

# THE GAME OF PIPELINES. OPINIONS ON PROJECTS OF PIPELINES IN EUROPEAN NEWSPAPERS

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**Abstract.** Opinions on three gas pipeline projects—Nord Stream, South Stream and Nabucco in five European countries: Germany, Italy, Hungary, Romania and Bulgaria are analysed. In Germany there is a consensus that Nord Stream is good for Germany, Russia and Europe; objections of other countries against it are not taken as a serious problem. There is a controversy concerning economic viability and political purposefulness of Nabucco. In Italy the government and business support South Stream and are sceptical about Nabucco while some experts express concern of detrimental effects of South Stream on Nabucco and on solidarity in the EU. In the central European countries there is a conviction that Nord Stream and South Stream are elements of geopolitical game of Russia and that it would be advantageous for the to participate in both South Stream and in Nabucco.

**Key words:** gas pipelines, Nord Stream, South Stream, Nabucco, Russia, Germany, Italy, Hungary, Romania, Bulgaria

## INTRODUCTORY REMARKS

The aim of this paper is to present opinions expressed in newspapers in some European countries on the three planned gas-pipelines that have to connect the European Union with sources of supply in Russia and in the Caspian Sea basin, namely Nord Stream, South Stream and Nabucco. Those three projects are very important and symptomatic as opinions on them reflect diverging points of view and are influenced by many considerations, not only commercial ones. The interplay of economic and political elements in the idea of those pipelines suggests that there is a “game”—“game of pipelines”—being played by participants of those undertakings. Countries taken into account are members of the European Union,

importers of the natural gas supplied with the three pipelines: Germany, Italy, Hungary, Romania and Bulgaria. The newspapers analysed are those concerned by the author of this paper as leading, representing main stream opinions and public opinion making in respective countries. The present analysis doesn't exclude existence of other views in those countries, published in less popular and less influential newspapers. Opinions published by newspapers are, as usual, those of journalists, experts, businesspeople and politicians. The analysis covers the period of the last few years, concentrating on years 2008-2009, until the end of October 2009.

All the three pipelines were "invented" between 2000 and 2005. Nord Stream (earlier called "North Stream", the English word "North" being substituted by German "Nord" probably to make this project "more German") is to connect Russia directly with Germany bypassing transit countries, such as Poland, with a pipeline built on the bottom of the Baltic Sea. From Germany one pipeline would lead southwards to the Czech Republic and the other westwards to the Netherlands and possibly to other countries. Nord Stream is a Russian-German initiative into which later a Dutch firm was admitted, with Russian Gazprom as the main stakeholder (51%), two German firms with 20% each, and the Dutch firm with 9% (bought from the German firms). Other potential partners will have to buy shares from German or Dutch firms, so that Gazprom retains its leading position in the venture. South Stream would connect Russia with Italy and Austria passing through Bulgaria and Greece (one branch) and through Bulgaria, Serbia and Hungary (another branch). It is a Russian-Italian venture, formally undertaken by firms: Gazprom and ENI (each 50%) with at least blessing of governments of those countries. South Stream, built partially on the bottom of the Black Sea, would bypass Ukraine, until now the major transition country between Russia and the European Union. Nabucco would connect the Caspian Sea basin with the European Union (with Austria) leading through Azerbaijan, Georgia, Turkey, Bulgaria, Romania and Hungary. It is the only project without Russian participation and considered as means to avoid too high dependence of EU countries on Russia. It is mainly an incentive of central-eastern EU members. Direct participants are state energy companies from Hungary, Romania, and Bulgaria and a German firm. All the three projects have backing of the European Union.

The paper first analyses some general issues, first of all whether there is a game, who plays the game and what for. Then it describes opinions in the above mentioned countries. Given that opinions in Hungary, Romania and Bulgaria are largely similar, these three countries were taken as a one group.

Articles analysed were written in national languages—German, Italian, Hungarian, Romanian and Bulgaria. Therefore, they can be considered as earmarked for "home use" and not as a means of PR.

## WHO PLAY PIPELINE GAMES AND WHAT FOR?

It seems that all authors of opinions on the pipelines agree that there is a game behind them, but there are divergences as to who really plays a game and what for. Three sets of opinions can be distinguished: 1) the main player is Russia using energy as an instrument and its aims are strictly political—domination over Europe; others (European countries) only react to this game either accepting roles ascribed to them by Russia or oppose it, 2) everybody plays a game in which economy is intertwined with politics and whose aim is to obtain the most possible gains (profit, security of supply), 3) Russia doesn't play any political game and doesn't use energy as a political weapon. The game is played by those who suspect Russia of political motivations and oppose Russian plans or propose alternatives to Russian projects.

