

## On a Pragmatic, Hedged “Partnership” with Putin, And On Getting Serious About Energy and Pipelines

“Putin’s Russia, with a controlling stake in most East European and Central Asian energy distribution networks . . . may yet present the biggest threat to the world’s energy security or at least to Europe’s.” Evgeny Morozov, *International Herald Tribune*, 8 April 2006.

==

“Welcome to a paradise for the most brazen liars and guileful con artists, where the most staid and respectable political technology agency in Moscow calls itself Nikkolo-M, after Machiavelli, and uses his face on its business cards.” Andrew Wilson: *Faking Democracy in the Post-Soviet World.*” p. xiii

==

“Things are seldom what they seem,  
Skim milk masquerades as cream.”  
W.S. Gilbert, “H.M.S. Pinafore”

==

Many critical problems are raised by a discussion of the Baltic Sea Pipeline’s role in a possible “economic and political partnership” between Europe and Russia. These problems long preceded the current pipeline, will be around long after we are all gone and reach far beyond the project itself. Still they must be dealt with now because progress is possible as we face day to day challenges. Here I will focus on the prospects of Russia’s becoming a real “partner” in a producer-consumer relationship within the North European Gas Pipeline (NEGP) project and on other occasions. Looking beyond President Vladimir Putin’s words to realities, I will argue that Russia’s political-economic system does not inspire the confidence needed for a true partnership nor guarantee dependable gas (or oil) deliveries, though self-interest will usually compel Moscow to honor its contracts. But I will also argue that politics and pipelines are joined at the hip worldwide and most governments and others try to manipulate energy matters periodically for political or at least non-energy ends. Under present conditions, with demand for gas growing rapidly in Europe and elsewhere, and with few other real options available, the EU has no choice but to make the most of what probably will always be a problematic and potentially dangerous relationship with Russia. In the end a pragmatic, hedged partnership is the most that can be expected with Russia and with other largely unreliable producer countries as well. The problem suggests the solution, but the solution is long term and expensive, and thus not taken really seriously, above all for political reasons. Until we do become really serious, we will have to deal day by day with a plethora of regimes that are unwilling or unable to be real partners or sometimes even live up to the “deals” they make. That is, we will remain at the mercy of natural, institutional and human forces we often can not even anticipate much less control.

**Putin Highlights Some of the Challenges.** In mid-March 2006, at a meeting of G8 ministers in Moscow, President Putin remarked: "It is of vital importance that we develop a common vision of the global energy security challenges we face and use this as a basis for defining the most effective solutions to existing problems. . . . Measures taken to ensure reliable supplies must be backed up by measures taken to ensure stable demand. . . . [We must] develop long-term contracts between producers and consumers." As a case in point he focused on what he called the intense work already underway on the NEGP and in particular on cooperative actions with "our German partners."<sup>1</sup> Then the Russian president let the cat out of the bag when he told the ministers, "We value our deserved reputation as a serious and responsible partner." Somehow he forgot to mention the short, sharp shock Russia had delivered to Ukraine (and Europe) as a New Year's present on January first. No one else at that meeting had forgotten, however, and it is that shock, what underlies it, and Putin's not wanting to talk about it, that I will focus on here. It is the same interference that suddenly led Russia to deny admittance to William Browder, who over ten years became the largest foreign investor (about \$4 billion) in the Russian stock market.<sup>2</sup> I will note Russia's now-reinforced "deserved reputation" as an *irresponsible* neighbor when reliability is essential for anything more than a hedged "partnership" between Moscow and the European Union, or indeed between the EU and most other gas producers of the world today. When it comes to energy, it is unwise to take anyone for granted, sometimes including those we consider our allies or even our own leaders.

For now Europeans must work to find practical solutions to daily challenges, hoping to forestall or manage future crises. If the best policies to guarantee sustainable, competitive and secure energy are elusive, that is often because the circumstances are in motion as we work on them and they require deep and long-term political and economic commitment that are hard to come up with in a democracy. Most analysts are well aware of the complications I note here, but I will stress them anyway because they, *and everything that lies beneath them*, are the stuff of the challenges we face in gas and other energy policies and security.

