroyed buildings and agricultural land we will receive a healthy compensation.[53]

The petitioners include that they fear how environmental degradation, landscape blight, will have on the health of their children and the environment.[54] Their petition demonstrates in detail the qualities of life the villagers value and the sacrifices they do not want to make in their lives for the territory that comes along with shale gas exploration. The petition was sent both to the local government administration and the Ministry of the Environment.[55] As of January 2012, Nożynko residents are waiting for a meeting with GT company and the county government.[56]

Similarly, in the gmina of Karsin, thirty villagers from various villages signed a petition in which they claimed shale gas exploration would permanently ruin their environment and that they would prefer that the country invest in agro-tourism. The alternative of agro-tourism would be less environmentally damaging and could also bring in revenue for the country. The villagers claimed that underneath the village runs a fresh-water aquifer which they fear will become contaminated. They want to pass down that aquifer

untouched to the next generation, laying claim to pristine underground resources as being a testament to their responsibility as a people in preserving their rural heritage and respect for nature. Roman Burke, the county major, stated that 'For us, the will of our residents is the most important [...] that is why we sent their letter to the Ministry of the Environment, which is the organ that is leading this activity.'[57]

Both Nożynko and Karsin reveal groups of villagers who are worried that shale gas exploration will not allow them to pass on a pristine environment to their children and future generations. In both cases, these villagers made their claims about their respect for the environment through the form of a letter/petition and sent it to the Ministry of Environment, a government organ that is supposed to be on their side, but is instead distributing the concessions. Thus, it is difficult to imagine that the Ministry of Environment will hear their voices and respond to them on favourable terms to the villagers. Those letters should be sent instead to environmental groups on the international sphere that do hold similar values. Thus, in comparison to the private property strategy discussed above, respect for the environment, tradition, and rural heritage is probably not enough to make a difference in these communities in the long-term.

A Town-hall Meeting in Niestkowo between Villagers, Gmina and Company Representatives

While the above-mentioned villages (minus Nożynko) were protecting themselves against the first encounter with shale gas companies, the villagers of Niestkowo are attempting to reverse their consent forms which they had already signed. Although the villagers had signed the forms they were unhappy with the quality of life that the Canadian-Austrian-Italian company Saponis Investments had brought while drilling boreholes.[58] During an open town-hall meeting in Niestkowo, the majority of villagers voiced their disapproval of the drill testing. A reporter claimed that

> The participants of the meeting were untrusting. They emphasised that no one consulted with them about jobs, which were already taken [by outsiders] during the course of exploratory testing. They complained about

> annoyances, especially the noise, which made it difficult for them to sleep. Some even felt tremors during the drilling.[59]

The issue of jobs that villagers brought up was important since all of the jobs currently on the drill bases are specialist jobs, none which the villagers could partake in, yet they are the ones going through the inconvenience, without compensation. The villagers are beginning to experience disconnect between the promise of jobs that shale gas exploration will bring to the region versus the reality on the ground: that the jobs are just being taken by foreigners who are specialists in the field. One villager at the town-hall meeting stood up and said:

> We did not purchase allotment gardens (działki) and build homes for big sums of money in the village so that tranquility and peace would be taken from us. If you want to profit from extracting gas, do it in places where people do not live.[60]

Villagers at the meeting were also concerned about the contamination of the soil and water; whether, throughout the extraction, there would be explosions and radioactive chemicals.[61] Thus, they were quite aware that the chemicals in hydraulic fractuation would be dangerous to their environment and health.

The meeting was attended by several mayors from other areas as well as a representative from the California-based energy company BNK Petroleum (there to learn about the meetings). The vote at the end of the meeting saw the majority of villagers voting against drilling in their village.[62] But, the drilling did not stop because the villagers had already signed consent forms to allow the drilling in the first place. Villager Jarosław complained 'They drill every day, even until night. I am not against drilling for gas, but I do not understand, why the drill tower is positioned between neighbourhoods, and not a kilometer farther.'[63] Until then, the drills will continue to finish their concession contracts.[64] Villagers are promised that the noise was only temporary and if shale gas entered into production, then there would only be pipes.[65] In addition, a representative from the National Geological Institute (Państowy Instytut Geologiczny) pulled out the financial card and stated that 'If the gmina will not wish to have a drill on its terrain, then it

will probably be put outside of the border, but the gmina will not partake in the cutting of the "cake."'[66]

Such ultimatums on the the promise of riches from shale gas profits are positioning the gmina and its constituency at odds with one another, as the gmina wants the additional revenues at the expense of the villagers. The mayor of Niestkowo said that 'Local governments do not want to scare drilling companies away – it means infrastructure, property taxes and money.'[67] Even if no shale gas is found and the drilling leaves permanently, Niestkowo will have to deal with the potential environmental effects of the testing with no promise of compensation. But the events of the town-meeting show what sorts of tactics those who are in positions of power deploy to convince the villagers and their local governments to accept shale gas exploration on their land.

The Aftermath of Shale Gas Exploration: What Chevron's Wildcatting Left Behind in Rogów

The environmental effects of wildcatting are beginning to show. In the village of Rogów, the drinking water has been contaminated in the wells and faucets. One villager explained that one day during seismological testing last year, the water from the sink came out black, smelly and gooey.[68] The results of tests came in and the water was highly contaminated with high amounts of iron, manganese and the coli bacteria. In that area, GT was subcontracted by the American giant Chevron.[69] The villagers, while they are sure that the seismological testing caused the water pollution, they have no proof because previous water tests had not been done prior to the seismological testing. Instead, GT sent personnel to help dig new wells for the villagers, which they now use. But the running water is not potable.[70] Due to the protests of the villagers, Chevron changed its location to another part of the gmina, but coincidentally, even though they denied that seismological testing caused the water contamination, Chevron changed the subcontractor from GT a new company, Nafta Piła.[71] Without adequate research that supplements wildcatting, villagers have no way of holding the American oil company accountable and they do not have the support of their local governments to carry out an investigation. What they are left with are bore-holes and contaminated water. According to

Stephanie Price, Chevron representative, the water problems in Rogów are not caused by Chevron and that villagers had complained of dirty water months before exploration began. Her statement was supported by Tadeusz Solecki from GT, the services company.[72] The case of Rogów shows how difficult it will be for villagers to prove their claims against the denial of both the oil companies and the geophysical companies that obviously degraded their land.

