

Master's thesis

NTNU
Norwegian University of Science and Technology
Faculty of Humanities
Department of Historical and Classical Studies

Daiana Chikhladze

The Geopolitics of Energy in Russia-Germany Relations: A Neorealist Interpretation

Master's thesis in European Studies

Supervisor: Tobias Schumacher

May 2022



Norwegian University of
Science and Technology

Daiana Chikhladze

The Geopolitics of Energy in Russia-Germany Relations: A Neorealist Interpretation

Master's thesis in European Studies
Supervisor: Tobias Schumacher
May 2022

Norwegian University of Science and Technology
Faculty of Humanities
Department of Historical and Classical Studies

Acknowledgements

First and foremost, I would like to express my gratitude to my supervisor, *Dr. Tobias Schumacher*, for his professional assistance, honest feedback and thought-provoking criticism. I appreciate that he was always available when I needed academic advice.

I would also like to thank the following professors from the Norwegian University of Science and Technology's (NTNU) European Studies program: *Carine Germond*, who taught me project planning and academic writing rules, *Michael J. Geary*, and *Viktoriya Fedorchak*, who provided useful feedback during the March 2022 workshop. Their recommendations helped me in revising my thesis and reflecting on each paragraph. I am also grateful to *Lise Rye*, *Tobias Etzold*, and *Anna Brigevich* for sharing their advice for writing master's thesis during the above-mentioned workshop.

I want to thank my peers with whom I spent incredible 2 years at NTNU and friends (Alex, Ole, Nika, Annie, Irina, Tamta, Salome, Anuki, and others) for their encouragement during the writing process. Emotional support from friends and peers motivated me to finish my thesis.

Finally, I am grateful to my family, my parents (*Dariko and Malkhaz*), who supported me during the entire study process, and my brother *Saba*, who motivated me to study at NTNU and helped me financially and emotionally throughout the research process.

Abstract

Close and enduring German-Russian cooperation has been one of the most crucial issues in modern Europe. Russia supplies the EU with oil, gas, and fossil fuels. Within the EU, some countries are more sensitive to Russian gas imports than others. Germany for instance, rely heavily on Russian gas. However, in 2015 Germany supported the proposed Nord Stream 2 pipeline which reduces energy diversification.

In response to Russia's violent acts, the Nord Stream 2 pipeline was halted due to sanctions in 2022. The Nord Stream 2 project began in 2015, shortly after the West sanctioned Russia for violating international law in Ukraine in 2014.

The aim of the research is to examine Russia-German energy cooperation from the neorealist perspective. The research time framework is from 1990 when the Cold War ended until May 2022. The research questions are: *Why did Germany choose Russia over the West on the Nord Stream 2 project? Why did Germany initiate the Nord Stream 2 pipeline soon after imposing sanctions against Russia? And what obstacles hindered Russia-Germany energy cooperation over their decades-long bilateral relationship?*

In order to answer the research questions, **single holistic case study** design.

The findings of my Thesis are that: Germany's strong support for Gazprom's Nord Stream 2 project can be explained by Germany's substantial geo-economic interests: on the one hand, commercial benefits from importing cheap Russian gas, and on the other hand, Germany's potential to become Europe's major energy hub. Germany initiated the Nord Stream 2 project shortly after Russia was sanctioned in the aftermath of the 2014 Ukraine crisis because it considered the project as purely commercial. The success of Russian-German energy cooperation was complicated by Russia's revisionist politics and geopolitical interests in Eastern Europe, most notably in Ukraine.

Abstrakt

Tett og varig tysk-russisk samarbeid har vært en av de mest avgjørende sakene i det moderne Europa. Russland forsyner EU med olje, gass og fossilt brensel. Innenfor EU er noen land mer følsomme for russisk gassimport enn andre. Tyskland er for eksempel avhengig av russisk gass. Imidlertid støttet Tyskland i 2015 den foreslåtte Nord Stream 2-rørledningen som reduserer energidiversifiseringen.

Som svar på Russlands voldelige handlinger ble Nord Stream 2-rørledningen stanset på grunn av sanksjoner i 2022. Nord Stream 2-prosjektet startet i 2015, kort tid etter at Vesten sanksjonerte Russland for brudd på folkeretten i Ukraina i 2014.

