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ESSAYS

Energy Security in Russia – EU Partnership

Klemen Grošelj

Abstract: *In this article our aim is to reflect on complex and multidimensional relations between EU and Russia, with special focus on energy relations which seems to be in the heart of this quite peculiar economic interdependence. To do this it is necessary to look at a wider aspect of EU – Russia relations with special attention and exposure of different perceptions on mutual relations. Descending from this wider frame of mutual relations the main analysis is focused on question if EU – Russia and to some extent even EU member states – Russia relations, are based on idea of cooperation or competition. Since the focal point is energy security the article is trying to define energy security from different point of views, because the perception and definition of energy security is not the same for EU, Russia or transit states for Russian energy. Nevertheless the energy security issue is most pressing for EU and its member states, due to presented statistical date on growing dependence of EU on import of energy in general and with special emphasize to its growing dependence on Russian energy resources. Article is trying to present major challenges laying ahead for EU and Russia in their energy cooperation in the frame of different future scenarios of global energy market development.*

Keywords: *EU, Russia, energy, energy security, energy dependence, Russia – EU partnership*

Introduction

The worldwide rise of energy prices in the past few years, influenced, among other factors, by political and military tension in the Middle East and the Gulf, has also affected the EU. In light of the mounting tension between Russia and former Soviet transit countries, fierce discussions on energy security in the EU have been further exacerbated by rising EU energy dependence on imports from Russia. Even though the price of energy fell substantially with the beginning of the global recession, the question of the reliability of energy supply from Russia was further raised by the last gas war between Russia and Ukraine in January 2009. It was not the first time that the question of the reliability of Russia as an energy supplier had been addressed in the EU, but it was the first time that many countries in the EU suffered a shortage of gas supplies which affected their economies and societies as

a whole. Further, the question of energy imports from Russia became a strategic political question in the EU, and this will become even more important as the EU, in the process of its own enlargement, approaches the borders of the former Soviet Union and Russia. The summer war of 2008 in Georgia proved the relevance of this issue and the interplay of energy and EU expansion very plainly and, unfortunately, violently. The aim of this article is to present the comprehensive complexities of Russian-EU relations in light of so-called energy security. The starting point of the analysis is the general frame of these relations and crucial points of both entities in regard to wider European security and stability. This will be followed by an analysis of the energy policy options available to both the EU and Russia with the aim of establishing a future policy acceptable to both sides.

Regardless of all the uncertainties of the last few years, the EU has become almost as strong economically as the US (Walker, 1999). It has, however, lagged behind in the field of expressing a credible and common EU foreign policy message. In other words it still acts more as a group of states than a global player in a modern international community. In parallel with its growing economic strength, the EU has identified the need for strengthening its political and security integration within its Member States, which would make it possible for the EU to forge mutual relationships with non member states. The result is the EU Common Foreign and Security Policy (CFSP) on one hand and a wide range of agreements between the EU and crucial non-member states on the other. One of these, which represent the foundation of EU-Russia cooperation, is the Partnership and Cooperation Agreement of 1997. This agreement is a reflection of the goals which Russia and the EU were trying to achieve in the 1990s. Its major aim was to create a true strategic partnership based on mutually shared interests and values in the frame of bilateral and multilateral cooperation. It was based on the idea of common values and aspirations. This agreement was also intended to be benevolent to Russia, especially since the aim was to strengthen the Russian economy and facilitate its modernization and integration in the global economy. Last but not least, this agreement aimed to enhance trust and cooperation in the field of security between the EU and Russia.

At the St. Petersburg Summit in May 2003, the EU and Russia agreed to create four 'common spaces' in the framework of the agreement: a Common Economic Space; a Common Space of Freedom, Security and Justice; a Space of co-operation in the field of External Security; and a Common Space for Research and Education, including Cultural Aspects. The overriding objective of all four Common Spaces was to strengthen the strategic partnership between the EU and Russia across a broad range of policy domains (Country Strategy Paper 2007-13; Russian Federation, 2007: 4-5). Furthermore, this agreement attempted to strengthen political, social and economic stability in the European region and also globally. In spite of

the progress and growth in trade, EU-Russia relations are strained by the ongoing crisis in the North Caucasus and also by EU concerns about the state and future development of democracy in Russia. In this context the last few EU-Russia Summits were burdened by the differences between both sides in many areas (moratorium on the implementation of the CFE-1A Agreement, tensions in South Caucasus...). Negative sentiment in the EU was also caused by other statements and actions by different high-ranking Russian officials and 'sabre rattling', all of which could hamper the progress of the aforementioned common spaces. Also, EU enlargement once again brought the problem of the so-called frozen conflicts in the CIS – corruption, organized crime, etc. – to the attention of the EU. One of the problems straining EU-Russia relations was the stalemate in negotiations for a new EU – Russia agreement. Negotiations were, due to a number of various different reasons, on hold, and only at the EU-Russia summit in Khanty – Mansiysk in 2008 was the fragile agreement on the start of the negotiations reached, and then put in jeopardy by the war in Georgia in August 2008. Even though the EU and Russia have a strategic framework of cooperation in the agreement from 1997, on which extension both sides agreed, the need for a new agreement is evident more than ever, due to the changed nature of relations in the world community and also between both partners, and especially since energy is spelled out as one of most important fields of mutual cooperation and economic development (see EU – Russia Summit: The start of New Age, 2008). The statement from this Summit also clearly expresses the interdependence between the EU and Russia in the field of energy and economic development, despite harsh rhetoric from the Russian side.

Besides political, cultural and economic reasons, energy is one of the reasons why the EU should not ignore or even block Russia. Instead it should create a more pragmatic policy towards Russia, based on the strict observation of European values and interests, but with a certain level of realism and pure pragmatism in regard to Russia. The EU must accept that in some areas the EU and Russia's interests are not necessary compatible, but we must still cooperate on many other issues of mutual interest. However, at this point we must say that the relations and cooperation between the EU and Russia are defined by the interaction of two levels of politics. The first level is composed of different common EU policies such as CFSP and EU-Russia agreements, while the second level consists of a mixture of various national policies. The differences between these two levels may sometimes have very positive, but also negative influences on EU-Russia relations. It should be clear to us that any differences between these two levels give the other side the upper hand in many ongoing negotiation processes.

If we now look at the Russian side of these relations we can see that the Russian policy towards the EU can be split into two periods. The first period was marked by

close and genuine Russian cooperation with the EU and the West in different areas of common interests. What was especially positive was the Russian perspective on EU CFSP, because this view was compatible with the so-called Primakov's doctrine of a multi-polar world, in which the EU should be one of many power centres. That is why Russian foreign policy saw CFSP as a step towards greater EU independence from the US; CFSP was seen as the counterweight to a NATO-centric Europe (Rontoyanin, 2002: 814). All these Russian expectations ended with the expansion of NATO, where NATO became the main security organization in Europe and CFSP was to a great extent dependent on its technical, organizational and other support. In response, Russia formed its so-called pragmatic foreign policy, which emphasises Russian interests and, in regard to the EU, favours bilateral relations with key Member States. The Russian Foreign Minister Lavrov (2007) describes this policy as multi-vector, stiff and non-confrontational in pursuing vital Russian national interests. The focus points of this policy are the major powers, which are of strategic importance to Russia, and which include EU Member States like Germany, France and the UK. With those states, Russia is trying to enhance cooperation in different areas, energy being the dominant one, especially outside the EU framework. But at the same time Russia is cooling down its relations with other EU Member States (Poland, the Baltic States, etc.). Besides, Russia increasingly perceives EU enlargement as a source of the strengthening of anti-Russian forces in Europe and the CIS and it has also created a public perception of Russian policies as non-European and even as anti-European (Karaganov, 2007a). Even though we cannot describe relations between the EU and Russia as pure power play, there are some aspects which point out that the Russian perception at least is based on a realist security paradigm of power play for areas of influence. Russia sees the EU (particularly in terms of EU neighbourhood policy and relations with former SU states) as a possible competitor for influence in the areas of vital Russian interest; especially in the unacceptable Caspian-Caucasus region and Central Asia. As such, Russia is especially worried by EU claims that Russia is not a reliable energy supplier and that the EU needs new gas and oil pipelines bypassing Russia (Karaganov, 2007b). This is becoming the main reason why energy issues are at the heart of EU-Russia relations.

EU-Russia energy dialogue or competition?

Since the focal point of the EU-Russia dialogue is energy security, it is necessary to define what energy security is. But beforehand we should look at what security is in general. Energy security is based on the importance of energy for the comprehensive economic life and functioning of the modern societies. This is the reason why energy security is perceived as (Johnson, 2005: 256) what and how much of a risk is connected to a certain energy supplier and/or energy source. The modern EU

understanding of energy security can be defined as (European Commission, 2004) „*managing demand, diversification of energy sources by using renewable sources, creation of a streamlined internal energy market and controlling external supply by reaching special relations with supplier countries*«, while the Final report in the Green Paper »Towards a European strategy for the security of energy supply« defines energy security as (European Commission, 2002) »*ensuring diversification by energy source, supply countries and supply routes is widely seen as the key response to growing import dependence*«. This security is subdivided into long-term security (stable energy policy within the EU and between the EU and energy supplying countries) and short-term security (capability of avoiding cuts in energy supplies resulting from extraordinary circumstances). In this respect, Johnson (2005: 257) identifies two risks to EU energy security: increase in consumption, and risks not directly related to energy sources. On the other hand, Spajner (2007: 2890) defines energy security as system security, which includes having a stable energy supply in requested quantities in the present as well as in the foreseeable future. Regardless of all efforts we cannot avoid energy dependence, because this dependence is the result of available energy sources, transit routes and their capacities under acceptable price. We can now define energy security as the security of sufficient quantities of energy at economically acceptable prices, from different and dispersed sources and transit routes. At this point it is important to stress that there is no unified EU definition of energy security for all member states, which still have their own national definitions and, unfortunately for the common EU energy market, also national energy policies, which are not necessarily in line with EU policy. Saying that, it is also true that after the events involving Russian gas in 2009 all EU member states become aware of a need for more unified energy security policy and above all of a need for lowering its energy dependence on one energy source and supplier.

The aforementioned definition is viable mainly for the EU, while on the side of the non-EU member states, especially for s.c. transit states for Russian gas and oil intended for EU markets and for Russia itself, the understanding of energy security is different. For states like Ukraine, Belarus and to certain extent also Turkey, which is becoming an important transit country for Russian energy to EU markets, the question of energy security is a twofold issue. One issue is access to energy sources at a reasonable price for its national needs. This is especially relevant for countries like Ukraine and Belarus whose economies depend heavily on energy at below market prices. Secondly, for these countries energy security is also composed of security of transit of energy from Russia intended for EU markets, which represents important national income for transit states. Out of a total of 225 billion cubic meters of gas exported by Gazprom, 83 billion cubic meters flows across Ukraine and 35 billion cubic meters across Belarus. In total almost all gas intended for EU markets crosses either Ukraine or Belarus (Excessive Pipeline Projects of

Gazprom – 1). For these countries energy security is therefore composed of fulfilling national energy needs at an acceptable price (not necessarily market price), and of energy transport security. The balance of both is crucial not only for their economic development but also for their international political development and integration into a wider Euroatlantic space.

For Russia, energy security is mainly perceived as being a reliable energy supplier to its main foreign partners. This means providing sufficient amounts of energy to main export partners at the best possible price and a low transit cost. That is why the Russian state gas company Gazprom is trying to gain a dominant market position in EU energy market, and why it is trying not only to monopolize sources of energy, but also to control export routes. Energy security in Russia or at least in the Russian ruling elite is perceived not only as economic security, but also as a fundamental aspect of wider national security of the state, since energy exports and the related income are defined as the main development impetus for the whole Russian economy and state. The latter is evident from the series of strategic government documents on the development of the Russian economy in which the energy sector is defined as the engine of development of the Russian economy and society. The importance of energy exports is clearly seen in the fact that in 2005 it represented 63 per cent of all exports and 37 per cent of all state revenues (The Energy Security Series, 2006). This share will be in the face of the gloomy economic prospects for 2009 and worse to come (World Bank, 2009). As is evident from the new Russian National security strategy to 2020 (Strategija nacionalnoj bezopastnosti Rosssikoj Federacij do 2020 goda, 2008), the question of energy security in Russia will become more politicised and will be increasingly in the domain of Russian foreign and security policy

Energy security is as such a complex issue heavily dependent on whether the country is an exporter or importer of energy. However in both cases it is composed of the reliable extraction, transit and supply of energy at an acceptable or fair market price. In any other case energy security is endangered for all involved. As mentioned before, energy, especially natural gas and oil, is at the heart of EU-Russia cooperation. It is a cooperation based upon close interconnected dependence due to the fact that 60 per cent of Russia's total export is oil, 60 per cent of all exported Russian oil ends up on the EU markets and in 2008 this represented 33 per cent of all oil imported in the EU. In the case of natural gas, 50 per cent of all Russian natural gas is exported to the EU and this represents 42 per cent of all natural gas imported in the EU. In the case of coal some 42 per cent of all coal imported to the EU comes from Russia (European Commission, 2008).

In this respect CEE member states where dependence on imported gas is 70 per cent, 92 per cent of which comes from Russia, are even more exposed than average EU member states. Further, the trend of increasing oil and gas imports from Russia

and the general growing dependency on the importation of energy, together with the fact that some 6.3 per cent of world oil reserves are in Russia and, in case of gas Russia being (besides Iran and Qatar) one of the few countries with proven reserves above 2 per cent of world reserves (European Commission, 2008), is clearly forcing the EU to establish an EU-Russia energy partnership as a way to secure the energy security of both sides. In this respect, access to Russian energy resources from the EU point of view, and access to the EU market for Russia as an export country, is economically the most attractive and lucrative partnership. As Johnson (2005: 257-62) states, this is in line with two major strategies available to the EU in providing for its energy security and lowering its energy dependence. The first is to cut consumption by introducing new, mainly renewable energy sources, and finding new energy sources or energy suppliers. This is a viable long-term strategy, while the only short-term strategy is to foster close relations and partnerships with the main suppliers of energy to the EU. At the moment EU policy is based on a combination of both strategies, especially in relation to Russia, where the EU is trying to reach some kind of a mutually beneficial energy partnership. The main reason for this, as Johnson (2005: 264) concludes, is the growing EU dependence on gas imports from Russia, which is, on one hand, the result of a general trend of increasing EU dependence on energy imports, and on the other hand the result of a growing dependence on Russian gas and oil pipeline networks, which makes Russian energy sources more attractive to the EU. This trend is most obvious in gas imports where dependence on Russia has increased because the majority of new Member States depend heavily on imports from Russian gas pipelines. Even though pipelines are a very inflexible mode of energy transport and usually limit the choices of gas suppliers to one producer, they are still the most efficient form of gas transport available at the moment. This dependence cannot be overcome in the near future, because the construction of new pipelines is a demanding undertaking, both technically and economically. Besides, routing new pipelines is always a politically complex and intense process, which proves to be of great importance in EU-Russia relations. Today's pipeline network forces both sides to cooperate, as this network increases mutual interdependence. This will last at least until Russia constructs its pipeline network to the Far East (Far eastern pipeline) and/or until EU secures a pipeline connection to the Central Asia, bypassing Russia (project Nabucco). This is also the reason why the EU has been trying for almost a decade to formalize its energy relations with Russia with the Energy Charter, which Russia has declined to ratify on the grounds that it does not suit Russian energy interests.

Since these relations are not institutionalised to the extent the EU wants them to be, Correlje and van der Linde¹ (2006: 537-8) conclude that the EU is facing

¹ This is part of a wider and more detailed Study on Energy Supply Security and Geopolitics, available at: http://ec.europa.eu/comm/energy_transport/doc/2004_lv_ciep_report_en.pdf, 20/8/2007.

sudden and creeping supply gaps², which I will call gradual supply disruptions. Sudden disruptions are usually the consequences of political decisions or military conflict, technical failures or disasters. Gradual supply disruptions, on the other hand, are a result of processes which are not sudden or single events, and which demand long-term planning and searching for new sources and energy supply routes. In both cases the EU has to develop different strategies for confronting both types of disruption. However before defining these strategies, we must define two major scenarios for future developments in the global energy market, which will determine the nature of these EU strategies. The first strategy is called Markets and Institutions (MI), and the second is Regions and Empires (RE) (Correlje in Van der Linde, 2006: 535–6). I will label those two scenarios as realistic and liberal. The liberal scenario is optimistic and is based on the assumption of an intensive social, cultural and economic internationalisation and globalisation of markets and international relations. It is based on an idea of intensive cooperation among states and nations and envisages a multiparty state system which governs the international community and strengthens international institutions, and the liberalisation of markets and market forces in international trade and exchange. On the contrary, the realistic scenario has a pessimistic perspective on the future development of international political and economic systems. It envisages ideological, religious, regional and state-based partitions of the world. In this world different political, ideological, regional and strategic blocks are caught in fierce competition. Different national and regional security dilemmas limit international economic integration and all economic activities are heavily regulated. Since there is no global market for strategic commodities, their trade is based on bilateral trade agreements among states and blocks. This further strengthens different blocks with satellite regions joining the race for markets and energy sources. The nature of EU-Russia relations and especially the EU-Russia energy partnership depends on which scenario prevails or which assumptions are dominant in the international community. According to the realistic scenario, Russia and the EU will be two blocks competing for sources and arranging mutual trade with trade agreements, while in the liberal scenario the EU and Russia will gradually form a common space of free trade.

In the case of either scenario the EU should, according to Correlje in van der Linde (2006: 539–541), develop the following strategies to cope with possible disruptions of energy supply:

- a) *Prevention* (in the liberal scenario the aim is to strengthen the international institutions and energy markets; in the realistic scenario long-term bilateral trade agreements are crucial).

² It defines the following types of gaps: as a result of lack of investment climate and as a result of religious and ideological choice (Correl and van Linde /2006/).

- b) *Deterrence* (in the liberal scenario it is necessary to strengthen the role and powers of the UN and Security Council to enable them to enforce sanctions and authorize peace operations to solve different conflicts; while the realistic scenario is based on effective and strong military force).
- c) *Containment* (the liberal scenario does not envisage any crucial role for containment; in the realistic scenario this is a crucial mechanism of damage control).
- d) *Crisis management* is equally relevant for both scenarios and envisages the creation of strategic reserves of energy, regimes of reduced energy use, etc.

Regardless of different scenarios and strategies, the EU faces different options regarding its energy security. The first is to leave this issue to the individual Member States and their ability to achieve beneficial bilateral agreements with the producing countries, with or without any wider EU framework. The next option is to establish a comprehensive EU energy policy which will ensure that all Member States have a secure and stable energy supply. This will also benefit producing countries, because the agreement with the EU will grant them access to one of the biggest energy markets in the world. However this will be possible only if, as Correlje and van der Linde (2006: 542) claim, the EU develops an internal energy market capable of overcoming sudden and gradual supply disruptions using alternative energy sources and ensuring the necessary strategic stocks. Nevertheless, the EU must develop its own internal and external capabilities, which will enable it to materialise its energy vis-à-vis the producing countries. This also means that it is necessary to develop true EU military capabilities, independent of the US in many respects.

Another option in this respect is the creation of a regional energy market or EU-centric geo-energy space. Mane-Estrada (2006: 3774–3784) claims that the forming of a truly liberal global energy market is an illusion and that the only option is to create a common geo-energy space in which consumer, transit and producing countries cooperate to achieve optimum beneficial results for all participating countries. This would mean that the EU should try to create such a common geo-energy space together with Russia, the Caspian States and Turkey. This space would be regulated by multilateral agreements and above all by the mutual dependence of all participating countries. In this way all countries could fulfil their interests and aims without competition, insecurity and tension. However this would demand from every participating country the acceptance of an inclusive energy policy and that they try to avoid, as much as possible, narrow and exclusive national energy policies.

We must of course take into account the fact that Russia also has its own choices in creating its energy policy or, as Rutland (1999) said, development paradigms of energy policy. Rutland (1999) identifies the following:

- a) *Kuwaitization*: envisages the energy sector as the resource provider and starting point for the development of the Russian economy and society.
- b) *Liberalization*: in this paradigm the Russian energy sector should develop in accordance with market forces and without any state regulation or red tape.
- c) *Rent seeking*: in this paradigm the energy sector is controlled by small managerial-political elite, which seek rents and profits from the energy sector's monopolistic position in the exports of oil and gas.
- d) *Russian bear*: means state control over the energy sector, which makes Russia a great power with interests locally and abroad.
- e) *Pluralistic school*«: a state in which rival groups compete for control over the energy sector.

Russia as an energy producing country has some unique characteristics, which considerably strengthen its position in the world markets. These characteristics are (Mane-Estrada, 2006: 3778–9):

- a) Russia not only pumps and exports oil and gas, but it also refines and processes them and is present in different markets thanks to its geography and centralized and wide network of oil and gas pipelines. This enables Russia to cover an area spanning from Europe to the Far East and from the Mediterranean to the Indian and Pacific Ocean.
- b) Russia also has its own integrated and vertically developed oil companies, which are capable not only of developing their own capabilities, but also of investing abroad.
- c) Russia is also a relatively developed industrialized country with quite a strong non-energy industrial base.
- d) Increasing demands for oil and gas in different parts of the world lead to an even stronger position for Russia as an energy-producing country.

