# Russian Energy Politics and the EU: How to Change the Paradigm

**Vladimer Papava*** **& Michael Tokmazishvili****

## Abstract

*The article discuses Russia's aggressive energy policy towards the EU and the former Soviet republics, with its main goal of reinforcing the country's monopoly over the transportation of oil and, especially, gas to the West. The language of "alternative pipelines" is used by Russia in the context of the "Pipeline Cold War" paradigm which creates significant problems for the energy safety of the EU by increasing the energy dependency of European countries upon Russia. In reality, the energy resource users are interested in a systematic supply of these resources. This can be achieved through the diversified resource producers and development of a mutually supplementary network of pipelines which should minimise the opportunity for using the energy resources for political purposes. This is the idea upon which the "Pipeline Harmonisation" paradigm is founded. The Western countries have a key role to play in the realisation of this idea.*

***Keywords:*** *Russian energy politics, EU's energy dependency, alternative pipelines, pipeline cold war, energy supply harmonisation*

## Introduction

With the growing demand, the supply of natural gas to the EU countries is becoming a subject of hot debates. More than 80 percent of oil and approximately 60 percent of natural gas consumed in the EU are imported. Furthermore, imports of energy resources have noticeably and steadily increased over the last years. The EU's energy dependency in 2008 accounted for 53 percent.[1] Russia's share in the structure of the EU's growing energy imports has been significant such as, for example, in 2008 when Russian oil imports to EU countries accounted for 33 percent of all EU oil imports and the share of Russian natural gas reached as much as 40 percent of all imports.[2]

The growth of the EU's dependence on Russian energy resources has been exploited by the Russian leadership as an effective tool for putting political pressure not only upon the EU members but also upon the countries whose territories are crossed by the energy transportation routes such as Belarus and Ukraine.

* ***Dr. Vladimer Papava****, a former Minister of Economy (1994-2000) and former Member of the Parliament (2004-2008) of the Republic of Georgia, is a Senior Fellow at the Georgian Foundation for Strategic and International Studies and a Senior Associate Fellow of the Joint Transatlantic Research and Policy Center, the Central Asia-Caucasus Institute (Johns Hopkins University-SAIS).*

** ***Dr. Michael Tokmazishvili*** *is a Senior Researcher of the Foundation CASE-Transcaucasus. He was the Head of the Department of Macroeconomics of the Budget Office of the Parliament of Georgia.*

[1] Europe's Energy Portal, "Energy Dependency," Europe's Energy Portal, http://www.energy.eu/#CO2 (accessed February, 25, 2010).
[2] Ibid.

In this context, searching for and the development of all potential (i.e., not only Russian) sources of oil and natural gas and ways for their supply to EU countries has become an issue of particular importance.[3]

## Paradigm of the "Pipeline Cold War"

One of the most significant deposits of hydrocarbons are those located in the Caspian region and, in particular, the countries of Azerbaijan, Kazakhstan and Turkmenistan. It is important to note that any energy resources located beyond Russian territory, which in principle could be supplied to the West, have been modified by adjectives like "alternative." This kind of language, consciously or unconsciously, presents a reflection of confrontation between Russia and the rest of the world on energy related issues. This very controversy became a starting point for the emergence of "pipeline confrontation"—or even of "Pipeline Cold War"—between different countries of the EU and Russia and even between different countries of the EU itself. The same controversy prompted some countries or groups of countries in the EU to forget and even disregard the interests of the other EU countries and to develop their own individual plans for the transportation of natural gas from Russia.[4]

By means of stereotypical mentality, this very idea of alternativeness has also been extended to the pipelines. In relation to the Russian pipelines of the western direction, the label of "alternative pipelines" has been attached to those which cross the territories of Azerbaijan, Georgia and Turkey; namely, the pipelines Baku-Tbilisi-Supsa (BTS), Baku-Tbilisi-Ceyhan (BTC) and the South Caucasian Pipeline (SCP). The accuracy of such an evaluation, however, becomes questionable if one takes into account the fact that the quantity of oil transported through those pipelines does not make up more than ten percent of the oil exports from Russia. With respect to the natural gas transported through the SCP, the situation is even worse. Its capacity accounts for just two percent of the Russian natural gas exports. Consequently, neither the BTS and the BTC pipelines nor the SCP could be regarded as a good alternative to the Russian pipelines.

