

## BOOK REVIEWS

**Energy Security: Europe's New Foreign Policy Challenge.**  
Richard Youngs, London: Routledge, 2009, 230 pp.

**About author:** The author of this book is Richard Youngs, who is an Associate Professor in the Department of Politics and International Studies at the University of Warwick, UK, and also Director of the Democratization Program at FRIDE in Madrid, Spain.

A quick glance at book suggests that it could be considered as a showdown for the presentation of ideas related to the 'geopolitics' of oil and gas vis-à-vis 'free market norms' which have been endorsed in their spread and promotion by the European Union. This debate takes the shape of external dimensions of EU energy security policy practiced by the EU in a large laboratory as big as different regions of the world in which oil and gas producer states are located.

The fact of the matter is that from a decade ago, the European Union has recognized the importance of incorporating energy security more systematically into its foreign policy. In this way, it has tried to commit itself to pursuing an energy security policy in foreign policy sphere which is based on market interdependence, European unity and long-term governance improvements in oil and gas producer states. Dr. Young has observed this endeavor made by the EU policy-making bodies and furthermore has realized that not only the geopolitics of oil and gas vis-à-vis market norms is becoming more and more important but also the former made a spectacular return in the recent decade to the international political agenda. This

observation and realization of the mentioned contrast, has compelled Dr. Youngs to examine in a relatively thorough manner the balance or say a trade off which is held between 'geopolitics' versus 'market norms' in the context of the European Union's relationship with different producer states around the globe.

In offering this analysis which has been mentioned by the author to be the first broad and global assessment of foreign policy dimensions of EU energy security, Dr. Young considers that how far these commitments , i.e. spread of free market norms and governance improvements by the European Union vis-à-vis the geopolitics of oil and gas, have been implemented. Therefore, the distinctive features of Dr. Young's book include:

- A thorough analysis of current EU strategies towards energy security, assessing the EU as an international actor;
- A key focus on the governance structures of producer states including the Middle East, Russia, Central Asia and Caspian, and Sub-Saharan Africa;
- A major addition to debates surrounding markets and geopolitics, informing both international relations and international political economy.

The book has been described to be of interest to students, scholars and policy makers in the fields of European/EU politics, energy politics and international relations.

As far as an organization of the content of this book is concerned, the book has been designed to come out in nine chapters: One chapter on an overview and introduction of the subject matter and another one on the conclusion of the discussions covered. Then, there are two

chapters spanning the conceptual framework of the book, namely concept of energy security as well as the EU's foreign policy and then the EU's policy response to different occasions with different players in the energy sphere and European energy initiatives. There are also another four chapters discussing the relationship of the EU with each of the Middle East, Russia, the Caucasus and Central Asia and Sub-Saharan Africa on energy matters and finally there is a chapter on the role which has been played by the European energy companies as far as a European energy security and its promotion is concerned.

Bearing in mind that this book is a new published book and its content covers one of the basic and urgent but challenging matters in the relationship between the European Union and the oil and gas producer states; and due to the fact that the importance of geopolitics of oil and gas is becoming more and more revealed to different communities in the domain of international relations and energy policy makers; and last but not least the fact that Iran is one of major oil and gas producer states in the world and currently is a promising target to be exerted economic and political pressures, this book review could get shape in two forms. The first would be introducing a detailed description and a lengthy summary of the book, more in the same fashion and the wording that the book has adopted and secondly, a reflection on the book and a critical analysis of the issues discussed by the author in his book. Apparently, it is nearly impossible to do both jobs in this edition of the current Journal. Therefore, we leave the second job; probably to some next coming issues of the Iranian Journal of International Affairs and in this edition will take care of the first way. Here is a summary of Dr. Young's book:

Dr. Young's book is quite rich in terms of its accompanying a lengthy bibliography as well as numerous quotations it brought from different policy-makers in the energy security sphere; people who have been interviewed by the author from community of policy-makers in Brussels, European capitals and a number of 'oil and gas producer states' or in brief and like any other place in the book, 'producer states'.

The author in his concise introductory chapter of the book has described his worked out methodology and the sense of urgency that he felt in pursuing the agenda he followed in the book. Then he outlined six fundamental debates and indeed questions that he realized they remained unanswered in the domain of European energy security.