Whenever complaints from multiple villagers are voiced, they are simply struck down by two public relations representatives of the exploration company and the geological services company. Some companies have begun environmental testing, but for the wrong reasons. According to Bogusław Sonik, Civic Platform representative to the European Parliament,

> Emotions around the extraction of shale gas are escalating. It is very important for the environment to be monitored closely during the works [...] It is easy to incite panic in the local community. This is water for the mill for activists against shale gas.[73] Thus, the trend of exploration companies conducting environmental tests is for future protection against villagers' claims, although even when culpable, it is unlikely that the companies would use their own private data against their economic interests.

The government is also developing an organising body to mediate the regional disputes; for all the wrong reasons. The regional level of Pomerania is attempting to claim that the source of disputes are the fault of both the villagers and the companies. Mieczysław Struk, the Pomeranian marshall claimed that the source of the problem was the lack of education of locals and the irresponsibility of the owners of the concessions.[74] He argued that villagers need to have more access to information about shale gas exploration in general.[75] The patronising assumption that villagers do not understand their the transformations in their environments is absurd. There is very little chance, that villagers will consent to shale gas exploration if they are 'enlightened' with the 'right' information. In other words, the regional government just needs to feed the right type of information to the villagers to win their consent. Starting 1 February 2012, the province will introduce a regional organisation (unnamed) to make information accessible on the internet and be a conflict-resolution team to solve environmental, geological, and

community issues.[76] The function of the organisation will be built on the premise that shale gas exploration is here to stay and that the adequate message needs to be developed, resistance diffused, in order for shale gas exploration to continue.[77] There is no option establishing a government organ that allows villagers to voice their total rejection of shale gas on their land. Therefore, if villagers still want to expunge companies from their country, they will need to establish much stronger networks and representation within the international community.

Time is especially oppressive to such rural, undeveloped, communities in provincial Poland who have only slowly entered the modern age while many do not use the internet, are not involved in civil society, are often immobile, and are normally apolitical. It is perhaps the first time since the Solidarity Movement in the 1980s that villagers are politically organising again on the local level, negotiating amongst themselves the common principles that their villages stand on, and developing strategies for expressing their rejection of shale gas exploration. This does not come without major challenges. Building networks in today's world means learning to use the internet, knowing the English language to build networks across national borders, accessing the EU 'out there,' and learning how to brand their struggles in a world where each country is faced with a population fighting against a global giant who is causing damage to their communities. For the generation of the Solidarity Movement, the world has changed, and thus the methods they must use to organise their dissent must be now fought on these different political sites (Brussels, the internet, networks with intellectual communities and activist organisations) that are invisible in their daily lives. They must transform into an organisation themselves and express their dissent to the local-level dispossession of their property rights on a multi-scalar level. The reasons for shedding light on these voices and their transformation are many serving as a public record for capturing the dissenting voices of the villagers against a quickly changing landscape, amplifying the multifarious struggles that are being drowned out by global and geopolitical interests from rural Poland to the international arena, and it urges scholars to both acknowledge that that post-socialism is entering a new phase in its relationship with the global that requires fresh analytical and theoretical investigation.

Villagers in Pomeranian have a long way to go in terms of connecting their message to international advocacy groups and the EU. Not enough independent organisations are reaching out to these villagers and helping leverage their voice on the international sphere, to put pressure on the companies and the Polish government. Even when they do reach out, there appears to be disconnection between the heart of the movement by villagers and what Western Europeans know about Poland.

On 15 June, 2011 villagers from Grabowiec travelled to Warsaw to meet with José Bové, Vice-Chair of the Committee on Agriculture and Rural Development in the European Parliament and known alter-globalisation activist who fought against the Mcdonaldisation of France.[78] They had reached out to him when the GT company carried out seismological tests for Chevron and the American company decided that it wanted to drill tests on their agricultural land. The drills were located 250 meters from six private agricultural plots. The seismological testing had already polluted their water in the wells and made it undrinkable, some foundations in the homes have given out and other homes had cracked walls. The gmina roads were damaged, but it received compensation from the company. According to a statement issued by the GT representatives that are carrying out the seismological testing for Chevron in the gmina, the company has provided compensation to the residents, which is a 'routine operation during seismological testing' meaning that compensation was not out of the ordinary but that whereas once gas was extracted using dynamite, today the method of seismological testing is much more advanced and less invasive.[79] At the town-hall meeting between Chevron representatives, local government and the villagers, no consensus was reached. Thus, the villagers, 'stuck between hammer and anvil'[80] reached out to Bové with a letter to the Polish government. A day later, on 16 June 2011, the French activist met with Tusk and Vice-Prime Minister Waldemar Pawlak and the Agricultural Minister Mark Sawicki during which he presented a letter written by villagers against seismological testing which has already produced contaminated water.[81] The letter was more a symbolic gesture, and did not produce any large-scale media attention or public discussion. A month later, however, on

6 July 2011, Bové and others issued a Written Declaration on shale and gas oil exploration in which indicates that Member States have been issuing shale gas exploration licenses. The declaration calls for an EU moratorium against shale gas, oil exploration and extraction, the suspension of licenses by EU states and start of environmental impact and climate studies by those states.[82] Thus, while the people of Grabowiec might have contributed to Bové's declaration for a moratorium, the letter brought no short-term returns for the villagers.

By August 2011, in villages around gmina Grabowiec, farmers were still complaining that Chevron continued with testing and that the GT continued drilling wells which was causing tremors and had cracked more walls in the homes and ruined wells. Instead of reaching out to more international organisations, villagers have begun stealing cables and highly specialised equipment (28,000 złoty or about $8,600 each)[83] to stop the drilling. Without continued international support by Bové, locals have begun using small acts of sabotage to stop the operations. What this case demonstrates is it is not enough for Western activists to swoop down to Poland and deliver letters, but that there needs to be a long-term plan of action that establishes a relationship between activists and villagers. If not, villagers will just be stealing cables.

Several months later, on 20 September, 2011, Bové participated in an anti-shale gas prospecting protests in Siekierki Wielkie located in Wielkopolskie voivodeship, directly south of the Pomeranian voivodeship in north-central Poland.[84] The protest however, was a gaffe a 'classic quid pro quo'[85] because that particular company at the site of the anti-shale protest was extracting conventional gas. The unnamed gas company stated in a report that no locals participated in the protest that the protesters had arrived from a recent anti-shale gas conference in Wrocław.[86] Organiser Marek Kryza confirmed that he brought the guests from the conference to the site because it was closer than the actual shale gas sites[87] and he wanted to raise awareness about the dangers of shale gas, including sinks catching fire, and dangerous chemicals that have an effect on the human nervous system.[88] The anti-shale gas protest gaffe was immediately criticised by the media not being adequately informed and was demonised for taking too much of their information from American Josh Fox's documentary Gasland (2010) on the effects of

shale gas extraction in the US Western, left-wing activists that are probably the villagers' most passionate allies in the international sphere have already been criticised for representing a disconnected form for activism that is easily ridiculed by the conservative, pro-shale, media outlets in Poland.[89] In order for the connection between villagers on the local level who are unaware of Western-style activism and international organisations who can help them but are unaware of their history and culture to work, both groups need to educate one another other about their methods of operation.

