

Re-centering Energy within the Transatlantic Security Framework

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As the forces of globalization spin the world faster the formerly centripetal force exerted by transatlanticism is now itself being pulled apart. A new fulcrum on which transatlantic relations may stand is needed, and energy can serve that role. The United States and its North Atlantic partners ought to place energy at the center of transatlantic relations because a partnership based on mutual concerns for energy security will bind Europe and North America closer, re-position a secure North Atlantic alliance as the bedrock of global stability, and empower the region with unified leadership in practicing and promoting sustainable development. Given the recent change of power in the United States and the diametrically opposite leadership it has brought, I investigate here viable energy policies around which the North Atlantic can unite in the short run. I utilize two inextricable examples to support my conclusion that energy, specifically natural gas, may be a source of cooperation between Europe and the United States over at least the next four years. First, Europe's vulnerability to Russia's near-continental natural gas monopoly is hampering transatlantic cooperation. Second, NATO's modernization and commitment crisis could benefit from an energy-centered approach. I conclude with a commentary on the post-natural gas long-run importance of renewables in response to the general threat of climate change and more acutely to the threat of states like China and India supplanting Europe and the United States as hubs for research, development, and investment in renewable energy.

Realize the Centrality of Energy to European Security

Undoubtedly, energy has been fundamental to European integration. The European Coal and Steel Community, formed in 1951, was the catalyst for the consolidation process that would eventually lead to the European Union. However, a central reason why Europe is experiencing a slowdown in its integration is because it remains reliant on Russian natural gas. This reliance creates policy coordination inefficiencies across the 28-member supra-state. Dependence on Russian gas is strongest in the Union's eastern members, most notably the Baltic states (100%), Finland (100%), and Bulgaria (89%) and weakest among members such as Italy (29%) France (16%), and Spain (0%)¹ on the western side of the so-called "Berlin Wall of Gas".² As long as the Union's eastern members remain dependent on Russian natural gas, transatlantic policy coordination will sputter as energy remains a divisive national issue.

Moreover, Russia cut gas supplies on multiple occasions throughout the 2000s, and these cuts created damaging shortages in the transit and reliant recipient states. Russia sees EU energy security as a major loss it cannot afford and is not only willing to endure temporary supply cuts but is also trying to undermine the EU's search for alternative sources by, for instance, cooperating with Iran and callously navigating the waters of the undefined Caspian. In doing this, Russia is threatening the security of Azerbaijani gas fields like the Shah Deniz, which is scheduled to become a major exporter of gas to Europe by the end of 2018. Russia's turn east to secure markets in China through the Altai pipeline is also aimed at bolstering its bargaining power over the EU by reducing its dependence on EU consumption while maintaining its position as the EU's top supplier. Furthermore, Russia is minimizing its reliance on contentious transit states like Ukraine via projects like NordStream I and II and TurkStream,

¹ The Economist (2014).

² Noël (2013).

the former of which delivers gas directly to Germany and the latter of which will deliver gas to Turkey and, in turn, the Balkans.

Expand LNG Terminals East

One of Europe's policy options to fortify its energy security in the short-term is to expand its liquefied natural gas (LNG) terminals to its eastern flank where it would, with the help of the United States and Canada as its new primary suppliers, wean its eastern members off natural gas supplied by Russia's Gazprom and also decrease the price of natural gas due to North American supply crowding those markets. The feasibility of this plan is undergirded by two developments in particular. First, US LNG could arrive in Europe before 2020. Second, Europe is paving the way for that arrival by passing its "Third Energy Package," a legislative assist to the gas and electricity market whereby "competition rules call for equal access to EU markets (including by other Russian companies) at the same time as they require Gazprom to unbundle its pipeline assets from its gas supplies."³ A possible shortcoming of this plan, however, is that it requires deep coordination and investment from private and public energy enterprises as well as the reconfiguration of pipeline flows within a complex network. A possible boon to this plan is the recent US leadership change. With a former energy executive leading the Department of State, progress on this strategy may be expedient.