The Russian energy sector also faces many challenges and dilemmas. One of them is the problem of double pricing the export and home use of gas and oil, which lowers the incomes of the Russian energy sector. The unfinished transition from command to market economy and non-transparent privatisation put additional pressure on the sector. There is also the problem of internal political unwillingness to allow foreign investments; further, in the last few years we have witnessed some kind of a renationalisation of the energy sector and the political pressure to control state energy resources with the help of a loyal managerial elite. All of the abovementioned problems limit the transfer of know-how and slow the development of the energy sector. The lack of a clear and transparent legal framework is also an important disadvantage for further development. In spite of all these problems Russia remains the second largest

oil and first gas producing country in the world, which in addition possesses one of the world's biggest known deposits of oil and gas (Johnson, 2005: 266–71). Because of this, Gazprom, a Russian natural gas monopolist, has become one of the biggest energy companies with ambitions to spread its operations into the EU, which causes additional problems in the EU-Russia relations (see Spajner, 2007: 2892). The EU sees Gazprom as a threat to its energy market and demands from Russia the division of Gazprom and liberalization of the gas industry. However, Russia refuses to lose this increasingly important tool of its foreign policy.

The question of transport routes is an open issue in EU-Russia relations and an area of cooperation which could be seen as a power play between entities. Paradoxically, opposing interests in the transit countries are the main cause of energy related tensions between the EU and Russia. This was especially obvious after the orange revolution in Ukraine and the gas war which followed. As mentioned before, the last gas war proved that energy can become an important foreign policy issue in EU-Russia relations, especially since there are more and more indicators that energy is becoming a tool or an instrument of Russian foreign policy not only towards Ukraine and transit states in general, but also in relations with the EU. In response to transit difficulties Russia started seeking solutions to this problem, beginning the construction of new alternative pipelines to the EU and the Far East. The most important pipeline projects to Europe are the Northern Stream under the Baltic Sea and the South Stream under the Black Sea and across the Balkans, which will enable Russia to bypass unfriendly transit countries and export gas directly to western markets. What is astonishing is the fact that these projects are based more at a bilateral level than at an EU level. Russia has succeeded in persuading individual EU member states to deal with their energy security issues in bilateral relations with Russia, and in this way it has hampered EU level efforts to create a common EU energy policy towards energy-supplying countries.

Even though the above bilateral agreements are not problematic from a legal point of view, they are problematic from the point of view of EU interests in energy security. These bilateral agreements are becoming an ever-increasing obstacle in the forming of a common EU energy policy, especially with Russia, since Russia is conditioning the construction of the pipelines with certain demands, which tend to be a breach of EU legislation (*aquis communautaire*). We can understand that the EU Member Countries wish to ensure their energy security, but these agreements are frequently concluded at the expense of common EU energy policy. German and Italian and to a certain extent Hungarian and Bulgarian activities in this regard can be described as typical, and common to almost all EU member states (Baillie, 2006). In all countries energy markets are dominated by national energy suppliers. The German E.ON and the Italian ENI are both working closely with the Russian

Gazprom (E: ON North stream; ENI South Stream), since they are trying to ensure their market positions and business outcomes are as good as possible, and they see cooperation with Gazprom as a good business opportunity and as a way to ensure a stable and reliable energy supply. In spite of the fact that this, in the short term, creates monopolistic or semi-monopolistic markets with relatively high levels of stability and good economic outcomes for involved companies, it is damaging in the long run. Because this practice is undoubtedly damaging to the common EU energy strategy, it limits the choices of other Member States and makes the EU more exposed to different external pressures. In this respect the supply-cut in January 2009 was a grim sign of things to come in the future. This is why EU member states should learn from the last gas war and should take measures to diversify sources of energy supply on the one hand and to strengthen the robustness of the EU energy market on the other. In this time of recession the EU should consider building a network of gas and oil pipelines which would enable all EU member states to access energy sources available within the frame of the EU. We should interconnect national gas and oil pipelines in a common EU network, which would lower the energy dependence and vulnerability of many EU members. At the same time all EU members should provide themselves with robust and substantial energy reserves which could supplement this gas and oil pipeline network in a time of crisis.

In addition, we should not forget that the EU is involved in an energy race for access to Caspian and Central Asian energy sources (Kimmage, 2006). This is becoming an area where a new Great Game is taking place, as this area possesses an estimated 5 per cent of world oil and gas reserves (Johnson, 2005: 274). These reserves would be sufficient for the EU to be completely independent of Russian or Middle East oil for almost 70 years (Forsythe, 1996: 6). The race is even tougher because Russia perceives this area as a vital strategic interest over which it must exercise direct or indirect control. Russia will try by any means possible to prevent the influx of western influence into the region, or at least to minimize EU and US influence and to strengthen its control over oil and gas exports from both regions. For Russia this is evidently a power game and the West, not only the EU, should learn a lesson from the last episode with Manas airbase in Kyrgyzstan. At the moment the race to gain access to Central Asian resources is fiercest between Russia and the US, but China is also joining them from the other geographical side. In this respect the EU is losing this race even though a non-Russian pipeline from Central Asia is of vital importance for EU energy security. We should be aware of the fact that once the Russian controlled pipeline network is open, there will be neither political nor economic interest in EU pipeline projects. The EU should pursue its own interests in the region by promoting cooperation and stability, but should also act more actively and with far more determination, since the results of this game

will determine the development of energy markets in the foreseeable future.

Conclusion

We can conclude that even if EU-Russia relations are influenced by a high level of interdependence, this does not necessarily indicate harmonious relations. Since Russian foreign and energy policy is becoming more and more similar to the realistic scenario and Russian energy development to a mix of the *Russian bear* and *Kuwaitization* scenarios with elements of *Rent seeking* scenario, the EU should definitely establish its own clear and far-reaching strategy of relations with Russia, with a special emphasis on energy security. The EU should try to form a common policy towards Russia that would bring national policies and the existing common EU policy closer together, which is important for EU-Russia relations and cooperation. It is vital for the EU to be uniform in its response to Russian pragmatic foreign policy. Member States should forget their sometimes egoistic short-term interests for the sake of common long-term beneficial results. This does not mean that the EU should ignore Russian interests; on the contrary, it should take Russian interests into account, but it should also clearly present its own interests to Russia. In other words, we should tell Russia where the line we are not willing to cross is. Furthermore, the EU should be more active and interest-driven in obtaining access to dispersed energy sources. This does not necessarily mean entering into conflicts with other states, but we should not let other countries gain monopolies over energy sources vital for the future of the EU in the field of energy. In this respect the EU should use mainly its “soft” power and the prestige it enjoys in those parts of the world. The long-term strategic optimum for the EU would be a geo-energy common space in which all major energy producers relevant for the EU would be included; all transit states and also all consumer states. In this way unproductive tensions could be avoided and everyone involved would benefit. Since, however, this is only possible on a long-term basis, in the short term the EU should be more egoistic in securing its own energy security than it currently is.

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Is dependence really interdependence? Gas strategies seen from central-Eastern Europe

Attila Virág

Abstract: *This article explores the dependencies between the European Union and its eastern member states and Russia. The EU-27 and Moscow formulate their energy security target-systems following two considerably different strategic energy approaches. The parties might initially appear to be interdependent in the examined field. This view, however, would only have relevance if the energy policies of the European Union were unified and regulated at Union level, and this is not the case. Hence it is a more substantive question to ask what relationships separate member states maintain with Russia concerning gas affairs. The second half of this article concerns itself with an in-depth analysis of the central-eastern European member states of the European Union. It demonstrates, on the basis of historical and geographical factors and recent discussions regarding gas and gas lines, that the interdependence of countries in the eastern part of the Union and Moscow is asymmetric. Accompanying risks are even more severe, since the two regions, central-eastern Europe and Russia, are separated from each other by so-called gatekeeper countries.*

Keywords: *energy policy, security policy, supply security, European Union, Russia*

Introduction

Energetics is an idiosyncratic frontier between politics and economics. In this era of economic globalization, the long-term target systems and strategies of international and corporate spheres should be formulated considering specific environmental impacts. Since the end of the 20th century, the spatial integration of markets and the convergence of operational regulations and their institutions have been taken as an empirical fact. Although changes primarily take place in the economic world, global and local politics play an important role in their motivation, coordination and restriction at all times.

In the case of the energy market the emphasis of state activity is laid on energy security. Present crises in the extractive and transit countries, unusual and unpredictable natural relationships, unequal geographical distribution of hydrocarbons, dropping reserves, rising energy prices and the increasing demand for energy as a result of economic growth also contribute to the players of world

politics formulating new energy policy, and accordingly creating new targets and strategies.

Economic and market players are also interested in sustaining energy security, since both the economic competitiveness of society and domestic welfare strongly depend on the security of energy supply. This is particularly true for the hydrocarbons market, since retail customers' propensity to pay for this product is proven to be high¹. According to László Varró several signs show that "the social value of energy-supply security is rising with economic development" (Varró, 2007: 64.). Therefore potential problems of energy supply may have a strong impact on economic development. This is particularly true for the service sector (commerce, banking, tourism), where temporary or permanent energy failure might result in lasting loss of consumer confidence.

Although it seemed that after the termination of the bipolar world system energy gradually became the topic of traditional economic policy instead of security policy or security strategy, the situation observed in the Cold War era has not substantially changed in the 21st century. There is no sign that this strategically managed field has come completely under the influence of market mechanisms, despite that fact that economic sciences primarily, and in many cases exclusively, deal with analyzing energy policy using their own narratives. This perspective, however, does not account for the direct and indirect military dimensions of hydrocarbons including natural gas, together with the strategic movement of players in the fields of economic policy and international politics. This only allows a limited, economically biased definition of the term 'energy security'. Hydrocarbons have become strategically important raw materials primarily due to their role in economic life; hence this is one of the reasons that their role in politics has also become strategically important². So it can be argued that the energy security problem continues to be a determinant factor in the making of economic and security policy at the beginning of the new millennium.

This article examines the dependencies between the eastern part of the European Union and Russia. The first half discusses the energy policies of Brussels and Moscow. In my opinion the importance of the topic is derived from the fact that the two economic and world political players formulate their energy security target system following two considerably different energy strategy concepts. Both approaches lay emphasis on the term 'energy security' with different foci.

The second half of the article analyzes the gas dependence of central-eastern European Union member states on Russia. An attempt is also made to analyze the

¹ See e.g. the results of a Hungarian Public Opinion Poll Institute (Tárki) – survey commissioned by the Hungarian Energy Bureau.

² Not considering the military consequences.

idiosyncratic gatekeeper role of countries that lie between central-eastern Europe and Russia – with special attention to Ukraine, in regard to security policy power-play and planned gas line projects.

Piped gas Line of Business as a special energetic field

Examining the problem of energy security in the case of natural gas, a great number of idiosyncrasies can be noticed that are exclusively characteristic to this energy resource. The natural gas market is one of the most dynamically growing branches of energy supply within fossil energy resources due to its competitive price and its widespread industrial and household consumption. It has an advantage compared to the other non-renewable energy sources in that it has relatively fewer environmentally polluting effects. “The recently activated new generation Combined Cycle Gas Turbines (CCGT) produce energy with favourable contamination emissions and higher efficiency and economy compared to coal or oil-fuelled power plants” (Íjgyártó, 2006: 86.).

The value, usability, transportability and marketability of natural gas is different from that of crude oil in many ways. Therefore the gas Line of Business (LOB) and related policies are also substantially different. Its energy content is less than that of crude oil; however its delivery costs are higher³. The Cost, Insurance, Freight (CIF) element appears more significantly in the case of natural gas. Its delivery in piped form is technologically complex and costly. Although certain pressure-fluctuation is acceptable in the pipelines, restoration of supply after service-failure is more difficult than in the case of electricity. Furthermore it has far fewer transit alternatives compared to crude oil; consequently gas trade is less secure. Natural gas is storable, however only in expensive facilities expressly established for this purpose.

Inter alia due to the above features⁴ it can be argued that the establishment of an effective market in the case of piped gas LOB is not simple. The required pipeline system is a “natural monopoly, its duplication is not possible. Hence “third party access” is a prerequisite for competition: the owner of the network makes it available for all market players as a public infrastructure at a non discriminative network tariff” (Varró, 2007: 68.).

The gas market is regional, therefore the price is determined on the basis of individual agreements between extractors, suppliers and customers; the actual crude oil and Diesel-oil price in the region is rather informative. It is characterized by strong seasonal consumption; however, owing to its wide utilization, supply problems

³ ”From the cost of delivering an energy unit in the form of natural gas from the North Sea to the European continent the same energy content in crude oil could be delivered twice around the world.” (ÍJGYÁRTÓ, 2006: 86.).

⁴ Primarily due to the required special infrastructure.

immediately have an effect. As a result of high investment and operational costs it is worth operating the pipelines at full capacity⁵, so extractors are also interested in the ownership of the pipelines (UNEP–WORLD BANK, 2003; INTERNATIONAL ENERGY AGENCY, 1995).

Supply-oriented energy policy of the European Union (reasons, opportunities and limitations)

International, primarily western scholars in energy policy literature attempt to define energy strategy fundamentally considering the provision and security of supplying a given economic or political region. Accordingly, the mission and objective of energy strategy is to sustain the continuity of energy supply with the help of different political and economic tools. Regions having limited or no energy resources, including hydrocarbon reserves, are particularly characterized by this strategy. The energy strategy of such importers is determined by forced long-run import⁶. This strategy in practice coincides with the energy policy of the European Union (EU).

The most important reason for supply-oriented energy policy is falling gas reserves in Europe. Furthermore the continent has to account for increasing natural gas demand. “According to estimates the natural gas demand of European Union countries might reach 601 billion cubic metres by 2015, of which 195 billion cubic metres would be used in energy production” (ÍJGYÁRTÓ, 2006: 87.). This is primarily due to the fact that the role of natural gas within the energy sector has been escalating since Brussels set the reduction of carbon dioxide emissions as an objective. Although in the coming decades the highest dynamism is expected in the field of renewable energy sources (around 74 per cent growth between 2000 and 2030), gas-consumption is still placed second at 64 per cent, since the role of the latter within the energy-balance could increase from 16 to 32 per cent, thereby approaching the role of oil falling from 40 to 35 per cent (LUDVIG, 2006: 151.).

Within the framework of supply-oriented energy policy, the EU has specified a number of objectives such as reducing energy-dependence, creating diversified energy-supply, achieving sustainable development through technological developments and increasing energy efficiency, together with inspiring regional solidarity and cohesion through formulating and implementing unified standards⁷. The latter is argued to be the greatest limitation to supply-oriented energy policy.

⁵ The unit cost doubles if a 51mm line operates in 50 per cent efficiency.

⁶ The strongest exception is the United States of America, who became a crude oil importer in the 1950s, and had been crude oil exporter until 1948. In 1959 the American administration introduced a formal import quota system to protect its domestic crude oil extraction (Mikdashi et al., 1970).

⁷ More in-depth description can be found in the energy policy documents of the Union, specifically in the Energy Charter and in the Green Books as of 2000 and 2006 (EUROPEAN COMMISSION, 2000A; 2000B; 2006).

Regarding the defensive energy strategy of the Union, it is essential to briefly mention the documents and regulations providing the framework for EU-level natural gas policy. The first document is the so-called Energy Charter. It is the first initiative with the intended aim of summarizing the principals of European energetic cooperation. The Charter was signed in The Hague in December 1991⁸, though at that time it could be regarded as a cooperation agreement; it became a legally binding international treaty after Russia signing in 1994, and came into effect in 1998. The Charter was later added into the *aquis communautaire*.

The document was fundamentally aligned to World Trade Organization (WTO) standards. It aimed to remove discrimination in the fields of investments, extraction, processing and delivery. It declared the principle of national or most favourable treatment in the case of investments among the signatories, and laid warranties against nationalization and appropriation. Furthermore it declared the right of investors to repatriate profit, and to select managers and employees (Romanova, 2002: 59.). The Charter also deals with transit deliveries together with infrastructural operation; accordingly it prescribes the creation of access to pipelines without discrimination for all the signing and third parties.

The fulfilment of the actions laid out in the document has, however, come up against severe difficulties, of which the most outstanding is that Russia has not ratified the contract. Its primary reason is that the range of incorporated countries was remarkably wide, hence “the Russian supplier Gazprom did not intend to lose the political and economic weapon of providing access to the pipelines in favour of its competitors” (Ludvig 2006: 150.).

The Green Book 2000 and 2006 are fundamental documents in understanding the energy strategy of the European Union (EUROPEAN COMMISSION, 2000B; 2006). In the document issued in 2000 the Union considers available energy sources, anticipates acquisition and energy consumption tendencies by 2030, and faces the energy consequences of growing demand. The aforementioned reasons for the supply oriented energy strategy of the EU are presented. Furthermore the document presents the key energy goals as follows: sustainability, competitiveness and provision of supply.

Prospects of Russian demand-oriented energy policy

The supply-oriented approach expresses just one side of the energy strategy. The geographically unequal distribution of energy resources prioritized in the era of Cold War, primarily hydrocarbons, resulted in a diversity of energy strategies. Hence for countries having large hydrocarbon reserves – likely exporters – the

⁸ Apart from all the European Union member states the United States of America, Canada, Japan and Australia also signed the Charter.

above strategy does not make sense. In this case the mission and objective of energy strategy is to provide the security of demand, and to use the income derived from supply-provision for different political and/or economic goals. Accordingly tools are not ordered to provide security of supply – instead income from providing energy supply (energy export) is rearranged to serve political and/or economic goals. However, these goals are not generally linked to the energy industry, but are mostly linked to economic or foreign policy. This concept clearly reveals the primary objective of Russian energy policy in the piped gas LOB.

What characterizes Russian gas policy at present? The answer can be found in the “Energy Strategy of Russia to 2020” document. Although this strategy had already been formulated in 2000, it was only approved in 2003⁹. The framework of the Russian energy strategy can be discerned from this document, and is well characterized by the earlier discussed term ‘demand oriented energy strategy’ in the field of gas LOB.

The essence of Russian demand-oriented energy policy can be unravelled from supply and demand sides. The continent-sized country possesses one third of the world's natural gas reserves. Furthermore, substantially expanding production capacity and increasing exports are expected.

The magnitude of exploitable reserves in 2005 came to 47.820 billion cubic metres, from which the volume under extraction was 598 billion cubic metres (BRITISH PETROLEUM, 2006). This is expected to increase by 25–30 per cent by 2020 according to the Russian energy strategy concept. Natural gas exports are expected to reach 275–280 billion cubic metres compared to the 185 billion cubic metres as of 2002 (MINISTRY OF ENERGY OF THE RUSSIAN FEDERATION, 2003). Russia plans to expand its markets, which based on the fact that beyond Europe substantial demand is expected for natural gas in the Pacific-region and in south Asia.

Perceived tendencies in the demand and supply sides of gas LOB raise not only the opportunity for but also the barriers against Russia applying a more offensive energy strategy. Russia has to account for more dilemmas arising in its long-term energy policy, which seem to be multiplied by the world economic crisis. The first goal of implementing an offensive energy strategy is to provide the long-term demand for Russian natural gas¹⁰. Furthermore other factors also influence the feasibility of a proactive energy policy: 1. When will Russian reserves deplete? 2. Is Russia able to control its great natural gas reserves in the long run? 3. Is it able to control the majority of the gas line system? 4. Is it able to accomplish the necessary technological developments adequately (fundamentally without outside assistance)? 5. How will the global hydrocarbon price develop in the long-run?

⁹ Government resolution No. 1234 as of 28 August 2003.

¹⁰ Solvent, adequate size, predictable, available in the long-run, diversified.

Stability in the Russian economy is based on the permanent hydrocarbon trade, namely gas exports. The share of budgetary income derived from the sale of energy resources is extraordinary high, which sets limits on establishing an offensive energy policy. Although the Russian energy strategy to 2020 attempted to double the annual natural gas export from the 185 billion cubic metre level as of 2003 to 275–280 billion, export in recent years has decreased instead of increasing. It raises the question of what changes the deepening crisis might generate for Russian outlooks.

Russia might compensate for interruptions with price-increases or market extension. In the former case in internal markets – where for social and economic reasons gas was sold at extraordinarily low prices before the crisis – the Kremlin should expect serious public dissatisfaction. In western markets the prevailing price is fixed to a price formula laid out in long-term contracts, which is *inter alia* based on the prevailing Brent crude oil price. The situation is different and not positive from the viewpoint of Moscow, in countries within the Commonwealth of Independent States (CIS) where the parties have so far counted on depressed prices compared to global market prices. Changing pricing systems and price increases may lead to gas wars, supply problems, and, what is most severe for Russia, the failure of expected revenues (see *inter alia* the difficulties derived from the receivables of Naftogas). This means that an offensive gas pricing policy within the Russian sphere of interest could easily generate the unsettlement of existing (western) markets.

Other anomalies can be discerned with respect to market expansion. The Russian energy strategy to 2020 does not resolve the discrepancy between the magnitude of investment requests and the Russian reservations against incorporating external funds, with regard to both existing markets and potential new buyers.

“Among the greatest uncertainty factors of Russian hydrocarbon supply security are currently the weakness, the capacity and particularly the maintenance problems of delivery infrastructure” (Ludvig, 2006: 168.). Besides modernization and maintenance the modernization of research, extraction, gas production and processing becoming more and more costly also creates difficulties for Russia.

Though the Russian energy strategy sets the diversification of hydrocarbon markets as an objective, thereby underpinning the sustainability of offensive economic policy, effective implementation is not guaranteed, particularly in this era of economic crisis when the expected gas demands in the future cannot be easily predicted.

Prevailing price is also a central element of Russian energy strategy. As long as prices are high, state budget revenue will also be high. However, if prices dramatically drop, and the situation seems to be durable, then Russia might become a raw

material projection of developed western and eastern countries from the viewpoint of energy policy.

Is dependence interdependence?