**The Broader Context.** The entire world is involved in gas and other energy issues as producer and/or consumer, ranging from Russia to Europe, the United States, China, Saudi Arabia, Angola and Venezuela. Few countries are more central to it, nor more illustrative of the potential chaos inherent in reliance on fossil fuels of all sorts, than three of the top four countries with the highest proved gas reserves: Russia, Iran and Saudi Arabia. Rounding out the top five in gas reserves are Qatar and the United Arab Emirates, both today more reliable countries yet small and in the volatile Middle Eastern region.<sup>3</sup> While the need for gas is global and rising, the dependence on it and attitudes toward it vary widely. Who at this conference, for example, looks at gas from the perspective of the peasant who voted in December 2005 for Evo Morales, now the president of gas-rich Bolivia? Many of the challenges we all face can be traced to an overlap or collision of histories and cultures, and to individuals with their differing and often conflicting experiences, beliefs, prejudices, resentments, fears and suspicions.

We don't always fully understand the varying drives at home or abroad to accomplish sometimes open, but sometimes ingeniously devious, ends. For example, what is that shadowy outfit called RosUkrEnergo, that is now up to its neck in gas matters in Ukraine with Russia's massive state-controlled Russian gas monopoly, Gazprom, really up to?

I have already suggested, however, that Russia's January 2006 effort to use the disruption of promised gas deliveries for political and/or economic reasons is hardly uniquely Putinian or Russian. Indeed, politics and pipelines are often so interrelated they are bound to cause problems now and will continue to do so. For example, consider the differing attitudes within the EU toward the NEGP itself. Recall that during the Cold War, several U.S. presidents of both major parties tried to get European nations to stop buying Soviet oil and gas and in recent years Washington has worked hard to prevent the construction of a pipeline across Iran. Among and within Western nations one finds conflicting attitudes toward the US-led effort to re-design Iraq, which has reverberated with loud energy (and political-cultural) overtones. Or recall the U.S. opposition to China's buying Unocal. Look at the proposed gas pipeline the length of South America, three times as long as the NEGP, which is above all an anti-American ideological diatribe of Venezuelan President Hugo Chavez. Or note how Japan and China have fought over the route of Russia's long-promised Western Siberia/Pacific pipeline, which of course is intended for oil though the issues of reliability and politics are the same. Here Russian actions in recent years have been duplicitous, to say the least, and closely related to Putin's realigning of power in Russia. In this case a major but not the only factor was the crushing of Mikhail Khodorkovsky and his once giant oil company, Yukos. Those two had played the leading role in early oil trade with China and both were getting far too strong to fit into Putin's increasingly centralized conception of Russia and its needs. Then of course pipelines are attacked all over the world by terrorists, guerrillas and others to make economic and political points.

Thus I entitle my talk "On a Pragmatic, Hedged Partnership with Putin, and On Getting Serious about Energy and Pipelines." I suggest the only way to thrive or perhaps survive in a world dominated by the likes of Putin, Gazprom and some other leaders and nations closer to home, is to live defensively and proactively. That is, every day be prepared for the worst even as you are seriously developing alternative energies, ideally in cooperation with such other energy-dependent nations as Japan, China and India. The point is to get ever greater independence from those nations that have the major gas/oil reserves and will ever be the most unstable and dubious of partners and energy providers. And of course to prepare for the day when those resources are exhausted.

### **The Problem of Gazprom.**

When the European nations once incorporated into the Soviet Union became independent in the early 1990s, and the Eastern European countries got out from under Moscow's boot, gas and oil shipments from Russia suddenly became much more complicated. Instead of all shipments passing through Soviet or Soviet-dominated territories, they went via pipelines through independent or

semi-independent countries that wanted transit fees for what the moving gas. As soon as the NEGP opens it will cut into the revenues of Belarus, Ukraine and Poland, and what is more the Baltic seabed pipeline will decrease or slow down improvements in and the expansion of existing pipelines through the same three countries. Indeed the deputy chairman of Gazprom has plainly stated that the NEGP is precisely intended to reach consumers in Germany, the Netherlands, France and the UK without having to depend upon pipelines running across the continent.<sup>4</sup>

