Russia, Europe, and the Geopolitics of Energy

From Syria to Sochi, Poland to Pussy Riot, diplomatic and geopolitical conflicts between Russia and the West have come to dominate the headlines. However, behind these issues lies the fundamental economic competition that must frame any analysis of the politics and interaction between the two.

Fueling Europe

Russia’s dominant position in the European energy market solidifies Moscow as an integral part of the West’s future, forcing Washington and its allies to engage with their eastern rival. Moreover, it is this precisely this necessary engagement that grows Russia’s influence both in Europe and around the world – influence which necessitates the continued Russophobic propaganda in Western media and popular culture.

Since the early years of the post-Soviet period, Russia has steadily grown its energy exports, rising to its current position as the single most significant provider of oil and gas to Europe. With roughly one third of European oil and gas imports coming from Russia, the economic relationship between the two has become of primary importance for both sides. Europe is heavily dependent on Russia to fuel its manufacturing and consumer base, while Russia relies on oil and gas revenue from Europe to finance its continued economic development and diversification.

As this relationship has blossomed over the last decade, the two sides have worked to cement this relationship further, despite political resistance from the United States and many in Europe. The development of Russia’s Nord Stream pipeline, officially inaugurated in 2011, further entrenched Russia as a principal energy supplier to Northern Europe, particularly the industrial power of Germany. A twin pipeline, the Nord Stream carries roughly 55 billion cubic meters of gas per year under the Baltic Sea and into Germany and the rest of Europe.

The Nord Stream, seen by many as a necessary move by Russia to diversify its energy delivery infrastructure away from total reliance on Ukraine, has increased Russia’s leverage when it comes to relations with Europe. Moreover, it establishes a reliable revenue stream for Moscow, which has, since 2000, vowed to use energy export revenue to diversify the Russian economy away from a purely “petro-economy.”

However, the Nord Stream is not alone. Russia is currently constructing a complementary pipeline, known as the South Stream pipeline, which will do for Southern Europe, what the Nord Stream did for the North. Officially scheduled to come online next year, the South Stream will make Russia a dominant player in terms of exports to the Mediterranean and Central Europe. The South Stream is expected to carry 63 billion cubic meters of gas per year, making it one of the largest pipelines in the world in terms of volume.

Seen against the backdrop of the continuing economic crisis on the continent, Russia becomes an even more attractive trading partner for countries starving to regain a semblance of economic growth.

Of course, these two pipelines are not the only critical European energy infrastructure controlled by Russia.
Currently, Russia still provides a great deal of gas to the continent through its restive partner Ukraine, whose network of pipelines dates back to the Soviet era. The spider-web of Ukrainian pipelines, coupled with Russia’s ownership of the Belarusian pipeline operator Beltransgaz, means that Moscow has cemented a dominant position for itself vis-à-vis the European market over land and under the sea.

Naturally the West, the United States in particular, views this mutually beneficial relationship between the EU and Russia as threatening Washington’s geopolitical hegemony in Europe. For this reason, a number of steps have been taken by Western governments and corporations to undercut Russia’s energy dominance.

**Checking Russian Influence**

The growth of Russia’s energy dominance is of grave concern for the US and EU political establishment who recognize that, left unchecked, Moscow’s political and economic strength would severely weaken the West’s strategic position. So, in light of this unmistakable fact, the US and its European allies have embarked upon a number of their own pipeline projects intended to offset Russia’s growth.

Perhaps the most ambitious of these Western-financed projects is the Nabucco pipeline. Intended to bring energy to Europe from Iraq as well as the gas-rich Caspian region via Turkey, Nabucco was to include the Trans-Anatolian (TANAP) pipeline among a number of other smaller projects and branches, all of which would be collectively regarded as one cohesive project. Additionally, the Trans-Adriatic pipeline, which would similarly bring gas to Europe but via Greece, factored into this broader diversification equation.

Recent political, economic, and diplomatic developments have made the full Nabucco project unfeasible. This has prompted Western energy companies and governments to instead promote a reduced version of the project known as Nabucco West, which would bring gas from Turkey into Europe, terminating in Austria.