Based on the above, the relationship between the European Union and Russia is characterized by interdependence in the field of piped gas LOB, and is expected to remain so in the future. Hence the deputy Chief Executive Officer of Gazprom, Alexander Medvedev is correct when arguing that “Europe depends on Russian gas, and likewise Russia depends on European gas procurement. This interdependence guarantees a strong commercial partnership and the long-term stability of supply” (CROOKS, *Financial Times*, 9 November 2007). The former German chancellor Gerhard Schröder expressed a similar viewpoint in his interview given to the Hungarian political journal *Népszabadság* in 2008. “70 per cent of Russian export is directed to Europe, whereas one quarter of Russian state revenue is derived from gas and oil selling. Russia depends on the customers and Europe on gas. This is interdependence” (GERGELY, *Népszabadság Online*, 12 April 2008).

These standpoints could possibly gain relevance if the energy policy of the European Union in gas affairs were unified and energetics were regulated as a community level policy, or the member states at least followed similar strategies in this field, however this is not the case.

The Union has little latitude for manoeuvring, since energy policy is not regulated at Union level, i.e. the authorities of the Energy Committee have not enabled the implementation of a unified Union level energy policy. Consequently member states mostly politicize against one another and Brussels. Bilateral contracts are signed instead of community level agreements¹¹. Since the Union cannot be regarded as unified in the field of energy policy, it cannot act in a unified and expedient manner concerning its strategic goals. Hence in this sense it cannot be regarded as an independent entity, and so the above mentioned EU-Russian interdependence does not have substantive, practical support. Hence it is a more substantive question to ask what relationships separate member states maintain with Moscow concerning gas affairs.

The situation in central-eastern Europe

The markets of European countries on the two sides of the former ‘iron-curtain’ were considerably different from each other. While members of the former European

¹¹ The greatest example of this might be the German-Russian agreement in relation to the Nord Stream gas line, which had been a high priority Union programme; however, its planned trace displeased more EU members and Brussels.

Community (EC) are located between the gas-fields of the North Sea and North Africa and generally possess extensive coastlines, making them natural customers of Liquefied Natural Gas (LNG) even today, the energy demand of former CMEA¹² countries has become even more exposed to Russian natural gas. The energy dependence of eastern Europe on Russia (in particular considering natural gas) can be grounded not only in geographical but also in historical reasons.

The energy poverty of states in the former Soviet sphere of influence represented one of the milestones of CMEA relationships. It was a determinant process between 1958 and 1965 in the rapid integration of the satellite states of the Soviet Union into the aforementioned organization, which initially had the main goal of accomplishing the economic-strategically key energy and raw material programme. It was in the interests of the Soviet Union“ to eliminate energy and raw material poverty hindering production growth derived from the earlier unplanned and disproportional development, and to fulfil the energy and raw material requests necessary for smooth, planned growth” (Szakács, 2002: 233).

Estimations and plans were made between 1957 and 1958 to explore the demands within CMEA. The rearrangement of the energy structure by increasing crude oil and natural gas import to accomplish the DIP¹³ programme seemed to be inevitable. This was facilitated by the discovery of the enormous West Siberian crude oil and natural gas reserves at the end of the 1960s. Accordingly a number of large investments were made in the energy industry. The preparation and implementation of unified electricity, crude oil and natural gas systems were begun at that time¹⁴.

With the establishment of the system the central European CMEA countries became the stable markets of Soviet hydrocarbon export. Moscow was able to predictably calculate export volume, which was mostly dictated by its trading area. It was based on, firstly, the Soviet-friendly leadership of these markets and secondly the establishment of the aforementioned hydrocarbon line system, which at the same time excluded the possibility of central-eastern European CMEA countries fulfilling their energy demand from other sources.

Although in the beginning Moscow offered favourable hydrocarbon prices for CMEA members, in reality considerable discrimination was applied against these countries. Examining the period between 1955 and 1960 it emerges that the price of Russian crude oil exported to CMEA countries exceeded the export price applied for

¹² Council for Mutual Economic Assistance. In was founded in 1949 as a counterpoint to the Marshall-plan and the European Economic Community. In the cold war it functioned as a consultation organization of the eastern orbit and as a mediator organization of Soviet military and economic will.

¹³ DIP (*dognat' i pieriegnat'*), i.e.“reaching and exceeding”, which was assumed to be a vision and programme to implement the transformation to communism.

¹⁴ Inter alia the Hungarian section of“Friendship” crude oil line was opened in October 1962.

countries outside of the CMEA by an average of fifty per cent. “While within CMEA, the average barrel price was 3.31 dollars, it was elsewhere 2.2 dollars” (The Seven Sisters, 1975: 362–364.). “The oil price explosion had diametrically contrary effects on the terms of trade of the Soviet Union and the hydrocarbon importing European CMEA countries: while the Soviet Union as an exporter managed to effect significantly improving terms of trade, the importer CMEA countries experienced dramatically worsening terms of trade in the 1970s” (Szemerényi, 2007: 25.).

After the oil crisis in 1973 the hydrocarbon business directed towards the CMEA generated substantial budgetary overload, which can be explained by the “hard currency price” of external, primarily western European markets. Accordingly the earlier CMEA target markets became transit countries assuring access to western markets. By the middle of the 1970s, in parallel with increasing western exports, decreasing Soviet energy deliveries were experienced in many countries in the Soviet orbit (The Petroleum Economist, 1976).

The pipeline system was established to deliver Soviet gas west; hence the east-west directed pipeline system was built in the central European region, i.e. the Belarus-Poland-Germany, Ukraine-Slovakia-Austria/Czech Republic and Ukraine-Hungary lines. This infrastructure did not change significantly after changes to the central-eastern European political system. Dependence on Russian gas has remained the idiosyncrasy of the region.

This situation should make countries in the region realize that regional cooperation is essential also in the field of energy policy. Accordingly the establishment and intensification of north-south cooperation may primarily help central-eastern EU members to increase energy security.

The European Union and Russia are in an interrelated relationship with each other concerning the piped gas LOB, however – primarily due to the fact that the energy policy of the EU is not implemented at Union level – the question cannot be neglected as to whether the relationship between the two economic and world political players is symmetric or asymmetric considering dependence in terms of a regional breakdown. For that purpose it is worthwhile to compare the gas dependence of the former EU-15 and the central-eastern European countries that joined after 2004 on Russia.

It can be concluded that the two regions are significantly different from each other in terms of their gas dependence on Russia (Kaderják, 2008). This differentiated situation is analyzed in Table 1 which was assembled using the data of the British Petroleum Statistical Review of World Energy 2008.

Table 1a: Trade Movements in 2007 by Pipeline to EU

From where	Western European exporters									
	Belgium		Germany		Netherlands		Norway		Great-Britain	
To where	bn m ³	(%)	bn m ³	(%)	bn m ³	(%)	bn m ³	(%)	bn m ³	(%)
Austria			1,1	14,71			0,78	10,43		
Belgium			1,6	8,27	7,1	36,71	9,5	49,12	0,64	3,31
Great-Britain			1,8	6,43	1,6	5,71	8,2	29,29	16,4	58,57
Finland										
France	1,9	5,63	0,1	0,3	8,92	26,42	15,11	44,76	0,1	0,3
Greece										
Netherlands			5,5	29,16			7	37,12	1,82	9,65
Ireland									4,15	100
Luxemburg	0,8	53,33	0,7	46,67						
Germany					19,13	22,85	23,74	28,36	2,9	3,46
Italy			1,5	2,1	6,11	8,43	8,99	12,41	0,75	1,04
Portugal										
Spain							2,15	19,63		
Sweden			0,15	13,51						
Bulgaria										
Czech Republic							2,2	25,49		
Poland			0,8	8,6						
Latvia										
Lithuania										
Hungary			0,83	7,92						
Romania			1,3	27,08						
Slovakia										
Slovenia										
Total IMPORT	2,7	0,8	15,38	4,55	42,86	12,68	77,67	22,97	26,76	7,91
West IMPORT	2,7	0,93	12,45	4,29	42,86	14,78	75,47	26,03	26,76	9,23
East IMPORT	0	0	2,93	6,08	0	0	2,2	4,56	0	0

Note: Except for Estonia, Denmark, Malta and Cyprus

Table 1b: Trade Movements in 2007 by Pipeline to EU

From where	Russia		Other European & Eurasian		North African exporters				Total EXP.
					Algeria		Libia		
To where	bn m ³	(%)	bn m ³	(%)	bn m ³	(%)	bn m ³	(%)	(%)
Austria	5,6	74,87							7,48
Belgium	0,5	2,59							19,34
Great-Britain									28
Finland	4,3	100							4,3
France	7,63	22,6							33,76
Greece	2,89	100							2,89
Netherlands	2,3	12,2	2,24	11,88					18,86
Ireland									4,15
Luxemburg									1,5
Germany	35,55	42,46	2,4	2,87					83,72
Italy	23,8	32,85			22,1	30,5	9,2	12,7	72,45
Portugal					1,39	100			1,39
Spain					8,8	80,37			10,95
Sweden			0,96	86,49					1,11
Bulgaria	3,1	100							3,1
Czech Republic	6,43	74,51							8,63
Poland	6,2	66,67	2,3	24,73					9,3
Latvia	1,6	100							1,6
Lithuania	3,4	100							3,4
Hungary	7,85	74,9	1,8	17,18					10,48
Romania	2,5	52,08	1	20,83					4,8
Slovakia	5,8	100							5,8
Slovenia	0,56	50,91	0,1	9,09	0,44	40			1,1
Total IMPORT	120,01	35,49	10,8	3,19	32,73	9,68	9,2	2,72	338,11
West IMPORT	82,57	28,48	5,6	1,93	32,29	11,14	9,2	3,17	289,9
East IMPORT	37,44	77,66	5,2	10,79	0,44	0,91	0	0	48,21

Note: Except for Estonia, Denmark, Malta and Cyprus

Table 1a, 1b summarizes the countries participating in European international piped gas trade¹⁵. Importer countries were divided into two groups. The first block contains former EU-15 countries in need of import. Their summary figures can be found at the bottom of the table denoted by 'West IMPORT'. The second block involves countries which have joined the EU since 2004¹⁶. Exporters were divided into five categories: 1. western European exporters including Belgium, Germany, the Netherlands, Norway and Great-Britain, 2. Russia, 3. Turkmenistan, 4. other European and Eurasian exporters, and 5. finally North African exporters.

The table clearly demonstrates the different trading areas of western and eastern importers. While the so-called western importers acquired 54.26 per cent of their natural gas demand from Western Europe, in particular from the fields of the North Sea¹⁷, according to the data from July 2007, this rate in case of eastern importers hardly exceeds 10 per cent. Furthermore from the examined nine countries, only four has an import rate above 10 per cent¹⁸.

The situation is similar with North African sources. While the western countries acquire 14.31 per cent of their natural gas from here, the eastern countries acquire only 0.91 per cent. This value is attributable to one country, Slovenia, where 40 per cent of its import comes from Algeria. However, it should be noted that only three Mediterranean countries of the former EU-15 are affected by such trade, but in high proportion (Italy imports 43.2 per cent, Spain 80.37 per cent and Portugal 100 per cent from Algeria). Therefore the energy dependence on Russia cannot be practically interpreted as a problem in these countries; furthermore opening to the east might be useful from the viewpoint of diversification.

The situation is considerably different in the group of countries containing so-called eastern importers. Here 77.66 per cent of the imported natural gas arrives from Russia. This ratio in Western Europe is 28.48 per cent. From the examined nine eastern states, four fully depend on Russian gas (Bulgaria, Latvia, Lithuania, and Slovakia). Slovenia possesses the lowest dependency rate: 50.91 per cent, the others range between 52.08 and 74.9 per cent.

It can be therefore being concluded that the diverse features of geographical and historical endowments resulted in the formulation of different energy security approaches, primarily in the area of diversification. The relating alternative perspectives can be clearly demonstrated by the struggle of establishing gas

¹⁵ Except for Estonia.

¹⁶ Again except for Estonia.

¹⁷ There are altogether three countries which depend on Russian gas mostly or completely (Austria in 74.82 per cent, Finland and Greece completely.).

¹⁸ Czech Republic (25.49 per cent), Poland (8.6 per cent), Hungary (7.92 per cent), and Romania (27.08 per cent).

lines in recent years. The Nabucco versus Nord/South Stream debate reflects the actual “power relations” concerning the interdependence between the Union and Russia.

All three planned lines mostly affect countries in the eastern region of the European Union. It is worthwhile to separate these countries into two groups. The first group consists of central-eastern European member states which are affected both by Nabucco and/or South Stream lines: Austria, Bulgaria, Hungary and Romania. The second group incorporates the North-eastern European Union members – Estonia, Latvia, Lithuania and Poland – affected by the implementation features of the Nord Stream line.

There is a common feature of the two regions, namely one-sided Russian energy dependence. From the countries in the first group, Bulgaria is 100 per cent dependent on Russian import, Austria 74.87 per cent and Hungary 74.9 per cent. The situation is comparable in the second group. Latvia and Lithuania completely depend on Russian gas, and two thirds of Polish natural gas imports are provided by Moscow.

The central-eastern European countries (first group) are firmly interested in the diversification of their natural gas imports. The South Stream and Nabucco lines might also contribute to this, however not to the same extent. While the South Stream would facilitate route-diversification, Nabucco would also provide source-diversification in the case of its implementation. It should not be forgotten that there are some central-European EU member states which are left out of the projects, and accordingly their dependence on Russia is not mitigated¹⁹.

The South Stream and Nabucco

1. The Caspian-region and countries in the Middle-East, having large natural gas reserves, represent a high security policy risk for countries participating in the Nabucco project.
2. Russia does everything possible to block central Asian countries lest they should open to the old continent, bypassing Moscow.
3. Energy policy in the European Union is not regulated at Union level, which hinders and decelerates the unified action of member states in supply or security issues. Union members often politicize against the interests of EU.
4. Russia – making use of the above situation – signs bilateral agreements with central and south-eastern European countries within the framework of the

¹⁹ According to the current situation Romania only participates in the Nabucco project, and Slovakia, having 100 per cent Russian dependence, does not participate in either project, so neither gas line will go through the country.

South Stream project, thereby currently having an advantage over the Union from the viewpoint of diversification²⁰.

In the case of North-eastern European countries (second group) the situation is very similar – however, no competitive lines can be found here. The question is rather what route the planned line should follow to reach its destinations, and which countries might have access to Russian gas through transit fees and new infrastructure.

Participating and non-participating countries in the Nord Stream

1. The possibility of diversification from source-side is minimal in the North-eastern EU members. Primarily the allocation of a gas route from Russia may mitigate supply security risks.
2. Energy policy in the European Union is not regulated at Union level, which hinders and decelerates the unified action of member states in supply or security issues. Union members often politicize against the interests of the EU.
3. Russia – making use of the above situation – signed a bilateral agreement with Germany within the framework of the Nord Stream project, thereby having an advantage over the Union from the viewpoint of diversification²¹.

In summary it can be concluded that, although an interdependent relationship exists between the European Union and Russia in the field of the piped gas LOB, it can still be argued to be asymmetric in the eastern part of the Union.

Ukraine as the gatekeeper

The asymmetric gas dependence of the eastern part of the EU on Russia also encumbers the energy relationships of the region with Moscow in another way. A determinant element of this problem is that the two world political and economic players are separated from each other by so-called gatekeeper countries, such as Georgia, Turkey, Belarus and Ukraine. These countries cannot be avoided when considering European exports. Their locations may afford them serious economic and political leverage.

²⁰ The South Stream project meets diversification goals from the viewpoint of routing, however, from the viewpoint of sources, countries in the region will depend on Russian gas to an even greater extent than today, and Moscow could more firmly link countries in the Balkans and Central-Eastern Europe to itself.

²¹ Although Germany gains an advantage from the project, since it receives the gas directly from Russia, the currently planned variant of the Nord Stream line earlier supported by the Union may withdraw the transit fees and/or the opportunity for route-diversification from countries which have a one-sided dependence on Russia. Latvia, Lithuania and Finland acquire their gas imports from Russia exclusively. Two thirds of Polish natural gas imports are supplied by Moscow.

The theory of transactional costs approaches this problem as follows: “The management and coordination of transactions involving special capital assets (in this case piped gas-trade) cannot be committed to market automatism due to their risk and accompanying uncertainty... The contract between the supplier and the customer becomes much more complex compared to those on the competitive market, and requires protection against the opportunism of the other party” (Mátyás, 1996: 620–621.). In this sense the supplier expects collateral from the customer to ensure that they do not terminate the contract before expiration, and do not misuse the dependence of the supplier on the customer. In the same way the customer expects from the supplier that they appropriately meet the contractual undertakings. A great number of such requests are usually extended to the implementation phase of the contract, which is a special risk factor, in particular when the contract becomes unfeasible due to external circumstances. The best example of this is the Russian-Ukrainian gas debates of 2006 and 2009, which inspired both Brussels and Moscow to review their energy strategy in the case of the piped gas LOB, and to formulate tactical steps different from the accustomed ones.

Unfortunately the parties have not dealt with the problems underpinning the Russian-Ukrainian gas price debate of 2006 by attempting to avoid expected disputes between Moscow and Kiev or resolving unexpected conflicts, but instead have completely and literally by-passed the existing problem.

Western countries sharply and uniformly criticized the energy policy of the Kremlin in January 2006. The conflict endangering the security of European energy supply encouraged the USA and the European Union to consider new tactical steps. A large number of publications and studies in the United States concluded that Moscow engaged the energy-weapon within the framework of an offensive energy strategy (Wallander, 2006). The European Union was also shocked by the situation that emerged, which was demonstrated by support for Ukraine and acceptance of Kiev’s standpoint. This could also be explained by the proximity of the events of the Orange Revolution. Turning off the gas taps in 2006 was often interpreted as a Russian political reckoning against western-friendly forces. A good example of the escalating anti-Russian morale in the Union is the article by the leading analyst of the Centre for European Policy Studies (CEPS), Michael Emerson (Emerson, 2006).

Although the Green Book issued by the European Commission in March 2006 laid out the necessity of a “new initiative” and the complexity of agreements between extractive and transit countries as opposed to bilateral and regional agreements, few of the conceptions were implemented by the end of 2008. The primary goal, the implementation of a pan-European energy community including the neighbourhood of the European Union, is still being awaited.

As a response to the Russian-Ukrainian gas price debate, the EU put forward the necessity of further diversifying acquisition sources (EUROPEAN COMMISSION, 2006).

Though the second Green Book continues to describe Russia as the primary partner country concerning the gas LOB, in the case of source diversification it mentions examples from among Moscow's competitors. Hence the document refers to North Africa, the Caspian-region and the Middle-East, and brings up the question of building up LNG terminals.

Reacting to the Russian-Ukrainian gas crisis at the turn of 2005/2006, the European Union urged the implementation of the Nabucco line. The most important political goal of the project was to give Europe an alternative to Russian gas, and to make import routes more diversified.

Russia is interested in sustaining and increasing European demand. To reach that goal its energy policy has been constructed on three main strategic pillars. 1. Blocking other demand-oriented countries that are, like itself, attempting to open to the west. 2. Sustaining/achieving/restoring relationships with gatekeeper transit countries that are favourable to Russia. 3. Possible diversification of transit lines.

In the first case the approach of Russia is the following: control of the natural gas reserves and transit routes of central Asian countries such as Kazakhstan, Turkmenistan and Uzbekistan, which narrows the latitude of the Nabucco project from the source-side, and thereby strengthens the Russian position in the European natural gas market.

The second pillar seems to be rather complicated. Europe has more existing and optional gatekeepers from the Russian point of view (Belarus, Ukraine, Turkey and Georgia, to mention only the most significant ones). However, Ukraine is unique as the greatest part of the Russian transit passes through it, making it necessary to modify the Russian energy strategy after the turn of 2005/2006.

It does not seem to be simple for the two countries to manage their relationship, as both have political and economic backgrounds that have the potential to sustain conflict. Russian and western-friendly forces have close to equal sway in Ukrainian interior policy. This makes the Ukrainian party system exceptionally unstable, which creates great risks not only for Russia, but also for Kiev and Brussels. The Russian-Ukrainian conflict at the turn of 2005/2006 has not been resolved and furthermore, it was inflamed to a great extent in January 2009. The relationship is further burdened by the crisis in world economics shadowing the economic outlooks of both countries.

It can also be attributable to the worsening Russian-Ukrainian relationship that it has become an emphasized goal of Moscow to build a gas line system bypassing Kiev. This purpose could be served by the Nord, Blue or South Stream projects which have the aim of delivering natural gas to Europe while excluding Ukraine.

All in all it can be argued that neither the European Union nor Russia have attempted to solve the problem (i.e. to pacify Ukraine as the gatekeeper country) in the past three years, but instead have strived for its exclusion, with limited success.

Recurrent crises since 2005 culminating in 2009 showed what serious consequences can arise when the gas pricing mechanism applied in the Union does not operate in Ukraine as a transit and at the same time gas consumption country. All-time high gas prices have been set as a result of political bargains between Russia and Ukraine. The situation was made even worse because the transactions were carried out through mediator organizations functioning amid non-transparent ownership.

Considering the fact that 80–85 per cent of Russian gas exports reach Europe through Ukraine, this central-eastern European country is an unavoidable factor in the gas imports of the Union. Although the agreement signed on 19th January 2009 seems to resolve both problems, according to which the parties convert to a quarterly accounting system similar to that of Union members, and the mediator role of RosUkrEnergO is terminated in gas trade, the debate still does not seem to be over, since the parties may have signed an agreement which substantially overloads the Ukrainian budget and economy already being in a bad state. It is anticipated that January 2009 was not the last chapter of Russian-Ukrainian gas debate.

Conclusion

The gas crisis in January 2009 has revealed that the role of natural gas is of the utmost importance not only economically, but also politically. Accordingly, maintaining and increasing energy security have to be key fields of political strategy formulation. Examining the problem of natural gas, some idiosyncrasies might be uncovered as a consequence of which it can be concluded that the establishment of an effective market in the piped gas LOB is not a simple challenge. Due to the regional features of the market the all-time price is determined on the basis of individual agreements between extractors, suppliers and customers, which have not only business, but also political foundations.