Målet med forskningen er å undersøke Russland-tysk energisamarbeid fra et neorealitisk perspektiv. Forskningstidsrammen er fra 1990 da den kalde krigen tok slutt til mai 2022. Forskningsspørsmålene er: Hvorfor valgte Tyskland Russland fremfor Vesten på Nord Stream 2-prosjektet? Hvorfor startet Tyskland Nord Stream 2-rørledningen like etter å ha innført sanksjoner mot Russland? Og hvilke hindringer hindret Russland-Tyskland energisamarbeid i løpet av deres tiår lange bilaterale forhold?

For å svare på forskningsspørsmålene, enkelt holistisk casestudiedesign.

Funnene i oppgaven min er at: Tysklands sterke støtte til Gazproms Nord Stream 2-prosjekt kan forklares med Tysklands betydelige geøkonomiske interesser: på den ene siden kommersielle fordeler ved å importere billig russisk gass, og på den andre siden Tysklands potensial til å bli Europas store energiknutepunkt. Tyskland satte i gang Nord Stream 2-prosjektet kort tid etter at Russland ble sanksjonert i kjølvannet av Ukraina-krisen i 2014 fordi det anså prosjektet som rent kommersielt. Suksessen til russisk-tysk energisamarbeid ble komplisert av Russlands revisjonistiske politikk og geopolitiske interesser i Øst-Europa, særlig i Ukraina.

Table of Contents

List of Figures	7
List of Abbreviations	8
Chapter 1: Introduction	10
1.1. Research problem, research questions and hypothesizes	12
1.2. The research design, methodology and sources.....	14
1.3. Outline of the Thesis	15
Chapter 2: Literature Review and Theoretical Framework	16
2.1. Literature Review	16
2.1.1. Justification of a study	18
2.2. Theoretical Framework.....	18
2.2.1. The growing importance of energy Geopolitics in Europe	18
2.2.2. Neorealism.....	21
Chapter 3: A Brief Historical Overview of Russia-Germany energy cooperation before Angela Merkel’s chancellorship	23
Introduction	23
3.1. Russia-German Energy cooperation after the collapse of the Soviet Union and reunification of Germany.....	24
3.2. Personal ties between Putin and Schröder	25
3.3. Nord Stream 1	27
Summary of the chapter	29
Chapter 4: Angela Merkel’s chancellorship era and Demonstration of Russia’s assertive policy in the EU’s Eastern neighborhood	31
introduction	31
4.1 Gas spats of 2006 and 2009	32
4.1.1. The response of the EU.....	34
4.2. August war 2008: Russia’s invasion in Georgia and Germany’s reaction.....	35
4.3. Russia’s invasion in Ukraine in 2014	37
4.3.1. Germany’s response on the 2014 Ukraine crisis and sanctions.....	39
Summary of the Chapter.....	41
Chapter 5: Nord-Stream 2 gas pipeline	43
5.1. What is the Nord Stream 2?	43
5.2. Disputes around the Nord Stream 2 pipeline	44
5.2.1. The response of the United States towards the Nord Stream 2 pipeline.....	47

5.3. Analysis	48
5.3.1. Linking Russia’s interests in the Nord Stream 2 project to the wider geopolitical landscape context	48
5.3.2. Germany’s interests in the Nord Stream 2 project	50
5.4. Halting of the Nord Stream 2 pipeline, “renewed” threat from Russia and new geopolitical landscape in Europe	53
6. Conclusion	55
Bibliography	59

List of Figures

Figure 1.1. Imports of Natural Gas by Partners 2019 (%).....	11
Figure: 3.1. The Nord Stream pipeline.....	29
Figure 4.1. The Gas Pipelines between Russia and Europe.....	33
Figure 5.1. The Nord Stream 1 and Nord Stream 2 gas pipelines.....	44

List of Abbreviations

CDU – Christian Democratic Union of Germany
CEE – Central and Eastern Europe
CEG – Common Entry Gate
CSU – Christian Social Union
EaP – Eastern Partnership
EEU or **EAEU** – Eurasian Economic Union
EEZ – Exclusive Economic Zone
EU – The European Union
FDI – Foreign Direct Investment
FDP – Free Democratic Party
GDR – the German Democratic Republic
MEPs – Members of the European Parliament
NATO – The North Atlantic Treaty Organization
TEP – Third Energy Package
UK – The United Kingdom
US – The United States

Chapter 1: Introduction

"I invite Mrs Merkel and Mr Sarkozy to visit Bucha¹ and see what the policy of concessions to Russia has led to in 14 years. To see with their own eyes the tortured Ukrainian men and women." said Ukraine's president Volodymyr Zelenskyy. The President blamed former German Chancellor Angela Merkel and former French President Nicolas Sarkozy for fourteen years of failed diplomacy with Russia, which only enabled Moscow to become more aggressive. (Brzozowski, 2022). Zelenskyy referred to Bucharest Summit when Germany reportedly vetoed the awarding of a North Atlantic Treaty Organization Membership Action Plan to Ukraine in 2008 in order to avoid a confrontation with Russia. (Getmanchuk & Solodkyy, 2018, p. 592).