Russia has done a lot for inciting the "Pipeline Cold War" and its motivation is more than apparent. One expert, for instance, does not exclude the possibility of Russia restoring the empire, although not in the classical way by means of seizing territory, but by using so-called neo-imperialistic mechanisms based primarily upon energy policy.[5] Here we should also note the interconnection in Russian policy in the post-Soviet expanse between energy dependence and political independence when an increase in the first causes a decline in the second.[6] The purposeful movement towards creating an energy empire is of particular importance to Russia[7] which is largely based upon Putin's myth of Russia's establishment as an "energy superpower."[8] As a result, Moscow's energy policy is

[3] For example, Vladimer Papava, Sabit Bagirov, Leonid Grigoriev, Wojciech Paczynski, Marcel Salikhov and Michael Tokmazishvili, "Energy Trade and Cooperation Between the EU and CIS Countries" (CASE Network Reports no. 83, Warsaw: CASE, 2009), http://www.case.com.pl/upload/publikacja_plik/23703888_CNR_83_final.pdf (accessed February, 25, 2010).
[4] Jeffrey Mankoff, Eurasian Energy Security (New York: Council on Foreign Relations, 2009), 38.
[5] For example, Jan Künzl, "The Caucasus Needs a Rest After the War, Interview with Alexander Rahr," Caucasian Review on International Affairs, vol. 2:4 (2008): 79, http://cria-online.org/Journal/5/THE%20CAUCASUS%20NEEDS%20A%20REST%20AFTER%20THE%20WAR.pdf (accessed February, 25, 2010).
[6] Keith C. Smith, Russian Energy Politics in the Baltics, Poland, and Ukraine. A New Stealth Imperialism? (Washington, D.C.: The CSIS Press, 2004), 5-8.
[7] Fiona Hill, Energy Empire: Oil, Gas and Russia's Revival (London: The Foreign Policy Centre, 2004), http://fpc.org.uk/fsblob/307.pdf (accessed February, 25, 2010).
[8] Lilia Shevtsova, Russia Lost in Transition: The Yeltsin and Putin Legacies (Washington, D.C.: Carnegie Endowment for International Peace, 2007), 133, 194.

promoting the formation of a new economic imperialism which applies not only to the outside world but also to Russia itself and its domestic economy.[9] It is also worth regarding Russia's energy strategy in the European vector in this context.[10]

Russia has been trying to maintain and strengthen its monopolistic position in a number of directions and, most of all, in relationships with the EU countries.[11] Let us recall the events of more than a decade ago when the issue of the transportation of Azerbaijan's early oil exports through Georgian territory was to be decided. At that time, Russia opposed the implementation of the BTS pipeline project and strongly campaigned for dispatching Azerbaijani oil exclusively through the Russian port of Novorossiysk. In view of the limited capacity of this port, owing to harsh climatic conditions as well as the fact that the pipeline route should have crossed the territory or the immediate vicinity of the conflict zone in Chechnya, common sense prevailed and both routes—Russian and Georgian—were chosen as ways for the transportation of early oil exports. As a result, all parties of the project won because the pipelines served as supplements rather than as alternatives of each other. Unfortunately, Russia never admitted this fact and continued its extensive (but abortive) attempts to block the execution of the BTC and the SCP projects.

Not only did the Russian side not want to develop a transportation corridor through Georgia or build pipelines in its territory, it was willing to use every possible means to prevent the implementation of these projects.[12] This evaluation of the Russian position with respect to the transportation of Caspian energy resources through Georgia was confirmed during the Russian-Georgian war in August 2008 when Russian aviation also bombed the direct vicinities of the pipelines which pass through Georgia[13] and located far from South Ossetia whose protection was supposedly the reason this war was begun. This cast doubt not only upon the security of the transportation corridor through which pipelines pass across Georgian territory[14] but also increased the danger of Azerbaijan losing its economic independence.[15] Fortunately, it did not take long to

[9] Marshall I. Goldman, "Moscow's New Economic Imperialism," Current History, vol. 107:711 October (2008): 322-329; Marshall I. Goldman, Petrostate: Putin, Power, and the New Russia (New York: Oxford University Press, 2008), 172-176.

[10] Janusz Bugajski, Expanding Eurasia: Russia's European Ambitions (Washington, D.C.: The CSIS Press, 2008), 73-80.

