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## Europe's dependency on Russian gas, or Russia's dependency on European money? Trade relations and security issues

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On 8 May 2012, **Dr. Matteo Verda** of the Istituto per gli Studi di Politica Internazionale (University of Pavia) gave a presentation about the Russia-EU energy relationship. The lecture was held in the framework of the Master of Arts in Interdisciplinary Research and Studies on Eastern Europe (MIREES) and hosted by the Faculty of Political Science "Roberto Ruffilli".

The main point of the lecture appeared to be that Russian overdependence on energy exports (energy accounts for nearly two-thirds of Russia's total exports), particularly those to the **largest energy market** in the world, the EU, make Russia more dependent on the current energy relationship than the other way around. Currently, the EU imports approximately 65% of its energy; Russia being the largest exporter to the EU, providing 22% of EU imports.

As a result of interest from students, a majority of the open lecture focused on the transit countries of **Ukraine and Belarus**, as well as the EU's ability to import gas directly from the Caucasus. Unfortunately for the Caucasian countries, their efforts to access international markets have been complicated by the fact that the only existing pipeline infrastructure to Europe from Asia is owned by **Gazprom**. Turkmenistan has paid a steep price in diversifying its exports to Iran and China given that the bilateral agreements negotiated with these countries resulted in significantly undervalued export contracts. On top of this, Russia is doing all it can to frustrate international efforts to determine legally whether the Caspian Sea is a "sea" or a lake. Making such a determination would provide guidance for **Caucasian countries** wishing to build underwater pipelines toward Europe. However, Russia's legal jostling is preventing any determination and therefore any future construction from moving forward.

Dr. Verda also claimed that transit countries will become less important in the future as the European market continues to shrink, allowing the EU to stockpile the superfluous gas it imports to hedge against future disruptions. EU efforts to bypass transit countries will also contribute to their decreasing importance in the more distant future.

Nevertheless, it must be noted that Dr. Verda subscribes to the realist theory of international relations. If one were to adopt another perspective on the EU-Russia energy relations, the prognosis would not be so straightforward. A number of students argued that other aspects of EU security are being jeopardized by the **EU-Russian energy relationship**. For example, the Baltic States in which more than 50% of domestic energy consumption comes from Russian imports have been frequent victims of Russian energy policy with almost no reaction from Brussels.

Furthermore, the **EU's liberal democratic values** have potentially been undermined by allowing the energy issue to split the jurisdiction of the EU Council and Commission, effectively leaving it to Member States to solve their own energy problems and ignoring Russia's possible use of gas to suppress democratic movements in transit countries (Ukraine). It could be any other way, but we have seen EU coordination on economic policy, of which can certainly be defined as a matter of "national security." Energy clearly has an economic component and so it is not unreasonable to think that the EU could successfully coordinate its energy policy with regard to Russia.

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