Today, the European Union (EU) is confronted with a series of crises that jeopardize its historic achievements over the last six decades. Russia's annexation of Crimea in 2014 and de facto invasion of eastern Ukraine posed direct challenges to the post-Cold War European security order and its defining principles, such as territorial integrity and the inviolability of national borders. A revanchist and revisionist Russia impedes European security affairs in ways that many Europeans hoped and expected to vanish with the Cold War's end. (Krotz & Maher, 2016, p. 1053). The annexation of Crimea, Russian assistance for the al-Assad government, and the poisoning of a former Russian agent in the United Kingdom have all fueled calls for a single Russia policy to dissuade Russia from growing its authority in Europe. (de Jong et al., 2020, p. 4).

The emergence of Russia as a revisionist state determined to re-exert its status as the predominant power in post-Soviet space signals the inception of a dangerous era in European security. Russia's use of military force in Crimea and support for pro-Russian separatists in eastern Ukraine raises the threat that it may repeat such actions in other east European and Central Asian states with large Russian minorities. (Dyson, 2016, p. 500).

These words of the political expert, Dr. Tom Dyson came partially true. After 8 years of illegal annexation of Ukrainian regions, Russia truly repeated its aggressive acts in the EU's eastern neighborhood, reshaping European reality. On February 24, 2022, Russia started a devastating war on Ukraine, a European democracy of 44 million people, destroying its towns and closing in on Kyiv, causing a major exodus of refugees. It has broken Europe's tranquility and jeopardized the continent's whole security architecture. To end the war, Russian President Vladimir Putin wants Ukraine to recognize Crimea as part of Russia and to recognize the independence of the separatist-controlled east. In addition, he asks that Ukraine amend its constitution to ensure that it will neither join NATO or the European Union. Russia's leader has raised the alert level on his nuclear forces, only days after warning the West with

¹ Western officials have expressed dismay when dozens of corpses were discovered on the streets and in mass graves as Russian troops withdrew from the destroyed town near Kiev, Bucha, exposing the atrocities of a 40-day battle that has slaughtered thousands. (Euractiv, 2022).

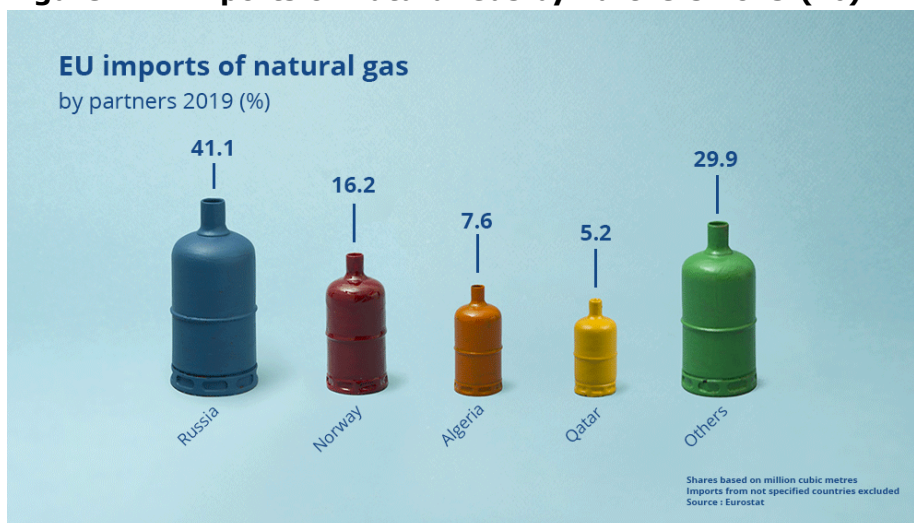
"consequences the likes of which you have never seen" if it stands in his way. Simultaneously, the West is sanctioning Russia's economy, financial institutions, and individuals. (Kirby, 2022).

It is reasonable to assume that Russia has been a source of concern for Europe over the last few years, however, tensions has peaked since the first half of 2022. Olaf Scholz, Germany's chancellor, and Angela Merkel's successor stated that Russia's invasion of Ukraine is a "turning point in the history of our continent" and it threatens our whole post-war system. (Deutsche Welle, 2022).