[11] Janusz Bugajski, "Russia's Pragmatic Reimperialization," Caucasian Review on International Affairs, vol. 4:1 (2010): 9, http://cria-online.org/Journal/10/Done_Russias_Pragmatic_Reimperialization_Janusz_Bugajski.pdf (accessed February, 25, 2010).

[12] Steve LeVine, The Oil and the Glory: The Pursuit of Empire and Fortune on the Caspian Sea (New York: Random House, 2007); Alexander Rondeli, "Pipelines and Security Dynamics in the Caucasus," Insight Turkey, vol. 4:1 (2002); Mamuka Tsereteli, "Beyond Georgia: Russia's Strategic Interests in Eurasia," Central Asia-Caucasus Institute Analyst, June 11, 2008, http://www.cacianalyst.org/?q=node/4879 (accessed February, 25, 2010).

[13] For example, Alexander Jackson, "IA Forum Interview: Vladimer Papava," International Affairs Forum, August 14, 2008, http://ia-forum.org/Content/ViewInternalDocument.cfm?ContentID=6377 (accessed February, 25, 2010).

[14] Stephen F. Jones, "Clash in the Caucasus: Georgia, Russia, and the Fate of South Ossetia," Origins: Current Events in Historical Perspective, vol. 2:2 (2008), http://ehistory.osu.edu/osu/origins/article.cfm?articleid=20 (accessed February, 25, 2010); Jad Mouawad, "Conflict Narrows Oil Options for West," The New York Times, August 13, 2008, http://www.nytimes.com/2008/08/14/world/europe/14oil.html (accessed February, 25, 2010); and John Roberts, "Georgia Falls Victim to Pipeline Politics," BBC News, August 12, 2008, <http://news.bbc.co.uk/2/hi/business/7557049.stm (accessed February, 25, 2010). It should be noted that one of the goals of the Russian aggression was to create doubt in the security of the pipelines passing through Georgia (Pierre Hassner, "One Cold War Among Many?," Survival, vol. 50:4 (2008): 250).

[15] Svante E. Cornell, "War in Georgia, Jitters All Around," Current History, vol. 107:711 (October, 2008): 312, http://www.silkroadstudies.org/new/docs/publications/2007/0810CH.pdf (accessed February, 25, 2010)>; Fariz Ismailzade, "The Georgian-Russian Conflict through the Eyes of Baku," Eurasia Daily Monitor, The Jamestown Foundation, vol. 5:154 (August 12, 2008), http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=33881 (accessed February, 25, 2010).

restore confidence in transporting energy resources through Georgia.[16] In addition, the fact that Moscow was unable to realise its goal of establishing control over these pipelines by military means[17]—that is, to fully monopolise the transportation routes of energy resources from the former Soviet Union in the westerly direction[18]—prompted the Americans and Europeans to step up their efforts even more in order to find ways to develop alternative routes for transporting oil and gas by circumventing Russia.[19] Ankara, Brussels and Washington, therefore, are particularly interested in raising the security of the existing pipeline system in Azerbaijan and Georgia.[20] It is also important that Kazakhstan, despite its close relations with Russia, is also very interested in the security of the transportation corridor passing through Azerbaijan and Georgia.[21] One way or another, the Caucasian energy corridor is one of the main problems facing the US administration.[22] At the same time, many states interested in diversifying the pipeline network have also increased their efforts in this area.[23]

Each new gas transportation link can be considered as need of the growing EU market but, at the same time, there is a fear that European energy security will be affected for years to come if Russia builds a strategic new pipeline to Europe; that is, the North European Gas Pipeline (NEGP).[24] It will make Russia even more powerful and strengthen its hold over the European gas market. It has the potential to increase the dependence of the EU upon Russia if any other pipelines are not promoted. The key problem for the EU, therefore, is to design more pipelines to meet the countries' permanently growing requirements for energy. In this respect, any debates in the context of the alternative pipelines means a prioritisation of any of them and a refusal from others.

