

# EUROPEAN POLICY BRIEF



## GLOBAL RE-ORDERING: EVOLUTION THROUGH EUROPEAN NETWORKS

How does the search for energy security affect EU policies in other issue-areas?

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MARCH 2014

### INTRODUCTION

This policy brief addresses the question of how the EU's search for energy security does – or does not – affect EU policies in other areas. Due to the fact that the EU has to import energy commodities to meet its energy needs, and that coping with the challenge of energy supply is defined as one of the three main goals of the EU's energy policy, the focus of this brief will be on the issue areas that may affect the EU's relations with the main suppliers of energy. When designing and implementing energy security policy, one has to address at least four issues: availability, affordability, energy efficiency and stewardship. Availability relates to the relative independence of and diversification of energy fuels and services; affordability means not just lower but also stable prices and equitable access to energy services. Efficiency has to do with improved performance and the deployment of more efficient energy equipment and changes in social behaviour. Stewardship focuses on the question of sustainability, ensuring that energy systems are socially acceptable and not harmful to the environment.<sup>1</sup> One could also expect that when addressing energy security related questions, the EU could also be guided by values and norms that the Union itself preaches, linking for instance energy trade with the issue of human rights.

The EU today faces several challenges related to energy security and has in theory various types of power it can use to achieve its various objectives. One type of power the EU has is the power of attraction, which can be used to make others do what the EU wants them to do by offering them the prospect of membership with all of its benefits and obligations. Another type of power the EU can use is its normative power – to make others follow a set of rules that are defined by the EU as

<sup>1</sup> For more details on that issue see Sovacool, B.K. (2010) 'Introduction' in B.K. Sovacool (ed.) *The Routledge Handbook of Energy Security* (London: Routledge), pp. 1–42.

appropriate. Yet another type of power in the EU's arsenal is the market power the EU has due to its economic and demographic potential. And last, but not least, the EU also has traditional military power it can use to defend and promote its interests.

One could expect that when addressing an issue of such importance as energy security the EU could apply all types of power at its disposal and could adopt a comprehensive approach to cooperation with the main external suppliers of energy. In reality, however, we see an EU that does not seem to follow such a comprehensive approach, but rather a set of compartmentalized policies guided not necessarily by norms preached by the EU but rather by hard economic interests. This situation is, for instance, clearly visible in the EU's approach to cooperation with many external suppliers of energy. Many of them have visible problems with meeting the EU's high democracy, rule of law or human rights standards, but this does not seem to worry the EU. The strong energy interdependence seems rather to create a set of wrong incentives for both the EU and some of the main energy exporters.

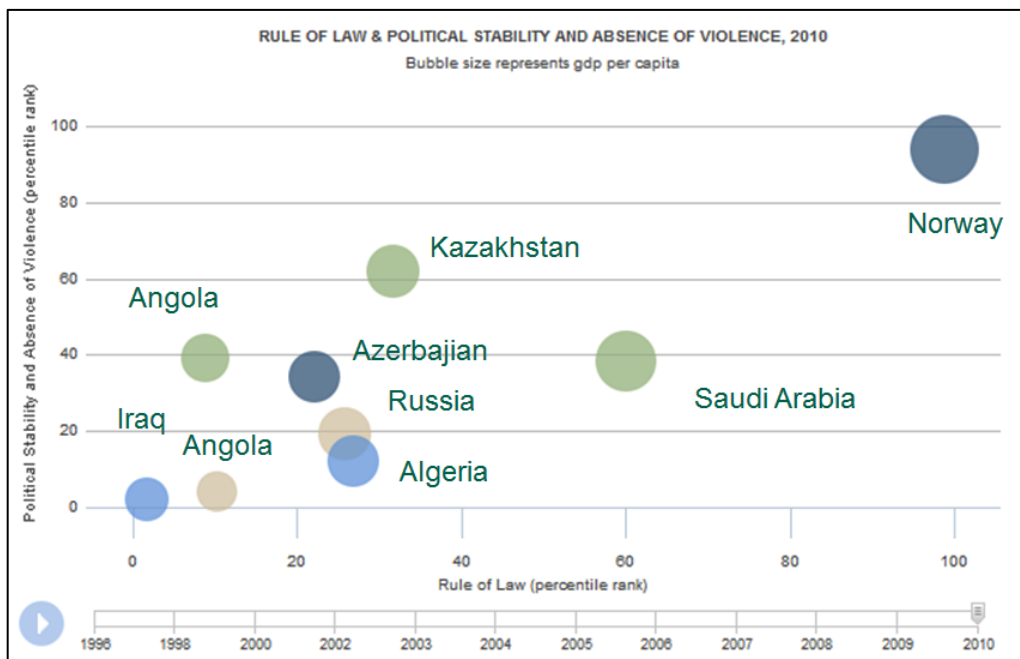
In the case of the EU, the need to secure supplies of energy seems to trump over the need to promote the rule of law and human rights. The EU often shies away from raising human rights issues when dealing with energy suppliers, who in turn realize that the EU's dependence on their energy supplies limits the EU's freedom of manoeuvre. This brief looks at the relationship between the EU's energy policy and the EU's policy in the field of human rights and explores whether the EU uses its market power to make its main energy suppliers play by the EU's normative rules.