Russia was viewed as a weak state in the 1990s, but it is now increasingly regarded as a powerful state. Its growing power and control over energy resources are seen as a threat today. (Casier, 2011a, p. 537). Energy dependence on Russia has become a highly important and serious problem in contemporary Europe, particularly during this challenging period in the region. Europe's energy security and dependence on Russian gas have become more critical issues on the agenda of Europeans than they were before the war. For instance, Brussels is bracing for a difficult few month in the energy sector, following a remarkable meeting of the bloc's energy ministers on 2 May 2022, to debate the bloc's strategy in the aftermath of Russia's recent decision to cut off gas to Poland and Bulgaria. The EU is now working to ensure that the continent's gas storage capacity is fully operational by autumn. It is currently at 32%, and according to Kadri Simson, the bloc's energy commissioner, any member country might be the next target of Moscow's energy cuts. (Alonso, 2022).

According to Eurostat, Russia is the EU's primary source of crude oil, natural gas, and solid fossil fuels. The EU's energy supply stability may be jeopardized if a large share of imports is concentrated among a small number of foreign partners. In 2019, Russia (27%) accounted for over two-thirds of extra-EU crude oil imports and nearly three-quarters of the EU's natural gas imports came from Russia (41 %). (Eurostat, 2020).

Figure 1.1. Imports of Natural Gas by Partners 2019 (%)



Source: Eurostat. (2020). *Shedding light on energy on the EU: From where do we import energy ?* European Commission. <https://ec.europa.eu/eurostat/cache/infographs/energy/bloc-2c.html#carouselControls?lang=en>

The EU's strategic aim is to reduce its reliance on energy. Since 1995, it has diversified its gas imports, and its diversification policy has been strengthened in various Strategic Reviews over the previous decade. (Casier, 2011b, p. 500). For many years, the EU has struggled with supply security. Dependence on imported energy has been acknowledged as a source of EU vulnerability since the 1970s oil price shocks, and it was reinforced again by the interruption of Russian gas supply in the winters of 2006 and 2009. Diversifying sources of supply is a common reaction to energy insecurity. This has proven to be an issue for the EU because it is strongly reliant on Russia, Norway, and Algeria for essential hydrocarbon imports. (Vogler, 2017, p. 275).

According to Vogler, the Energy import dependence rate inside the EU countries is different, some of them are more vulnerable while others do not import Russian gas at all. (2017, p. 275). Some EU states, such as France, import relatively little gas from Russia, however others, including Germany and several Central and Eastern European (CEE) states are highly dependent on Russian gas. (Dyson, 2016, p. 501). Many EU countries were interested in intensifying energy cooperation with Russia. Germany and Austria were playing a key role in this respect, as being politically and commercially involved in implementing joint projects with Russia. (Kardas, 2019, p. 42). For instance, in 2015 Nord Stream 2 pipeline project was proposed. "The decision of Germany to go ahead with Nord Stream 2 makes energy diversification and a Europeanisation of energy less likely." (Szabo, 2018, p. 239). This project has caused lots of disputes from different countries and parties. However, German Chancellor Olaf Scholz on 22nd February 2022 declared that the Nord Stream 2 pipeline project with Russia has been halted in reaction to Moscow's recognition of two separatist territories in Ukraine. Scholz said he had put a halt to the German regulator's evaluation of the pipeline, which is considered as a critical bargaining tool in the increasingly tense confrontation with Russia by Western partners and Kyiv. (France 24, 2022).

To summarize, energy dependency on Russia, Germany's growing influence in Europe, and Russia's aggressive moves in the EU's eastern neighborhood are all significant, challenging, and relevant issues for modern Europe. These topics will be addressed in this thesis.

1.1. Research problem, research questions and hypotheses

The relationship between Germany and Russia is seen as a significant element of European politics and security. This view was reinforced in 2013, when Germany emerged as the European Union's primary economic and political power, assuming a leadership role in shaping EU foreign policy. (Siddi, 2016a, p. 665). "Given Germany's increased power within the EU, the country's relationship to the rest of the world will, to a large extent, determine that of Europe". (Kundnani, 2015, p. 209). Within the EU, the eurozone and the migration crises, Euroscepticism, the democratic legitimacy crisis, and finally Brexit have all increased the pressure on Germany to step up its role in foreign policy and in Euro-Atlantic security,

and provide leadership in dealing with these challenges to the Euro-Atlantic order. (Daehnhardt, 2018, p. 516).