A rival alternative route has been accredited within the Nabucco project. With the promotion of the Nabucco pipeline, Iranian gas became the fuel of choice[25] although it does not make for rival non-

[16] Vladimir Socor, "Business Confidence Returning to the South Caucasus Transport Corridor," Eurasia Daily Monitor, The Jamestown Foundation, vol. 5:186 (September 29, 2008), http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=33978 (accessed February, 25, 2010).
[17] Ariel Cohen and Lajos F. Szaszdi, "Russia's Drive for Global Economic Power: A Challenge for the Obama Administration," The Heritage Foundation, Backgrounder no. 2235 (2009), http://www.heritage.org/research/RussiaandEurasia/bg2235.cfm (accessed February, 25, 2010).
[18] Sophia Dimitrakopoulou and Dr. Andrew Liaropoulos, "Russia's National Security Strategy to 2020: A Great Power in the Making?," Caucasian Review on International Affairs, vol. 4:1 (2010): 39, http://cria-online.org/Journal/10/Done_Russias_National_Security_Strategy_To_2020_A_Great_Power_In_The_Making_Dimitrakopoulou_Liaropoulos.pdf (accessed February, 25, 2010).
[19] Ivan Krastev, "Russia and the Georgia War: the Great-Power Trap," Open Democracy News Analysis, August 31, 2008, http://www.opendemocracy.net/article/russia-and-the-georgia-war-the-great-power-trap (accessed February, 25, 2010).
[20] Jon. E. Chicky, The Russian-Georgian War: Political and Military Implications for U.S. Policy (policy paper, February. Washington, D.C.: Central Asia-Caucasus Institute, Johns Hopkins University-SAIS, 2009), 12, http://www.silkroadstudies.org/new/docs/Silkroadpapers/0902Chicky.pdf (accessed February, 25, 2010).
[21] Nargis Kassenova, "Kazakhstan and the South Caucasus Corridor in the Wake of the Georgia-Russia War," EUCAM, EU-Central Asia Monitoring Policy Brief, no. 3, January 29, 2009, http://shop.ceps.eu/BookDetail.php?item_id=1786 (accessed February, 25, 2010).
[22] Svante E. Cornell, "Pipeline Power. The War in Georgia and the Future of the Caucasian Energy Corridor," Georgetown Journal of International Affairs, vol. 10:1 (2009), http://www.isdp.eu/images/stories/isdp-main-pdf/2009_cornell_pipeline-power.pdf (accessed February, 25, 2010).
[23] Paul Goble, "Nabucco After Budapest: Old Problems, New Challenges and a Changed Role for Azerbaijan," Azerbaijan in the World. The Electronic Publication of Azerbaijan Diplomatic Academy, vol. I:3 (February 1, 2009), http://www.ada.edu.az/biweekly/issues/164/20090329011708234.html (accessed February, 25, 2010).
[24] Hydrocarbons-Technology.Com, "Nord Stream Gas Pipeline (NSGP), Russia-Germany," Hydrocarbons-Technology.Com, http://www.hydrocarbons-technology.com/projects/negp/ (accessed February, 25, 2010).
[25] At present the Turkish-Iranian gas relationship is commercially problematic. See, for example, Elin Kinnander, "The Turkish-Iranian Gas Relationship: Politically Successful, Commercially Problematic," (Oxford Institute for Energy Studies NG 38, January 2010), http://www.oxfordenergy.org/pdfs/NG38.pdf (accessed February, 25, 2010).

Russian options to the EU gas market. Accordingly, the "Pipeline Cold War" is identifiable only for the justification of Russia's energy policy and aggravated by the fact that Russia has hitherto not ratified the Energy Charter. This treaty would require Russia to allow other participant countries direct access to its excess pipeline capacity. This would effectively break up Russia's monopoly upon gas pipelines to Europe. Russia is still an independent player in the energy market. Russia has been trying to maintain and strengthen its monopolistic position in a number of directions and, most of all, in relationships with EU countries. Any attempt to integrate Russia's policy into the EU energy formation has been predestined to fail.[26]

Russia, being guided by a so-called energy egoism—as a component of the traditional Russian nationalist view of the world[27]—is trying in every way possible to dominate the energy sphere in the Caspian basin.[28]

## From "Alternatives" to a "Harmonisation" of Energy Supply

The time has come to shift from the paradigm of "Pipeline Cold War" with the language of the "alternative pipelines" to an essentially new one in the form of "mutually supplementary pipelines" or a so-called "Pipelines Harmonisation."[29] In that case, all of the pipelines which have hitherto been considered as alternatives to each other will present themselves in quite a different context in which they will be regarded as distinct components of the same organic whole or as a system of pipelines serving one common goal; that is, to provide an uninterrupted and consistent supply of energy resources to their customers.