To justify his intention, the author has reminded us that while energy security had not been a matter in the 1990s, in the aftermath of the 11 September 2001 attacks and events followed like Iraq's invasion and a series of other relating events to energy security, the issue has stolen its way onto the international agenda. He further mentioned that by the mid-2000s, many analysts and diplomats concurred that new concerns over energy security represented the most pre-eminent of international issues. This could be easily understood from the following observations: More than trebling of oil and gas prices between 2002 and 2007, peaking at over \$140 a barrel during summer of 2008, before dropping back to below \$100 a barrel in the first week of September. (Indeed whittling down of spare production capacity made the 2000s decade the tightest of oil market in three decades, blackouts in California, standoff between the West and Iran over the latter's nuclear program, frequent and damaging attacks on oil

facilities of Nigeria, politically driven interruptions in Venezuelan oil production, occurrence of Hurricane Katrina in 2005, Iraq's sliding into civil anarchy delaying return of its oil production levels even back to the modest Saddam era levels, general concerns or rumors over terrorist attacks on energy facilities throughout the world, Russia's 2006 cutting gas supplies to Ukraine in the midst of a dispute over pricing, Moscow's doubling gas prices to Georgia, its cutting gas supplies through Belarus in another pricing dispute, further flaring of dispute between Russia and Ukraine in January 2008, protests over high fuel prices in European cities in the early summer of 2008 and last but not least, Russia's invasion of South Ossetia which led to the disruption of oil delivery by the TBC pipeline, are among the events not mentioned in the book).

This background pushed the European Union to respond in March 2006 through issuing a Green Paper on energy security, saying that: 'Europe has entered into a new energy era' and that the 'increasing dependence on imports from unstable regions and suppliers presents a serious risk... [With] ... some major producers and consumers... using energy as a political lever'. With this response, the energy security took its road into a European Union's foreign-policy reassessment of the issue. The question then turned to be: 'what form this foreign policy reassessment would take', which is the major point addressed by Dr. Young's current book.

Therefore, the book focuses very specifically on the foreign policy dimensions of energy security, as opposed to internal energy-market issues or the development of alternative and renewable sources of energy. The author has tried to examine how the EU's general approach to energy security played out in the specific contexts of

different producer countries and regions. In doing so, the book has brought up six key debates - to be pursued and discussed later in the book chapters -as following:

- Whether the energy security imperative in practice had a notable impact on European energy policy, or in contrast drove the most notable changes in the internal aspects of energy policy;
- Whether the pursuit of energy security strengthened or weakened cooperation between European governments;
- Whether competition for energy security displaced quintessentially European 'soft power' approaches in favor of a drift back towards nineteenth-century style power politics;
- Whether the EU exercised effective influence over international energy matters or conversely was increasingly sidelined by what some posited as a new energy-driven 'great game' involving the United States, Russia and China as principal players;
- Whether the conventional wisdom that energy security encourages consumer governments to be less critical of autocratic regimes indeed captured the way in which European foreign policy changed; and
- Whether the priority attached to energy security accorded European oil multinational greater influence over EU foreign policies.

These six conceptual debates are the guidelines for another six central questions raised by the author as following:

1. Was energy really set to become a priority for EU's Common Foreign and Security Policy (CFSP)? Or was it the internal dimensions of energy security that were addressed with greater urgency?
2. Would EU policies be based on constructed norms, of economic and political values? Was EU policy more like the 'markets and institutions' storyline, or that of 'regions and empire'?
3. Was the EU united as an international actor in this sphere? Did it act as a united security community, each member state concerned to advance the energy security of other EU countries? And if so, was it united around a common European orientation towards 'soft power' and norms-oriented approaches? Or would internal divisions grow, and this lead to no more than shallow and sporadic cooperation on external energy strategy?
4. Would, in contrast, realism dictate growing EU unity around more strategic power, and this diminish the defense of human rights and democratic values? Has the challenge of energy security indeed led to a more undiluted dynamic of alliance-building with authoritarian regimes?
5. Would the EU have the capacity at all to rival the US and other powers in the field of energy security?
6. What role did European oil companies play in the evolution of EU energy policy? Were European

MNCs, part of a 'security governance network', or excluded and/or at odds with CFSP diplomacy?

One can say that the first five of these questions have been dealt with at two levels generally speaking in the book: The first level could be called a conceptual level that deals with the EU's general policy responses to different occasions. This level discussion has been taken care in both chapter 2 and chapter 3 of the book. The second level is the discussion of the mentioned five questions in the context of EU's regional and bilateral relations with the different producer states in various regions of the world and the former's implementation map. This job has been taken to shape in chapter 4 through 7 of the book. Question number 6 has been fully discussed and taken care in chapter 8 of the book. The final chapter, chapter 9, has given a summary account of the whole covered issues.