The German policy of forming its own close energy alliance with Russia has, to some extent, bypassed the EU-Russia energy talks, despite the fact that both aspire to reduce dependency threats². (Westphal, 2008, p. 93).

In this paper, I will focus on Germany-Russia energy (namely gas³) relations and analyze it from geopolitical and neorealist theoretical view. The aim of the research is to explore in-depth Russia-German energy cooperation in the context of anarchical international system as neorealist school refers to. This research covers the time frame from the end of the Cold War (1990), when the bipolar international system collapsed, the Soviet Union dissolved, and Germany reunified, to 2022 May in order to take into account major geopolitical events that occurred in Eastern Europe since 2022 February, for instance war in Ukraine and major sanctions against Russia such as halting of Nord Stream 2 and reducing energy imports from Russia.

The puzzle which I am going to address and explain is that the Nord Stream 2 project was initiated in 2015, soon after the West imposed sanctions against Russia in a response of its violation of the international law in Ukraine in 2014. Germany's response to the Ukraine crisis may be seen in the context of a long-term deterioration of the country's so-called Westbindung, or postwar integration with the West. The collapse of the Berlin Wall and the expansion of the EU relieved the country of its reliance on the US for security from a powerful Soviet Union. (Kundnani, 2015, p. 108).

The research questions are:

Why did Germany choose Russia over the West on the Nord Stream 2 project?

Why did Germany initiate the Nord Stream 2 pipeline soon after imposing sanctions against Russia?

And what obstacles hindered Russia-Germany energy cooperation over their decades-long bilateral relationship?

Hypothesis 1: Germany's strong support for Gazprom's Nord Stream 2 project can be explained by Germany's substantial geo-economic interests: on the one hand, commercial benefits from importing cheap Russian gas, and on the other hand, Germany's potential to become Europe's major energy hub.

² Energy security requires a threefold diversification of energy sources, place of origin, and transportation in hope to cater to a reliable and affordable energy supply. (Westphal, 2008, p. 93).

³ Because gas emits less pollution than oil and coal, it is expected to play a significant part in Europe's transition to a low-carbon economy, both as a replacement for dirtier fossil fuels and as a backup for intermittent renewable energy generation. The planned phase-out of nuclear power in several member states, most notably Germany, the EU's largest industrial producer, which will retire all of its nuclear power facilities by 2022, adds to gas's importance. (Siddi, 2017 p. 127).

Hypothesis 2: Germany initiated the Nord Stream 2 project shortly after Russia was sanctioned in the aftermath of the 2014 Ukraine crisis because it considered the project as purely commercial.

Hypothesis 3: The success of Russian-German energy cooperation was complicated by Russia's revisionist politics and geopolitical interests in Eastern Europe, most notably in Ukraine.

1.2. The research design, methodology and sources

This research is entirely based on deskwork. To answer the research questions and analyze in depth Russia-German energy relations and the geopolitical effects of the Nord Stream 2 gas pipeline, a qualitative approach, such as a **single holistic case study** design, is utilized.

“Case studies are a strategy of inquiry in which the researcher explores in depth a program, event, activity, process, or one or more individuals. Cases are bounded by time and activity and researchers collect detailed information using a variety of data collection procedures over a sustained period of time”. (Creswell, 2009, p. 13). The case study is an in-depth examination of a single unit in order to comprehend a wider class of (similar) units. A unit denotes a spatially confined entity –such as a nation-state, revolution, political party, election, or person –seen at a single point in time or over a specific time period. (Gerring, 2004, p. 342). The justification of the chosen methodology is that I am studying the context of Russia-German energy relations in-dept which is in the limited period of time. The research is focused on the Nord Stream 2 pipeline. The NS2 was chosen as a unit since the project has been the most contentious issue between Russia and Germany in recent years and it represents one of the symbols of Russia-German cooperation.

During the research process, secondary sources (academic articles, scientific publications, book chapters, etc.), relevant statistical data, political leader speeches, and media sources that broadcast important news are selected and examined. The following is a brief description of the research procedure: I began my research by conducting intensive literature searches in numerous academic databases, including the NTNU online library (oria.no), Scholar.google.com, tandfonline.com, and jstor.org, among others. Then, selecting pertinent publications and examining their bibliographies to discover other noteworthy sources on the topic. Finding relevant data to answer the research questions.