The purpose of the "Pipelines Harmonisation" is to develop a partnership mechanism to facilitate and harmonise support given to energy suppliers in response to the identified needs of individual countries. The harmonisation of routes is about resolving alternative plans through respectful dialogue. It is about taking into account each country's concerns and elaborating plans and solutions which deal fairly with all those concerns. It is about reaching a consensus for multiple pipelines.
Within the framework of this new paradigm of "Pipelines Harmonisation," the issue of the transportation of the Caspian energy resources to the West could also be reconsidered in a new context. Specifically, the BTC and SCP could play an important role in the harmonisation of oil and natural gas supplies to the EU countries in addition to the Russian pipelines.

In this connection, one should mention two important agreements which were reached in 2007 and which should be regarded in the context of the "pipelines harmonisation" rather than "alternative pipelines." Specifically, on 24 January 2007, Kazmunaygaz and the contractors in charge of development of the Kashagan and Tengiz oil fields signed a Memorandum of Understanding on building the Kazakhstan Caspian Transportation System aimed to ensure transportation of the

[26] Boyko Nitzov, "Eurasia Gas Paradox," Atlantic Council, August 5, 2009, http://www.acus.org/new_atlanticist/eurasia-gas-paradox (accessed February, 25, 2010).
[27] Vladimir Milov, Russia and the West. The Energy Factor (Washington D.C.: CSIS, 2008), 18, http://www.csis.org/media/csis/pubs/080731_milov_russia&west_web.pdf (accessed February, 25, 2010).
[28] For example, Sergei Blagov, "Russia: Moscow Seeks Improved Ties with Caspian Basin Neighbors," Eurasia Insight. Eurasianet, October 9, 2008, http://www.eurasianet.org/departments/insight/articles/rp100808a.shtml (accessed February, 25, 2010).
[29] Vladimer Papava and Michael Tokmazishvili, "Pipeline Harmonization Instead of Alternative Pipelines: Why the Pipeline "Cold War" Needs to End," Azerbaijan in the World. The Electronic Publication of Azerbaijan Diplomatic Academy, vol. I:10 (June 15, 2008), http://www.ada.edu.az/biweekly/issues/150/20090327030535315.html (accessed February, 25, 2010).

growing amounts of oil exports through the Caspian Sea.[30] Under this agreement, oil would be transported through the route of Eskene-Kurik-Baku-Tbilisi-Ceyhan and which further implies the building of the Eskene-Kuryk oil pipeline. The Trans-Caspian Transportation System would include oil discharge terminals along the Caspian coast of Kazakhstan, a tanker fleet, oil-loading terminals at the Caspian coast of Azerbaijan and integration with the BTC pipeline infrastructure.
On 15 March 2007, Russia, Bulgaria and Greece signed an intergovernmental agreement to build the Trans-Balkan Oil Pipeline, Burgas-Alexandropolis, which would begin in the Bulgarian Black Sea port of Burgas and end at Alexandroupolis on the Greek Aegean coast.[31]

Both projects may be regarded as examples of the harmonisation of oil transportation in the Western direction. The EU should focus attention upon considering the above projects not as alternatives but, rather, mutually supplementary ones.

The problem looks to be even more pressing as far as the transportation of natural gas to the EU countries is concerned. The Russian giant Gazprom has by all means tried to achieve the approval of the pre-Caspian gas pipeline construction project for the transportation of natural gas from Kazakhstan and Turkmenistan to the West.[32] The efforts of Russian political circles to this end have been hitherto quite successful. Key agreements with the political leaderships of Kazakhstan and Turkmenistan have already been accomplished. The key obstacle in the way of the realisation of this project might be the fact that it is still unclear whether or not the Russian gas transport system will have an adequate spare capacity to receive new volumes of Central Asian gas. The existing Russian gas transport system is inadequate even for exporting larger volumes of domestically produced Russian gas.

As to the Trans-Caspian pipeline, which later could be connected with the SCP, the potential for the implementation of this project remains unclear not only because of the well-known political problems[33] but also the fact that the relevant countries have not yet achieved any agreements with respect to the legal status of the Caspian Sea. Moreover, a decision as to the potential investors of the Trans-Caspian pipeline project has hitherto not been made.