The dominating presence in the NEGP project, besides Putin, is Gazprom, which of course is at the center of Russian gas in general. Gazprom is an awesome organization that controls nearly 30% of the world's gross gas reserves (and wants more), produces more than 90% of Russia's gas, operates the country's natural gas pipeline system, accounts for about 25% of Russia's tax revenues and is actively involved in manipulating domestic and foreign politics generally.<sup>5</sup> But it is an antiquated operation with its best fields in decline and many debts. Until now its exports have been mainly to Eastern Europe and on to Western Europe, from whence comes about two-thirds of its revenues. Gazprom has meddled often in former Soviet and Soviet-dominated regions and is now trying to acquire existing pipelines in those countries by whatever means necessary. It is also trying to expand in Western Europe, and NEGP is a major part of that plan, as well as in Asia and in time in North America.<sup>6</sup>

Even as Gazprom was cozying up to Germany over the past year, and Putin was cooing to Germany's now-former Chancellor Gerhard Schroeder, the monopoly carried out an offensive to seize pipelines and teach lessons in several countries. Most obviously, it cut gas deliveries to Ukraine in January. Many in Europe and beyond believe that little "gas war" had "less to do with market prices than with Russian anger at Ukraine when it elected Viktor Yushchenko."<sup>7</sup> But in one important sense it doesn't matter if the motivation was mainly political (to punish Yushchenko for his pro-Western stance), or economic (to bring gas purchase prices closer to market values) or strategic (to get greater control of pipelines).<sup>8</sup> The action *was* taken, for *whatever* reasons, and users all along the way paid the price while they and others were alerted that Gazprom could do the same sort of thing again at will in the future. Pressures have also been applied against Georgia, where in late-January the president even accused the Russians of sabotaging their own pipeline to disrupt deliveries into the pro-Western country.

Strengthening the argument that equalizing purchase prices has been a serious motivation for Gazprom's recent actions is the fact that as of this writing (18 April 2006) even largely pro-Russian Belarus is being pressured to pay several-times higher prices for gas or give up control of the relatively small but important trans-national pipeline that goes through that country into Poland and on to Germany. Of course, the pressure on Belarus may be intended also as a blow against Poland that also affects other parts of Europe which receive the gas carried by the pipeline. Since the prices Belarus and the others have been paying for their own gas are indeed far out of line with the market, an adjustment does seem seasonable, but Russia's demand for greatly increasing prices all at once would destabilize sometimes insecure national economies. Since that is an

obvious outcome, one must assume that Putin wishes that to happen so that Russia can step in more easily, pick up the pieces and expand its power in the old Soviet region.<sup>9</sup>

Thus one important reason the Russians want the NEGP is to reduce their dependence on Belarus and Ukraine and to turn them into “second-class” Europeans. With a “two-tiered energy policy,” Moscow could try to maintain good relations with “Old Europe” while treating “New Europe,” their apostate former empire, with bare fists, among other things gathering them back into the fold, though their success in this so far is uneven.<sup>10</sup> But in order to cut the continental states out of the loop, European investors and consumers will have to pay considerably higher prices. As NEGP Chairman, Schroeder now must lobby potential European investors and consumers on behalf of the new pipeline. His chief headache, beyond being considered Putin’s puppy-dog, and some domestic criticism, will be trying to get enough money to pay for the project. Standard projections are that it will cost just over \$5 billion, but other estimates have ranged from \$10 billion to even twice that.<sup>11</sup>

This aggressive Gazprom behavior, seen as part of a history of Soviet and Russian bullying in the region, has had consequences the Russian company may or may not have intended. It has gotten Europeans to think about the NEGP “partnership” more carefully, and it has even revived interest Caspian energy transportation projects that downplay or exclude Moscow.<sup>12</sup> The offshore pipeline seems to enable Old Europe to escape from the consequences of Russian pressures on New Europe. At the same time, since Putin knows how increasingly dependent the EU is on Russia’s energy, he may be “blackmailing” Europeans with the implicit threat that the same in time can be done to them. Many Europeans are concerned that when 2010 arrives, after at least five years construction and multi-billions of dollars invested, Moscow will indeed have an even more direct way to pressure them, though the ultimate safeguard will still be there encouraging contract enforcement, namely Russian self interest and what would be lost from another short (or longer) sharp shock. The Baltic route has already drawn some criticism on the grounds of costing so much more than upgrading and expanding continental pipelines. There have also been strong environmental objections to disturbing the Baltic seabed where quantities of poisonous gasses, explosives and other wartime debris were dumped after past wars.