The European Union and Russia – primarily due to their different endowments – formulate their energy security target system following two considerably different energy strategic approaches. The mission and objective of the former is to provide continuity of energy supply with the help of different political and economic tools, and that of the latter is to fulfil the demand, and to use the income from supply provision to realize different political and/or economic goals.

On the basis of these contradicting and supplementary goals it could be argued that the relationship between the European Union and Russia can be characterized by interdependence on the piped gas LOB. However, this viewpoint does not consider the fact that the Union has little room to manoeuvre, since its energy policy is not regulated at a community level, i.e. the authorities of the Energy Committee do not enable the implementation of a unified Union-level energy policy. It is reasonable

to analyze the relationship of the two entities, however a relevant picture can only be gained about the relationship between the two world political and economic players if the positions of the parties in the given field (in this case energy policy) are well distinguishable, and this is not the case.

Hence Moscow can take a convenient position. Since the Union does not have a significant negotiator in this field, Russia can insist on the interdependence between the two parties, and at the same time gain positions in the European markets by signing bilateral contracts. The Union assists and acquiesces to it, arguing that the community is so strong and unified that negotiations are held with Moscow on mutual terms.

This may disguise the substantive question: what relationships do separate member states keep with Moscow concerning gas affairs? The article has shown that the problem is twofold. On the one hand the eastern members of the European Union depend on Russia in an asymmetric way for several historical and geographical reasons, which are not substantially modified by the line projects currently in preparation phase. On the other hand the already overloaded relationship is further encumbered by the fact that the two world political and economic players are separated from each other by so called gatekeeper countries like Georgia, Turkey, Belarus and Ukraine. These countries cannot be avoided when considering European import, as their locations may give them the potential for serious economic and political leverage.

The situation is made even more complicated in that these countries frankly cannot be regarded as bastions of democracy. Confident relationships essential in the gas LOB are further burdened by the world-wide impact of the economic crisis, which may limit the free gas flow between extractors and customers not only due to extortive influences, but also owing to economic constraints, since emerging or incumbent gatekeepers might spontaneously counteract.

Neither the European Union nor Russia have attempted to solve the latter problem (i.e. to pacify Ukraine as a gatekeeper country) between 2006 and 2009, but have instead strived for its exclusion, with limited success.

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Africa: a Future Energy Supplier for Europe? Africa as a Member of Trans-European Transfer Networks and a Partner to EU on the Field of Electricity Industry

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Abstract: *The EU member states rank among the most developed countries in the world which also makes them significant electricity consumers. Electricity consumption in the EU member states has been increasing steadily over several decades and this tendency should be expected to continue in the future. Majority of the EU member states are not self-sufficient as to electricity production and have to cover greater or smaller part of their consumption by import from third countries. The present text deals with the possibilities of electric energy import to the EU countries from Africa. Thinking of importing electric energy from Africa, it is vital 1) to identify the source countries capable of producing sufficient volumes of electric energy and eligible to cooperation, and 2) to consider possible ways and means of the transfer of electric energy to European countries, i.e. to analyse the current state of transfer networks between European countries and North and Central African countries. The first part of the present text focuses on determining which countries in the North and Central Africa come into question as potential energy suppliers for the EU, the second part deals with the possibilities of electric energy transport from the North and Central Africa to Europe.*

Keywords: *electric energy import, electricity consumption, electricity production, EU, North Africa*

Introduction

The EU member states rank among the most developed countries in the world which also makes them significant electricity consumers. Electricity consumption in the EU member states has been increasing steadily over several decades and this tendency should be expected to continue in the future despite improving energy efficiency and implementation of saving policies in these countries (Bertoldi & Atanasiu, 2007)¹. Majority of the EU member states are not self-sufficient as to electricity production and have to cover greater or smaller part of their consumption

¹ The overall household electricity consumption increased by 10.8 % between 1999 and 2004, tertiary sector consumption increased by 15.6 %, and industrial consumption increased by 9.5 % within the same period (Bertoldi – Atanasiu, 2007: 3).

by import from third countries². Producing enough electricity and delivering it safe and sound to the end user are conditions of maintaining energy safety for European societies and their further economic development.

The increase in electricity consumption in the EU member states confronts those societies with the question of effecting sufficient volume of electric energy both for household and for industry and services consumption. In the present time, the energy needs of Europe (including the Russian Federation) are covered by nuclear power plants by 26 %, by thermal power plants (coal-fired, gas-fired, and oil-fired³) by 55 %, by hydro-electric power plants by 16 %, and 3 % are covered by renewable resources (mainly wind parks) (WEC, 2007b: 3).

The coverage of rising electricity consumption by increasing the production of the same by the EU member states seems potentially problematic in the middle-term horizon. The main reasons for this are as follows:

1. shutting-down of the coal-firing power plants (urged by the Kyoto Protocol stipulations),
2. overall ageing of all the power plants in Europe,
3. limited exploitation of renewable resources determined by the physical-geographical and economic conditions in European countries (e.g. the European rivers suitable for the production of hydro-energy are already fully utilized so that under given circumstances, this way of energy production cannot be further extended; for wind parks and solar power plants, there are no suitable conditions here as the overall number of sunny days is rather low, as is the number of localities where the revenue from electricity production in wind parks could cover their building costs; and last but not least, the price of energy produced from renewable resources is still remarkably higher than the production based on fossil fuels), and
4. rather cautious approach of the EU member states to nuclear energy industry.

Even though nuclear power plants seem, with regard to the Kyoto Protocol and decreasing resources of oil and gas, the most stable resource for electric energy, it is expected that the production of electricity in nuclear power plants will have been still decreasing until 2030. The nuclear reactors currently operated in the EU member states are getting older day by day, but the governments of these countries, being confronted with increasing aversion of their citizens towards nuclear energy, are not willing to take measures in order to revitalize the old or to install new ones. The decrease in the volume of electric energy produced by nuclear power plants is also connected to closing down

² Germany and Italy are examples of pure consumer countries (MVG Consulting, 2007: 55).

³ In Europe, oil power plants represent 9 % of the total thermal power plant capacity (WEC, 2007b: 4).

of some non-conformant plants in the new member states (e.g. Ignalina in Lithuania or Kozloduy in Bulgaria). Although some countries have decided to build new nuclear power plants (Romania and Finland have already started, Lithuania, Bulgaria and France are in the process of decision-making), it is obvious even now that these new plants cannot cater for the ever-increasing consumption in the member states.

The key question is how to secure sufficient and stable volumes of electric energy for the EU member states under the current circumstances (i.e. the stipulations of the Kyoto Protocol, closures of the worn-out and dangerous old reactors, unstable and unreliable gas and oil supplies). One of the possibilities is to import energy from third countries. This option would have been unheard of several decades ago but since then, the vast development in technologies have provided for deep-sea electric cables as well as thousand-mile-long high-voltage transfer and distribution networks. These technological developments have enabled both short-time storing of electricity and its transfer on vast distances with relatively minor losses. Nevertheless, with regard to the character of electric energy and to contemporary technological possibilities, the import of electricity is limited in terms of regions. The North and Central Africa belong to those regions that possess enormous capacity of generating electric energy and may come into question with regard to the current technological conditions. Some African countries are already capable of producing remarkable volumes of electric energy, mainly using their water sources (many big hydro-electric power plants have been built in Egypt, Ethiopia, Uganda, Kenya, and the Democratic Republic of the Congo) and earth gas resources (countries such as Algeria, Egypt, Tunisia and Libya).

The present text deals with the possibilities of electric energy import to the EU countries from Africa. Thinking of importing electric energy from Africa, it is vital 1) to identify the source countries capable of producing sufficient volumes of electric energy and eligible to cooperation, and 2) to consider possible ways and means of the transfer of electric energy to European countries, i.e. to analyse the current state of transfer networks between European countries and North and Central African countries.

The first part of the present text focuses on determining which countries in the North and Central Africa come into question as potential energy suppliers for the EU. As it appears, this includes mainly Algeria, Libya, Tunisia, Egypt, Ethiopia, and, speaking in a middle-term horizon, possibly also the Democratic Republic of the Congo. It seems appropriate to mention in this context that European countries (and commercial subjects) have been participating both financially and technologically in the building of African power plants, esp. hydro-electric ones, not only because such involvement may support their own energy safety but also may help them fulfil their liabilities under the Kyoto Protocol. Within the so-called *Clean Development Mechanism* (CDM) being a part of the Kyoto Protocol, developed

countries may support projects making use of renewable energy resources and projects of low-emission energy production, which will grant them credits they need to comply with their own liabilities under the Kyoto Protocol. Those credits are then traded within the *EU Emissions Trading System*.

The second part of the present text deals with the possibilities of electric energy transport from the North and Central Africa to Europe. It will become obvious that while the electricity import from the Central African countries such as Ethiopia and the Democratic Republic of the Congo is still rather hypothetical, imports from the North African countries are becoming more and more likely. Nevertheless, the question of linking the North African electricity networks to the European networks and harmonizing the electricity systems of the North African states with the European system is currently more important for the EU than the import as such. These transcontinental electricity networks should join the EU countries with the Maghreb, Mashriq and Near East countries, forming thus the *Mediterranean Ring*. The area might serve as both transfer and stabilising electricity network for the future.

African electric energy producers

With regard to transport distances, only the countries of North and Central (incl. Central West and Central East) Africa come into question as potential importers of electric energy to the EU. Of the countries situated in the mentioned regions, Ethiopia, the Democratic Republic of the Congo (hereinafter DRC), Tunisia, Libya, Algeria and Egypt possess the potential to produce volumes of electric energy sufficient enough to cover their domestic consumption and yet to import a remarkable part of it. Thanks to their geographical and physical conditions, Ethiopia, Egypt and the DRC are capable of producing hydro-electric energy, while Algeria, Egypt, Libya and Tunisia have remarkable resources of earth gas catering for electric energy production in gas-fired power plants.

Apart from the countries mentioned above, several other countries of the North and Central Africa have certain hydro- and geothermal potential, such as Kenya, Ghana, and Nigeria. Kenya, though, prefers exporting the excess energy to the *COMESA* member countries and to the *South African Power Pool*⁴ in the middle-term horizon; Ghana still has not concluded the plans for exploiting the Volta River; Nigeria prefers oil-fired power plants to hydro-electric energy and exports electricity mainly to the *ECOWAS* member countries.

In 2005, the Ethiopian government presented a 25-year plan for the development of Ethiopian energy sector. This plan includes finishing of a large system of

⁴ Country Analysis Briefs: Great Lakes Regions: Burundi, Kenya, Rwanda, Tanzania, and Uganda (<http://www.eia.doe.gov/emeu/cabs/eafrica.html>).

hydro-electric power plants, electrification of rural areas, and completion of high-current transfer networks catering for the export of electric energy from Ethiopia to neighbouring countries as well as to more distant regions, namely to the COMESA and EU member states. By 2015, nine hydro-electric power plants should have been built based on this ambitious plan. According to the plan, Ethiopia should be producing 3,150 MW in 2011 and by the year 2018 this volume should increase at 9,000 MW (Griffiths, 2007; Hailu, 1998). At present, more than thirty projects of transfer and distribution networks are in the process of being built. In context of the electric energy import to Europe, the completion of network connection to Egypt across Sudan is vital. The network linking of Ethiopia with Sudan should be completed in 2009 as a part of the broader *Nile Basin Initiative*, i.e. electrification of countries able to benefit from the hydro-electric energy supplied by the Nile. The Ethiopian plans for importing the electric energy to the EU member states rely on the completion of the *Mediterranean Ring* (cf. below). The Ethiopian electric energy could use the currently existent connection between Egypt and other Mashriq countries (cf. below) using Turkey as a consecutive transfer country. The electric energy produced in Ethiopia would then enter the EU market in Bulgaria, Greece, or Italy. Even though it may seem that the import of Ethiopian electric energy to Europe may come to grief due to the non-existent network connection between Sudan and Egypt, the contrary is the case. Sudan purchases the Ethiopian electric energy that is consumed in the south-east regions of the country, but at the same time it sells to Egypt the electric energy that is produced on its north. This Sudan's strategy counts mainly on the low price of the Ethiopian hydro-electric energy⁵; when bought, it helps reduce the domestic consumption of Sudan's own oil which then can be sold with a high profit (WEC, 2003 and ENTRO, 2006).

The development and reconstruction of the energy sector in the DRC were initiated in 2001 after the long-lasting fights had ended (except for the regions of North and South Kivu along the northern borders with Rwanda, Burundi, and Uganda). Unlike Ethiopia, the DRC still operates rather limited capacities for electric energy production. For the time being, the DRC is able to cover its domestic consumption. In the middle-term horizon (10 years), remarkable increase in electric energy production can be expected together with more active attempts of the DRC to enter the international energy markets. The energy production takes place mainly in the hydro-electric power plants on the Congo River⁶. The largest hydro-electric power

⁵ The production costs of 1 kW in the Ethiopian hydro-electric power plants equal USD 1.200, which is 1/3 of the costs in the other East African countries (World Bank, 2007: 8).

⁶ The Congo River is one of the very few rivers in the world that may be used, thanks to their physical geography, for the hydro-electric energy production without major river-basin modifications or building large reservoirs. This advantage cheapens the building of the Congo hydro-electric power plants and allows for building these in relatively short distances from one another.

plant on the Congo is the Inga system. Inga 1 and 2 were built during the 1970s and 1980s; at present, the Congolese government are planning building of Inga 3 and 4 (so-called Grand Inga) in cooperation with international investors (World Bank Group, International Monetary Fund, European Investment Bank, the EU, Canadian International Development Agency, etc.). Should this system be completed as planned, it would make the world's largest hydro-electric power plant (larger than the Three Gorges in China), producing the greatest volume of electric energy worldwide. The plans naturally include completion of transfer and distribution networks to cater for the Congolese electric energy entering the international markets. The current projects mainly count on exporting the Congolese electric energy to the EU member states (the transfer network is planned to lead from the DRC across the Central African Republic and Sudan to Egypt where it would join the Mashriq transfer network /cf. the above-mentioned Ethiopian electric energy export/) and to the South African Republic (cf. Map 10 in Appendices).

It is apparent from the above-mentioned that Ethiopia's becoming a potential electric energy supplier to the European energy market is quite feasible (as opposed to the DRC). On the other hand, should the Inga 3 and 4 hydro-electric power plants be completed, Kinshasa will become the greatest electric energy producer in the world; its potential thus may contribute very significantly to strengthening the energy safety of the European territory.

The capacities of the North African countries are by far lower as compared to those of Ethiopia or the DRC; however, their location grants them extraordinary opportunity to enter the European markets. The North African countries have already done so with their gas (Algeria, Tunisia, Libya) and over the past decade they have started to export also electric energy here (Egypt, Algeria, Libya, and Tunisia). The main resource used in the production of electric energy is earth gas in Algeria, Libya and Tunisia, while in Egypt it is, apart from gas, also the hydro-energy of the Nile (by ca 1/3)⁷. It may be expected for the future that also solar power plants may experience successful development here. Feasibility studies have been already processed and several European companies have started building smaller solar power plants.⁸ The Algerian government have already started building a test solar-thermal power plant in Hassi R'mel (about 400 km south of Algiers), hopefully to open in 2009. Building of a similar plant started in Morocco in 2008 (*Another Silicon Valley?*, 2008: 13). According to present estimations, the North African countries have the capacity of producing twice as much solar electric energy as the EU member states altogether. (Burgermeister, 2007).

⁷ Eurelectric Online. South and East Mediterranean Statistics Database: <http://www.eurelectric.org/Statistics/MedLatest.htm> (5. 6. 2008).

⁸ Estimations suggest that solar power plants covering in total 6,000 sq km built in the desert areas on North Africa could produce volumes of electric energy that would equal the Near East oil production, i.e. 9 bn barrels a year (Burgermeister, 2007).

The North African countries now export small to middle volumes of electric energy (cf. the table below), but majority of their export goes to countries with deep energy dependence on export and with no energy transfer links to other European countries (e.g. Spain or Italy – cf. the introduction chapter and Table 2), which makes them remarkable suppliers despite the relatively small volumes of the energy exported. It may be expected that the production capacity and, consequently, the volume of the electric energy produced in the North African countries will be rising steadily as those countries have opened their energy markets (both for production and transfer) to private investors who have started building first non-state solar, gas-fired, and hydro-electric power plants⁹.

Table 1: Export of electric energy from the North-African countries¹⁰

Country	Export to third countries (GWh, 2003)
Algeria	212
Egypt	959 ¹¹
Libya	102
Tunisia	115

The importance of the North African countries for the energy safety of the EU still consists less or more in their role of transit countries than in being direct strategic suppliers. However, with lifting the last barriers to total liberalisation in the southern EU countries (January 2011), the North African countries will become the key resource of electric energy on condition they will have been able to increase their production capacity by then. The North African transfer and distribution networks will become a gateway for the Ethiopian, Congolese and Near-East electric energy to the European energy market. Both the EU and North African countries pay great attention to building the transfer and distribution networks as well as to building new power plants.

Building the Euro-African electricity network

The different EU member states presently belong to three different electricity systems and some states are “systems to themselves”, i.e. they do not belong to any of the three systems mentioned. Majority of the EU member states belong to the European synchronous electricity *UCTE* (*Union for the Co-ordination of Transmission*

⁹ EIA, Energy in Africa: <http://www.eia.doe.gov/emeu/cabs/chapter5.html> (5 June, 2008).

¹⁰ Ibidem.

¹¹ As the table suggest, Egypt is the biggest exporter of electricity here. It should be noted though that majority of the export goes to Jordan at the moment.

of Electricity) system; Lithuania, Latvia and Estonia belong to the *IPS/UPS (Unified Power Systems)* covering the post-Soviet countries; Finland, Sweden and East Denmark¹² belong to the North European *NORDEL* system; Northern Ireland, the Republic of Ireland and the UK are independent electricity systems linked to the *UCTE (ATSOI, UKTSOA)* respectively); and finally, Malta and Cyprus are isolated systems standing outside the *UCTE* (cf. Picture 1 below).

With regard to the fact that majority of the EU member states belong to the *UCTE* system¹³, this framework has become a base for the common electric energy market as well as for plans on securing sufficient volumes and safe transfer and deliveries of electric energy within the EU circle and also within a broader European pool. The aim of the *UCTE* is to reinforce the system capacity so that greater or lesser sudden disturbances within the system (typically a drop-out of several power plants or an outage of substantial parts of the transfer system) would not result necessarily in a cut-off in electricity supplies.¹⁴ At present, the *UCTE* accommodates 23 European countries with more than 450 million inhabitants. In 2005, the total *UCTE's* installed capacity amounted at 587 GW at the consumption of 2,600 TWh. The total span of the high-voltage transfer network equalled 200,000 km. (*UCTE, 2007a*).

The European electricity transfer network and cross-border connections emerged in the late 1950s when the following three systems were created: 1) France, Spain, and Portugal, 2) the Netherlands, Belgium, both German states (West and East), Austria, and Czechoslovakia, and 3) Italy and Switzerland (some small parts of Switzerland, though, belonged to the first two systems). These systems were independent of one another, linked only by several transfer 220 kV networks. The first two systems (or, better, their networks) were synchronised in 1958. In 1977, this synchronous system was joined by what then was Yugoslavia; Greece and Albania joined in 1985. In 1995, the *UCTE* was joined by the *CENTREL* system comprising transfer network operators from the Czech Republic, Slovakia, Hungary, and Poland. The former Yugoslav republics were temporarily suspended from the *UCTE*

¹² West Denmark belongs to the *UCTE*. Similar example of a country where different regions belong to different systems is Ukraine. Small part of West Ukraine belongs to the *UCTE*, while the rest belongs to the *IPS/UPS* (*UCTE, 2007*).

¹³ In fact, the *UCTE* members are the operators of individual transfer networks responsible for maintaining the common mode of securing electric energy deliveries and their safety. The *UCTE* had 33 members in 2007. (*UCTE, 2007a: 7*).

¹⁴ This plan also involves the completion of common European electric energy market. The key conditions for launching the common market, fulfilling thus the *UCTE* goals, are liberalisation of national energy markets and completion of the links among individual countries, as the current capacities of cross-border networks are not sufficient should the exchange and import increase. This urged the European Council in Barcelona in 2002 for setting a target for the EU member states, according to which the level of mutual linking among individual states should equal at least 10 % of their production capacity they will have reached by 2005 (*European Commission, 2006a: 3*).

in 1991 as their electricity networks and deliveries were often cut off due to the civil wars in the region; the new Balkan states did not return to the *UCTE* sooner than in 2004. Romania and Bulgaria became the new members in 2003 and since the same year also the West Ukraine has adopted the stipulations of the *UCTE*.

To provide for the stability and safety of the European synchronous electricity system including safe deliveries of electric energy, it is vital that the *UCTE* countries cooperate with the neighbouring systems and work towards the harmonization of the systems of those countries with the *UCTE*, including cooperation on building of new transfer networks among the different systems. Nevertheless, it should be noted that after linking the *NORDEL* and the Irish and British systems to the Continent in the 1980s, further cooperation with third countries (their electricity systems, that is) has come to a halt.

New attempts to reassume cooperation of the *UCTE* with other countries were initiated in the second half of the 1990s. This concerned plans on synchronisation of the Baltic power systems, the Black Sea countries power systems, and the Mediterranean. While the Baltic and Black Sea linking to the *UCTE* are still in the stage of feasibility studies, cooperation between the *UCTE* member states and the Mediterranean has been gaining momentum since then. This cooperation is encouraged namely by the determination of all parties involved to provide for the safety of the transfer networks and electricity deliveries. To the North African and Near-East states (Turkey included), their synchronisation with the European electricity system together with building (or rather finishing) cross-border electricity and transfer networks mean a thoroughfare to the European electric energy market.