'Black PR' (Czarna PR) and the Polish Fractivists Storm Warsaw

There is some hope to the anti-shale gas movement in Poland. During the Shale Gas World Europe 2011 conference held at the Hilton Hotel in December 2011 with attendees such as Halliburton, Tamboran Resources, TXMOil & Gas Exploration Ltd among most of the others listed above met to discuss shale gas; yet the registration fees were so incredibly high (over £4,000[90]) and the event was so exclusive that no one who would really be affected by the drilling would afford the transportation or the fees to attend such a conference filled with oil companies and geological services companies.[91] Due to the closed-doors approach and lack of a healthy, public debate about the merits of drilling, a group of Polish 'fractivists' stormed the conference, sat on the stage and refused to leave.[92] They told the audience of shale gas executives and dignitaries:

> Distinguished guests, be warned! The residents of the following regions have already demonstrated that they will not allow their land to be exploited and they will fight any attempt at their dispossession. To name only a few of them: Zdunowice, Villeneuve-De-Berg, Sulęczyno, Syracuse, Stężyca, Sofia, Quebec, Rogów, RPA, Pittsburg, Nożynek, New York State, Niestkowo, Niezabyszewo, Nordrhein-Wesfalen, Nant, Maryland, Montelimar, Kamionka, Philadelphia, Buffalo, Albany, Ardeche, Warsaw and masses of other people in other cities.[93]

What is interesting is that the group has expanded its networks from the villages to the residents who share the same type of drilling

problems produced by global energy companies in other countries. Companies streamline their activities across different countries, and produce a certain experience around those drill sites that can be shared across borders, and can be a site of political activity across languages and cultures and economic groups. Building solidarity across borders has become an interesting development, as Polish youth reach out across the global grid to help lobby their governments, change public opinion, and fight for their land on the local levels. The internet-savy, educated, urban, Polish youth might be the missing key between villagers and the international community.

At the conference, a large banner hung from the railing on which there was a fist with a middle finger pointing up depicting an oil rig and the sign read 'Frack you.' Eleven people were arrested demanding a public discussion and moratorium on shale gas exploration and are now faced with up to a year in prison. The Polish Flash-Mobbers released a short documentary of their own which seeks to show the voices of the villagers, which it claimed are being ignored. In one point, a villager states 'Where are we? In the banana republic, I think' referring to the peripheralisation and dispossession of their voices. The documentarian claimed that there is a lack of public discussion in Poland and that there is a mythical dream being propagated that Poland will becoming a wealthy, gas-rich country. They released a statement,

> From Pomerania to Philadelphia, from Syracuse to Sulęczyno, from Lewino to Lancashire, residents of drilling towns have experienced the consequences of hydraulic fracturing and are demanding the same thing: an end to their dispossession and a halt to the tragic degradation of the environment.[94]

In Poland, the residents of drilling sites are becoming increasingly covered by the local, regional and national media. The subversive narrative led by villagers and environmentalists has been coined as 'black PR' (czarny PR) by the Polish government. Poland's Foreign Prime Minister Radosław Sikorski responded to a reporter's question about the origin of 'Black PR' with "You try to guess" and then continued to explain that the locals have to become better informed about the process: 'We just have to keep explaining to environmentalists and local people what it's about'.[95] On the local level,

villagers have reportedly begun sabotaging drilling sites, with stealing seismic cables and machinery, blocking roads to drilling sites.[96] Black PR is a site of agitation for the Polish government and Bernard Błaszczyk, Vice-Minister of the Environment in Poland stated that 'We will do everything to ensure that protests are not able to stop shale gas exploration in Poland.'[97] To stop the escalating public disapproval of shale gas exploration and the European Parliament's impending vote on shale gas exploration, the Polish government-controlled PGNiG SA that holds shale-gas concessions bought out full-page ads in two of the country's most circulated newspapers urging readers to 'Don't put out the flame of home' and contact Members of the European Parliament to urge them to reject EU action at passing shale gas regulations.[98] Thus, the Polish government is actively attempting to pit Poles for shale gas against villagers against shale-gas exploration on the EU-level in Brussels.[99] Overall public opposition to the government's enthusiasm for shale gas exploration at the expense of the villagers is building. As one Polityka article on 24 January 2012 claimed 'The [Polish] government is pushing for gas. In 2–3 years the production of shale gas is expected to commence in Poland. Are we building an empire or an illusion?'[100] While the public opposition is slowly snowballing, it is only by a couple of protesters in Warsaw or several journalists in the media. It is not enough of a movement that will bring major results in this race against time.

Towards a Post-transition Perspective of the Global-local Encounter in Eastern Europe

The international campaign for 'alternative' fuel sources and green energy does not necessarily mean that the environmental, economic, and political issues faced by villagers faced with its production in their backyards will be any less filled with injustice, frustration, silencing, and sense of powerlessness. Villages' complaints are countered with public relations representatives simply stating that the villagers' comments have no merit, are 'backwards,' or based on assumptions due to lack of knowledge about the 'routine process' of shale gas exploration. Rather than the burden being on the companies to demonstrate that hydraulic fractuation is bad for the environment, the burden is on the villagers to muster up the

international attention, academic studies to produce the evidence against the shale gas revolution. Villagers' complaints about what they see in their environments where they have dwelled for decades holds no value or legitimacy in the public sphere dominated by pro-shale gas exploration coverage sponsored by the government and the exploration companies. In other to be heard, these villagers will have to build strong, multi-scalar alliances on the local, regional, national and international spheres of government and civil society in order to gain political leverage on the local level. It is a steep and dangerous mountain to climb. As the last section demonstrated, the youth are key in bridging the gap between villagers and the international audience.

These sets of encounters between prospecting companies and the villagers demonstrate post-socialist subjects are no longer focusing on the 'transition' between socialism and the market economy, but are rather much more complexly implicated in the sets of relations that come with the territory of globalisation. In this new position as a multi-scalar actor, the villager of today no longer fits into the category of 'post-socialist subject.' The encounter places villagers into the global dialogue with at least people in other rapidly-developing countries. This is the case for why we as scholars need to look beyond postsocialism by focusing on the transition to a global market economy, and to zoom in on villager's voices and transformation in this new encounter with the global. It is in that way we can truly amplify their voices.