**Again, the Problem of Putin and Russia.** Clearly there is a guiding presence behind the NEGP and Gazprom’s other activities, and that is Putin. Some speculate that when he leaves the presidency in 2008, if he does, he will become head of Gazprom and its massive empire, acting as a Russian Energy Czar.<sup>13</sup> (One of the chief candidates for president in 2008 is Putin protégée Dmitry Medvedev, the current chairman of the board at Gazprom and the acting head of Russia’s presidential administration.) While later Russian leaders will preside through most of the NEGP’s expected future, Putin is the essential player now, both for what he does now and for the ideas and institutions he leaves

behind. What motivates him and thus guides most Russian policies of recent years?

Putin and some other Russians long for a return to the days when Russia, as the Soviet Union, was one of the world's superpowers, feared by the "imperialists" because of its mighty nuclear arsenal and loved (presumably) by the working people of the world because of its communist ideology. That superpower propped up an "out of business" sign about fifteen years ago. But the dynamic Putin was humiliated by the way Russia's glory died away with barely a whimper. He would like to restore that lost status and quite logically under current conditions he sees natural resources, especially gas and oil, as the way to do it. Russia has almost twice the natural gas reserves of Iran, its closest rival, and Qatar is close behind Iran in third place. The rest of the countries of the world have only puddles, though some significant ones, by comparison.<sup>14</sup>

Putin's primary objective in office has been to restore the Russian state to something like its former power and prestige. His approach is guided by his conviction that a fractured, chaotic Russia, such as he inherited from Yeltsin, can not cope in the modern world when confronted by the United States, Europe and China. So if power in the future is in resources, and Russia has in many ways the greatest concentration of resources on earth, then those resources must be under the control of and used by the state, not in the hands of foreigners or Russian former-communist-now-capitalistic-self-server types such as Mikhail Khodorkovsky.

Putin's strategy has been less to increase the power of state institutions, though he has done some of that, than to eliminate checks and balances on presidential power. Two American scholars noted in April in the *Washington Post* that "The debate is over: Russia is not a democracy." The importance of that, they argued, is that Russia will be increasingly "less inclined to act in concert with the West."<sup>15</sup> In line with this transformation, since 2002 the bureaucracy has been greatly expanded, by 143,500 in 2005 alone. And within that expansion, the executive bureaucracy was increased ten times more than the judicial and five times more than the legislative.<sup>16</sup> As Stanford professor Michael McFaul notes, Putin has "effectively seized control of all national television networks, emasculated the power of the Federation Council (Russia's upper parliamentary house), tamed the regional barons who were something of a balance to the president during Boris Yeltsin's time, arbitrarily used the law to jail and chase away political challenges, removed candidates from electoral ballots, harassed and arrested leaders of nongovernmental organizations and weakened the political parties. . . [He] has increased the role of the Federal Security Service (successor to the KGB) in governing Russia, and he has arbitrarily wielded state authorities such as the courts, tax inspectors, and police for political ends." To Putin any event, however horrific, proves the need for consolidation or can be used toward his final objective. After the Beslan school massacre in September 2004, for example, he said: "We live in conditions formed after the collapse of an enormous great state [the USSR] ... We exhibited weakness, and the weak are beaten... In the very near future a complex of measures will be prepared toward strengthening the unity of the country." The abolition of the election of governors

followed shortly thereafter.<sup>17</sup> In early April 2006 Putin's former Prime Minister Mikhail Kasyanov, an announced presidential candidate for 2008, was quoted in the London *Sunday Times* as saying: "An atmosphere of fear is being created and a sense that everyone is under the state's control. These are the first steps towards a totalitarian system. There is practically no press freedom, the judiciary is no longer independent and public opinion is manipulated."<sup>18</sup>