In addition, the State Oil Company of Azerbaijan (SOCAR) has laid 1,200 kilometers of new gas pipelines through the former Soviet Republic (and current NATO ally) Georgia, leading many to speculate on still further infrastructure diversification. In particular, experts view the Georgian pipeline expansion as a sign that the once aborted Trans-Caspian project, which would deliver Caspian gas from Azerbaijan to Turkey via Georgia, might possibly be rekindled.

Essentially, all these projects were understood as Europe’s most comprehensive attempt at diversifying gas supplies in order to reduce dependence on Russian imports. Specifically, Nabucco and the others were intended as a means of subverting the influence of the South Stream pipeline. Of course, it is not merely reduced dependence on Russia for its own sake, but rather as a means of gaining leverage over Moscow with regard to a host of geopolitical conflicts.

**Energy Competition and the “Grand Chessboard”**

Every geopolitical conflict between Russia and the West has an energy dimension to it. The current conflict in Ukraine can be understood, at least in part, as a struggle for control of the critical gas delivery infrastructure.

At its height last decade, Ukrainian pipelines accounted for nearly 80% of all gas deliveries from Russia to Europe. The Russia-Ukraine gas dispute of 2009 brought into stark relief just how significant gas is to the bilateral relations between the two countries and, perhaps even more significantly, how critical Ukraine was to Russia’s overall export revenue. This conflict, and others that preceded it, was one of the principal motivators for Russia’s construction of the Nord Stream and South Stream.

The current political crisis in Ukraine should be recognized as partially based on economic competition between Europe and Russia over Ukraine. The EU partnership agreement that Ukrainian President Yanukovich rejected was specifically designed to be an “exclusive” deal that would force Ukraine to choose either to side with Russia or with
Europe, forcing the government into an untenable position. The unfolding crisis in that country is a direct result of such provocative economic measures.

The war in Syria, and the subsequent diplomatic standoff between Russia and the West, is also partially the result of energy-related issues. The early days of the conflict in Syria coincided precisely with the signing to the so-called “Islamic Pipeline”, a gas pipeline that would have delivered Iranian and Iraqi gas to the Mediterranean, and subsequently to Europe, via Syria. Naturally, such a development would have been a direct assault on the gas hegemony of Qatar, and the gulf monarchies more generally.

Seen in this way, the continued financing and arming by Qatar and Saudi Arabia of terror groups in Syria represents an attempt by those monarchies to prevent any infringement upon their European gas revenue. Of course Russia, whose European market access is secure via the aforementioned Nord Stream and South Stream, came to the aid of Damascus, its final remaining ally in the Middle East, in an attempt to block what can only be seen as an attempt to destroy the nation of Syria itself.

Other developments in the energy sector complicate these issues even further. The recent discoveries of gas reserves off the Israeli coast in the Eastern Mediterranean provide further motivation for the US-NATO powers to destabilize Russian interests and wrest control of key Russian allies away from Moscow. Rumors of a possible Israel-Turkey pipeline would be understood as yet another attempt at undermining Russian gas dominance. Of course, the much touted “Shale Revolution” and hydraulic fracturing (known as “fracking”), has led all players, including Russia, to reassess their strategic energy plans and examine all possible options for the near and medium term future.

Russia’s rebound from the dark days of the early 1990s has largely taken place on the back of its energy exports. Its continued economic development, and consequent political and military development, represents a threat to US-NATO hegemony in Europe and throughout the world. It is this threat that the Western powers are attempting to meet with various forms of hard and soft power. The infamous “missile shield” in Eastern Europe, the war in Syria, the crisis in Ukraine, and many other issues all factor in to this greater competition.

Additionally, Western media continues to wage a ceaseless propaganda war to demonize Russia. Ostensibly, the Russophobic character of these attacks is shrouded in the rhetoric of human rights and freedom. However, these premises are mere cover for a well orchestrated attempt to manipulate public opinion to believe that, like during the Cold War, Russia is the enemy, and US-NATO represent the forces of good. As usual, the corporate media serves as the dutiful servant of US-NATO foreign policy.

For all these reasons, it becomes clear that the battle for influence continues more furiously than ever. The geopolitical chessboard has once again taken center stage. And beneath it, energy and pipelines are a driving force.

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