The Mediterranean Ring and linking the North-African systems with the UCTE: Reinforcing the energy safety of the southern rim of the EU

The EU policy towards neighbouring Mediterranean countries is driven by the stipulations of the Euro-Mediterranean Partnership established in Barcelona in 1994. The Barcelona Process made allowances also for cooperation in the field of energy industry. The Barcelona Declaration included plans for the Euro-Mediterranean free trade zone for electricity to be established by 2010 (Eurelectric Online, 2006: unpagged), including the *Mediterranean Electricity Ring (MEDRING)*. In 2003, based on the Barcelona Declaration, the Maghreb memorandum of understanding was signed (see below).

One of the grounds for the EU member states' determination to link the North African states to the European energy sector is the fact that namely the South European states (such as Spain, Portugal, and Italy) are vastly dependent on the

import of energy sources (gas and oil) and linking them with the North Africa could lower the risks of being dependent on an exclusive energy supplier. While the South European countries can differentiate their suppliers of oil and gas (thanks to tankers), the options of electricity imports are rather limited, the limits being determined by the physical geographies of the Iberian and Apennine peninsulas. As for Spain and Portugal, it appears the best option to import electric energy from France, Morocco, and Algeria, while in the case of Italy the consumption of the northern regions could be covered by imports from Switzerland and France, and the needs of the Italian South (including Sicily and Sardinia), where the production of electricity almost equals zero, could be saturated by imports from Algeria, Tunisia, and Libya. The unsatisfactory situation of the South European countries has also been reflected in the European Commission plan on the trans-European network support. Of the nine priorities supporting the trans-European electricity projects, three have been focused on Italy, Spain, and Portugal. The EL2 priority deals with the building of new transfer networks in the north of Italy, the EL3 priority supports the building of new transfer networks between France and the Pyrenean countries, and finally, the EL9 priority supports the creating of the *Mediterranean Ring* and its linking to Sicily, Sardinia, Spain, Portugal, and Greece.

The so-called *Mediterranean Ring* (*MEDRING*) comprises the transfer and distribution networks of the *South West Mediterranean Block* (*COMELEC*, consisting of Morocco, Algeria, and Tunisia), the *South East Mediterranean Block* (Libya, Egypt, Jordan, Palestinian Authority, Lebanon, and Syria¹⁵), and Turkey. The *South East Mediterranean Block* is a synchronized electric system with the capacity of 35.3 GW, the consumption of 142.6 TWh, and more than 79 thousand km of transfer networks (data of 2005, UCTE, 2007a: 26). This block is linked to the electricity system of Iraq based on the regional EIJSTL initiative (cf. Picture 1).

The *South West Mediterranean Block* houses Morocco, Tunisia, and Algeria. The capacity of this block is 15.9 GW and the consumption is 55.6 TWh (data of 2005, UCTE, 2007a: 27). This block has made the biggest advancements as for the linking to the *UCTE* and the EU energy market. The first deep-sea link between Spain and Morocco was completed in 1997 (the project had been set in the 1980s, though) (UCTE, 2007a: 27), the second deep-sea connection of the same countries was realised in 2006. The overall capacity of both connections is 800 MW, but at present, only 400 MW are being transferred (UCTE, 2007a: 29). After the completion and full linking of the *Mediterranean Ring* to the *UCTE* system, the transfer between

¹⁵ Although Israel is an isolated system in this regard, negotiations on linking the Israeli transfer network to the transfer network of the regions under Palestinian authority are currently in process.

Spain and Algeria should amount at 24.5 TWh, Algeria thus becoming, besides France, Spain's biggest energy supplier in about 2010.

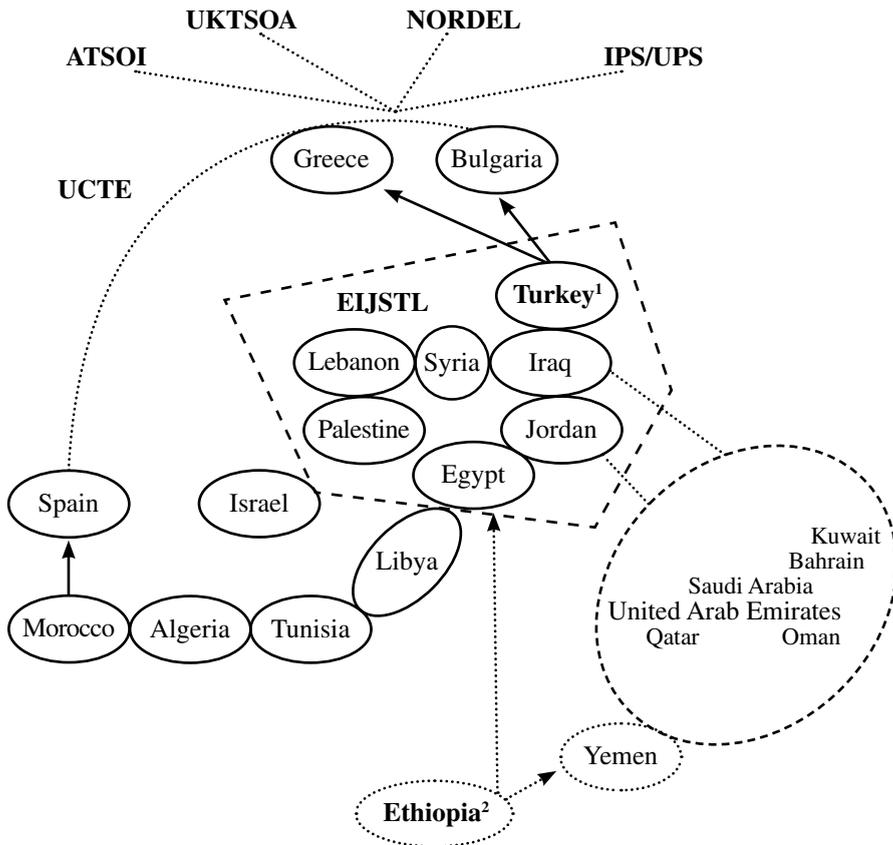
At present, the *Mediterranean Ring* is less or more finished, as the last barriers represented by the incomplete links between Tunisia and Libya and between Libya and Egypt (started already in 1998) and by the non-existent transfer network between Turkey and Syria have been lifted. Libya (as both a transfer and an export country) has been linked to the *Mediterranean Ring* over the past few years consequent to the finishing of a high-voltage transfer networks on the borders with both Tunisia and Egypt. The prospective building of a transfer network between Libya and Sicily is currently in the stage of a feasibility study. The whole of the South East European Mediterranean block is planned to be linked even to Iraq. The *Mediterranean Ring* is linked to the EU member states by the means of a transfer network between Turkey¹⁶, Bulgaria and Greece. After the completion of the transfer network between Libya and Tunisia and after the launch of the Syrian-Turkish link, the whole of the *Mediterranean Ring* shall be synchronised with the *UCTE* system (Singer, 2007).

Apart from accelerating the building of the transfer networks, the *Mediterranean Ring* is currently also experiencing remarkable integration in the energy sector. In 2004, the *ELTAM* project commenced with the aim of strengthening the transfer networks and building new high-voltage systems among Egypt, Libya, Tunisia, Algeria, and Morocco, to cater for enlarging the export capacity of the North African countries to the southern rim of the EU. The Maghreb memorandum of understanding of 2003 confirmed that Algeria, Morocco and Tunisia accept the European Commission stipulations regarding the internal electricity market of the EU. Based on the said memorandum and on accepting the stipulations (including any future ones)¹⁷, the Maghreb electricity markets have been incorporated in the internal EU energy market (Eurelectric Online, 2006: unpagged).

¹⁶ Plans on linking and synchronisation of the Turkish electricity network to the UCTE had first appeared in the 1970s but first practical steps towards their realisation were not been made sooner than in the 1990s. At present, several feasibility studies on the synchronisation have been finished and it can be supposed that the linking and synchronisation of the Turkish system with the UCTE will have been realised in several years' time. (UCTE, 2007a: 39). Turkey is an important partner to the EU not only as the "bridge" for the *Mediterranean Ring* but also as a junctor to the transfer networks of Georgia, Azerbaijan, Armenia, Iraq, Iran, and the countries of Central Asia. Cf. e.g. *Turkey. Review of the Investment Climate and Market Structure in the Energy Sector*. 2007. Energy Sector Secretariat. Moreover, Turkey is involved in the Economic Cooperation Organisation Interconnection Project. This project, being currently in the stage of preliminary feasibility study, is meant to support the building of a transfer network among Turkey, Iran, Pakistan and, in the future, also the states of Central Asia. (cf. e.g. Screening Chapter 21. Trans-European Networks).

¹⁷ Namely 2003/54/EC Directive, the so-called Electricity Directives, 1228/2003/EEC Directive regulating the cross-border electric energy transfers, and 2005/89/EC Directive on securing the deliveries and infrastructure investments.

Picture 1: The UCTE links to the North African and Near East electric frameworks (source: author)



¹ The cross-border exchange of electric energy in Turkey should increase by 62 % between 2005 and 2030 (TEN-Energy-Invest, 2005: 24)

² There is a deep-sea transfer network between Ethiopia and Yemen catering for Djibouti and Yemen.

Conclusion

The completion of the *Mediterranean Ring*, its incorporation in the *UCTE* system, and its direct linking to the EU transfer and distribution networks will have been finished in several years. The existence of the *Mediterranean Ring* will enable the North and Central African countries to enter the European energy market as exporters. The completion of the Euro-African electricity network is advantageous both for the EU

member states and for the North and Central African countries. The Central African countries may benefit financially from supplying the electric energy; the North African countries may, apart from the financial effect, reinforce their own energy safety as the *UCTE* will guarantee stable electricity deliveries for them. To the European countries, the completion of the *Mediterranean Ring* and the Euro-African electricity network are even more vital. It will grant the *UCTE* members greater energy safety in terms of securing stable electricity deliveries; to Spain, Portugal, Italy and Greece it will mean lower dependence on gas and oil imports and it also will enable them to diversify the source countries. At the same time, linking of the *Mediterranean Ring* to the electricity systems of the Near East countries will strengthen the partnership and cooperation between both regions.

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DISCUSSION

The Internationalization of National Parliaments: the Norwegian *Storting* and the Slovene *Državni zbor*¹

Hilmar Rommetvedt, Drago Zajc, and Oluf Langhelle

Abstract: *Traditionally, international relations and foreign affairs are considered to be a prerogative of the executive. However, in the age of globalization – a dual process of internationalization of domestic affairs and domestication of international affairs – the traditional division between international and domestic affairs is blurred and the days when foreign policy was the exclusive domain of the executive are over. This paper explores the effects of globalization and internationalization on the organization and activities of the national parliaments of an old established democracy, the Norwegian *Storting*, and a new democracy, the Slovene *Državni zbor*. Comparing data on parliamentary committees and consultations, international delegations, governmental statements and questions to ministers, and administrative support in the two parliaments, the authors show that both parliaments have become more actively engaged in international affairs. The general trend towards internationalization seems to override the expected effects of the two countries' different political traditions and different affiliations with the EU.*

Keywords: *International relations, parliaments, executives, international organizations, parliamentary committees, questioning*

Introduction

Globalization and internationalization is a process of growing interdependence between states. Small states with open economies in particular are more vulnerable to international fluctuations and developments. In this new situation individual states do not want to take the risks associated with the formulation, adoption and implementation of totally independent policies. They have an interest in international regulation and predictability, and the process of globalization has requested

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a ‘constitutionalization of globalization’, i.e. the invention of forms of cooperation of the states through which proper decisions can be reached and common policies adopted.

There are different institutionalized forms created to pursue various common policies, one of which is the World Trade Organization (WTO), while another is the European Union (EU). These international (or transnational) organizations are as much a product as they are a factor of globalization. The WTO corresponds more to the traditional form of international organization, while the EU is a ‘*sui generis*’ transnational organization.² The EU can be considered as a kind of ‘executive federalism’ since the governments have greater power than national parliaments in the process of decision making at the EU level. However, national parliaments have a number of ways to exert influence indirectly through their governments in the forms of ‘ante-’ and ‘post-decisional’ control and directly through various forms of participation in international organizations (Maurer and Wessels, 2001: 461).

Norway as a member of the WTO may be an example of a country on which globalization has more direct effects, while an EU member country is better protected against the direct effects. For a small country like Slovenia, joining the EU meant creating a buffer against and diminishing the risks associated with global forces. Being a member of a very large organization, Slovenia (together with other members) has the possibility of preventing possible negative effects or of diverting and redirecting the consequences of such effects of global developments. On the other hand in Slovenia, as an EU member, domestic policies are more directly influenced by the Europeanization process. Norway as a non-member is more indirectly affected by the EU, but due to the agreement on a European Economic Area the Europeanization process plays an important role in domestic affairs in Norway as well.

According to traditional constitutional theory, international relations and foreign affairs are the prerogative of the executive. However, in our view globalization and Europeanization is the dual process of internationalization of domestic affairs and domestication of international affairs. The traditional division between international and domestic affairs is blurred, and consequently the days when foreign policy was the exclusive domain of the executive are over. This paper explores the effects of globalization and internationalization on the organization and activities of the national parliaments of Norway and Slovenia, the *Storting* and the *Državni zbor*.

² However, the WTO dispute settlement system has certain transnational characteristics, cf. http://www.wto.org/english/thewto_e/whatis_e/tif_e/displ1_e.htm

Changing theoretical perspectives

Constitutional theory: prerogative of the executive

Constitutional theory, based on the notion of classic human rights such as liberty and equality, has stressed the importance of parliament as an expression of democracy (democratic participation), with the executive being at the same time an expression of the need for action (Elster, 1988: 4). The executive as a separate power has been historically vested to the state rulers (monarchs or presidents). Within their competence fell 'foreign' matters like assembling the army or making peace, representing the state in international relations and maintaining diplomatic relations with foreign countries. Foreign affairs have been a classic prerogative of the executive, and in traditional constitutional theory the parliament plays a minor role in international relations.

However, the former understanding of 'foreign affairs' as a matter of purely political interests (i.e. to increase the state's influence over other states or regions of the world or to protect oneself from the influence of other states) has changed and has absorbed all sorts of practical matters. On the one hand one could imagine that the classic prerogative of the executive would be extended to all domains where a state collaborates with other states in solving common problems and following common goals, whereas on the other hand the blending of foreign and domestic affairs blurs the division of responsibilities. The foreign affairs prerogative of the executive could thus be modified and parliaments could acquire more important roles to play in international relations.

National interests in two-level games

In international negotiations, such as the trade negotiations within the WTO or (even more) the negotiations over policy proposals within the EU where the states are trying to promote a great variety of national interests, foreign and domestic policies are fundamentally interconnected. Putnam (1988: 434) argues that instead of explaining foreign policy purely from domestic causes, or explaining domestic policy purely from international causes, international negotiations can 'usefully be conceived as a two-level game'. At the international level (I), 'national governments seek to maximize their own ability to satisfy domestic pressures, while minimizing the adverse consequences of foreign developments'. At the national level (II), 'domestic groups pursue their interests by pressuring the government to adopt favorable policies, and politicians seek power by constructing coalitions among those groups'.

The ratification process is the 'crucial theoretical link' between domestic and international politics, and national and international 'phases' in negotiations are

often intertwined (Moravcsik 1993). As pointed out by Putnam (1988: 436), ‘There are likely to be prior consultations and bargaining at level II to hammer out an initial position for the level I negotiations’, and ‘the need for level II ratification is certain to affect the level I bargaining’. Milner (1997: 4) agrees that domestic and international politics are strongly interconnected and that political leaders are playing on the domestic and international arenas simultaneously: ‘They are trying to achieve their various goals using these two arenas, and they face different – and sometimes contradictory – pressures and constraints from each. Their behavior can only be understood when both internal and external factors are considered’.

One of the most important roles of parliaments in general is to prioritize and balance conflicting political interests. This task is of the utmost importance in relation to legislation and decision making, but it is also important in relation to international organizations and negotiations. In international negotiations, governments negotiate on behalf of the nation states. Governments are supposed to attend to and safeguard the ‘national interest’, but the definition of the ‘national interest’ in modern democratic societies is not straightforward. However, as Trubowitz (1998: 12, 4) argues, ‘there is no single national interest’ as such. The very definition of national interest is rather ‘a product of politics’, and it is defined by the societal interests which have the power to work within the political system and to make winning coalitions and alliances. Defining national interest is regarded as an ‘essentially political process’ also by Frankel (1970: 97). Thus, ‘national interest’ is ‘politically contingent’ and dependent upon the outcomes of political processes.

Given the fact that there may be many national interests, the political struggle over national interests has different implications. It can be seen as a struggle over the ranking of different interests in terms of priorities and/or as a fight over trade-offs between different interests where some interests are curtailed in order to achieve possible benefits for other interests. The definition of national interests as a matter of giving priority to and balancing different domestic interests lies at the heart of what parliaments are supposed to do in democratic societies.

The influence of parliament should also be related to domestic developments in the relationships between parliament and government. In the case of Norway, minority governments were the rule for twenty years.³ The *Storting* extended its political and administrative capacity and strengthened its power vis-à-vis the executive (Rommetvedt, 2003, 2005). In the case of Slovenia, the powers of the National Assembly vis-à-vis the Government have been strong from the very beginning of the independent statehood (1991) and the *Državni zbor* – established for the first time in 1992 – demonstrated its interest and capacity to influence most important

³ A majority coalition government was established after the general election in 2005. This was the first majority government in Norway since 1985.

decisions also in the process of joining the EU by confirming all the negotiation positions. These developments affect the level of executive autonomy in foreign affairs and international negotiations. They also make it less likely for governments to misjudge what is ratifiable in their own polities, a phenomenon which has been 'surprisingly likely' in international negotiations (Evans 1993: 400).

Comparing Norway and Slovenia

Norway and Slovenia are two of the smaller democratic countries in Europe, with 4.8 and 2 million inhabitants respectively. The differences with regard to democratic and parliamentary traditions are striking, however. Norway is one of the oldest democracies in Europe, while Slovenia is one of the youngest. In our study of the internationalization of national parliaments, we compare the organization and activities of the old established Norwegian parliament – the *Storting* – and the young Slovene National Assembly – the *Državni zbor*. We focus on the national parliaments of a new member of the European Union – Slovenia – and a non-member of the EU – Norway.

The old established Norwegian democracy

The Norwegian Parliament was established in 1814 when Norway separated from Denmark and declared its independence after four hundred years under Danish rule. The Norwegian Constitution, which was signed and sealed on 17 May is one of the oldest in the democratic world. However, the winners of the Napoleonic wars forced Norway into a union with Sweden, but Norway managed to maintain its constitution and parliament as well as far-reaching autonomy in most areas – with the exception of foreign affairs.

By the end of the 19th century there was a growing demand for separate Norwegian consular services, but the Swedish-Norwegian King refused to accept the demand. A struggle over the issue between the Swedish and Norwegian Governments continued for several years, and in 1905 the Storting decided to establish a separate Norwegian consular service. The King refused to sanction the Act, the Norwegian Government resigned, and on 7 June the Storting declared the union with Sweden dissolved. The armies mobilized on both sides of the Swedish-Norwegian border, but in the end Sweden accepted the separation. A peaceful 'coup d'état' had succeeded and Norway gained full independence.

During the 20th century Norway became a member of numerous international organizations. Nevertheless, on two occasions, 1972 and 1994, the majority of the Norwegian voters said 'no' to EU membership in referendums. However, an agreement with the EU on a European Economic Area (EEA) adopted in 1992 has given Norway access to the internal European market since January 1994.

The young Slovene democracy

Slovenia is one of the youngest democracies in Europe, established on 25 June 1991 after the successful separation from the former socialist Yugoslavia and a short war with the Yugoslav People's Army.⁴ Until that time Slovenia enjoyed the status of a federal republic of Yugoslavia with its own sovereignty. Slovenes who once belonged to the Habsburg monarchy joined the Kingdom of the Serbs, Croats and Slovenes in 1918, renamed Yugoslavia in 1929. The democratic standards based on classic rights and freedoms were actually re-established in September 1989 when the National Assembly elected in 1986 passed amendments to the constitution of 1974 introducing political pluralism and at the same time protecting the unalienable right of the Slovenians to self-determination (Zajc, 1994: 151; 1997: 163). These changes were part of the vast structural and political reforms all over East-Central and Eastern Europe which swept up former socialist systems at the end of the 1980s and the beginning of the 1990s. A huge Europeanization process followed demanding the reestablishment of democratic values and the recreation of the whole 'parliamentary world'. It has had different aspects – from the restoration of the European traditions and institutions after the decades of 'de-Europeanization' to the consolidation of democracy. For all new ECE states it also meant integration into the EU.

This process demanded the revitalization and strengthening of the national parliament. The former Assembly of the Republic of Slovenia, elected in April 1990 in the first democratic elections in Slovenia after WW2, was elevated to the position of a fully-fledged national parliament in 1991. Its adaptation to the new role could be fulfilled properly only by applying relevant standards of internal institutionalization and developing efficient procedures together with sufficient professional support. The Slovene National Assembly is one of the new ECE parliaments which from the early 1990s followed the logic of modernization and rationalization. In December 1991 the new constitution was adopted establishing the *Državni zbor* as the main chamber. The passing of the first modern Rules of Procedure in 1993 made possible the fulfillment of the enormous task of replacing the old 'socialist' legislation with a modern one. In order to increase the efficiency of the National Assembly, committees were reorganized and assigned new functions. A broad consensus was needed among the parliamentary parties to enhance the Europeanization process. On 3 July 1997 seven out of eight parties made an agreement on accession to the EU. Considering the tasks of a national parliament of an EU member country, the National Assembly has rationalized an extensive legislative procedure by adopting new Rules of Procedure in 2002.