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Notes to Page 189-213

1 Furman and Oksińska (2011), 'Firmy energetyczne włączą się do szukania gazu łupkowego.'

2 In September 2008, the GFZ German Research Centre for Geosciences, Helmholtz Centre Potsdam was just setting up its Shale Gas in Europe (GASH) research agenda that later led to the widely distributed studies on shale gas reserves in Europe in 2009 See: Helmholtz Centre Potsdam (2009), 'Shale Gas in Europe: A Future Source of Energy?'. It

appears that the Polish government was aware that shale gas existed in its rocks before any major studies were published.

3 'The hunt for shale gas in Europe: Bubbling under,' p. 1.

4 5.3 trillion cubic meters.

5 US Energy Information Administration, 'World Shale Gas Resources: An Initial Assessment,' Table 1-3. Risked Gas In-Place and Technically Recoverable Shale Gas Resources: 32 Countries.

6 Horsfield and Schulz, 'Gash Shales in Europe: an industry project... now open for participation,' 3. Also, the Polish government still owns a great deal of unprivatised state farms, thus the shale gas testing could have been completed without the consent of private property owners.

7 The Baltic Basin in the north cuts across state lines covering 102,000 square miles in Poland, Lithuania, Russia, Latvia, Sweden, and the Baltic Sea. Source: U.S. Energy Information Administration, 'World Shale Gas Resources: An Initial Assessment,' V-3.

8 Office of the Coordinator for International Energy Affairs, 'Global Shale Gas Initiative (GSGI).'

9 'Na Pomorzu jest gaz z łupkow.'

10 BNK Petroleum, 'Poland Projects.'

11 'PGNiG: zasoby gazu łupkowego na koncesjach społki ok. 900 mld. m. sześc.'

12 Ibid.

13 Marecki, 'Polska ma gazu łupkowego na 300 lat!'

14 'PGNiG: zasoby gazu łupkowego na koncesjach społki ok. 900 mld. m. sześc.'

15 BNK Petroleum, 'Poland Projects.'

16 'W 2012r na rynek trafi gaz łupkowy z odwiertow na Pomorzu.'

17 'Włosi będą szukać gazu z łupkow w Trojmiescie.'

18 Duszczyk, 'Koncery wydobywcze rywalizują o kolejne koncesje łupkowe.'

19 Others, like the Japanese firm Mitsiu & Co. Ltd. have acquiring stakes in Poland's shale gas concessions through the oil companies (Kruk, 'Japanese Firms Eye Deals in Poland.')

20 Kruk, Marynia. 'Poland to Veto EU-Level Attempts to Regulate Shale Gas' (done)

21 'World Shale Gas Resources: An Initial Assessment.' V-6.

22 'Tusk's speech: Reform in Poland, at last?,' p. 4.

23 Cienski, 'Poland hopes to tap big reserves for shale gas.'

24 Sobczyk, 'Polish Firm Lobbies Against EU-Wide Shale Gas Ban.'

25 Petrolinvest: Poland a second Texas for shale gas' and Grzeszak and Łakoma, 'Budujemy drugą Norwegię: Czy gaz łupkowy odmieni Polskę.'

26 Dixon, 'Polish PGNiG, KGHM, PGE, Tauron join forces on shale gas.'

27 U.S. Department of State, 'Interview With TVP's Tomasz Lis. Hillary Rodham Clinton Interview.'
28 Milner, 'Gazprom threatens Europe's gas supply.'
29 According to U.S. Energy Information Administration (EIA) projections, 14% of total global gas supplies will be represented by shale gas by the year 2030[15] (Office of the Coordinator for International Energy Affairs, 'Global Shale Gas Initiative (GSGI).')
30 Obama, 'State of the Union Address 2012,' 29:53.
31 Newell, 'Shale Gas and the Outlook for U.S. Natural Gas Markets and Global Gas Resources.'
32 Kruk, 'Poland Sees Clearer Picture on Shale.'
33 United States Environmental Protection Agency, 'Investigation of Ground Water Contamination near Pavillion, Wyoming,' pp. 33-39.
34 Greenpeace, 'Fracking.'
35 Gronholt-Pedersen, 'Russia Sounds Alarm on Shale Gas' and Kublik, 'Gazprom atakuje łupki.'
36 Sobczyk, 'Resistance to Poland's Shale Gas Exploration Plans Emerging.'
37 As of November 2011 data, Chevron, PGNiG and Orlen conduct their own water monitoring testing at the drill sites. Duszczyk, 'Chevron, PGNiG i Orlen sprawdzą jakość wod w odwiertach.'
38 European Parliament's Directorate General for Internal Policies, 'Impacts of shale gas and shale oil exploration on the environment and on human health,' p. 79.
39 Ibid, p. 77.
40 Kruk, 'Shale Gas Should Be Regulated by Countries, Not Brussels, Polish Firm Says.'
41 CBOS Centrum Badania Opinii Społecznej, 'Wydobywać? Polacy o Gazie Łupkowym,' p. 3.
42 Ibid.
43 Kruk, 'Poland Sees Clearer Picture on Shale.'
44 'Pomorze: Kampania informacyjna dotycząca poszukiwań gazu z łupkow.'
45 'Trzęsą ziemią, bo szukają gazu łupkowego.'
46 'PGNiG wants more shale gas exploration licenses' and Kruk, 'Gas Powers Wrestle in Poland,'
47 Radomski, 'W podsłupskiej Krępie nie chcą poszukiwań gazu łupkowego.'
48 Szymanowski, 'Pow. bytowski: Rolnik złożył doniesienie na poszukiwaczy gazu.'
49 Marecki, 'W Miszewie nie chcą poszukiwania gazu łupkowego w pobliżu wsi.'