**The EU Responds.** Russia's cutting back the gas to Kyiv on New Year's Day stands as a constant reminder that Moscow can at any time consider some other concern higher than that of delivering promised resources. This raises the specter of Moscow's squeezing Europe in a moment of crisis after 2010 when the NEGP will presumably be operational and several major European countries will be seriously dependent upon it. Indeed a future crisis of deliveries via Russia's pipelines may not even be of Moscow's choosing, but precipitated by a third party, terrorist or otherwise. (The latter of course is not a matter of Russia's dependability, but it speaks directly to the need to develop forms of energy not dependent on pipelines or ships.) The January shock illustrates those real-world complications that make it so hard to reach the critical objectives of "sustainable, competitive and secure energy" with Russia or anyone, as called for in the European Union's March 2006 "Green Paper."<sup>19</sup>

According to the Green Paper and other documents, Europe receives only about 25% of its imported gas from a stable and dependable country: Norway, whose production has peaked. Almost all the rest is from Russia (40%) and Algeria (30%). And dependency is rising. If current trends continue, gas imports will increase to 80% in the next 25 years. The Green Paper repeatedly warns that progress in dealing with challenges has been "too slow" or has "not been satisfactory." It states that, "the most fundamental question is whether there is agreement on the need to develop a new, common European strategy for energy, and whether sustainability, competitiveness and security should be the core principles to underpin the strategy." It correctly continues that the EU should try to diversify the sources of its gas and work constructively with other nations facing major problems, ranging from the United States to China, Japan and India. It adds some points Putin made in his G8 speech quoted above but continues to define "true partnership" in terms that are never likely to be reached with Putin or Russia: "A true partnership would offer security and predictability for both sides, paving the way for the necessary long-term investments in new capacity. It would also mean fair and reciprocal access to markets and infrastructure including in particular third party access to pipelines."<sup>20</sup> EU Commission President Jose Manuel Barroso pressed for the latter point in a three-hour talk with Putin on 17 March, but the Russian president was predictably unwilling to give the Europeans reciprocal access to Russia's gas pipeline network.<sup>21</sup>

The Green Paper did not put enough emphasis specifically on the unpredictability of suppliers in general and the precarious state of delivery systems, including the rapidly expanding web of pipelines, key realities in trying to find long-term solutions to energy problems. And it was remarkably deficient in specific things to be done.

In the end, many Europeans have come to fear that “the Russian stunt on January 1 demonstrated that the current regime in Moscow cannot be trusted to behave as a rational and reliable partner of the West,” and indications of this concern pop up repeatedly in the Green Paper, particularly through repeated references to “recent experiences.”<sup>22</sup> Thus for this and many reasons Putin’s concentration of power, and an uncertain post-Putin future, cause apprehensions in Europe with respect to political, economic, human rights, environmental and strategic affairs that will not be alleviated by the Baltic Sea Pipeline.

**Conclusions.** But, is Russia really that much worse than most of the alternative countries, largely by-passed in this conference, which also will frame Europe’s gas future? To be sure, no other gas supplying country is nearly as large or powerful as Russia, and thus others are less positioned to throw weight around. But some others are just as likely to do something rash for other reasons, whether because of ignorance, erratic leaders and/or volatile populations that may disrupt energy production and delivery to apply pressures on their local leaders, as has happened recently from Balochistan to Nigeria. Look at the major suppliers, mostly underdeveloped countries with unstable or authoritarian political systems, ranging from Iran to Saudi Arabia and Angola. Or in the Americas, countries that pass through cycles of anti-market, anti-American “revolutionary populism,” today typified by Venezuela and Bolivia but including a major portion of the continent as the cycles run their courses. Anyone who thinks that Vladimir Putin is more contemptuous of contracts than Hugo Chavez, or example, hasn’t been following developments in Venezuela over recent years. Europe can look forward to decades of dealing not only with Russia but with a string of authoritarian or chaotic semi-governments, if not downright failed states. This is not a value judgment on the people living in those countries but a simple fact with respect to their domestic conditions, international orientations and prospects for being true energy partners with anyone in the foreseeable future.