## THE EU'S ENERGY SECURITY AND HUMAN RIGHTS: HARD INTERESTS OR CORE VALUES?

Being the key global importer of energy, the EU could use its market power to promote human rights and the rule of law in countries that export energy to Europe. The value of fuel imports to the EU reached USD 619 billion in 2008, making the EU the greatest global importer of fuels, with a 23.6% share. Fuels represented 27.1% of the EU's total imports that year. Exporters of energy earn impressive amounts from selling their energy commodities – in 2008, the top year so far, Russia alone earned USD 307 billion and was followed by Saudi Arabia (281 billion), Canada (125.9 billion), the EU (114 billion) and Norway (113.7 billion).

The EU is the main importer of energy from Russia. According to official estimates, 88% oil, 70% of gas and 50% of coal exported from Russia went to the EU. Imports from Russia covered 34% of gas imports and 23% of gas consumption in the EU. Similarly, 33% of crude oil imports, 30% of oil consumption and 30% of coal imports to the EU came from Russia. As a key producer of energy, Russia has been reaping economic benefits from the recent energy commodity boom, but faces also several challenges typical of a country endowed with rich natural resources and experiences various governance related problems caused at least partly by this abundance. Russia is not the only main energy supplier facing these type of problems.

As the figure below<sup>2</sup> shows, many of EU's main energy suppliers face serious challenges in the areas of political stability and rule of law, which may confirm the argument launched by M. Ross



who links petroleum abundance with serious governance related problems. In his opinion<sup>3</sup>, petroleum abundance may result in less democracy, perpetuate patriarchy and lead to more political violence. Although Ross' interpretation of the link between petroleum abundance and the state of democracy is not uncritically accepted by the entire academic community and Ross himself has recently presented a more nuanced interpretation of his most recent findings, the state of human rights in most countries supplying energy to Europe is questionable and the EU has chosen not to link the issue of its own energy security directly with the question of human rights.

The gap between the values that the EU preaches and its energy security related practices may undermine the EU's long-term credibility and pose a number of serious challenges. The EU has to compete for access to energy resources with other actors; for instance China, one of the key actors on the global energy market, adopts a completely different approach to the issue of human rights and challenges the EU's claim of universality.

The Lisbon Treaty lists human dignity, freedom, democracy, equality, the rule of law and the respect for human rights as the core values of the EU. Article 21 of the Lisbon Treaty states that the Union's action on the international scene should be guided by democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law.

The Charter of Fundamental Rights adds solidarity, citizenship and justice to this extensive list. Human rights are described as one of the core values of the EU and the EU defines the protection and promotion of human rights and the rule of law as one of its main tasks, also in its relations with the outside world.<sup>4</sup> The EU defines human rights as universal and indivisible and promotes and defends them also when engaging in relations with non-EU countries.