50 Cirocki, 'Gmina Stężyca nie chce zyskow z gazu łupkowego.'
51 'Stężcya: Nie chcą u siebie eksploatacji gazu łupkowego.'
52 'Gmina Czarna Dąbrowka. Mowią "nie" gazowi łupkowemu. Domagają się konsultacji społecznych.'
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54 Ibid.
55 Szymanowski, 'Pow. bytowski: Rolnik złożył doniesienie na poszukiwaczy gazu.'
56 Gurba, 'Protest przeciwko poszukiwaniom gazu łupkowego.'
57 Okoniewska, 'Gmina Karsin: Miszkańcy przeciwni poiszukiwaniom ropi i gazu.'
58 Trubicka-Czapka, 'Gaz łupkowy na Pomorzu: Saponis kontynuuje badania w okolicah Niestkowa.'
59 Marecki, 'Mieszkańcy Niestkowa nie chcą, aby tu wydobywano gaz łupkowy.'
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61 Ibid.
62 Ibid.
63 Gębuś, 'Gmina Ustka: Mieszkańcy protestują, a wiercenia idą pełną parą.'
64 Ibid.
65 Ibid.
66 Ibid.
67 Ibid.
68 Szewc, 'Nie będą już szukać gazu łupkowego. Mieszkańcy: Woda nie nadaje się do picia.'
69 Ibid.
70 Ibid.
71 Ibid.
72 Duszczyk, 'Koncerny wydobywcze rywalizują o kolejne koncesje łupkowe.'
73 Duszczyk, 'Koncerny łupkowe będą musiały badać jakość wody.'
74 'Pomorze: Kampania informacyjna dotycząca poszukiwań gazu z łupkow.'
75 Ibid.
76 Netka, 'Problem z gazem łupkowym rozwiążą zespoły regionalne.'
77 Duszczyk, 'Gaz łupkowy już w tym roku ogrzeje domy na Pomorzu.'
78 Wojtkowski, 'Gaz łupkowy dzieli mieszkańcow gminy Grabowiec.'
79 'Zieloni mowią o szkodach związanych z łupkami, Geofizyka zaprzecza.'
80 Wojtkowski, 'Gaz łupkowy dzieli mieszkańcow gminy Grabowiec.'
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RESEARCH ARTICLES

BOOK REVIEWS

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INVESTING IN THE UNITED STATES: IS THE US READY FOR FDI FROM CHINA?

By Karl Sauvant (ed), Edward Elgar, 2010,
ISBN 9781848448599

Reviewer: Christopher Whyte
(George Mason University)

The rise of China, both economically and militarily, receives an immense amount of focus in the international political arena. *Investing in the United States: Is the US Ready for FDI from China?*, edited by Karl Sauvant and written by a diverse group of scholars in the fields of political science, law and economics, attempts to comprehensively analyse China's business penetration of American economic sectors by assessing methods of market expansion. The book identifies restrictions and biases that stand to block industrial integration while examining historical precedents for successfully entering US markets. In doing this, the authors provide an instructional and analytical framework for determining the answer to their titular question, conveying a sense of optimism about the economic future of the markets in question and arming their audience with the means to understand the opportunities and obstacles that may appear in the future.

Interactions between the People's Republic of China (PRC) and the United States of America (USA) may form the most important bilateral relationship in the world. China continues to emerge from several decades of domestic economic development and is increasingly present in the affairs of global stock and currency markets. In the first section of *Investing in the United States,* the authors seek to highlight the courses that Chinese corporations take as they try to establish themselves abroad through foreign direct investment (FDI). The first three chapters of this book draw attention to the different methods of market entry typically exercised by multinational corporations (MNCs), giving context to the biases and cultural obstacles frequently encountered in such investments and describing the regulatory framework to which all successful implementations

of FDI must adhere. From the outset, the authors claim that the experiences of outside investment from Japan and the Asian Tigers in the 1970s and '80s have well prepared America for an influx of Chinese investment, but that a variety of factors must be kept in mind in the future if that process is to be both successful and profitable.

In the opening section, Sauvant describes the two most common methods of entry for foreign firms into a new marketplace – mergers and acquisitions, meaning the outright purchase of domestically based companies (M&A), and greenfield investments, which refers to the establishment of fresh facilities to take advantage of new markets and factors of production. Though greenfield investments are far safer, due to the lack of risks that come from cultural and financial integration in mergers, the majority of FDI inroads by Chinese firms are made with M&A. This is because they tend to take advantage of established consumer markets and thus benefit from existing revenue streams, a factor that quickly offsets the costs of corporate restructuring and cultural adaptation. While greenfield investments in new facilities can create jobs in the host country, the authors demonstrate that Americans favor M&A as the preferred market entry method, probably because of spillover benefit effects that see corporate improvements in mergers leading to overall improvements in economic efficiency, an increase in market competitiveness and the domestic imitation of successful imported business practices.

However, incoming foreign corporations must deal with the stringent regulatory framework that is in place in the United States. This framework is designed to protect the US economy from the effects of monopolizing acquisitions, as well as pay heed to national security concerns and any potential disruption of national welfare by the economic incursions of what are essentially often state-owned enterprises. While regulatory boards adjudicate on the creation of potential sector-controlling trusts from both international and domestic M&A in a similar manner, there are four primary trade law areas of concern that must be examined by the US Commerce Department's Export Administration Regulations (EAR) section in detail in any foreign penetration of American markets. The first of these supervises the manufacturing and trade of "dual-use items" that have both consumer and military applicability, namely advanced technological components and intellectual property. The degree to which

such items are controlled depends on the military capabilities of such technologies and the clearing of Chinese access to such industrial secrets often depends solely on the expected client-base of the newly merged company. Secondly, the EAR team must determine whether or not any technologies or products under sole contractual use with the US military would be in danger of unauthorised export in any M&A. Thirdly, the US Treasury must ensure that the functions of any newly acquired companies would not lead to trade with "targeted countries," namely states like Iran and Cuba that are sanctioned under US law. Finally, any significant FDI executed through M&A must comply with statutes of the Foreign Corrupt Practices Act of 1977 (FCPA) that regulates the association of US companies with known corrupt or criminal elements in foreign businesses. These four areas of trade law are of particular impediment to acquisitions by Chinese companies in American markets because of the association between corruption and big business in emerging markets, especially as various Chinese companies reportedly bend rules when it comes to following the laws of the host nation. Furthermore, as a rising great power competitor, China stands to gain from the import of advanced technologies, again meaning higher levels of scrutiny by US governmental regulators.

In the final chapters, the authors discuss the socio-political context of Chinese entry into US markets, before finally commenting on the lessons of Japan's similar rise in past decades.

The rise of the PRC in power relative to the US, whether real or perceived, is a topic of political and social sensitivity. M&A by Chinese firms have experienced popular resistance in the past, with distrust and unease about Chinese FDI being voiced even in Congressional circles. This is an area where incoming companies must work hard to operate profitable and effective businesses and thus earn American domestic support. China's investors would do well to learn from the Japanese 1980s model of economic growth, where investment was split between greenfield and M&A. This helped to merge business cultures, creating domestic jobs for both countries and forming multi-national frameworks that benefited both countries. Though there were similar concerns about Japan's rise in the 1980s, the mutually profitable effects of rising interdependence led to a comfortable economic environment between the two nations with limited barriers to trade.

The lessons of this book are a phenomenal resource for policy-makers, economic planners and scholars alike. Though China finds itself in somewhat different circumstances than the Japan of the 1980s, Japan's lessons show that financial confidence, good business planning and transparency can lead to profitable economic ventures in the American market. Further research could focus on other examples of emerging economies' inroads into American markets, as well as perhaps gaining insight from an examination on recent Chinese domestic investment strategies. However, this blueprint for success effectively provides a wealth of answers for those wishing to facilitate Sino-American FDI in the future as the authors, through summary and analysis of the processes before Chinese investors, show that such activity could do a lot to improve the United States' and China's politically significant relationship.