Given that the first and the third opinion represent extremes in the continuum of opinions, they deserve special attention.

The first opinion is best represented by article by Hungarian Tamás Varga (2008). The article relates to Nord Stream. According to its author, the idea of building a pipeline directly connecting Russia and Germany and bypassing Poland and the Baltic countries has a strictly political significance. It is element in Russia's long term and large scale political strategy. Its main aim is to make Germany dependent on Russia (on Russian energy supply and on profits resulting to Germany from its role as distribution centre of Russian gas in Europe) and thus to make Germany Russia's ally or assistant, and, at the same time, to "draw" Germany out of the European Union and thus to "neutralize" the EU as a political player. A secondary aim, fully compatible with the main one, is to weaken Poland and the Baltic countries by making them vulnerable to Russian energy blackmail (by possible turning off supply of natural gas to them in existing pipelines without affecting supplies to Russia's main partner—Germany). According to this reasoning, it is up to Germany to accept the role of Russia's strategic assistant and "neutralizer" of Europe and Russia's partner in weakening and blackmailing Poland and other countries between Germany and Russia.

An opposite opinion is presented by several German politicians, experts and businessmen. (See as an example opinion of German expert Roland Götz: „Moskau nutzt seine Energie nicht als Waffe” [Moscow doesn't use its energy as weapon] „Moskau nutzt... 2009). A similar opinion is expressed by Bernhard Reutersberg, Head of Eon-Ruhr gas in: an interview for *Süddeutsche Zeitung*: “Russland ist ein zuverlässiger Partner” [Russia is a reliable partner], (“Russland ist... 2009) According to them Russia is a reliable supplier of energy to Germany and Europe and never uses energy as a political weapon: it supplied gas to (West) Germany during the cold war, *perestroika*, collapse of the USSR, times of Yelysin and Putin. Problems (interruptions in supply of Russian gas to Europe in recent years) were due exclusively to others—to the transit countries, mainly to Ukraine which didn't pay in time for Russian gas and/or was stealing it. According to this opinion, Gazprom, although

owned mostly by the Russian state, is an independent commercial company behaving as a commercial firm in line with wishes of (minority) private—including foreign—shareholders. Gazprom doesn't want and can not use energy supply as political weapon, e.g. by stopping supplies or threatening to stop them because it would damage its main asset—reputation. This expert is consequent in denying existence of political game played by Russia in the area of gas exports—when asked by journalist about Russia's attempt to create a “gas OPEC” with such countries as Venezuela, Iran and Qatar, he downplays these attempts as only a meaningless psychological pressure. Accordingly, harmful political game is played by those who hinder realisation of Russian projects of Nord Stream and South Stream and force unrealistic alternative projects as Nabucco, which introduce unnecessary mistrust in the fruitful Russian-European cooperation. Among those, who play harmful game are Sweden (for too high ecological requirements for its consent for building the pipeline in the Swedish economic zone of the Baltic) and Poland for its objections against Nord Stream motivated by its hostility towards Russia. Consequently, Brussels (the European Union), which supports Nord Stream, should not be involved by Poland into anti-Russian political games.

Opinions like the previous one can be found only in Germany. They seem to be quite popular, if not prevailing, among German businesspeople in the energy sector and so called *Russland-Experte* (experts on Russia), including some former politicians like ex-chancellor Gerhard Schröder.

As noted earlier, between the extremes are “moderate” opinions, according to which there is game played by all participants—on the one hand Russia trying to make European importers dependent on Russian energy and to improve its position as supplier (without suggesting long term political strategy as presented by the aforementioned Hungarian analyst), on the other hand European countries trying to have access to Russian energy while avoiding too high dependence on Russia. This kind of approach is best expressed by title of an article in German *Süddeutsche Zeitung*: “Das große Spiel ums Gas” [“The great game for gas”] (“Das große... 2009)

## OPINIONS IN GERMANY

German newspapers deal mostly with Nord Stream and Nabucco, South Stream being mentioned only as an alternative to Nabucco.

In the case of Nord Stream, there seems to be a national consensus as to its significance for Germany and the outside world. In short, Nord Stream is good for Germany, especially for Mecklenburg-Vorpommern (where the pipeline reaches the seashore and where it is already giving many jobs in businesses related to the building of the pipeline and will create more job), it is good for Russia and it is good for Europe (both for new supplies of gas and for jobs for European—German, Swedish, French, Italian—firms engaged in building the pipeline) (see e.g. Birger

2009). Opinions as it may make Germany too dependent on Russia or as it makes Germany Russia's ally in weakening Europe and in blackmailing Poland, never appear in the analysed newspapers. The route of Nord Stream on the bottom of the Baltic Sea is seldom commented, usually it is taken for granted, as something obvious, as if Germany and Russia were located on two opposite sides of a sea without a mainland between them.