<sup>2</sup> Based on data provided by WGI website <http://info.worldbank.org/governance/wgi/index.aspx#home> and presented by Brookings.

<sup>3</sup> Ross, Michael Lewin (2012), *The Oil Curse : How Petroleum Wealth Shapes the Development of Nations* (Princeton, NJ: Princeton University Press),

<sup>4</sup> [http://ec.europa.eu/external\\_relations/peace\\_security/what\\_en.htm](http://ec.europa.eu/external_relations/peace_security/what_en.htm)

When the EU adopted its Strategic Framework on Human Rights and Democracy on 25 June 2012, Catherine Ashton, High Representative for Foreign Affairs and Security Policy, stated that human rights are ‘a silver thread that runs through everything that we do in external relations’.<sup>5</sup>

However, although ‘all trade and cooperation agreements with third countries contain a clause stipulating that human rights are an essential element in relations between the parties’ it still remains to be seen how this clause is being translated into effective political action in the EU’s relations with many of its energy suppliers. The table below presents data on the state of freedom (Freedom Rating; Civil Liberties; Political Rights) of 15 top energy suppliers to the EU (gas+ oil + coal supplies). Eight of 15 main suppliers of energy are classified by the Freedom House<sup>6</sup> as Not Free; three as Partly Free and four as Free.

Country	Energy supplies in mtoe 2011	Status	Freedom Rating	Civil Liberties	Political Rights
Russia	336.7	NF	5.5	5	6
Norway	155.6	F	1	1	1
Algeria	55.1	NF	5.5	5	6
Columbia	48.2	PF	3.5	4	3
Nigeria	45.1	PF	4.5	5	4
Saudi Arabia	41.1	NF	7	7	7
USA	36.7	F	1	1	1
Qatar	35	NF	5.5	5	6
Iran	29.5	NF	6	6	6
Kazakhstan	29.2	NF	5.5	5	6
Azerbaijan	25.3	NF	5.5	5	6
Iraq	18.2	NF	6	6	6
Australia	17.8	F	1	1	1
Libya	16.2	PF	4.5	5	4
South Africa	15.9	F	2	2	2

Especially challenging is the fact that the EU and Russia have adopted different approaches to the question of human rights. For the EU, human rights are one of the key elements of a value based policy. Russia accuses the EU of a selective approach and of pinning labels, and treats the question of human rights not as a central topic in its relations with the EU but rather as one of irritancy.<sup>7</sup> In addition, Russia presents its own interpretation of human rights and translates it into political actions that challenge not only the EU’s policy in the field of human rights but, in fact, the whole of post-Cold War order in Europe, as exemplified by the Russian approach to the question of the protection of ethnic minorities in the post-Soviet space. Russian actions in both Georgia (2008) and Ukraine/ Crimea (2014) were officially justified by the need to protect the human rights of Russian citizens, ethnic Russians or Russian-speakers in these countries, but these actions have had a devastating effect on security in Europe and have been condemned in unison by the EU, NATO, the Council of Europe, OSCE and the UN.

In 2014 Russia and the EU could celebrate the 20<sup>th</sup> anniversary of their formalized cooperation, including their cooperation on energy, which was institutionalized by the agreement on Russia–EU energy dialogue in 2000. In 2005 the first meeting of the Energy Permanent Partnership Council at the ministerial level was held. In 2009, in the aftermath of the gas conflict involving Russia, Ukraine

<sup>5</sup> [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/131173.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/131173.pdf)

<sup>6</sup> <http://freedomhouse.org/>

<sup>7</sup> Chizhov, V. (2012) 'Russia - EU Strategic Partnership: Eurocrisis No Cause for Delay', *International Affairs. A Russian Journal of World Politics, Diplomacy and International Relations*, 58 (4): 24-35.

and the EU, the Memorandum on the Early Warning Mechanism was signed and in 2013 the document titled the Road Map of the EU- Russia Energy Cooperation until 2050 was signed.