EU COUNTERTERRORISM POLICY: A PAPER TIGER?

By Oldřich Bureš, Ashgate, 2011
ISBN 9781409411239

Reviewer: Daniela Chalaniová
(Metropolitan University Prague)

Just over a decade ago, the foundations of international order were shattered. When the initial shock of 9/11 subsided, security actors around the world prioritised the struggle against terrorism and created a variety of counterterrorism frameworks and measures. The European Union (EU) was no exception to this trend and, at the turn of the millennium, it too stepped up efforts to provide its citizens with a true area of freedom, security and justice. Bures's work entitled: *EU Counterterrorism Policy: A Paper Tiger?* takes a hard look at recent developments in EU counterterrorism and aims to identify areas of cooperation where the EU clearly *adds value* to national (or global) counterterrorism efforts; areas where the EU may emerge as a real security tiger.

The book itself is divided into four thematic parts, starting with a discussion of contemporary terrorist threats, their perceptions across the EU member states and an overview of the most important EU institutions, measures and legislation after 9/11. The second part is dedicated to assessing the role of European agencies (Europol and Eurojust) and the EU's Counterterrorism Coordinator. In the third part, Bures delves deeper and scrutinises individual measures and policies designed to pursue and prevent terrorism such as the European Arrest Warrant (EAW) and the EU's fight against terrorist financing. The fourth, concluding part, tackles the current dilemmas of counterterrorism, namely the relationship between freedom and security; and possible future scenarios of EU-level cooperation. The book presents an exhaustive overview of academic literature and relevant EU documentation. The value-added derived from this volume lies in the interviews conducted with national and EU counterterrorism officers, who shared their opinions and experiences from this often clandestine policy field.

Throughout the book, Bures identifies several pitfalls of European-level counterterrorism cooperation: different threat perceptions across the EU, complicated and unclear institutional architecture, weak implementation, blind adoption of external legislation and lastly, 'counterterrorism fatigue;' each of which is dealt with below.

The EU is no stranger to terrorist violence and the Madrid and London bombings (2004, 2005 respectively), together with the spectacular 9/11 attacks produced two, inter-related, consequences. Firstly, they opened a window of opportunity to strengthen intra-EU security and counterterrorism cooperation and, secondly, they contributed to further divergence in member states' terrorism threat perceptions (generally, member states that suffered from an attack and/or have a large Muslim population view terrorism more acutely than those lacking such conditions). Bures observes that although each attack is followed by a flurry of activities – the adoption of new action plans, the widening of institutional competences, the creation of new specialised bodies and legislation – the divergent threat perceptions renders decision-making and implementation cumbersome, piecemeal and ineffective. Bures rightly notes that, '(u)nder these circumstances, it is … extremely difficult, if not impossible, to agree on and implement a coherent EU counterterrorism policy' (p. 54). Lacking consensus and an intergovernmental policy process based on political trade-offs often leads to a complicated institutional architecture with unclear competences, institutional overlaps and even inter-agency rivalry, thus further eroding the efficiency of EU counterterrorism.

Furthermore, the efficiency of any given policy, including counterterrorism, is determined by its appropriateness in a given situation and level of implementation. EU counterterrorism policy suffers on both fronts: first, as Bures demonstrated (chapter 8) deploying the fight against terrorist financing, the EU adopted two sets of measures derived from UN Security Council resolutions (1267, 1333, 1373) and G7's Financial Action Task Force recommendations (the 40 Recommendations and 9 Special Recommendations). Although these documents are recognised as the international standard in fighting terrorism financing, their appropriateness in the EU's environment is debatable, not least because of human rights and judicial concerns. Secondly, policy success rests on proper

implementation. Experts and scholars agree that implementing EU counterterrorism measures is inadequate, giving the book its name: in terms of legal measures, the EU seems like a formidable actor, but closer inspection reveals failures in implementation, reducing the EU's potency and rendering it a "paper tiger." Indeed, as Bures highlights, 'these shortcomings represent and important reminder that the EU is ultimately its member states, without whose wholehearted support even the most elaborate and innovative counterterrorism structures and mechanisms remain useless' (p. 248).

Finally, it seems that a counterterrorism *fatigue* is setting in. Other priorities such as dealing with the impending economic crisis, trumps counterterrorism initiatives and increases the probability of dreaded scenarios. Since terrorists, not governments enjoy the advantage of choosing the means, the dates and the targets, 'Governments have to be lucky all the time and the terrorist needs to be lucky only once' (p. 4).

Such shortcomings paint a rather alarming picture of EU counterterrorism policy, though consideration must be paid to the unique manner the EU is attempting to integrate and cooperate in the field of counterterrorism; attempting to institutionalise airtight cooperation between forces across sectors and across borders (with the national internal security still in place) so the EU is actually breaking new ground in international counterterrorism efforts.

Despite problems, there is room for cautious optimism – abiding by a common definition of terrorism is a solid starting point of any initiative – the EU counterterrorism platform offers member states a well developed administrative capacity for long-term planning and coordination; the distance from national capitals ensures technical not political problem-problem solving; the 'Terrorism Working Group has progressed from a talking shop to an instrument that is giving useful advice to authorities at the EU level' and after initial mistrust the EAW proved to be an asset (p. 252).

EU Counterterrorism Policy: A Paper Tiger? is a one-of-a-kind book, unrivalled in the EU internal security literature and combines, in a single volume, both complex, robust textbook knowledge of EU's counterterrorism policy with detailed critical analysis and insider's comments. It is a must-read for anyone seriously interested in European internal security policy in general and counterterrorism in particular.

SPYING 101: THE RCMP'S SECRET ACTIVITIES AT CANADIAN UNIVERSITIES, 1917–1997

CEJISS
3/2011

By Steve Hewitt, Toronto University Press, 2002,
ISBN **0802041493**

Reviewer: Ozgur Balkilic,
(Tri-University Graduate Program in History)

Hewitt's *Spying 101: The RCMP's Secret Activities at Canadian Universities, 1917-1997*, analyses Canadian secret police activities against the perceived communist threat in Canadian universities. Indeed, Hewitt argues that the Royal Canadian Mounted Police (RCMP), established in 1917, singled-out universities as being of 'central importance to Canadian society' and, consequently, concentrated policing efforts on these institutions to counter the perceived threat of communist subversion. Yet, the RCMP's policy towards Canadian universities was contradictory owing to incompatible theories that students were simultaneously passive recipients of communist propaganda and active initiators of social change (p. 5).