According to these opinions the main obstacle to Nord Stream was Sweden for its too high ecological requirements and for the slow process of giving consent for building the pipeline in its section of the sea bottom. Objections raised by Poland or the Baltic states are seldom mentioned, and when they are, they are given "short shrift", presented as irrational, emotional, dictated by Polish (or Lithuania, Estonian...) hostility towards Russia or Polish hypersensitivity towards German-Russian cooperation, or as a result of American geopolitical propaganda. See for instance opinion of already mentioned Russia-expert Roland Götz asked why there is a myth of vulnerability of EU countries in relation to energy imports from Russia: "*Diese Theme wird von US amerikanische Denkfabriken wie der Heritage Foundation oder dem Nixon Center stark propagiert, die einen geopolitischen Ansatz vertreten. Die europäische Diskussion hat sich seit der Erweiterung der Europäischen Union verändert. Die baltischen Staaten haben aus ihrer sowjetischen Vergangenheit ein gespanntes Verhältnis zu Russland. Ähnliches gilt für Polen. Die Debatte dort ist politisch bedingt und das Thema Energie wird oft benutzt, um Stimmung gegen Russland zu machen. Dabei haben diese Länder ihren eigenen Energiesysteme nicht modernisiert oder wie in Litauen den baldigen Ausfall alter Atomkraftwerke nicht kompensiert. Also rufen sie nach Hilfen der EU. Doch Brüssel macht ein Fehler, sich in diese Debatte hinzuziehen zu lassen*" („The issue has been strongly promoted by American think-tanks like the Heritage Foundation or the Nixon Center, which represent geopolitical approach. The European discussion has changed since the enlargement of the European Union. The Baltic states from the Soviet past have strained relation to Russia. The same is true for Poland. The debate there is influenced by politics and the issue of energy is often used to make mood against Russia. At the same time these countries have not modernized their energy system and, as in Lithuania, have not compensated end of exploitation of old nuclear power plants. As a consequence, they appeal to the EU for help. Brussels makes an error letting itself to involve in this debate"—translation by R.Sz.). The same expert also rejects the idea of common energy policy of the EU, or energy solidarity, advocated by Poland. He states that the EU has no competences or instruments for such a policy, apart from sending delegations. It is so because of the principle of subsidiary in the EU, according to which energy policy is in competences of national governments.

It seems that despite the exclusively positive assessment of the Nord Stream project, there is a feeling of insecurity in the German society as to dependence of Germany (and the EU in general) on Russian gas. This feeling can explain the idea of German engagement (RWE AG company) in the Nabucco project. The Nabucco

project provokes a discussion between those who advocate for exclusive co-operation with Russia and those who want some differentiation of gas imports to Germany and the EU. The former argue that 1) Nabucco is a risky venture because it engages too many transit countries, including politically instable ones, 2) sources of gas for Nabucco are not sure, 3) it deteriorates relations with Russia. (See the above-mentioned interview with Roland Götz, the same arguments are raised by G. Schröder, who actively and in many countries fights against Nabucco). Proponents of Nabucco claim that opponents' opinions are politically motivated and that the European Union needs a more diversified sources of energy supply and less dependence on Russia. Interestingly, such an opinion is presented by Joschka Fischer, minister of foreign affairs in Schröder's cabinet, now political adviser to Nabucco and Schröder's adversary (see: Fischer keilt... 2009).

## OPINIONS IN ITALY

Italian newspapers are concerned mostly with South Stream and with Nabucco as its competitor. Italian government (and especially prime minister Berlusconi) and representatives of energy industry consider South Stream good for Italy and good for Europe and express their scepticism towards Nabucco. Therefore, their opinion on South Stream is similar to their German colleagues' opinion on Nord Stream. Signing agreement of South Stream participants with Turkey on Turkey's consent to build South Stream in territorial waters of Turkey was called by Italian prime minister "a big success of Italy" and also his big personal success.

However, unlike German newspapers where one can hardly find any doubt relating to cooperation with Russia in building Nord Stream and to its impact on European solidarity, in Italian newspapers such doubts are frequently expressed. First, it is pointed out that South Stream, while being advantageous for Italy, it creates obstacles to Nabucco, backed by the European Commission, by some EU member states and by the USA. In such a way Italy (together with Germany) strengthens position of Moscow towards Central Asian gas producing countries depriving them of opportunity to export gas undependably, without Russian intermediation, as well as weakening position of Central-Eastern European countries threatened by Nord Stream and South Stream and thus damaging European solidarity. Second, support of Italy (of Berlusconi) for Russia has a geopolitical meaning in games of Russia with the USA. Third, support for South Stream is support for Russia, then for Russian values and practices which should be condemned (violation of human rights, deficient democracy, etc.) In sum, cooperation of Italy with Russia goes too far and Italian policy towards Russia is "deprived of measure" ("la nostra politica verso la Russia è priva di misura", Vetturini Franco 2009). Such opinions are quite frequent. Italian newspapers also note refusal of former prime minister Romano Prodi to accept position of president of South Stream offered by Gazprom.