In the end the question is not whether it is worth developing or maintaining relations with Russia, through the NEGP and other projects, or other countries, for under current circumstances of dependency it would be foolish or even suicidal *not* to do so. Europe *must* continue to get gas and oil from Russia because the need is so great, there is so much gas is there, much of it is so relatively accessible to European markets and considerable infrastructure is already in place or being built. Europe must patronize Russia and other similar countries because demand is rising and there are no really good alternatives. Deals must be struck with leaders who may not be trustworthy and pipelines must be built across wastelands or under oceans that may be turned off or sabotaged by Gazprom, terrorists or others at any time of their choosing. That is, for now we must make the best of a bad and in many ways deteriorating situation. And unless we make extraordinary efforts, things will only get worse until the continent gets caught in a crisis or two that may not give time to respond effectively.

So this insecurity will continue as long as we need more and more energy but refuse to make the big commitments that are essential to our ultimate survival.

Our level of myopia, procrastination and self-delusion here is almost Kafkaesque. Last Fall I visited the new Kafka museum just off the Charles Bridge in Prague and there ran once again into Gregory Samsa, who as you recall was metamorphosed into an enormous bug. Europeans (and Americans) are just like Gregory in that we can not reconcile what we understand and what we are prepared to do about it. Yes, coping with Russia, and Saudi Arabia and Iran and Venezuela will be difficult but essential, but we must do it for many years to come. Still in the end we who could but won't act decisively in our own long-term interests are the biggest problem of all. To paraphrase Pogo, we can say that we have met the most important enemy of our future, and he is us. We have a critical advantage over poor Gregory Samsa in the way that matters most. He had the will to deal with his circumstances, but not the power. We have the power, but not the will. We could develop the will with the right leadership and commitment. If we don't, we are as doomed as Gregory, but the fault is our own.

## Endnotes:

---

All Internet addresses were effective as of 17 April 2006.

<sup>1</sup> Vladimir Putin, speech of 16 March 2006 to G8 Energy Ministers, G8 Information Center:

[http://www.g7.utoronto.ca/energy/energy\\_putin060316.html](http://www.g7.utoronto.ca/energy/energy_putin060316.html)

<sup>2</sup> Heather Timmons and Andrew Kramer, "The Bull of Russian Investment Finds Himself in Forced Hibernation," *New York Times*, 25 April 2006.

<sup>3</sup> CIA, *The World Factbook 2006*, Internet:

<http://www.cia.gov/cia/publications/factbook/rankorder/2179rank.html>

<sup>4</sup> Tristana Moore, "Gazprom's global ambitions," BBC News, 20 December 2006. See: <http://www.iran-daily.com/1384/2460/html/energy.htm>. David Victor and Nadejda Makarova Victor, *The Belarus Connection: Exporting Russian Gas to Germany and Poland*, Program on Energy and Sustainable Development, Stanford University, and the James Baker Institute for Public Policy of Rice University, May 2004, pp. 12-13.

<sup>5</sup> See EurActiv, *EU-Russia Energy Dialogue*, updated 20 March 2006.

<http://www.euractiv.com/Article?tcaturi=tcu:29-150061-16&type=LinksDossier>. George F. Goolsby has collected much Gazprom information in his, "Russia's Expanding Influence in European and Global Gas Markets," January 2006, passim. See Internet version:

[http://www.bakerbotts.com/files/Publication/a296c804-4e1e-467b-9da0-040d6a0f8a5c/Presentation/PublicationAttachment/c53fe16e-7625-480e-bd1c-2b6517edb26e/Goolsby%20-](http://www.bakerbotts.com/files/Publication/a296c804-4e1e-467b-9da0-040d6a0f8a5c/Presentation/PublicationAttachment/c53fe16e-7625-480e-bd1c-2b6517edb26e/Goolsby%20-%20Russias%20Expanding%20Influence%20in%20European%20and%20Global%20Gas.pdf)

[%20-%20Russias%20Expanding%20Influence%20in%20European%20and%20Global%20Gas.pdf](http://www.bakerbotts.com/files/Publication/a296c804-4e1e-467b-9da0-040d6a0f8a5c/Presentation/PublicationAttachment/c53fe16e-7625-480e-bd1c-2b6517edb26e/Goolsby%20-%20Russias%20Expanding%20Influence%20in%20European%20and%20Global%20Gas.pdf)

Gazprom's own website is: <http://www.gazprom.ru/eng/#>. Andrew Wilson, *Virtual Politics: Faking Democracy in the Post-Soviet World* (New Haven: Yale Univ. Press, 2004), p. 57. Also many issues of *Eurasia Daily Monitor*, the Jamestown Foundation.