Hewitt's research commences in the 1910s when communists and socialists gained considerable influence in Canada. For Hewitt, social discontent grew out of the impacts of WWI and the RCMP was constructed to limit possible social upheaval. Since communist radicals were effective in trade unions until the 1940s, the RCMP's activities were concentrated in these places (pp. 40–52). When radicals targeted universities towards the second half of the 1930s, the RCMP followed suit.

During these times however, the RCMP was operating only haphazardly and began to suspect and attempt to prevent Communist subversion with motivation only after 1945. The RCMP's unhealthy – and often ungrounded – concerns about Soviet espionage led to the exertion of heavy pressure against university professors and students alike, poisoning university environments (pp. 52–90). By the 1960s, the RCMP added university students and different social opposition groups to its "suspect lists" and enlarged the scale of activities. Hewitt argues that although the RCMP was aware that

communists were playing a very limited role in the social movements of the 1960's they somehow expected Communist penetration and, accordingly, sought to preempt. When this did not out-of-hand occur, the RCMP changed track and awaited university students to graduate and enter larger society. In other words, RCMP pressure and domestic espionage directed against university students and professors ebbed until such students left university life where the RCMP continued their operations. This shift occurred against the backdrop of a sharp spike in separatist nationalism in Quebec which, due to its violent nature, reprioritised the RCMP's strategic thinking (pp. 173–184) and in some ways eroded its original mandate. This was especially clear as the RCMP was subordinated to the Canadian Security Intelligence Service (CSIS) which in the 1980's assumed counter-subversion activities, thereby eclipsing the RCMP to the point of making it nearly obsolete and redundant. However, international circumstances conspired to breathe fresh life into the RCMP. The rise of Islamists groups seeking to deploy violence against Canadian, American and European citizens produced enhanced strategic relationships and brought the RCMP back into the fold of international security (pp. 203–207).

Although the subtitle of this book is the *RCMP's Secret Activities at Canadian Universities, 1917–1997*; for the period before 1945 Hewitt greatly emphasises those RCMP's activities which concentrate on trade unions and political parties, rather than universities, begging the question as to why the work was named as it is. In this sense, *Spying 101* seems to be a general history of the RCMP as an organisation and its struggle against so-called national security threats, rather than its activities in Canadian universities. Furthermore, Hewitt divides his book into chapters based on alterations of the source of perceived threats according to the RCMP, which are not always connected to university life and dissent.

Problems are also visible in Hewitt's source selection since archival resources are often censored or based on multiple versions of the same document set. On the other hand, it seems that Hewitt successfully overcomes these obstacles and uses evidence and an abundance of examples to convince readers on the strength of his arguments. Furthermore, his method of providing specific case studies from the inspection of the RCMP makes the main argument of this book easily comprehensible. In other words, readers

can easily grasp the main aims or methods of the RCMP by following each of the cases in the book.

Spying 101 presents an excellent account of the RCMP and its activities in universities. Hewitt's presentation of the RCMP's threat perception and the methods to overcome these is convincing. This presentation is effectively supported by the evidence from the archives of this institution. Furthermore, Hewitt presents his arguments on the RCMP within the changing social and political context of Canada and Canadian universities. In this sense, he efficiently captures the historical context behind the RCMP's activities. Despite these strengths, *Spying 101* mainly suffers from its unnecessary and confusing emphasis on the RCMP's activities outside of universities and thus dilutes the main drive of the work.

WRITINGS ON WAR

By Carl Schmitt (translated and edited by Timothy Nunan), Polity, 2011,
ISBN 9780745652979

Reviewer: Jakub Fremund
(Metropolitan University Prague)

Carl Schmitt was a famous German jurist, intellectual and professor of law and significantly contributed to the development of political theory authoring countless volumes, essays and many other remarkable works. He was considered to be one of the most famous critics of liberal democratic values, the League of Nations and Western liberal international law. Though his works are riddled with racism and anti-Semitism, his provocative views remain a never-ending source of research. *Writings on War* is a collection of works between 1937 and 1945. The work is divided into three parts, each of them devoted to the development of international law after the Versailles Peace Conference. The book is intended for all those who are interested in political theory, jurisprudence and, primarily, the historical development of international law. Here, thanks to Timothy Nunan and his excellent translation, this work is, for the first time, presented in English.

The first part of the book called: 'The Turn to the Discriminating Concept of War' describes a gradual transformation of international law following WWI. This part is further divided into three subsequent chapters where Schmitt analyses and elaborates the works of George Scelle, Hersch Lauterpracht, John F. Williams and Arnold D. McNair.

Both Scelle's and Lauterpacht's works show the dynamics of jurisprudence established by the Geneva League of Nations after WWI and are taken as evidence of international laws' evolution since they both aim at universalising international relations and securing these by institutions to construct an order in which the Geneva League of Nations and mankind (in general) work together, expand and strive for progress. Schmitt however, sees gaps in this system and questions its reliability. He points out that international

law has changed and transformed from constitutionalism to federalism. Accordingly, the Geneva League of Nations takes its place too close to other federal legal institutions such as the British Empire, the Soviet Union or pan-America and therefore lacks the demanded universality.

Unlike Scelle's and Lauterpacht's theoretical works, the works of Williams and McNair focus on a concrete example and were published in response to the actions by the League of Nations of 1935. They describe the process conducted against Italy (Italo-Abyssinian war 1935-6) and tried to evaluate whether the imposition of sanctions was in compliance with the League of Nations Charter or not. They use this occasion to demonstrate that the Geneva League of Nations is a true community. Schmitt here seeks answers to a lot of questions such as the rights and duties of the Geneva League of Nations members and to what extent can these be enforced; what is the role of third actors in conflict situations between two parties; how has the concept of neutrality changed and, finally, what is the definition of war in terms of just and unjust war.

The second part of the book is entitled 'The *Großraum* Order of International Law with a Ban on Intervention for Spatially Foreign Powers: A Contribution to the Concept of *Reich* in International Law.' This chapter concerns the role of *Reich* (can be also understood as a world superpower) and its position in international law, defines *Großraum* as an expression and locates its place in international order while describing a correlation between *Reich* and space.

Schmitt here defines the so-called *Großraum* order as a technical, industrial and economic order which can arise when small districts more or less organisationally merge themselves into larger complexes. He wants to overcome the obsolete Versailles system and looks for a way to create a functioning and prosperous spatial order.