## **OPINIONS IN HUNGARY, ROMANIA AND BULGARIA**

Opinions expressed in newspapers of the three Central-Eastern European countries assume that there is a game in the pipeline projects in which economy is intertwined with politics, a game in which Russia plays with the European Union. For obvious reasons these countries are concerned mostly with South Stream and Nabucco, although comments on Nord Stream also can be found. There is certain ambivalence towards the two projects: on the one hand politicians and experts are aware of mutual competitiveness of these projects, on the other hand there is frequently expressed need to participate in both as if they were complementary. Access to South Stream would increase imports of natural gas (while avoiding problems with its transit through Ukraine) while access to Nabucco would diminish their dependence on Russian supplies.

Newspapers of the three countries present opinions not only of local politicians and experts but also opinions of foreign experts. Foreigners usually advocate for or against one of the two projects. In such a way these countries, especially Hungary, have become a “battlefield of experts”. Interestingly, experts supporting the European project of Nabucco are mostly Americans and one of the most active supporters of South Stream and adversaries of Nabucco is German Gerhard Schröder considered as “advocate of Russia” (Dobravie 2008, „Moscovă vorbeste...” 2008). American experts describe the world as a place of geopolitical game between superpowers, and one of crucial games now is for access to Caspian Sea region energy deposits between Russia, China, India and the West (EU and USA). Therefore the USA support Nabucco and urge the EU for more activity. („Aktívabb amerikai...” 2008). Contrary to American experts, Russian experts present opinion that there is no contradictory between the two projects and that participation in South Stream doesn’t exclude participation in Nabucco. The aim of this opinion is to encourage Hungary to participate in South Stream („Simonia: A Nabucco...” 2008). As it is known, South Stream project in its original version doesn’t include Romania, but as Romanian newspapers in 2008 noted, Russia did suggest to change the route to include Romania and bypass Bulgaria and/or Serbia. Such suggestions aimed to “soften” Bulgaria and Serbia to accept Russian conditions concerning South Stream and Russian expansion in the energy sector of those countries (“Comisia Europeană...” 2008). Experts and politicians in Central-Eastern European countries underline importance of Nabucco for energy security of their countries and express disappointment with “lack of interest” of big EU member states for this project (“Golemi evročlenki...” 2009, “Gazovata kriza...” 2009).

Newspapers in the Central European countries insert the game over the three pipelines into a broader context of a “game for energy” noting e.g. Russian activity in creation of “gas OPEC” and attempts of Russia to cut off Nabucco (and the West) from Azerbaijani gas (“Gazprom” niama da...” 2009).

## CONCLUSION

As can be seen from the above discussion there are various views on the “game of pipelines” in analysed countries. German and Italian politicians (in power), businesspeople and some experts consider ideas of building Nord Stream or South Stream as purely economic ventures (“Gazprom is an independent commercial firm”), advantageous for all participants: for Germany (in the case of Nord Stream), Italy (South Stream), Europe and Russia. Possible adverse effects of these projects on Central-Eastern European countries are ignored, neglected or considered as irrational, and objections against these projects as politically motivated, dictated by historical resentments (Russophobia) or American cold-war thinking that should not be taken into account by the European Union. Consequently, persons representing this point of view consider Nabucco as not necessary, unviable and harmful for harmonious cooperation between Europe and Russia. In these countries there are, however some people (some journalists and experts) which are more suspicious towards intentions of promoters of these projects warning against too close cooperation with Russia in energy sector and supporting Nabucco. In Central-Eastern European countries analysed there is a wide-spread conviction that there is an intertwining of economy and politics behind these projects, especially on the side of Russia. In extreme cases observers in this part of Europe consider Russian initiatives of building Nord Stream and South Stream as elements of a long term geopolitical strategy aimed at making Russia back a global superpower. Politicians in these countries try to balance between having access to Russian gas and being not too much dependent on Russian gas opting both for South Stream and Nabucco (or accepting Nabucco and not rejecting South Stream, as in the case of Rumania). In the European game of pipelines also non-Europeans take part—these are American experts urging the EU for Nabucco and for a more active engagement in the competition for Caspian Sea region oil and gas.

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