<sup>6</sup> Andrew Kramer, "Russia, Rich in Wells, Aims to Buy into the Retail Side of Oil and Gas," *New York Times*, 26 April 2006.

<sup>7</sup> Michael McFaul, "The Gas War," *Hoover Digest*, No. 1, 2006.

<sup>8</sup> Ukraine hanky-panky with gas shipments has been long-standing. See Victor and Victor, p. 1.

<sup>9</sup> Vladimir Socor, "Gazprom Squeezing Belarus," *Eurasia Daily Monitor*, 7 April 2006. Also, Evgeny Morozov, "A New Gas war looms, with Belarus the loser," *The International Herald Tribune*, 8 April 2006.

<sup>10</sup> Igor Torbakov, "Kremlin Energy Policy in Europe: Divide et Impera," *Eurasia Daily Monitor*, 20 January 2006. Pavel Baev, "Putin's Fear of Elections and Fear of Investment," *Eurasia Daily Monitor*, 13 April 2006.

- 
- <sup>11</sup> Judy Dempsey, "Gazprom's Dream Pipeline to Europe," *Energy Bulletin*, 17 March, 2005. Stratfor, "Germany: Schroeder's New Gig Causes Trouble at Home, 30 March 2006.
- <sup>12</sup> Igor Torbakov, "Putin in Baku: Changes in Azeri-Russian Energy Relations on the Horizon," *Eurasia Daily Monitor*, 24 February 2006.
- <sup>13</sup> Peter LaVelle, "Analysis: Putin as energy czar," UPI, 18 November 2005. Some, less "flatteringly," have called him Gasputin.
- <sup>14</sup> *The World Factbook*, natural gas, proved reserves.
- <sup>15</sup> James Goldgeier and Michael McFaul, "Russia's No Democracy. So What?," *Washington Post*, 9 April 2006.
- <sup>16</sup> *Kommersant*, 12 April 2006. Internet: <http://www.kommersant.com/page.asp?idr=527&id=665740>
- <sup>17</sup> Michael McFaul, "Russia and the West: A Dangerous Drift," *Current History*, October 2005, pp. 308-09. Putin quoted in John B. Dunlop, *The 2002 Dubrovka and 2004 Beslan Hostage Crises: A Critique of Russian Counter-Terrorism* (Stuttgart: ibidem-Verlag, 2006), p. 98.
- <sup>18</sup> Quoted in *Russia Reform Monitor* No. 1365, April 4, 2006.
- <sup>19</sup> European Union, *Green Paper: A European Strategy for Sustainable, Competitive and Secure Energy* (Brussels, 8 March 2006). [http://europa.eu.int/comm/energy/green-paper-energy/doc/2006\\_03\\_08\\_gp\\_document\\_en.pdf](http://europa.eu.int/comm/energy/green-paper-energy/doc/2006_03_08_gp_document_en.pdf)
- <sup>20</sup> European Union, *Green Paper*, 2006, pp. 3, 7, 14, 15, 16 and passim. EurActiv.com, *Gopolitics of EU energy supply*, updated 23 March 2006. [http://www.euractiv.com/Article?tcmuri=tcm:29-142665-16&type=LinksDossier&\\_print](http://www.euractiv.com/Article?tcmuri=tcm:29-142665-16&type=LinksDossier&_print). International Energy Agency, *World Energy Outlook: 2005: Middle East and North Africa Insights*.
- <sup>21</sup> EurActiv.com, "EU – Russia Energy Talks Stalled in Moscow," 20 March 2006. Internet access: [http://www.euractiv.com/Article?tcmuri=tcm:29-153504-16&type=News&\\_print](http://www.euractiv.com/Article?tcmuri=tcm:29-153504-16&type=News&_print)
- <sup>22</sup> McFaul, "The Gas War." EU, *Green Paper*, 2006, passim.