⁴ A transitional National Assembly, elected in May 1990, passed the Declaration on Independence of the Republic of Slovenia on 25 June 1991.

Expectations with regard to the internationalization of the two parliaments

On the basis of the theoretical perspectives presented in the preceding section, we would expect national parliaments to become more involved with foreign affairs and international relations. This general expectation applies to both the Norwegian and the Slovene parliaments. What then about differences between the two countries?

One line of reasoning could be this: the involvement of national parliaments in international affairs is a matter of 'maturation'. As time goes by, parliament becomes more institutionalized, stronger and influential – at first with regard to various domestic policies, and finally also with regard to foreign affairs. One of the most important factors contributing to its influential position with regard to foreign affairs is efficient and mature parliamentary elite. Consequently we would expect the 'mature' Norwegian parliament to be more involved in international relations than the 'less mature' Slovene parliament.

However, another line of reasoning could be that globalization and internationalization is a matter of time in world history. A new parliament entering the scene in the age of globalizations needs to 'mature faster' in order to catch up with developments. According to institutional theory, one would expect a parliament with a relatively low level of institutionalization, like the Slovene Državni zbor, to adapt faster and more easily to new circumstances than a highly institutionalized parliament like the Norwegian Storting. In this case we would expect the Slovene Parliament to catch up with its Norwegian counterpart, and consequently we should find only minor differences between the two.

The effect of being a member of the EU or not is not self-evident. One the one hand a new and less experienced EU member like Slovenia may leave 'extra-European' and global matters to the EU, while a non-member like Norway has to take care of all international issues itself. In, for example, the World Trade Organization (WTO), the EU negotiates on behalf of all EU member states, while Norway negotiates on its own.

On the other hand the national parliament of an EU member state will be more involved with EU matters than the national parliament of a non-member state. The successful involvement in the process of accession to the EU (the Slovene Državni zbor was the only parliament of all entrant states confirming the negotiating positions) and the internal institutionalization of the Državni zbor indicate that even though it is the parliament of a new EU member country it should not be expected to be of lesser importance or marginalized. However, interviews with the Slovene deputies at the end of 2004 still showed an inadequate cultural capacity and insufficient information on EU matters and procedures as well as low motivation to deal with EU matters (Zajc, 2005, 24).

In the following sections we will take a closer look at rules and regulations and institutionalized practices with regard to the involvement of the Norwegian and Slovene parliaments in international affairs.

The Constitutions: foreign affairs – a modified prerogative of the executives

Norway

According to the Constitution of Norway, Article 3, ‘The Executive Power is vested in the King’, and ‘The King himself chooses a Council [government] from among Norwegian citizens who are entitled to vote’ (Article 12). In practice, however, this is not the case. The principle of separation of powers was abandoned in 1884 when the principle of parliamentarianism achieved its breakthrough after several years of conflict. Norwegian parliamentarianism developed gradually and it was accepted as common law even though it was not written into the Constitution of Norway until February 2007. The Norwegian version of parliamentarianism is a negative one: governments need to be accepted by the *Storting*, but they do not need a positive vote of confidence.

Traditional constitutional theory in which foreign affairs is considered to belong to the prerogatives of the executive is reflected in Article 26 of the Constitution of Norway which states that ‘The King has the right to call up troops, to engage in hostilities in defence of the Realm and to make peace, to conclude and denounce conventions, to send and to receive diplomatic envoys’. In practice, the King’s right now means the right of the Government since the King has no real political power. The prerogative of the Government is modified, however, by the principle of parliamentarianism, constitutional practice and common law. To some degree this is reflected in the Constitution. Article 26 states that ‘Treaties on matters of special importance and, in all cases, treaties whose implementation, according to the Constitution, necessitates a new law or a decision by the *Storting*, are not binding until the *Storting* has given its consent thereto’. In addition to this, Article 75 states that ‘It devolves upon the *Storting*: [...] to have communicated to it the conventions and treaties which the King, on behalf of the State, has concluded with foreign powers; [...]’.

Conventions and treaties are put before the Parliament, either as separate issues for ratification or in general as accounts for information. Accounts of conventions and treaties are given in yearly letters from the Norwegian Government to the *Storting*. The account for the year 2006 comprised a total of 182 conventions and treaties. Eighteen of these conventions had been put before the Parliament in separate propositions (Bills). Earlier accounts listed 210 conventions in 1999,

189 in 2000, 214 in 2001, 208 in 2002, 235 in 2003, 238 in 2004, and 231 in 2005. Twenty-two of the conventions in 1999, 42 in 2000, 34 in 2001, 28 in 2002, 33 in 2003, 48 in 2004, and 36 in 2005 had been put before the Parliament as separate issues.⁵

The importance of the yearly accounts of conventions and development aid agreements is questionable, however. The accounts are sent to the Standing Committee on Foreign Affairs for consideration, but with the exception of a few remarks on development aid agreements in 2001, the committee made no comments on the conventions and agreements in its recommendations concerning the years from 1999 to 2006. The committee simply concluded by suggesting that the accounts should be attached to the Record of Proceedings. This is mainly due to the fact already mentioned that the most important (and potentially controversial) conventions and agreements are put before the Norwegian Parliament in separate propositions.

Normally, when the Norwegian Government has negotiated and signed a convention or treaty there is little the Parliament can do about it. Rejection of ratification could lead to dramatic consequences, and the Storting would hesitate to take the responsibility for such consequences.⁶ Even more important in this connection (and in accordance with Putnam, 1988) is the fact that when it comes to important conventions and treaties, the Norwegian Government will have consultations with the Parliament before, and sometimes during, negotiations in order to secure majority support and to make sure that there will be no serious problems during the process of ratification. We will take a closer look at the consultation procedures in section 5.

Slovenia

What the writers of the new Slovene constitution (adopted in December 1991) had in mind was a strong Parliament, an independent Government and a relatively ceremonial role of the President of the Republic. The Državni zbor consists of only 90 deputies representing the citizens of Slovenia, the Italian and Hungarian

⁵ See the following Recommendations from the Standing Committee on Foreign Affairs: *Innst. S. nr. 304 (2007–2008)*, *Innst. S. nr. 15 (2007–2008)*, *Innst. S. nr. 26 (2006–2007)*, *Innst. S. nr. 156 (2004–2005)*, *Innst. S. nr. 200 (2003–2004)*, *Innst. S. nr. 125 (2002–2003)*, *Innst. S. nr. 18 (2002–2003)*, and *Innst. S. nr. 13 (2001–2002)*. In addition, the Government has presented accounts of agreements concerning aid to developing countries. A total of 117 development aid agreements came into force in 2003, 87 in 2002, 97 in 2001, 85 in 2000, and 76 in 1999. Cf. the following Recommendations: *Innst. S. nr. 250 (2004–2005)*, *Innst. S. nr. 199 (2003–2004)*, *Innst. S. nr. 99 (2002–2003)*, *Innst. nr. 110 (2001–2002)*, and *Innst. S. nr. 209 (2000–2001)*.

⁶ In 1972 and 1994, the Norwegian Government signed agreements on membership in the European Union. The agreements were rejected by the Storting after referendums in which the majority of the voters said 'no' to membership in the EU. These are exceptional cases however.

ethnic communities being entitled to elect one deputy each (Article 80). Relatively strong ties between the political system and civil society were secured by establishing a special 'non-political' body of corporative character, the National Council, providing for representation of local and professional interests (Zajc and Lukšič, 1994: 379). Since its functions are not the same as those performed by the second chamber in other modern bicameral parliaments, the Slovene parliamentary system could be described as a 'limited two chamber system' (Grad, 1992: 59).

In the former socialist system, the principle of the unity of power was one of the main regulatory principles, contributing substantially to the domination of the leading Communist party. In the new constitution (Article 3), the principle of separation of powers is one of the most important principles and a sign of the democratic transformation of the whole system. The Slovenian model of parliamentary democracy has some distinct characteristics. According to constitutional provisions, the ministers are appointed and dismissed by the *Državni zbor* upon the proposal of the Prime Minister (Article 112). Prior to the appointment, each minister must appear before the respective parliamentary committee where he has to answer questions about his views and abilities. The Law on Government passed in 1993 determined the Government's responsibilities mainly in the implementation of the policies outlined by the *Državni zbor*. In practice, the *Državni zbor* has many times deliberated matters which would normally be in the competencies of the Government.

According to the new Slovene constitution of 1991, all international treaties and conventions have to be put before the National Assembly for ratification (Article 86). The accounts for the past years comprise an impressive number of multilateral and bilateral treaties – altogether 200 in the first mandate (1992–1996) of the *Državni zbor*, 290 in the 1996–2000 mandate, 243 in the 2000–2004 mandate and 165 in the 2004–2008 mandate. Among the most important were the ratification of the EU Association Agreement on 15 July 1997 and the ratification of the Contract between the fifteen former EU member states and the ten entrant states on their accession to the EU on 28 January 2004. On 2 February 2005 the *Državni zbor*, as the third parliament of new member states, ratified the Contract on the Constitution for Europe with an overwhelming majority (only four votes against). According to the views expressed by the deputies, ratification represented the realization of goals from the time when Slovenia left former socialist Yugoslavia. On 29 January 2008, as the second EU national parliament, the *Državni zbor* ratified the 'Lisbon Treaty'. At this session the deputies also stressed the fact that the Treaty increases the importance of all member states, giving a more significant role to the national parliaments. In spite of this almost unanimous support, the level of information on the Constitution for Europe among the Slovene public is still very low.

In the past few years the Slovene Državni zbor has not denied ratification of a treaty or convention. On some rare occasions the Government has had previous consultations with the Državni zbor during the negotiations with a foreign partner or international organization in order to obtain additional support or to prevent possible controversies during parliamentary debate. Such consultations took place in the middle of the 1990s at the time when Italy was trying to block Slovenia's attempt to sign the EU Association Agreement, claiming that the Slovene legislation regarding foreign ownership was not in accordance with the legislation of the EU member states. Slovenia accepted the compromising Spanish proposal giving priority rights to land property to all EU citizens, and after the change of Article 68 of the Slovene Constitution on 14 July 1997, the Državni zbor passed the Law on Ratification of the EU Association Agreement on 15 July 1997.

In March 2003, the Državni zbor almost unanimously adopted the necessary changes to the constitution of 1991 and with a new article (3a) established constitutional grounds for Slovenia to join international organizations that respect human rights and basic freedoms. Changing its constitution, Slovenia transmitted the execution of a part of the national sovereignty to these international organizations, i.e. to the EU in the first place. Legal acts and decisions made in these organizations are applied in Slovenia directly. Since the common EU legislation is ranked above the national legal system, no additional confirmation or ratification of such acts on the part of the Državni zbor will be needed. The new article foresaw a special Law on the Relationship between the Državni Zbor and the Government of Slovenia in Dealing with EU Matters. Such a law written on the basis of the Finnish and Swedish examples and adopted in March 2004 (a short time before Slovenia became a member of the EU) determined the responsibility of the government to inform the Državni zbor about all matters related to the EU (mostly proposals of the European Commission) at all stages of decision-making procedures.

The Government has to prepare its own position for each matter together with an evaluation of the situation and possible consequences. It is within the competence of the Državni zbor to supervise the processes of decision making on the level of the EU where the Government is involved, and if necessary to prepare its own position which the Government has to take into account. Though its positions are not legally binding for the Government, the National Assembly may put considerable pressure on the Government to adjust its handling of matters in line with the preferences and directions of the National Assembly. If necessary the Državni zbor may also use appropriate measures against the Government, including interpellations against individual ministers or against the entire Government.

Parliaments and international relations

Parliamentary committees and consultations

Specialized committees are essential elements of the organization of parliaments (Longley and Davidson 1998). All the 169 members of the Norwegian Parliament are assigned to one – and only one – of thirteen standing committees.⁷ Party groups should, as far as possible, be proportionally represented in each committee, and the principle of proportionality is also applied when the positions of committee chairs are distributed among the parties (Rommetvedt 1999: 7). Virtually all matters to be dealt with by the Norwegian Parliament are first submitted to one of the standing committees for consideration. The standing committees have no decision-making authority on behalf of the Parliament. The formal role of the committees is advisory only, but in reality they play an important role in the decision-making process.⁸ The committees prepare fairly detailed recommendations with majority and minority proposals and remarks. Plenary debates and voting are based on committee recommendations, and due to the high degree of cohesiveness of Norwegian political parties one can normally predict the outcome of plenary decisions on the basis of committee recommendations.

Using Shaw's typology, we may say that all standing committees of the Norwegian Parliament have 'legislative' as well as 'financial' and 'investigative' purposes (Shaw 1979: 370ff). These functions are related to the decision-making process of the Parliament. 'Administrative oversight', or parliamentary control of the performance of the executive, is the major responsibility of the Standing Committee of Scrutiny and Constitutional Affairs (along with constitutional matters, of course).

The competencies of the committees of the Slovene National Assembly are not much different from the competencies of similar bodies in other parliaments. As in the Norwegian Parliament all matters must first be submitted to one of the standing committees. (On rare occasions matters are submitted to two committees, i.e. when another committee declares a matter to be in its special interest.) Party groups are proportionally represented in each committee, and the same principle is applied in the distribution of positions such as committee chairs. Committees have the important functions of maintaining a general overview of their domain, gathering information and solving conflicts, together with control over the Government's actions in the implementation of policies. Though the final decisions are taken by all

⁷ Until 2005 the number of MPs was 165 and the number of standing committees 12. The standing committees in 2001–2005 are listed in Table 3.

⁸ This is still the case, even though the relative importance of the party groups as compared with committees has increased, cf. Rommetvedt (2003: 84f).

deputies, committees play an important role in preparing proposals for the plenary debate and voting.

What makes Slovene committees different from the Norwegian is their number and composition. Because of the small number of deputies (90) and the considerable number of committees, deputies serve on several committees. There were altogether 23 committees in the first mandate of the Državni zbor, 26 committees in the second, 20 in the third and 23 in the fourth. Not all of these committees are ordinary standing committees – in the last mandate nine dealt with mandates and elections, procedure, petitions etc., while 14 were related to real policy making and scrutiny. There were nevertheless 214 positions in these 14 committees demanding great commitment from the individual members.

Norway

The Norwegian Parliament has established three committees to deal with international relations: a Standing Committee on Foreign Affairs, an Enlarged Committee on Foreign Affairs, and a European Consultative Committee on matters related to the Agreement on the European Economic Area and the EU (see below). The Standing Committee on Foreign Affairs has the same functions as the other standing committees, but in order to portray the role of the Enlarged Committee and the EEA Consultative Committee, we need to add a ‘consultative’ role to Shaw’s list.

According to Section 12 of the Rules of Procedure of the Norwegian Parliament, the *Standing Committee on Foreign Affairs* is responsible for ‘Matters relating to foreign affairs, development cooperation, Norwegian interests on Svalbard or in other polar regions and matters in general relating to agreements between Norway and other states or international organizations’.

The *Enlarged Committee on Foreign Affairs* consists of the ordinary members of the Standing Committees on Foreign Affairs and on Defence, the President of the Storting, the chairmen of the party groups, and further members if considerations regarding proportional representation of the groups so indicate. Prior to October 2005 this committee consisted of the ordinary members of the Standing Committee on Foreign Affairs, the President and the Vice President of the Parliament, the chairman of the Standing Committee on Defence, and up to eleven MPs who were also members of one of the ordinary (domestic) standing committees. Section 13 of the Rules of Procedure states that the task of the Enlarged Committee ‘is to discuss with the Government important foreign policy, trade policy and national security policy issues’. Consultations should ‘take place before important decisions are made’ by the Government. The businesses of the Enlarged Committee on Foreign Affairs are kept secret unless otherwise expressly provided. The Enlarged Committee may put recommendations before

the Parliament, but that is not normally the case. The Committee is convened when the chairman finds it necessary or at the request of the Prime Minister, the Minister of Foreign Affairs or one-third of the members of the committee. From 1993 to 2007, the average number of meetings was 8.2 per year. The most frequent meetings were held in 1999 (14), 1998 (12) and 2001/2003 (10 each).⁹ The variations from one year to another are related, for example, to the occurrence of international events.

The most consequential international agreement that Norway has signed is the Agreement on the European Economic Area (EEA) between the European Union and members of the European Free Trade Association (EFTA). The EEA Agreement, which came into force in January 1994, gives Iceland, Liechtenstein and Norway access to the internal market of the EU. The three EFTA countries have agreed to implement Community rules and to respect the relevant case law of the European Court of Justice (Sejersted 1996). The EEA Agreement established an EEA Joint Parliamentary Committee in order to ‘contribute, through dialogue and debate, to a better understanding between the Community and the EFTA States’. The EU and EFTA members of the Joint Parliamentary Committee, including six Norwegian MPs, ‘scrutinize all Community legislation applying to the EEA’ (<http://secretariat.efta.int>).

Section 13 a of the Rules of Procedure of the Norwegian Parliament states that ‘The Government’s consultations with the *Storting* on matters regarding the Agreement on the European Economic Area (the EEA Agreement), including proposals regarding new or amended acts in the field within the scope of the EEA Agreement, and matters regarding coterminous agreements with the European Union (EU) shall take place with the European Consultative Committee’. The European Consultative Committee (formerly called the EEA Consultative Committee) consists of the Standing Committee on Foreign Affairs and the members of the Norwegian delegation to the EEA Joint Parliamentary Committee. The Foreign Affairs Committee or its chairman may also decide that one or more of the other committees shall take part in specific consultations’.¹⁰

Consultations are held when the chairman of the Standing Committee on Foreign Affairs, or a member of the Government, or one-third of the members of the Foreign Affairs Committee so request. Meetings of the European Consultative Committee are held in camera, but the minutes of the proceedings are made public as soon as they are available unless otherwise decided (earlier

⁹ Information given by the Archives of the *Storting*.

¹⁰ In 2000–2001 a total of 35 members of other committees met in five of the nine meetings in the EEA Consultative Committee (Melsæther 2004: 36).

the minutes were normally not made public until a year later). Matters that are discussed in the consultative body are submitted to a plenary meeting of the Parliament if the Standing Committee on Foreign Affairs so demands. Whether such a meeting shall be public or held in camera is decided by the Parliament (in camera).

The importance of the EEA Agreement is clearly illustrated by the establishment of the European Consultative Committee and by the overviews of conventions and treaties which, according to Article 75 of the Constitution, must be communicated to the Norwegian Parliament. As we have already mentioned, accounts of conventions and treaties are given in yearly letters from the Government to the Parliament. The account for the year 2006 comprises a total of 182 conventions and treaties. This figure includes 141 decisions that should be implemented by Norway according to the EEA Agreement. Seven of these had been put before the Parliament in separate propositions. In previous years we find the following figures: 1999: EEA total 170/EEA separately in Parliament 9, 2000: 134/28, 2001: 165/20, 2002: 155/9, 2003: 182/22, 2004: 175/24, and 2005: 165/21.¹¹

The Storting is not pleased with its influence on EEA matters, however. In February 2007, the Standing Committee on Foreign Affairs recommended a number of measures in order to make sure that the Parliament will be involved at earlier stages of the EEA/EU decision-making processes. An account on important EEA and EU matters should be given by the Government to the Parliament every six months. In addition to the European Consultative Committee, the ordinary (domestic) standing committees should be informed and should have an opportunity to discuss EEA/EU matters related to their domain.¹²

Slovenia

In order to deal with international issues the Slovene Državni zbor established the *Committee on Foreign Policy* at the beginning of its first mandate in 1992. The committee was reestablished after each subsequent election. The *Commission for European Affairs* was first created in June 1996, composed of 17 members of all political groups. Its task was to assure the coordination of all activities regarding the integration of Slovenia into the EU at one place, to discuss general affairs concerning integration and to coordinate the work of the parent working bodies, providing them with opinions. A similar Commission composed of 15 members was established at the beginning of the second mandate (1997). The Slovene Delegation to the Joint Parliamentary Committee was

¹¹ Sources: see note 4.

¹² The following Recommendations: *Innst. S. nr. 114 and 115 (2006–2007)*.

formed at the same time (1998), composed of eleven members of the *Državni zbor* (the other eleven were members of the European Parliament). Its task was to study all aspects of the relationship between the EU and Slovenia and to prepare recommendations.

The new Commission for European Affairs established at the beginning of the third mandate (in 2001) was abolished in spring 2004 when Slovenia became a member of the EU. At the same time the Slovene delegation to the Joint Parliamentary Committee ceased to exist. A new *Committee on EU Affairs* was set up on 21 May 2004 with more important and detailed competencies. At the beginning of the fourth mandate (17 November 2004) the Committee on EU affairs was reestablished to deal with EU matters apart from matters of foreign and security policy which are within the competencies of the Committee on Foreign Policy. It was also intended to discuss the matters on the agenda of EU institutions, proposed declarations on the directions for the activities of Slovenia in the EU, and reports of representatives of Slovenia in the EU institutions. Its other tasks include cooperation with other committees of the *Državni zbor* and with specialized committees of other national parliaments on EU affairs.

Table 1: Number of meetings and items on the agenda of the respective committees of the Slovene *Državni zbor* *

Mandates	Commission for European Affairs		Committee on EU Affairs		Committee on Foreign Policy	
	Meetings	Items	Meetings	Items	Meetings	Items
Second 1997–2000	80	280	–	–	137	1008
Third 2001–2004	44	166	8	18	179	891
Fourth 2004–2008	–	–	174	622	138	576

Source: Reports on National Assembly's Work and Mandates.