One can say that the book in its totality is a discussion about four topics mentioned below either at a conceptual level or at the level of EU's implementation of its pursued policies in four countries/regions, namely, the Middle East, Russia, Central Asia and the Caucasus, and Sub-Saharan Africa. These topics are as following:

- 1) The balance between market and geopolitical philosophies in new European energy initiatives. This has been mentioned more often than not in various places of the book under the banner of 'market versus geopolitics', which seems to be the most genuine innovation and indeed contribution of the book to the current literature.

- 2) The degree of unity between EU member states over key policy developments in the energy sphere.
- 3) The relationship between EU energy strategy and its support for democratic governance in producer states.
- 4) The role played by the major European energy companies in recent decade vis-à-vis EU policy changes.

In what follows, the main conclusions of the book on the above mentioned six questions will be brought up in a concise manner:

**Question No. 1.** The extent to which a debate over the impact of energy security on EU foreign policy is concerned, conclusion of the book could be numerous, first of them is the fact that energy security has assumed a priority place within external relations dialogues in the context of European Union. But to some degree the new focus on energy security represented a panicky reaction to Russia's assertiveness, especially in the dispute with Ukraine in January 2006. This incident led much of the new security focus to center on the question of potential supply shut-offs, despite EU's rhetorical insistence on the greater importance of basing strategy on longer-term planning. Gradually, from this moment of perceived crisis many actors in the EU did seek to construct a longer-terms philosophy of energy security. However, many of the most notable concrete initiatives still betrayed more of a crisis management model of thinking.

The second conclusion which needs further consideration is the fact that, although the declared EU's aim was to move beyond a technocratic approach to external energy policy, this was achieved only to a partial degree in selected instances. That is, energy security established its place as another item on the

Common Foreign Security Policy (CFSP) agenda, but was not fully nested within foreign policies aimed at other goals, such as conflict resolution or programs of regional cooperation. Indeed, the foreign policy dimensions of energy security remained of a secondary order compared to climate change policies.

All in all, concerns over the external dimensions of energy policy had the most notable impact on policy towards Russia. They had least effect on policy in Africa. Here the EU's policy response was still slower and more limited than that of China, the US and other countries. Central Asia attracted more attention, albeit from a small number of member states. In this region, new funds were provided for energy infrastructure links and diplomatic engagement, although other security issues tended to cut across the focus in energy. EU efforts in the Middle East exhibited much variation. New partnerships, funds and dialogues were offered to North African producers. Conversely, EU strategy in the Persian Gulf failed to register significant advances. In this region, still the most crucial for international energy supplies, trade problems and counter terrorism impeded greater progress on energy cooperation. Even in North Africa, Southern EU member states complained that the EU remained insufficiently engaged due to its fixation with Russia, while these states themselves saw migration as the most pressing security priority. In Iran, priority was attached to contain nuclear activities, although there was some evidence suggesting that the EU softened its punitive measures with energy considerations in mind.

**Question No. 2.** On the question of increasing or decreasing unity among the EU member states as a result of incorporation of

energy security in the CFSP, the author mentions that analysts have pointed out to the following factors as pushing in the direction of deeper EU unity: the ongoing process of 'socialization' within CFSP, the emergence of a network of common security perspectives within Europe, the influence of convergent trans-border linkages between functionaries, including in the energy sphere. However, the author's investigation against this backdrop, suggests that such dynamics of convergence were weaker in this sphere than detected in other areas of the CFSP agenda. Despite the fact that it was commonly claimed that the gradual deepening of the internal market would drive convergence in the external dimensions of energy security policy, the book's study suggests that this occurred only to a limited extent.

For instance, France's external energy dependency was relatively low. Therefore, it undercut its commitment to foreign policy unity, whereas Germany was even more the spoiler through its Russian policy and increasingly its bilateral efforts in Central Asia. Italy gave increasingly explicit political backing to national, bilateral energy deals. Conversely, the UK became more supportive of EU cooperation, as its own energy dependency was set to increase fast. The Netherlands advocated a balance between unity and remaining scope for bilateral policies. Russia provided the most conspicuous examples of disunity. Member state governments backed their respective national energy champions in signing long term bilateral contacts with Gazprom and were indeed minded to argue that such deals represented a success for energy security. However, even in the case of Russia, the pull of EU cooperation was not entirely absent, and unity tightened to

some degree as Russia adopted increasingly heavy handed tactics in the wielding of its new energy based international power. Differences over Russia additionally produced contrasting views among member states on how assertive the EU should be in prioritizing Central Asia within its energy security strategy. At a very general level, this was witnessed in differences over how far the EU should challenge Russian primacy in Central Asia, such as whether to offer Kazakhstan a place in the European Neighborhood Policy (ENP) or whether sanctions should be lifted against Uzbekistan.