The Trans-Caspian gas pipeline is associated with the Nabucco gas project. This is the route Turkey-Bulgaria-Romania-Hungary-Austria. Potential gas volumes for Nabucco could come from Azerbaijan, Turkmenistan and Kazakhstan as well as Russia, Iran, Iraq and, potentially, other Persian Gulf producers. In this case, Kazakhstan will be the key onshore harbour for Central Asian gas supplies for the updated Trans-Caspian gas pipeline.[34]

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[30] News Bulletin of the Embassy of the Republic of Kazakhstan to the USA and Canada, "New Export Route for Kazakh Oil Gets Closer to Reality," January 25, 2007, http://prosites-kazakhembus.homestead.com/012507.html (accessed February, 25, 2010).
[31] Vladimir Socor, "Agreement Signed on Trans-Balkan Oil Pipeline, Rival to Trans-Caspian Project," Eurasia Daily Monitor, The Jamestown Foundation, vol. 4:53 (March 15, 2007), http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=32596 (accessed February, 25, 2010).
[32] Gazprom, "Pre-Caspian Gas pipeline," Gazprom, http://old.gazprom.ru/eng/articles/article29535.shtml (accessed February, 25, 2010).
[33] Lindsey Alexander, "Seeking a Way Forward on Trans-Caspian Pipeline," Radio Free Europe/Radio Liberty, September 2, 2008, http://www.rferl.org/content/Seeking_Way_Forward_On_TransCaspian_Pipeline/1195765.html (accessed February, 25, 2010); Steve LeVine, "Nabucco and Trans-Caspian: Times Change, Pipeline Politics Goes On," A Blog on Russia, Energy, the Caspian and Beyon, July 30, 2009, http://www.oilandglory.com/2009/07/nabucco-and-trans-caspian-requiem-for.html (accessed February, 25, 2010).
[34] Robert M. Cutler, "Kazakhstan Looks at the Trans-Caspian for Tengiz Gas to Europe," Central Asia-Caucasus Institute Analyst, Jannuary 28, 2009, http://www.cacianalyst.org/?q=node/5023 (accessed February, 25, 2010).

Nabucco's main competitor and, at the same time, that which is "mutually supplementary," is the South Stream gas pipeline.[35]

Along with Nabucco there are two other projects proposed to convey Caspian gas to European markets. The first concerns the Turkey-Greece-Italy (TGI) pipeline, which is a win-win project between Turkey and Greece delivering Azeri gas to EU markets,[36] and the second is the White Stream gas pipeline.[37] Both of these projects can also be considered as "mutually supplementary" to Nabucco.

The issue of the harmonisation of gas supply to Europe requires the EU to take all possible efforts for the realisation of the Trans-Caspian and the Nabucco projects which, together with the other existing and potential gas pipelines, will lead to the substantial mitigation (if not removal) of the problem of the monopolistic gas supplier and also ensure a stable and balanced flow of natural gas to EU countries.

## Obstacles for the Harmonisation of Gas Supply

As far as Nabucco will provide a gas supply for Europe through the Trans-Caspian gas pipeline, bypassing Russia, it is not surprising that the activation of the Nabucco project encounters major difficulties from Moscow through attempts to prevent the project by exerting pressure on Azerbaijan and Central Asian countries.

Russia needs the EU as an importer as much as the EU needs Russia as an exporter. This interdependence might be used to enhance the EU's ability to secure greater Russian compliance with the rules and norms of the global energy market. Putting an end to the "Pipeline Cold War" and ensuring the harmonisation of the energy supply is essential for market stability.

The EU is looking to transport natural gas from the Caspian Basin and Central Asia but these regions are still marked with high levels of political instability and, therefore, are less reliable as suppliers. Russia's geopolitical interest and influence in these regions prevails over those of the EU and this creates a very advantageous position for Russia to capture the lion's share of the European gas market with projections of increasing its share to roughly 60 percent by 2030.[38]

Russia continues to express its interest in keeping the Caucasus, as a main energy root for the EU, a zone of frozen conflicts. Russia's war in Georgia in 2008 also created the fear of political complications between Russia and the EU.[39] Any attempt to unfreeze the conflicts in Nagorno-Karabakh is a risk which would enable Russia to gain even more military power in this region.

