

## **Conference**

**‘Russia-Europe, a partnership for the future ?’  
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## **Energy Interdependence**

**The EU point of view: Prof. Tanguy de Wilde, President of the Louvain School of Political and Social Sciences, Director of the InBev-Baillet Latour EU-Russia Chair at the European Studies Institute, Université catholique de Louvain.**

**Draft paper prepared for the speech to be delivered at the symposium.  
Please no quotation.**

Managing interdependence in world politics or in world economy has been a classical challenge for the European Union for several years. Therefore what I would like to discuss about the energy interdependence between Russia and the EU will not directly deal with figures, pipe-lines or forecasts about the energy supplies; no, my point will first be an analysis of the concept of interdependence in the international relations.

In the late seventies, authors like Joseph Nye and Robert Keohane have already underlined that “we lived in an era of interdependence. This vague phrase expresses a poorly understood but widespread feeling that the very nature of world politics is changing”. At the same time, even Henry Kissinger, a well known realist thinker, had to state that “the world has become interdependent in economics, in communications, in human aspirations”.

But how to grasp interdependence in contemporary politics and then in the relations between the EU and Russia?

First of all, it is maybe useful to warn the audience about the concept : interdependence is not simply an analytical concept. It is also a frequent rhetorical device used by statesmen. Interdependence is a useful word for the statesman, because vague words with broad appeal are useful. Political leaders often try to create a connotation of a common good about interdependence : “Come on, we are in the same boat! Let’s go, we must cooperate,” the say... But for the analyst, such vagueness leads to confusion. So, what is interdependence?

In the common sense, dependence means to be determined or significantly affected by external forces. Consequently, *interdependence* means mutual dependence. In world politics,

interdependence refers to situations characterized by reciprocal effects among countries or entities, or among actors in different countries. Let's add that reciprocal effects don't necessarily mean symmetrical effects. In the case of EU and Russia, there is a need to buy energy supplies for the EU and there is an interest to sell energy supplies for Russia. The situation seems to be a situation of mutual benefit. Besides, Russia is the third trade partner for the EU and the EU is the first and the main partner for Russia (more than 50% of the Russian trade), which gives a kind of balance in the relation. European dependence on energy is compensated by the Russian trade dependence.

And here comes the first tricky issue : is this situation satisfying for each partner? Is interdependence here a situation of evenly balanced mutual dependence? Indeed interdependence involves always costs, since interdependence restricts autonomy. But it is impossible to specify a priori whether the benefits of the relationship will exceed the costs. Another question must be taken into account at this level : to what extent are the actors likely to reduce the costs or the dependence itself, and thus to gain power in the interdependent relation?

To say it differently : is the EU likely to find elsewhere energy supplies or to reduce its demand of energy? Is it possible for Russia to find elsewhere the manufactured goods it imports from the EU? And/or to sell its energy supplies to other countries? Finally are Russia and the EU able to change quickly their mutual dependence?

The precise but very difficult answers to these questions would indicate who from the EU or Russia is or will be the powerful actor in this relation. Of course, asymmetrical interdependence is a source of power among the actors. Some authors have tried to resolve part of these questions. Some theoretical researches based on the concept of interdependence in the EU-Russia energy trade have tried to identify the factors of cooperation and conflict concerning this issue. One can summarize these works in three findings according to an European author:

1. Both Russia and the EU are very sensitive to interruptions of their energy trade. Interdependence provokes here fears on both sides, fears that a decrease in energy imports or energy-born revenues is possible.
2. Vis-à-vis most new EU member-States (Baltic states and central or Eastern Europe States), Russia benefits from an advantage : their overt dependence on Russian oil and gas makes them vulnerable. Asymmetrical interdependence and high sensitivity act as conflict instigator.
3. What fosters cooperation between Russia and the EU is their mutual vulnerability to a potential termination of their cooperation. Here we have a part of the answer of the main question : currently, in case Russia terminated oil and gas exports to the EU market, or the EU ceased importing Russian energy, the other side would find itself in a dramatic position due to the lack of viable alternatives.

One must insist here on the costs of interdependence.

These costs can involve short-run sensitivity (it refers to the amount and rapidity of the effects of interdependence; for instance, Lithuania is sensitive to any shortcomings of energy supplies coming from Russia).

And these costs can also involve long-term vulnerability (it refers to the relative cost of changing the structure of a system of interdependence). This is the costs for the EU and Russia of escaping from the system or of changing the rules of the game.

Nevertheless, there is another way to manage interdependence, I mean here, the shaping of an international regime, a set of rules, practices or agreements which will stabilize the situation between the involved actors of the interdependence. And this international regime can sometimes lead to a kind of security community, a community where each actor does no longer consider its own security without considering the security of the other actor. This would be the final stage of a successful process of managing interdependence.

This has obviously not yet happened between the EU and Russia. But at the present time, their relations about energy can be characterized as a process of “complex interdependence”. Such a “complex interdependence” implies three characteristics.

1. Multiple channels of contacts : interstate, transnational contacts, via companies, via the EU directly, ...
2. Multiple issues at the agenda of the relationship, but ...
3. ... military issues do not consistently dominate the agenda.

Multiple issues at the agenda mean that foreign affairs agendas here become wider and more diverse.

Energy is a foreign policy problem but specific remedies to enhance energy security involve domestic policies, investment, legislation, and so on; for the EU, maybe the building of a common energy policy.

And one of the consequence of this complex interdependence will be the use of linkage politics : energy issues are likely to be linked to issues of the common neighbourhood of the EU and Russia.

To conclude:

There is actually no alternative to a cooperation between Russia and the EU on energy issues. Of course, friction and conflict may occur but, in a globalised world, divorce between Russia and the EU is simply impossible; their linkage has to continue for the better or for the worse. Policies on both sides are to be creative.