He also emphasises the importance of the Monroe Doctrine and claims it to be the most successful example of a Gro*ßraum* order. Though it is a traditional element of US foreign policy, Schmitt questions its legal character and highlights the Doctrine's inconsistency suggesting that it transformed from a principle of non-intervention and the rejection foreign interference into the very justification for imperialist ambitions of the US. It was deployed both as part of the US's isolation and neutrality policy and for global

engagements. As a counter-image of the Monroe Doctrine, Schmitt introduces the principle of the security of the British traffic routes and opines that both superpowers have different approaches to their territorial security and stresses the importance of strategically significant areas such as the Suez Canal, the Panama Canal and the Kiel Canal.

In the concluding section of this part, Schmitt focuses on several issues: firstly, he describes the relationship between law and minorities in Central and East European spaces. He generally questions the Versailles minority protection system and directly links its flaws with a geographical zone. Secondly, he defines the correlation between space and *Reich*. He says that not states but *Reichs* are the real creators of international law. He also believes that the concept of *Reich* is determined by overseas wealth and therefore emphasises the importance of European colonial system.

The final portion of this work called 'The International Crime of the War of Aggression and the Principle "*Nullum crimen, nulla poena sine lege*"' describes a character of this principle in international law. Schmitt elaborately explains the difference between the Geneva Protocol and the Kellogg Pact while assessing their weaknesses and vulnerabilities.

The following chapter concerns two historically important treaties which both attempted to give war a new legal status and to establish an automatic ban on aggression – the Geneva Protocol (1924) and the Kellogg Pact (1928). Here, Schmitt analyses his interpretation as to why the Geneva Protocol failed. Firstly, he believes that the protocol was short on proper juridical definitions of terms such as aggression and the aggressor and there was no clear differentiation between aggression and war. Secondly, he claims the protocol did not respond to and did not want to respond to the objective contexts of the question of the just war. He, nevertheless, admits that there is a dilemma between juridical and political way of thinking and therefore it is difficult to make clear definitions. The Kellogg Pact, on the other hand, does not speak of aggression but rather of a condemnation of war itself. Schmitt sees the flaw of the Kellogg Pact in the fact that it has a virtue of simplicity. It is a pact without definitions, without sanctions and without organisations. It abstains both from a determination of the term "aggression" as well as from a determination of the term "war" and the

whole structure of punitive system is designed only on the basis of moral condemnation through public opinion.

In the last several chapters Schmitt talks about the principles of international crime including 'war of aggression.' He is concerned with the correlation between individuals and the state under international law and raises questions of how to define a perpetrator, who to punish, how to determine whether only an individual person committed a crime or a large number of individuals. He also explores the concept of piracy and presents it as a clear example of an international crime. In the last few pages, Schmitt briefly speculates on the rights of an individual citizen and his duties towards the state.

Writings on War, is an advanced piece of historical scholarship which continues to impact the often nuanced political and legal relationship between states and between states and individuals. Owing to its complexity, readers must be familiarised with the historical and political background of the interwar period, the manner in which it unfolded and propelled Europe to WWII and a general awareness of both continental European and Anglo-Saxon jurisprudence. Despite the author's obvious intransient opinion about the Geneva League of Nations and Western liberal democratic values, this book offers sound criticisms of the international legal order of the times and is thus a pillar of knowledge for students and scholars of international law and relations.

SECURITY IN A CHANGING GLOBAL ENVIRONMENT: CHALLENGING THE HUMAN SECURITY APPROACH

By Christoph Schuck (ed), Nomos 2011,
ISBN 9783832960032

Reviewer: Enrico Fels
(University of Bonn)

Within the last two decades, both the end of the Cold War as well as an increasing interdependence between nations, economies and societies not only changed the architecture of international security, but also fruitfully expanded the security debate within international relations. Both the previously dominant focus on states as the most important actors in international politics and the concentration on negative security – in the minimalistic sense of avoiding international wars – were called into question. While the academic debate has primarily dealt with these aspects in constructivist theories, on the actual policy level the Human Security approach came to the fore and still predominates numerous guidelines for foreign and security policy.

Schuck's (ed) book *Security in a Changing Global Environment: Challenging the Human Security Approach* critically evaluates the Human Security approach in three parts. The first part offers a thorough, theory-oriented security debate, while the second section focuses on particular facets of Human Security. The book's final section provides five detailed case studies related to regional security in order to demonstrate why concentrating solely on a Human Security understanding is not sufficient for dealing with many of today's security problems.

Perhaps the greatest strength of this systematic and logical volume is its extensive critical discussion of the security theory debate in its first section. Six chapters cover not only concepts for defining the Human Security approach (Manuel Fröhlich/Jan Lemanski), but also ways in which it differs from more classical security

understandings (Reimund Seidelmann) as well as the theoretical and empirical problems the Human Security paradigm poses (Christoph Schuck, Mark Arenhövel, Andreas Vasilache). In this context, the chapter by Bob Sugeng Hadiwinata is of particular significance, since he provides a fresh, non-Western insight into the debate of the Southeast Asian academic security community.

In the book's second part, four chapters analyse primary aspects of Human Security, which broadens and deepens the debate of the Human Security concept. Wolfgang Merkel looks at the interactions between security and democracy, while Thomas Meyer examines the effects of security policy on welfare services and vice versa. In addition to a chapter by Astrid Carrpatoso on the increasing importance of ecological aspects on security policymaking, a chapter on gender questions (Claudia Derichs/Daniel Pinéu) presents insights that seldomly have been examined in the context of Human Security and which – even within the Critical Security Studies community itself – have received only peripheral attention.

The third and final section of the book underscores the continuing relevance of traditional security understandings. While the assumptions of the Human Security approach are justified as a normative principle by the authors, their five detailed chapters show that due to its theoretical and practical weaknesses, the Human Security concept is not adequate for dealing with several of the currently important security issues and that national, regional and bi-regional security will continue to be of primary relevance to policymakers as well as academics. The extensive case studies cover South (Conrad Schetter/Janosch Prinz) and East Asia (Aurel Croissant/David Kühn, Jörn Dosch), the Middle East (Matthias Heise) and Africa (Olaf Leiße). Unfortunately, the book lacks both a chapter on the notion of Human Security in Latin American states as well as in China.

Apart from this minor shortcoming, *Security in a Changing Global Environment: Challenging the Human Security Approach* is among the few works in the field which succeed both conceptually and in terms of content in providing a sound and balanced analysis of the Human Security concept. The extensive and complex systematic theoretical analysis of the topic, combined with five substantial empirical case studies, provides a detailed and comprehensive perspective on the problematic sides of the Human Security paradigm,

clearly pointing to its strengths while analyzing its weaknesses. This renders the book a valuable contribution to the field of international security with the clear potential to soon become a standard textbook for scholars and postgraduate students alike.

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