The *Državni zbor* cooperated with the European Parliament and participated in the activities of the Convention on the Future of Europe from February 2002 onwards. Slovenia was represented at plenary sessions of the Convention by representatives of the Government and two deputies representing the *Državni zbor*. Slovene deputy Alojz Peterle was elected by the representatives of the entrant countries to represent their interests in the Presidium. After 16 months the efforts of the convention resulted in the Draft Constitution for Europe. In April 2002, under the sponsorship of the two national representatives in the Convention, the *Forum for the Future*

of Europe was established in the Državni zbor, discussing the proposals for the institutional reorganization of the EU.

Because of the importance of the association with the EU for all parliamentary parties, the Slovene Državni zbor did not concentrate the work related to EU matters in the Commission for European Affairs. Contrary to the practice in other parliaments of the ECE entrant countries, all committees were engaged in the discussion on negotiating positions. The leadership of the Državni zbor also put on the agenda of its regular sessions a number of the most important documents related to the EU (Strategy of the RS for the Accession to the EU, Regular Reports of the European Commission on the Advancement of Slovenia in the Process of Accession, State Program for Harmonization of National Legislation with EU Legal Order etc).

The most important and consequential international agreement Slovenia had made before entering the EU in 2004 was the EU Association Agreement, signed in June 1996 (Law on Ratification of the Agreement passed in July 1997). According to this agreement, Slovenia had to harmonize national legislation with the EU legal system by adopting a considerable number of 'EU laws'. As many as 129 'EU laws' were adopted in 1996–2000, and 190 in 2000–2004. (The number of bills passed was 179 in 1990–92, 375 in 1992–96, 341 in 1996–2000, 436 in 2000–2004 and 467 in 2004–2008.)¹³ A substantial number of the 'EU laws' were completely new, while others merely changed the existing legislation. Most of them were passed by a fast-track procedure. Harmonization, considered at the beginning to be a creative process, turned later into a simple copying of EU regulation, leaving little space for national traditions etc.

International organizations and parliamentary delegations

International delegations

Norway and Slovenia are members of a variety of international organizations, a few of which are set up with parliamentary assemblies or committees comprised of members representing the national parliaments of the member states. Table 2 shows the development with regard to permanent delegations to such assemblies and committees.¹⁴ As we can see, there has been a remarkable increase in the number of international parliamentary delegations, especially after 1993.

¹³ Sources: Regular Reports of the National Assembly of Slovenia.

¹⁴ Sources: Nordby (1985) and various editions of *Stortinget i navn og tall* (The Storting in names and figures).

Table 2: Permanent delegations of the Norwegian (N) and Slovene (S) Parliaments to international parliamentary assemblies and committees of international organizations

Organization/delegation	Members	1945-49	1950-53	1954-85	1985-93	1993	1995	1997	1998	2002	2004
Inter-Parliamentary Union	N: 4, S: 3	N	N	N	N	N S	N S	N S	N S	N S	N S
Parliamentary Assembly of the Council of Europe	N: 5; S: 4	N	N	N	N	N S	N S	N S	N S	N S	N S
NATO Parliamentary Assembly	N: 5, S: 3			N	N	N	N S	N S	N S	N S	N S
Organization for Security and Cooperation in Europe Parliamentary Assembly	N: 6, S: 5					N S	N S	N S	N S	N S	N S
West European Union Assembly	N: 5, S: 4					N	N	N S	N S	N S	N S
Nordic Council	N: 20		N	N	N	N	N	N	N	N	N
European Free Trade Association Committee of Members of Parliament	N: 6				N	N	N	N	N	N	N
European Economic Area Joint Parliamentary Comm.	N: 6					N	N	N	N	N	N
Delegation for relations with the European Parliament	N: 12					N	N	N	N	N	N
Central European Initiative Parliamentary Conference	S: 3					S	S	S	S	S	S
Joint Parliamentary Comm. of the European Parliament and entrant country	S: 11								S	S	S
Convention on the Future of Europe	S: 2									S	

It should be added that members of the Norwegian Parliament are always included in the Norwegian delegations to the general assemblies of the United Nations. They are, however, appointed on a temporary basis by the Government, not by the Parliament. The Government appoints MPs to other temporary delegations as well. In 2001 for example, such appointments included delegations to the UN special session on HIV/AIDS, the sixth and seventh conferences of the parties under the Climate Convention, and a conference in Vilnius on women and democracy. In February 2007, the Standing Committee on Foreign Affairs recommended that delegations of Norwegian MPs

should go to Brussels once a year in order to improve their knowledge of EU institutions and to establish contacts with the party groups of the European Parliament.¹⁵

Like Norway, Slovenia is a member of a number of international organizations with parliamentary type of working bodies, composed of representatives of national parliaments. Comparing the two countries, we see that the young Slovene Parliament was a 'late starter' with regard to participation in international organizations, but it has almost caught up with the old Norwegian Parliament.

Committee membership and international delegations

In the election period 2001–2005 the number of memberships in the three Norwegian committees concerned with foreign affairs and international relations, and in the parliamentary delegations to international organizations shown in Table 2, amounted to a total of 122 'international positions'. These positions were allocated to 60 Norwegian MPs. In other words, 36 per cent of the members of the Storting were members of one or more committee (s) or delegation (s) dealing with international relations (Langhelle and Rommetvedt, 2004: 200ff). Table 3 shows the distribution on the standing committees of the Norwegian holders of international positions. Clearly the Standing Committee on Foreign Affairs had no monopoly with regard to foreign affairs. At least one member of each of the twelve standing committees held an international position, and 45 members of domestic committees were involved in international relations.

Table 3: Distribution of international positions on the standing committees of the Norwegian Parliament, 2001–2005

Standing committee on	Number of committee members	Committee members holding at least one international position
Foreign Affairs	15	15
Defence	10	7
Education, Research and Church Affairs	16	7
Finance and Economic Affairs	20	6
Scrutiny and Constitutional Affairs	10	5
Transport and Communications	15	5
Justice	11	4
Business and Industry	14	3
Health and Social Affairs	14	3
Family, Cultural Affairs and Government Administration	13	2
Local Government	14	2
Energy and the Environment	13	1

¹⁵ *Årsrapport 2001. Stortingets administrasjon* (Annual Report, Oslo: the Storting) and *Innst. S. nr.115 (2006–2007)* (Recommendation from the Standing Committee on Foreign Affairs).

At the beginning of the fourth mandate (2004–2008), deputies of the Slovene *Državni zbor* are to a different degree engaged in international relations, holding positions in respective specialized committees. Table 4 shows the distribution of positions in ordinary standing committees among the 90 members of the *Državni zbor*, each of the deputies being a member of several committees. It also shows how the positions in the committees dealing with issues of foreign policy and with EU matters are intertwined with the positions in all other committees. There were altogether 32 deputies serving in either the CEUA or in the CFP, all of them having at least one position in another committee at the same time. In addition there were a total of 22 positions in the delegations of the *Državni zbor* to the international parliamentary assemblies or other bodies.

Table 4: Members of the standing committees of the Slovene National Assembly who are also members of the committees on Foreign policy and EU affairs, 2004

Standing committee on	Number of committee members	Committee members having position in CFP and CEUA
Foreign Policy (CFP)	19	19
EU Affairs (CEUA)	18	18
Culture, Education and Sports	17	8
Employment, Family, Social Care and Disabled	14	6
Home Affairs, Public Administration and Judiciary	17	6
Higher Education, Science and Technology	13	4
Environment	14	4
Finance and Monetary Policy	14	3
Local Government and Regional Development	14	3
Traffic Affairs	15	3
Defence	10	2
Public Health	10	2
Economy	16	2
Agriculture, Forestry and Food	12	1

In both countries we see that a substantial number of MPs who are members of committees for domestic affairs also hold international positions or membership in foreign affairs committees. This indicates that in this respect there is no clear-cut distinction between domestic and international affairs.

Governmental statements and questions to ministers

Norway

The submission of a governmental report or proposition is the principal way of putting an issue on the agenda of the Norwegian Parliament. By consent of the

Presidium of the Norwegian Parliament, government ministers may also give an oral account or statement on an issue to a plenary sitting of the Parliament. Some of the statements are related to critical events of immediate importance, while others are a matter of routine and are presented to the Parliament once a year. The latter include yearly statements by the Minister of Foreign Affairs and other ministers on their respective fields. Most of the statements are debated immediately or at a subsequent sitting. Searching the website of the Norwegian Parliament we found 50 oral statements presented by governmental ministers to the Parliament in 2001–2005 (www.stortinget.no).

The 17 oral statements that were given in 2001 included accounts by the Minister of Defence on the use of weapons containing depleted uranium, by the Minister of Labour and Government Administration on the strategy of the Nordic Council on sustainable development in the Nordic countries and their surroundings, by the Minister of Foreign Affairs on foreign policy, by the Minister of International Development on development policy, by the Minister of Foreign Affairs on WTO issues prior to the Ministerial Conference in Qatar, by the Prime Minister on the terror attack on the USA on 11 September, and by the Minister of the Environment on climate negotiations in Marrakesh.

In 2002, a total of 11 oral accounts were given by government ministers. Five accounts were related to international issues: two statements by the Minister of Foreign Affairs on foreign policy issues, one statement by the Minister of International Development on development policy, one by the Prime Minister on the Johannesburg Summit on sustainable development, and one by the Minister of Petroleum and Energy on the Nordic electricity market.

Five of the eight accounts given in 2004 were related to international issues. The Minister of Foreign Affairs gave four statements, three on foreign affairs in general and one on WTO negotiations. The Minister of Defence gave a statement on Norwegian participation in EU battle groups. In 2003, only five oral accounts were given to the Parliament by government ministers, four of which related to international questions. Three were presented by the Minister of Foreign Affairs (on foreign affairs in general, the Norwegian engagement in Afghanistan and Iraq, and WTO negotiations), and one by the Prime Minister (on the Iraq question). The nine accounts given in 2005 included six statements on international matters: three accounts by the Minister of Foreign Affairs on foreign affairs in general, on Norwegian engagement in Afghanistan and Iraq and on WTO negotiations; two statements by the Minister of Defence on Norwegian military engagement abroad, and one statement by the Prime Minister on the tsunami in South Asia.

The government does not have a monopoly with regard to agenda setting. Members of Parliament may raise an issue through an interpellation or a question to a minister or by presenting a private member's bill. There has been a dramatic increase in the number of questions and private members' bills over the last few years (Rommetvedt 2003: 47, 49). In the 1980s and 1990s, the average number of questions and interpellations was 600–900 per year as compared to 200–300 in the 1950s and 1960s.¹⁶ The number of private members' bills has increased from a handful at the beginning of the 1980s to more than a hundred per year in the second half of the 1990s.

We have no comprehensive overview of the number of questions and private members' bills concerning international relations, but we would expect similar trends in this area as well. Searches on the website of the Norwegian Parliament revealed an increase in the number of questions to the Minister of Foreign Affairs – from 145 in the four-year period from 1989 to 1993, to 249 and 200 in 1997–2001 and 2001–2005 respectively.¹⁷ According to Melsæther (2004: 41) there was an increase in the number of questions and interpellations mentioning the EU and/or the EEA agreement – from 28 in 1998–1999 to 54 in 2002–2003.

However, even more interesting in our context is the occurrence of international questions put to ministers responsible for domestic affairs. Questions related to the World Trade Organization give an interesting illustration of the dual process of internationalization of domestic affairs and domestication of international affairs (cf. Langhelle and Rommetvedt 2004). From 1993 to 2006 a total of 71 questions and interpellations concerning various aspects of GATT and the WTO were raised by Norwegian MPs, cf. Table 5.¹⁸ Naturally, most of the questions were answered by the Minister of Foreign Affairs (and the Minister of Trade from 1993 to 1996). However, the number of questions answered by the ministers responsible for various national affairs is striking. The table clearly demonstrates that international relations are intertwined with domestic policies.

¹⁶ Questions to be answered in writing are not included in these figures. There was an increase in the number of questions answered in writing from 132 in 1997 to 494 in 2001 and 706 in 2002 (*Årsrapport 2002. Stortingets administrasjon* (Annual Report, Oslo: the Storting, p. 12).

¹⁷ Questions to be answered in writing are included in these figures. Source: www.stortinget.no.

¹⁸ Questions to be answered in writing included.

Table 5: Questions Concerning WTO/GATT from Norwegian MPs to Government ministers

Starting session	Total N of questions	N of questions answered by (or on behalf of) the Minister of:									
		Prime Minister	Foreign Affairs*	Trade/Trade and Industry *	Development Aid*	Agriculture	Fisheries	Labour, Government Admin.	Education, Research	Finance	Oil, Energy
2007–2008	2			1							1
2006–2007	5		2			2	1				
2005–2006	9	2	3	1	1	1	1				
2004–2005	4		3				1				
2003–2004	6		3	1		2					
2002–2003	14		8		2	3			1		
2001–2002	5		3					1	1		
2000–2001	4		2					1		1	
1999–2000	6	1	1		1	2	1				
1998–99	3		1			2					
1997–98	7		3			4					
1996–97	3		2			1					
1995–96	3			3							
1994–95	5			5							
1993–94	4			4							
Sum	80	3	31	15	4	17	4	2	2	1	1

* Until 1996 the Ministry of Foreign Affairs had three ministers: Foreign Affairs, Trade and Development Aid respectively. From 1996 the Ministry had two Ministers: Foreign Affairs and Development Aid. From 1997 a separate Ministry of Industry and Trade was established.

Slovenia

The Rules of Procedure of the Slovene Državni zbor do not determine the submission of the Government's or ministers' reports on the plenary sessions as a regular practice or as a matter of routine. The usual way of communication between the Government and the Državni zbor are oral or written accounts on important matters or events to the relevant committee. The debate on particularly important issues is most frequently opened during regular question time at the beginning of each session and on occasions of interpellations towards ministers or the Government as a whole.

After the first democratic elections in Slovenia in 1990, the number of questions increased considerably with some of them being related to the European and

international issues. The total number of questions increased from 1318 in the mandate 1992–1996 to 1586 in the mandate 1996–2000 and to 2459 in the mandate 2000–2004 and then to 3082 in the mandate 2004–2008. Questions proved to be the means of providing valuable information on the internationally agreed values and recognized standards for dealing with important domestic matters. Although there are no exact figures, ministers and other representatives of the Government frequently tried to explain the impact of the common EU policies and regulations on the formulation of domestic policies. The number of questions addressed to the Minister of Foreign Affairs increased from 67 in the period 1992–1996 to 73 in the period 1996–2000, and to 95 in the period 2000–2004.

On the other hand in the course of the last 16 years private members' bills have been far less connected with international matters. Their number even declined due to the immense pressure put on the *Državni zbor* to modernize the whole body of legislation. In circumstances where the government tried to fulfill the expected role of transformer of the 'old' legislation, it was difficult for less experienced deputies to develop independent initiatives since such initiatives demand a certain level of expert knowledge.

Administrative support

The political and administrative capacity of parliaments depends, of course, on resources. The administrative staff of the Norwegian Parliament has been small compared to other parliaments, but the number of persons employed by the *Storting* administration and the party group secretariats has increased considerably over the last few decades. The Parliament staff in 1971 comprised 174 people (party group advisers and office staff included). In 2004, a total of 540 persons were employed by the Parliament and the party groups. The increase in staff resources and administrative capacity is reflected in the level of activity in the Norwegian Parliament. There has been a substantial increase in the number of dissenting remarks, alternative proposals, questions and private members' bills (Rommetvedt 2003, 2005).

The increased importance of foreign affairs is reflected in the number of administrative personnel specialized in taking care of international relations. In the middle of the 1990s, the Norwegian Parliament set up an *International Department* in order to handle the international contacts of the *Storting*. The department comprises two secretariats: the *International Secretariat* and the *Secretariat of the Norwegian delegation to the Nordic Council*. In 2007, the International Department employed a total of 18 persons.¹⁹ Furthermore, the Standing Committee on Foreign Affairs recommended

¹⁹ Information given by the Secretary General. The Head of the International Department is also the Secretary of the Standing Committee on Foreign Affairs.

that the Storting should engage more people in order to strengthen capacity with regard to investigation and information on EU/EEA-related matters.²⁰ In the middle of the 1970s, only three persons were employed in the secretariat of the delegation to the Nordic Council, which at that time was the only unit within the Norwegian Parliament's administration that specialized in international relations

While parliaments with a long democratic tradition have developed a wide variety of professional, organizational and technical services, the new democratic parliaments had to organize parliamentary services from the beginning. The Slovene Državni zbor reorganized the whole system of administrative support, establishing new units and departments. Administrative staff has been enlarged by new highly skilled people, and a number of staff members have gone on training programmes in other parliaments. The number of persons employed by the Slovene parliament has grown slowly. While there were 216 people employed in 1991, their number increased to 298 in 1998, to 346 in March 2005 and to 371 at the end of 2008. Altogether ten people are employed in the Committee on EU affairs and two in the Committee on Foreign Policy. The professional capacity of the staff is demonstrated at all levels of the activity of the Državni zbor, from the level of the deputy groups and standing committees to the level of the assembly. However, it is supposed that the extent and quality of the administrative and professional support is still insufficient, partly due to the limited financial means determined by the state budget (proposed by the Government).

On the other hand the interest of the deputies for professional support has grown continuously. In the period 1998–2004 the Research Department produced 482 reports at the request of the deputies and leadership of the Slovene Državni zbor. A high proportion of them, 57 per cent, deal with international issues, including issues related to the EU such as procedures of decision making, the legal arrangement of particular matters etc. (No data on the period 2004–2008 are available.)

No doubt the staffs of the parliaments of Norway and Slovenia have grown and the administrative capacities for dealing with international as well as domestic affairs have been strengthened.

Conclusion and discussion

There are several factors that may contribute to an increase in the involvement of parliaments in international affairs. Internationalization and globalization are driving forces, but that does not necessarily imply that *parliaments* become more involved in international affairs. The 'mechanism' that involves parliaments is what we have called the dual process of internationalization of domestic affairs

²⁰ *Innst. S. nr. 115 (2006–2007)* (Recommendation no. 115 to the Storting (2006–2007)).

and domestication of international affairs. Traditionally, international affairs were matters of national security and defence, and it was fairly easy to isolate security and defence from domestic sectors and policy areas. Today, international affairs are not only foreign affairs; they also include matters related to various domestic sectors and policies such as business policy, research policy, environmental policy etc.

Governments are responsible for international negotiations. However, international negotiations nowadays involve various domestic interests, and in two-level games like this trade-offs between various domestic interests are needed. Such trade-offs belong to the domain of parliaments. An important role of parliament is to contribute to the definition and interpretation of national interests. As we pointed out earlier, 'the national interest' is 'politically contingent' and depends on the outcomes of political processes, especially when there is more than one national interest involved. Consequently, in general we expected national parliaments to play a more important role in international relations and in processes of deciding trade-offs and determining national bargaining positions in international negotiations.

Even though the general expectation should be relevant in the cases of both Norway and Slovenia, we did expect to find differences between the two national parliaments. Our first hypothesis regarding the degree of 'maturation' of parliaments indicated that the old Norwegian parliament would be more involved with international affairs than the young Slovene parliament. On the other hand our second hypothesis regarding timing and the present era of globalization indicated that the young, less institutionalized Slovene parliament would 'mature' faster and catch up with the old, highly institutionalized Norwegian parliament. Finally, we expected the parliament of Slovenia as a member of the EU to be involved with European matters but to leave 'extra-European' matters to the EU, which negotiates on behalf of all the members. On the other hand the parliament of Norway – a non-member of the EU – was expected to be less involved with European matters but more involved with 'extra-European' matters since Norway has to negotiate on its own.

In the case of Slovenia, however, one particular aspect of the 'maturation' of the *Državni zbor* should be taken into consideration: Slovenia was the first of the entrant countries to preside in the EU. Though the preparations of Slovenia's presidency were in the hands of the Government, one of the particular concerns was to keep the *Državni zbor* as closely involved in the management of the presidency as possible. Following the Government's programme, the *Državni zbor* prepared its own initiative. Besides the conference of the COSAC and five inter-parliamentary meetings of relevant committees (on energy, defence, foreign policy, culture and education, agriculture, forestry and food), it also organised inter-parliamentary meetings with

the European parliament. The presidency of the EU and the involvement of the Državni zbor greatly increased its capacity to learn from the experiences of other member countries and its ability to become a more active player in the processes of preparing and taking decisions within the EU (Zajc, 2009: 8).

The data presented in this paper seem to confirm our general expectations. However, expectations regarding differences between the two national parliaments are not verified. There are, of course, several nuances between Norway and Slovenia, but in our interpretation the overall picture shows more similarities than differences with regard to the internationalization of the Norwegian and Slovene parliaments. The general trend towards internationalization and globalization seems to override the effects of the two countries' different political traditions and affiliations with the EU and of the variations between the two parliaments with regard to degree of parliamentary 'maturation' and institutionalization. It did not take long for the Slovene Državni zbor to catch up with the Norwegian Storting.

The national parliaments of both Norway and Slovenia have become more actively engaged in international affairs. As we have seen, new parliamentary bodies have been set up in order to handle issues concerning Norway's and Slovenia's relations with the EU, and there has been a remarkable increase in the number of international parliamentary delegations. In the periods we have studied, more than one-third of the members of the Norwegian Parliament and more than half the members of the Slovene Državni zbor were members of international delegations and committees dealing with international relations. MPs have become more active in asking various government ministers questions about international issues, and international matters are becoming more and more relevant for various domestic sectors. In other words, there is an intrusion of international issues into domestic politics and vice versa.