At the other end of the spectrum, energy strategy in Sub-Saharan Africa was least subject to high political tensions between member states, as the EU sought to take the first steps towards gaining its lost influence on the black continent.

Policy in the Middle East and North Africa benefited from more institutionalized long terms partnerships that the EU sought to use as a base from which to deepen energy cooperation. While this rendered common EU level initiatives of great importance the most strongly institutionalized EU framework embracing oil and gas producer states, competitive dynamics were at least as evident as collusion. Member states increasingly undercut each other in an effort to gain access to Algerian energy supplies; this compounded by the latter's rejection of the ENP action plan offered to it. Spain and Italy in particular justified such bilateralism by expressing frustration at the lack of north European backing for deeper EU level engagement in North Africa. Libya attracted even more of an open rivalry between member states keen to gain early preference with Colonel

Gaddafi, even as they talked of enticing Libya into the Neighborhood Policy.

In the Persian Gulf, the weight of national diplomacy was even more pronounced in relation to the impact of common EU forums and initiatives. This was due to a combination of factors: the determination of the larger member states to safeguard their national deals and channels of access, the relative disinterest in the region of most other member states, the tendency of the Persian Gulf Cooperation Council states themselves still to prioritize their links with national capitals rather than conceive the EU as primary interlocutor, and the limited purchase in the area of traditional EU economic, developmental and regulatory policy instruments.

The author emphasizes that the EU unity was notable in relation to Iran's nuclear program, but differences predominated over the prospect of energy cooperation with Iran. Here Italy was increasingly the most favored leaning state in seeking to deepen energy ties on a bilateral basis with Tehran.

**Question No. 3.** On the question of markets versus geopolitics, chapter 2 of the book, firstly points out to the two different schools of thought on the matter. For one school of thought the traditional geopolitics of energy has been surpassed, market dynamics have deepened and extended from the oil to the gas sector. Security then is about governing international markets to ensure that they can work with sufficient efficacy to correct shocks and demand supply imbalances. In contrast, the second school of thought has argued that it is geopolitics that is

increasingly in the ascendancy, with the primacy attached to bilateral deals, the use of hard power to protect supplies and the rise of new consumers such as China not adhering to market governance principles. Debates over the nature of EU foreign policy reveal an apparently close approximation between the 'markets and institutions' school of thought and the way that most analysts see the EU as drawn to the reproduction of certain constituent norms and values.

Evidence presented in the book suggests that as it developed its new external energy strategies, in practice the EU hovered uncertainly between a market governance and geopolitical philosophy. The rules and regulations of the internal market were certainly presented as the key foundation to the EU's international projection in energy matters. The Energy Charter Treaty was supported as embodiment of rules-based multilateralism. New EU energy partnerships offered cooperatively to draw producer states into a European market-governance area rather than playing geopolitics against them. The internal market was to serve the model of regulatory rules and standards to be extended to producer states, the means of breaking up powerful third country actors within Europe itself, an incentive for producer states to sign up to the principle of energy interdependence, and the EU's best negotiating tool to win concessions from producers. That is, strongly rationalist calculations lay behind EU efforts to export energy sector norms to producer states.

However, member state governments sought to have the best of both worlds, seeking the benefits of the influence flowing from

European-wide market rules while simultaneously pursuing short term gain from highly geopolitical behavior. When governments backed their respective national champions in signing bilateral contracts, EU competition law was rarely invoked against such deals. Observers doubted that the internal market was integrated enough—even at the level of basic infrastructural links within Europe itself, let alone its serving as a common regulatory governance magnet for producer states or to absorb external shocks. While market principles were officially supported, most member states governments and the EU Commission attached at least equal importance to the aims of carefully negotiating market access and to politically inspired diversification of supplies. The increasing salience of gas supplies—shaped by political deals over fixed supply routes, rather than as in the case of oil going onto an open international market, helped further tip the scales towards geopolitical dynamics. It must be suspected that the market norm-based approach was emphasized at EU level discourse in part to mask the extent of member states' geopolitical actions.