Bring the Southern Gas Corridor Online

LNG investment alone does not sufficiently and congruently strengthen transatlantic energy security and overall relations, however. The European Union and the United States must see that the Southern Gas Corridor (SGC) from the Caspian to Italy be successfully completed. LNG investment and SGC reinforcement are not only inseparable from EU prosperity but also to NATO strength and unity. The North Atlantic Treaty Organization, in its 2016 Warsaw Summit Communiqué, noted, "Energy developments can have significant political and security implications for Allies and the Alliance...A stable and reliable energy supply, the diversification of import routes, suppliers and energy resources, and the interconnectivity of energy networks are of critical importance..."⁴ Stronger ties vis-à-vis LNG and the Southern Gas Corridor will signal to those who doubt NATO's unity⁵ that the alliance is far from undone. Indeed, the SGC will ostensibly bring Europe over 10 billion cubic meters annually⁶ of natural gas from Azerbaijan and empower NATO member Turkey through the 6 bcma⁷ that would be going to it, thereby increasing the security of NATO partners Georgia and Azerbaijan through the interdependence that such pipelines bring. Also, the SGC would provide Caspian gas through the Interconnector Greece-Bulgaria pipeline, thus improving the energy security of the Gazprom-vulnerable Balkans.

Modernize NATO's 2% Expectation via Investments in Energy

Efforts by European states to strengthen their energy security would be a superior show of commitment to NATO than the outdated requirement of at least 2% GDP spending by members on their respective militaries; in modern warfare the power to turn off electric grids, water systems, and nuclear power plants equals that of enough well-positioned and aptly-armed battalions. Investment in energy security will pay much higher dividends than in single purpose military equipment. Moreover, with the new US administration's foreseeable transactional approach to foreign affairs and its desire to cut back on free riding within NATO, this policy

³ Nanay and Kalicki (2013).

⁴ North Atlantic Treaty Organization (2016).

⁵ Stokes (2016).

⁶ British Petroleum, (2016).

⁷ Ibid.

could keep the alliance intact and solve the inefficient, non-binding recommendation of 2% defense spending. A possible shortcoming of the energy-military substitute plan is that some NATO allies along the eastern flank, mainly the Baltics and Poland, will worry that this non-military defense spending invites Russian aggression along a less-militarized eastern flank. However, recent US troop deployments to Poland and elsewhere in Europe may mitigate such concerns. Nevertheless, relying on the Southern Caucasus and Trans-Anatolian pipelines that help make up a large part of the SGC would be risky for two reasons. Turkey's pipeline infrastructure is vulnerable to sabotage,⁸ and the current period of strained EU-Turkish relations may only be exacerbated by improved Russo-Turkish relations, thus merely replacing one controversial supplier with another.

Think Long-Run: Utilize the Natural Gas Boom to Increase Investment in Renewables

Research and development in renewables offers opportunities for collaboration and the expansion of energy markets both ways across the Atlantic. The North Atlantic should take advantage of the short-term energy security that would follow diminished EU reliance on Russian natural gas and lessened vulnerability to Russian retaliatory supply cuts to invest in renewables through public-private partnerships. With a more sustainable energy mix the North Atlantic would establish itself as the moral compass at the technological vanguard of renewable energy. Other states would look to Europe and the United States for foreign direct investments and consultation as they strive to carry out the 2015 Paris Accord. The North Atlantic's new emerging geopolitical rival China will find it difficult to ascend to a position of moral and economic parity vis-à-vis renewable energy. This strategy is impossible to carry out, however, unless the natural gas boom is exploited in parallel to the development of alternative energy. Energy supplied by renewables like wind, solar, and geothermal is intermittent, geographically limited, and has yet to be scaled up to where it can be integrated into the larger energy grid and meet national energy needs currently being met by fossil fuels. The main point of concern regarding this long-term strategy is whether the new US administration will securitize climate change appropriately.

The increasing multi-polarity of the world, pressing transnational issues such as climate change, and the recent stunning leadership changes in the United States and some EU member states necessitate a re-valuation of transatlantic relations. With recent unifying efforts like the Transatlantic Trade and Investment Partnership seemingly defunct, energy is a theme that the United States and European Union can still use as a tether amidst the new climate of political uncertainty. Energy security and the widespread implications it has on democracy, peace, and prosperity was at the heart of Europe's initial efforts to aggregate itself and stands at the core of US trade relations. If the allies of the North Atlantic wish to lead a sustainable and secure future and strengthen their global influence in an evolving world order, they must embed energy at the center of their common identity.

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⁸ Coskun et al (2015).

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