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[35] Jurgita Laurinėnaitė, "'South Stream' versus 'Nabucco:' GEOPOLITIKA, Pipeline competition," January 14, 2010, http://www.geopolitika.lt/?artc=3770 (accessed February, 25, 2010).
[36] Cambridge Forecast Group, "The Turkey-Greece-Italy (TGI) Pipeline," Cambridge Forecast Group, February 10, 2008, http://cambridgeforecast.wordpress.com/2008/02/10/turkey-greece-italy-gas-pipeline/ (accessed February, 25, 2010).
[37] Nino Patsuria, "White Stream: Georgia's Ticket to the Pipeline Big Time?," Eurasia Insight. Eurasianet, April 22, 2009, http://www.eurasianet.org/departments/insightb/articles/eav042209b.shtml (accessed February, 25, 2010).
[38] Jeremy Page and Anthony Browne, "Summit Set for Angry Clash over Energy," Times Online, May 25, 2006, http://www.timesonline.co.uk/tol/news/world/europe/article725755.ece (accessed February, 25, 2010).
[39] James Sherr, "The Implications if the Russia-Georgia War for European Security," in The Guns of August 2008: Russia's War in Georgia, eds. Svante E. Cornell and S. Frederick Starr (Armonk, New York & London: M.E. Sharpe, 2009), 196.

Taking into account that Western countries have only partially supported Georgia's desire to integrate into Euro-Atlantic structures and allowed Russia to break its sovereign territories and increase its military influence, Azerbaijani officials have chosen to implement a prudent national policy of not aggravating its relations with Russia which has a strong influence upon the Nagorno-Karabakh conflict. In addition, Russia, has attempted to force Azerbaijan to sell all its extra gas to Russia at European prices. A more dramatic aggravation of the situation will lead Azerbaijan to export its gas in the Russian direction which can be more politically secure and economically attractive as well.

At the negotiations between the State Oil Company of Azerbaijan (SOCAR) and Gazprom in January 2010, heads of these companies agreed to double the amount of gas which Azerbaijan exports to Russia instead of the previous agreement of October 2009 for the delivery of only 500 million cubic metres. SOCAR has already been contracted to deliver one billion cubic metres of gas to Gazprom in 2010 according to global market prices and under the newly signed deal whose amount will increase to two billion in 2011.[40] Azerbaijan's decision to increase gas exports to Russia stems from SOCAR's plans for a diversification of export routes.

At the same time, Azerbaijan has negotiated a long-term contract with Iran to increase Azerbaijani gas sales to the country and upgrade the existing pipeline which is another way to diversify Azerbaijani gas supply.[41] In both cases, the question arises as to exhausting the future importance of the Caucasian transportation routes.

The key for safety and security in the Caucasus as concerns energy transport lies along the relationship between the West and Russia. There are many things which should be done by the EU towards seeking an increased self-confidence and cohesion of its policy with Russia. At the moment, however, no concrete steps are being taken to this end.

The future of pipelines which will supply Caspian energy to the EU is still unclear.[42] The design of each new pipeline is considered as being a rival to Russia and a challenge which makes for serious pressure being exerted upon supplier and transit states—especially countries like Georgia and Azerbaijan—and aggravates "Pipeline Cold War" and hampers any attempts at harmonising gas supply to the EU.

## Conclusion

The "Pipeline Cold War" is only a reflection of the contradiction between Russia's desire to have influence upon the former Soviet territories and the EU's wish to have more oil and gas from these countries. The EU still designs new pipelines without any real actions to prevent Russia's aggressive energy policy in the Caucasus and Central Asia.

Currently, the need to say no to the "Pipeline Cold War" paradigm and yes to an introduction of the "Pipeline Harmonisation" paradigm is more than apparent. The language of "alternative pipelines" also needs to be replaced with the language of "pipeline harmonisation." Only the "harmonisation" paradigm secures that the interests of all producer, transit and user countries of oil and gas be

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40 Robin Paxton and Vladimir Soldatkin, "Gazprom Aims to Double Azeri Gas Purchases in 2011," Reuters UK, January 21, 2010, http://uk.reuters.com/article/idUKLDE60K19620100121 (accessed February, 25, 2010).
41 Faik Medzhid, "Azerbaijan and Iran Sign Contract on Gas Supplies," Caucasian Knot, January 13, 2010, http://georgia.eng.kavkaz-uzel.ru/articles/12206/ (accessed February, 25, 2010).
42 Mamuka Tsereteli, "New Strategic Realties in the Black Sea/Caspian Region," Central Asia-Caucasus Institute Analyst, February 17, 2010, http://www.cacianalyst.org/?q=node/5270 (accessed February, 25, 2010).

protected to the maximum extent possible. In view of this, the efforts of the West to persuade Russia of the necessity of replacing the language of "alternatives" with that of the language of "harmonisation" acquires a special significance.