In our study Norway and Slovenia have served as illustrations of the general process of internationalization of national parliaments and the strengthened role of national parliaments in international affairs. The final question to consider is: What does this analysis tell us about the internationalization of parliaments in general? Can the Norwegian and Slovene experiences be extended to other parliamentary democracies, or are Norway and Slovenia deviant cases with little relevance to other countries?

We believe that the Norwegian-Slovene experiences are relevant to other parliamentary systems as well. In spite of important political differences between the two countries, we have seen that the parliaments of both nations have become more involved with international affairs, thus indicating that the internationalization of parliaments is a general trend. However, the relevance of the Norwegian-Slovene experiences may vary, depending on the character of the political system.

General characteristics of executive-legislative relations are perhaps the most important element in this connection. The principle of parliamentarism strengthens the position of parliament vis-à-vis government. Governments need to make sure that they get support from a majority of the parliament. Consultations with parliament are necessary, and minority governments – like the Norwegian in particular – have to attach importance to the views of parliament. The ability of parliament to exert real influence on the government depends, however, on the parliament's political and administrative capacity. Competence, staff and other resources are needed for parliament to be able to realize its potential parliamentary power. The Slovene experience with 'large' coalitions consisting of parties representing different party families (at least in the period 1991–2004) may contrast the Norwegian experience, but the strong position of the *Državni zbor* in the Slovene political system makes the government more dependent on the *Državni zbor* with regard to international matters.

In presidential systems with a strong president the legislature will tend to be weak and to play a minor role in international affairs. The same applies to parliamentary systems with cohesive parties and majority governments – especially single-party majority governments. There seems to be a widespread norm, however, of consensus and continuity in foreign policy and international affairs. Consequently, even presidents and majority governments tend to wish for broader support on international matters. The strength of the norm of consensus and the wish for broad support represents an opportunity for legislatures to play a role in international relations.

More comprehensive comparative analyses are needed, of course, to give a satisfactory answer to the question of the generalization of the Norwegian-Slovene experiences. However, the process of the domestication of international affairs and the internationalization of domestic affairs will continue with increased strength in the future. Most likely, in the age of globalization the various domestic sectors and interests that are affected by the two-level games of international negotiations will increase their pressure on national parliaments and parliamentarians, thus challenging the traditional aloof role of parliaments in international negotiations and organizations. No doubt the days when international affairs were a prerogative of the executive are long gone, but parliaments are still searching for an appropriate role in international organizations and negotiations.²¹

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²¹ On the parliamentary dimension of the WTO, see Rommetvedt 2006.

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BOOK REVIEWS

*Lubomír Lupták*¹

Unfinished business: post-communist transition discourse in transition

The only principle that does not inhibit progress is: anything goes.

Paul Feyerabend

The three editors of this volume managed to present an interesting and largely innovative array of essays concerning post-communist transitions of Central and Eastern Europe. Combining different paradigms, this book may be, with some reservations, regarded as a 'next generation' of transition studies.

Post-communist transition discourse, heavily marked by liberal aspirations and still more a political programme than a field of research (briskly illustrated by the still dominant overidealistic reading of the so called 'color revolutions'; with red and orange being the dominant colors of the cover I may presume a reference to this label), seems to sober up a bit and return to a more skeptical mode. Ranging from a crude 'orientalism' on the side of Western observers to a pervasive 'lost in translation' on the side of Eastern transformers, the post-communist transition discourse has been suffering from a symphony of maladies – from an obvious lack of qualitative and long-term field research and a dwelling on formal, normative discourses without even a hint at practice, non-reflective and mindless reproduction of authoritative, but still outdated texts, an unnerving routine of reification of useless or misunderstood concepts, chilling methodological void alternating with rough methodological nationalism, to a simple confusion between political science and politics. Setting the liberal ideals and wishful thinking aside, setting up new methodological foundations and starting to draw on critical theory and a new, extensive qualitative field research, the discourse may temporarily lose its political and normative strength, but it would regain its vigor in both understanding and explanation of what is happening 'out there' (or 'in here').

Though the title may occasionally exhibit certain discontent with the contents, which are actually obscuring the concept of 'transnational actors' (and thus implicitly, but rightfully raising the question if it is a concept at all, or, at least, casting doubts on the explanatory power of a concept uniting the operation of entities as different as the Roman Catholic Church, the European Union, or PSA Peugeot-Citroen in varying cultural contexts), the nine case-studies assemble a mosaic reflecting and portraying

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a kind of a novel understanding of the social, political, and economic changes occurring in East and Central Europe in the last two decades.

The contributors seem to focus on and draw their conclusions mainly from the cases of Hungary, Poland, and the Czech Republic, with a rather collateral consideration of Romania, Slovakia, Ukraine, Serbia and Croatia, and only marginal insights into Slovenia, Bulgaria, Estonia, Latvia, Macedonia, Kosovo or Georgia. As outlined above, their approaches range from 'rationalist' to '(soft-) constructivist', with the latter presenting considerably more interesting arguments, bringing the transition discourse a bit closer to *Verstehen*.

The first chapter, written by the editors, presents an introduction to and a structured overview of the texts comprised in the volume. In their valuable addition to the case-studies, the editors attempt to conceptualize and categorize the transition anew. Drawing from Przeworski, Linz, Fish or Offe, they expand the concept of 'dual' and 'triple' transitions, and introduce a 'quadruple transition' (Orenstein – Bloom – Lindstrom 2008: 4-6), consisting, unsurprisingly, of four components: nation-state building, democratization, marketization, and transnational pressures. Introducing a new overarching aspect intervening into the former three seems to direct the orientation of transition studies closer to an interdisciplinary concept, gravitating from 'political' towards 'social' science. One may wonder what the next steps could be, but I would not hesitate to bet on another umbrella concept in the form of cultural transformation, bringing in even more methodological and analytical devices from fellow social sciences.

In the second chapter, Milada Anna Vachudova contemplates the EU as a 'causal behemoth' of post-communist transitions. This article, among the most corresponding with the title and mood of the volume, points at several problems concerning the translation of influence and incentives into practice, the problematic distinction between 'external' and 'domestic' actors/influence, the amplifying effect of the EU on the leverage of other transnational actors, as well as the power of the varying and constantly evolving contexts of transition (however, due to the extent of the article, none of these are elaborated exhaustingly). Exploring the 'most exciting area of research concerning external influence on domestic change' (Orenstein – Bloom – Lindstrom 2008: 22) and resonating with the editors' call for a suspension of unnecessary hostilities between rationalists and constructivists, Vachudova coins the concepts of 'passive' and 'active leverage' to explain the diverse paths of Central and Eastern European transitions as well as the strength of the EU in directing them towards liberal democratic homogeneity.

Nicole Lindstrom's third chapter, dealing with the transnational human trafficking agenda, attempts to cast a glance at the actors constructing and implementing

transnational agendas in a competitive environment. Lindstrom presents a categorization of four basic approaches framing the anti-trafficking discourses and practices, attempting to capture the differences between policy paradigms setting the ‘goals, priorities, and content of policy’ (Orenstein – Bloom – Lindstrom 2008: 41). She discerns between the ways different transnational actors frame and address this ‘obsession of the international community’, investigates the power of ‘positional advantages and material resources’ in deciding which frame prevails over another, and points at the perception of failures ‘undermining the authority and legitimacy of prevailing policy paradigms’ (Orenstein – Bloom – Lindstrom 2008: 54). In a policy-oriented conclusion, Lindstrom returns to implementation of anti-trafficking policies and exploits the perception of failures to point towards the marginalized approaches. She could, however, make her case much stronger, had she presented a more field-research-oriented set of arguments.

The fourth chapter focuses on ‘domestic interest groups or clusters of state actors... facilitating the normative appeals and material leverage of international governmental organizations’ (Orenstein – Bloom – Lindstrom 2008: 57, 59) in post-communist states. Wade Jacoby argues that these ‘minority traditions’ can override or amplify IGO influence and projects; his focus on preexisting actor structures and clusters and the ways they translate outside interference and aspirations reveals a certain gap in empirical research of post-communist interest groups or client networks, especially within bureaucracies, academia and non-governmental organizations.

In the fifth chapter, Juliet Johnson examines the case of euro adoption/non-adoption among post-communist states and the role the central banks have played. Her context-oriented two-track diffusion concept attempts to explain the differences between the epistemic communities of ‘central-bankers’, socialized with and trained by their EU counterparts, and the broader government and general public (Orenstein – Bloom – Lindstrom 2008: 77, 78). Coming to the same conclusion for entirely different reasons, this consensus on the part of the bankers and the government may at the end (after EU accession becomes assured) lead to a loss of political and public support for the ‘EU-style institutional convergence’ and thus to different outcomes for the post-communist states monetary systems.

Dealing with a similar topic, Rachel Ann Epstein analyzes the processes of post-communist bank privatization. Embedded deeper in rationalist discourse, in her three cases of privatization in Hungary, Poland and Romania she elaborates further on the context-oriented notion of diffusion, coming to the conclusion that a mere presence of transnational actors does not warrant any particular outcomes.

In a surprising and enjoyable shift of topic, Timothy A. Byrnes examines the contrast between the transnational institutional dynamic of the Roman Catholic Church

and its varying local outcomes. By drawing from the cases of Poland, Slovakia and Croatia, and with special emphasis on Pope John Paul II extensive ‘pilgrimage of peace’, Byrnes comes to the conclusion that however ‘transnational’ and ‘global’ church institutions may be, local episcopal structures and their historical narratives render the church also ‘a stubbornly local institution... quite often deeply devoted to the narrow interests of a particular national population’ (Orenstein – Bloom – Lindstrom 2008: 140), which is also why the Church was able to persist for so long in so many different contexts. Any vision of a united European Christendom presented by the Vatican is thus hindered by the structure and agency of the Roman Catholic Church itself.

Probably the most interesting essay of the volume, Robert Hislope’s *Corrupt Exchange in Divided Societies* attempts to evade the prevailing anti-corruption discourse and grasp corruption as a ‘strategic maneuver’ allowing for political stability where the state is weak and deeply divided. Coining new metaphors of corruption as ‘*glue* or *cement* for a deeply divided society’ (Orenstein – Bloom – Lindstrom 2008: 144) to animate his concept, Hislope’s maneuver allows for a less ‘Orientalist’ approach towards Eastern Europe as well as for a challenge to dominant practices of transnational actors. He argues that in the fragile multiethnic societies of the Balkans, a self-righteous crusade against corruption may do much more collateral damage than the corruption itself. On the other hand, corruption, however immoral it may seem, may present certain collateral benefits connected with the establishment of interethnic elite coalitions, creating and maintaining the much-needed political consensus and a considerable amount of stability. In addition to that, anti-corruption zealotry fails to provide any significant decrease, not to mention eradication of corruption.

The penultimate chapter by David Ost deals with Poland’s attempts to make use of the transnational actors’ differences on its way to the West. Ost utilizes Friedrich Naumann’s concept of *Mitteleuropa* to illustrate the sorrowful state of small states that seem to be driven by the whimsical ambitions of Powers and Empires. Balancing the USA and NATO against the EU, a strong theme in many texts concerning Polish politics, however, seems to be among the least original notions cultivated in the volume. The author’s strong emphasis on historical narratives and speaking of states as if they were monolithic collective organisms, without any apparent base in empirical research and with rather inexplicit paradigmatic positions, appear to lag behind the other texts of the volume.

In the final chapter, Michael D. Kennedy delves deeper into critical theory to explore the deeper structures of power relations behind post-communist transitions. Speaking of a “transition culture” mobilizing “actors around certain logical and normative oppositions, valuations of expertise and interpretations of history” (Orenstein – Bloom – Lindstrom 2008: 190) he attempts to surpass the power

articulating the research agenda of transition and change by his move from transition to hegemony/empire. In a “sociological turn” of the volume, he points toward competing hegemonic systems of representation, as well as toward the fascinating world of practices and discourses of implementation of normative systems in post-communist contexts.

As indicated by the title, this volume may signify the transition of post-communist transition studies. This interesting, but rather incomplete mosaic of essays, should, however, be followed by an extensive empirical research programme, more reflective, paradigmatically transparent, context-oriented and resistant to positivist or political fallacies.

Orenstein, Mitchell A., Bloom, Stephen and Nicole Lindstrom (eds.), Transnational Actors in Central and Eastern European Transitions. University of Pittsburgh Press, Pittsburgh 2008, 260 pages.

*Lenka Strnadová*¹

Trust and Transitions: Social Capital in a Changing World

The notion of trust stands for one of the most omnipresent and at the same time elusive phenomena of the reality of social life. Looking back at theories of social contract, classical economy, Toquevillean democratic theory, and modern accounts of social differentiation founded by Durkheim or Tönnies, we recognize that at the end of the day, it is the issue of trust that most of these theories explicitly or implicitly come down to. With this in mind, the prominent place trust occupies in contemporary social and political thought cannot be surprising.

Contemporary revival of explorations into the sources, agents, and functions of trust in the society is attributed to the theory of social capital. The literature on social capital is extensive but all authors seem to refer to the fact that beside norms and ties, it is networks of trust which constitute society's social capital. And as such, individuals' and society's social capital must be examined as one of the key determinants of the success of our economic, political, and even national projects. Hence, presented volume *Trust and Transitions: Social Capital in a Changing World* represents yet another contribution to this strand of studies. As it brings numerous theoretical insights that build upon intense theoretical debate among authors like Robert Putnam, James Coleman, Pierre Bourdieu, Francis Fukuyama, or Eric C. Uslaner (represented among the authors of the volume), along the way, it naturally enters in dialogue with theories of political culture, civil society, and democratic transition as well. Thus, the value of the volume is two-dimensional. First, it rehearses, analyzes, and problematizes some of the well-known theoretical disputes over trust and social capital. Second, it contextualizes the theory vis-à-vis the specific post-Communist condition, exploring the virtues and limits of transposition of social capital theory into an environment substantially different from the social landscape of its origins. There are many studies that have attempted to analyze the problems of (Czech) post-Communist transition from the perspective of civil society² or political culture³. However, Lewandowski and Znoj present one of the rare explorations that target the phenomenon of social capital specifically, and relate it to post-Communist, in this case Czech area.

Much of the edited collection comes out of work done by the Prague based Social

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² See for instance the work of Karel Müller, John Dryzek and Leslie Holmes, or Piotr Sztompka.

³ See for instance Klicperová-Baker, Martina – Feierabend, Ivo K. et al. (2007): *Demokratická kultura v České republice: Občanská kultura, étos a vlastenectví ze srovnávacího pohledu*. Praha: Academia; or Pollack, Detlef – Jacobs, Jörg – Müller, Olaf – Pickel, Gert (eds.) (2003): *Political Culture in Post-Communist Europe: Attitudes in New Democracies*. Aldershot: Ashgate.

Capital Research Group. Their sociological, political, and historical findings are presented in the second section of the collection. The first part of the volume consists of theoretical inquiries into the nature of trust and social capital. Thus, the theoretical and the empirical part are proportional and mutually reinforce their explanatory value.

Looking at individual contributions, first section of the collection opens with an analysis of the legacy of informal networks and connections of the Communist era with regard to contemporary generalized social capital and trust in democracy by Eric M. Uslaner. In chapter two, Iva Božović weighs the virtues of the systems of personal exchange as inherited from the Communist period, and impersonal modern system of exchange characteristic for liberal societies against each other with regard to their desirability vis-à-vis both economic efficiency and social capital and trust. Gregory W. Streich then identifies the key for (re) construction of social capital in countries in transition in the powers of deliberative social capital. In chapter four, Max Pensky contemplates the issue of transitional justice and reconciliation, and the search for truth as factors in formation of national identity and trust in South Africa. The analysis moves onto the global level as Joseph D. Lewandowski critically evaluates the inequalities between elite social capital of global elites and the resulting oppressed position of local population, as barriers to global democratic trust. Pavel Barša brings the theoretical part to a close revisiting four major theoretical concepts by Putnam, Uslaner, Jeffrey Alexander, and Charles Tilly. From a transactionist perspective, he provides a fresh look at the issue of what comes first – trust, beliefs, or social action and coordination.

In the second, empirical section of the collection, Petr Matějů and Anna Vitásková provide sociological data highlighting the positive effects of generalized social capital and alerting to the risks represented by informal economic networks, quite in line with Božović's previous account. Arnošt Veselý tries to find roots to the stability of lower trust levels in the Czech Republic in a cross-generational sociological research. Although the data show that in the Czech Republic, social capital and generalized trust are to a huge extent a matter of generational transmission, which allows only for very slow change, the author tries to avoid rather grim conclusions. Nevertheless, his optimistic conclusions seem to lack sufficient argumentation. In chapter nine, Markéta Sedláčková and Jiří Šafr revisit the issue of the relation between generalized (institutional) trust and trust generated by membership in associations, only contending with Uslaner and others in the volume, that the former cannot automatically be derived from the latter, with the exception of non-conventional participation serving as a reservoir of trust. The following two studies by Milan Znoj and Marek Skovajsa provide an excellent analysis of historical roots and contemporary powers and limits of Czech civil society and social

capital. Znoj and Skovajsa managed to put together both well-known and original remarks as to the roots of the troubled character of Czech social capital. While Znoj focuses on the role of political elites and neoliberal paradigm in disruption of post-1989 social capital, Skovajsa's archaeology of problems of civil society in Czech lands goes back to initially anti-political (before 1918) and later subservient and ethnicized nature of Czech associational life under the First Czechoslovak Republic. After such an eloquent account, it is surprising though, that Skovajsa draws such a thick line between now and then, as a lot of the weaknesses of current Czech social capital and civil society bear not only marks of the Communist regime and post-Communist governments but also clearly discernible historical traces that Skovajsa marginalizes. The volume closes with a chapter on social capital in the contemporary Sudetenland by Ondřej Matějka.

There are several red lines running through the collection of texts. All authors seem to somehow contend, with support of extensive data and arguments, that in opposition to Putnam, interpersonal, in-group, particularized, horizontal trust is to a huge extent independent of generalized, cross-group, vertical trust, with required democratic. The authors repeatedly stress the importance of a combination of a bottom-up and top-down approach toward construction of social capital and trust, and thus, in our opinion quite legitimately, refuse the over-romantization of the democratic potential of civil society, undifferentiated view of social capital that glosses over its various forms and instantiations, and acknowledge adequate responsibilities of political organizations, the state and government for the state of affairs. The volume quite clearly tries to escape the tenets of cultural determinism, the most powerful articulation of which can be found in Barša's essay. It is also important to note that the authors clearly appreciate the factor of socio-economic inequality and polarization as a barrier to social capital formation.

The interconnectedness and coherence of the structure of the volume is not without minor setbacks. The analytical value of the empirical part of the book could be further advanced had the editors opted for chapters that would refer to main topics and arguments of the theoretical chapters more explicitly. While Uslaner's crucial thesis that challenges Putnam's assumption that interpersonal, particularized trust spills over to generalized, democratic trust clearly finds support in all empirical studies done in the Czech Republic, such continuity is not spelled out clearly enough. To give another example, Božović establishes that it is corruption within the political institutions, courts and the police that has detrimental effects on social trust and capital, the finding the repercussion of which can hardly be overestimated in the Czech Republic. Alas, neither Znoj nor other authors take his findings into accounts to underline and explicitly remind of their importance. And we could cite

a number of other such opportunities that have been wasted.

The format the editors opted for obviously did not allow for the authors of the two parts of the volume to interact directly. One solution might be a discussion format which might help mitigate some of the weaknesses. Nevertheless, such minor reservations do not substantially diminish either the value of whole book or the quality of individual chapters. The volume is rare in its complexity and at the same time, brings theory of social capital home to the studies of post-Communism in a way that is sure to inspire further useful accounts.

Lewandowski, Joseph D. and Milan Znoj (eds.) (2008): Trust and Transitions: Social Capital in a Changing World. Cambridge Scholars Publishing, Newcastle upon Tyne 2008, 324 pages.

GUIDELINES FOR AUTHORS

POLITICS IN CENTRAL EUROPE publishes original, peer-reviewed manuscripts that provide scientific essays focusing on issues in comparative politics, policy analysis, international relations and other sub-disciplines of political science, as well as original theoretical or conceptual analyses. All essays must contribute to a broad understanding of the region of Central Europe.

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- a list of up to six keywords suitable for indexing and abstracting purposes,
- a brief biographical note about each author, including previous and current institutional affiliation,
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Dates should be in the form of 1 November 2005; 1994–1998; or the 1990s.

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List of References

References are placed in alphabetical order of authors. Examples of correct forms of references for alphabetical style:

BOOKS:

Single author books:

Diehl, Paul F. (1994): *International Peacekeeping. With a new epilogue on Somalia, Bosnia, and Cambodia*, The Johns Hopkins University Press.

Two or more authors:

Degnbol-Martinussen, John – Engberg-Pedersen, Poul (1999): *Aid.*

Understanding International Development Cooperation, Zed Books, Mellemsfolkeligt Samvirke, Danish Association for International Cooperation, Copenhagen.

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George, Alexander L. (2004): Coercive Diplomacy, in Art, Robert J. – Waltz, Kenneth N., eds., *The Use of Force. Military Power and International Politics. Sixth Edition*, 70-76, Rowman and Littlefield Publishers.

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Printed journals:

Haas, Ernst B. (1961): International Integration. The European and the Universal Process. *International Organization* 15 (4): 5-54.

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Judt, Tony (2002c): Its Own Worst enemy, *The New York Review of Books*: available at <http://www.nybooks.com/articles/15632> (15 August 2002).

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Printed editions:

Excerpts From the Pentagon´s Plan: Prevent the Re-Emergence of a New Rival (1992) *The New York Times* (9 March).

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<http://www.guardian.co.uk/Archive/Article/0,4273,4388915,00.html> (2 November, 2003).

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