European diplomats asserted that one clear difference between EU and US strategies was the EU's eschewal of any hard power, military component. While this certainly represented a key aspect of EU self-identity, the distinction was not quite as clear cut as many suggested. Many officials admitted that internal EU deliberations revealed logic of coat-tailing on US military protection of energy supply routes in several regions; that the soft power approach had emerged as much by accident as by carefully rationalized strategic design; and that some member states began to push for the European Security and Defense Policy (ESDP) to develop a more assertive deployment of European power capable

of backing up energy security imperatives. Moreover, some member states' new military deployments and agreements seemed related to energy concerns; even though governments insisted this was not the case.

**Question No. 4.** On the question of European influence, the author believes that a common theme that had emerged from this book's chapters is the fact that the EU has increasing difficulties in asserting influence over international energy issues relative to other powers. He added that this was most clearly the case away from the EU's immediate periphery. Africa provided the starkest example of Europe's declining influence. Competition and active investment campaigns not only from China but also increasingly from India, Malaysia, Brazil and other states diminished European market shares and diplomatic clout. Collaboration with the US was rejected more than cultivated. Reacting belatedly, the EU introduced a raft of new Africa initiatives, but these struggled to regain the ground lost. Chapter 2 of the book outlines the debate between those who saw the EU's security identity, in the wording of the author, as increasingly 'leash-slipping' away from the US and those who characterized it as 'slip-streaming' US hard power. The evidence presented in the book suggests that in an effort to gain energy related influence vis-à-vis the US, European policies exhibited an uneasy mix of both these dynamics. It was not clear that this produced any notable success.

**Question No. 5.** On the question of the relationship between energy security and issues relating to the support of democratic norms and human rights, received wisdom of the book suggests that heightened concern over energy dependence leads to a

diminished focus on democracy in producer states. It is true that some analysts have stressed that better governance would be essential for long term stability in producer states, arguing that support for political reform should be part of European energy policies and there should not be a tradeoff between the two mentioned elements. Still there are others who insist that the nature of political systems in producer states make little difference one way or the other.

Chapter 3 of the book has found that EU policy statements and commitments placed significant stress on the EU's 'rule-based governance' approach to energy security. As energy security becomes more important in the foreign policy agenda, the EU continued to introduce new democracy and human rights initiatives and in most places increased the amount of funding it devoted to such governance concerns. Deliberations in many states focused on the way in which poor governance standards undermined the security of supplies to European markets. However, in general, there was little systematic linkage made between energy policy and democracy support. One feeling mentioned by the book is that financial transfers to producer states had increased so much since 2002 that European strictures on human rights and governance would count for little. This left a striking disconnect and apolitical bent at the heart of EU foreign policy.

Chapter 2 of the book suggests that in terms of broader international relations debates, it remained unclear how different positions on the energy-governance relationship would be explained by traditional theories. Realism might predict either

Western 'counterbalancing' of autocratic producer states or 'bandwagoning' with those countries. Liberalism might predict either a Western focus on economic interdependence only or on pressure for convergent international governance norms. The book demonstrates that the EU espoused an approach to energy security based on liberal interdependence, constructed around democratic governance norms.

**Question No. 6.** On the question of the role played by the European energy companies as far as a European energy security policy is concerned, chapter 8 of the book demonstrates that EU firms were less than fully convinced that a Europeanized energy security strategy was the best means of dealing with the challenge received from competition with national oil and gas companies. Indeed, European energy companies had found themselves under increasing intense competition from producer states' national oil companies as well as from Chinese, Indian and other investors. This position of the European firms was in contrast with their rhetoric of supporting deeper EU cooperation. They mostly retained a distance from EU governments' efforts to strengthen the external dimension of energy security policy. However, this position is in sheer contrast with the active involvement of multinationals in the design of the strategic elements of the Bush administration's energy security policy. European energy companies engaged more systematically in specifically and especially more technocratic issues and this stance has reinforced the technocratic flavor of EU external energy initiatives. They also attached greater priority to influencing debates over climate change measures than to EU security policies. Where energy concerns were affected by other security concerns, EU companies

were reluctant to engage in these related areas of EU foreign policy.

All in all, European companies mostly followed the oil and were keen to keep out of the political challenges that beset producer states. This means that Corporate Social Responsibility commitments did not have great impact on the investment patterns pursued by the oil and gas companies.

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