The EU has also been pushing for more focus on human rights in relations with Russia as an element of its long-term strategy towards Russia. In 2005 regular, six-monthly EU-Russia human rights consultations were established and have since then provided for a substantial dialogue on human rights. The EU has maintained a regular dialogue with both Russian and international NGOs on human rights issues, including the human rights situation in Chechnya and the rest of the North Caucasus, the freedom of expression and assembly, the situation of civil society in Russia, the functioning of the judiciary, the observation of human rights standards by law enforcement officials, racism and xenophobia and legislation relating to elections. The Russian side has been raising concerns amongst others about the situation of Russians living in some EU countries (Latvia and Estonia).

It seems that the policy of building relations with Russia based on the idea that strong interdependence in the economy and in energy will at some stage result in convergence – or at least legal approximation – between Russia and the EU, has not borne the fruits hoped for. Russia is still the EU's main external supplier of energy though the situation in the area of human rights has deteriorated over the last years, and especially after Vladimir Putin's return to power in 2012. Putin has embarked on what is sometimes described as a conservative revolution and has decided to limit a number of freedoms in Russia as a countermove to what is referred to in semi-official Russian discourse as the Western normative hegemony.

An increasing number of EU members therefore view co-operation with Russia, also in the field of energy, not only as a part of the solution to EU dilemmas, including the security of supply dilemma, but also as an energy security related challenge or even threat. The situation developing in the first months of 2014 in Ukraine, with Russia's annexation of the Crimea and meddling in Ukraine's internal affairs, is seen as the most drastic challenge to the post-Cold war order in Europe and will have consequences for the EU's relations with Russia.

## POLICY IMPLICATIONS AND RECOMMENDATIONS

Being dependent on energy from countries that cannot or do not want to live up to the EU's human right standards should be viewed as a serious long-term challenge. The EU has adopted policies to address various energy related issues, such as the question of the sustainability of the EU's – and global – energy system. So far the EU has consistently avoided linking human rights related issues to its energy policy. Russia's recent actions pose, however, a serious challenge not only to the EU's policy in the field of human rights, but also threaten the international order in Europe.

One of the paradoxes of the current situation is that assertive Russian policy has been made possible at least partly by the improvement of Russia's terms of trade, resulting in the transfer of means from the main energy customer, the EU, to Russia. Increasing tensions between Russia and the EU will make Russia even less receptive to EU criticism, as Russia seems to be convinced that the energy business will go as usual due to strong interdependence and the EU's lack of alternative sources, at least in the short- and mid-term perspective. The EU should, however, make a serious attempt to limit its energy dependence on Russia in a situation when energy co-operation does not seem to have positive spill-over effects in other policy fields, and is at the same time an important source of funding for Russian political projects challenging the very basic norms and values promoted by the EU.

## RESEARCH PARAMETERS

The work on this European Policy Brief was conducted within Work Package 5 of the GR:EEN Project. The study is based on the analysis of official Eurostat data on energy supply, demand, consumption and production and is supplemented by a thorough analysis of the current national and European debate on European energy policy and human rights. To make the brief as timely as possible, the author has also tried to incorporate elements of the debate on the future role of Russia as an energy supplier to the EU, as discussed in the wake of the Russian intervention in the Ukraine in March and April 2014. The views expressed in this policy brief are those of the author alone.

## PROJECT IDENTITY

**PROJECT NAME** Global Re-ordering: Evolution through European Networks (GR:EEN).

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*United Nations University- Comparative Regional Integration Studies*  
Bruges, Belgium

*University of Western Australia*  
Perth, Australia

*Waseda University*  
Tokyo, Japan

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**FUNDING SCHEME**

FP7 Framework Programme, Collaborative Project, SSH – Europe facing a rising multi-polar world

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**DURATION**

March 2011- February 2015 (48 months)

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**BUDGET**

EU contribution: 7 944 718 €.

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**WEBSITE**

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**FURTHER READING**

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