During writing the thesis, I encountered several obstacles that future scholars may need to take into account, such as–not being able to access some sources due to lack of funds or availability; language barrier (not being able to fully comprehend German-language sources and speeches of political leaders, so I am relying on its English translation); and time constraints. The political climate is rapidly shifting, and there are numerous breaking news stories in a short period of time. For instance, Nord Stream 2 was halted due to war in Ukraine. Consequently, it is necessary to adapt the research design to the actual condition and during study, these significant political events cannot be overlooked.

1.3. Outline of the Thesis

In order to address the aforementioned research questions, this thesis has been separated into several chronological sections. The following section is a review of prior research and an explanation of the novelty of my thesis. After reviewing of different theories of different authors, Neorealism has been chosen as the theoretical framework for this research, which will be given in the section that follows the review of the relevant literature.

While analyzing Russia-Germany ties, it is essential that the reader has a historical context. Consequently, the third section of this thesis provides a brief historical context: Relations between Russia and Germany in the energy sector during and after the conclusion of the Cold War. In this chapter, the most significant events, including personal links between Putin and Schroder and the history of the Nord Stream 1 pipeline, are detailed.

The fourth chapter is devoted to Angela Merkel's term as chancellor and focuses on Russia's assertive approach in the eastern neighbors of Europe. These activities tested Germany's attitude toward Russia; hence, major events such as the gas spats of 2006 and 2009, Russia's intervention in Georgia in 2008, and Russia's seizure of Crimea in 2014, as well as Germany's response to these events, are highlighted.

The fifth chapter discusses in depth the Nord Stream 2 gas pipeline: what this project is about, why it is controversial, and what Russia and Germany's respective interests are regarding this gas pipeline. This section concludes by describing the most recent and significant political developments in contemporary Europe pertaining to the Ukraine war of 2022.

The final section of the dissertation is the conclusion, in which I will summarize the major findings.

Chapter 2: Literature Review and Theoretical Framework

2.1. Literature Review

Numerous experts have researched energy in the broader context of European politics as well as EU-Russia relations in the existing literature. (Casier, 2011a; Casier, 2011b; Goldthau & Sitter, 2020; Herranz-Surrallés, 2015; Kuzemko, 2013; Sharples, 2016; Tichý, 2019; Siddi, 2020; Siddi & Kustova, 2021; Youngs, 2020 etc.,) Since this thesis focuses on Germany, it is possible to identify various important works on the subject of Germany-Russia collaboration and Germany's foreign policy toward Russia as well as analysis of Germany as a different kind of power in contemporary Europe. (Chivvis & Rid, 2009; Daehnhardt, 2018; Daehnhardt & Handl, 2018; Dyson, 2016; Fix, 2018; Forsberg, 2016; Getmanchuk & Solodkyy, 2018; Kundnani, 2015; Meister, 2013; Newnham, 2017; Siddi, 2016a; Spanger, 2020; Szabo, 2014; Szabo, 2018; Stent, 2010; Westphal, 2008; Westphal, 2020; Wright, 2018 etc). Additionally, the existing literature regarding the Nord Stream 2 pipeline is relevant for my study. (de Jong & Van de Graaf, 2020; de Jong et al., 2020; Fischer, 2016; Jeutner, 2019; Kardaś, 2019; Krickovic, 2015; Goldthau 2016; Schmidt-Felzmann, 2020; Sydoruk et al., 2019; Sziklai et al., 2019; Talus, 2017 and others).

These experts discuss the Nord Stream 2 gas pipeline from a variety of theoretical and contextual perspectives, including geopolitics (Casier 2011a; Casier 2011b, etc.), law, the environment, the interests of other European nations, the role of European institutions, etc. For instance, Kardaś adopts **neoclassical realist** perspective as it focuses on the significance of state leaders and internal issues such as structures, etc. He contends that projects such as Nord Stream 2 are motivated not only by the foreign policy objectives of the current Russian governing elite, but also by the interests of other Russian players, particularly subcontractors who get substantial financial gains from the building work. On the other hand, constructing huge infrastructure projects serves the economic interests of Gazprom, allowing it to pursue greater freedom in trade policy, as well as the subcontractors who derive substantial financial benefits from the building activity. (2019). The significance of political leaders in German-Russian relations is also discussed in Newnham's article. (2017).

Another author, Krickovic, in his work refers to **Security Dilemma**. He challenges the theory of interdependence; The situation in Ukraine defies conventional thinking about the link between economic interdependence and violence. Contrary to the expectations of liberal theorists, the economic interdependence between the EU and Russia, which is particularly prominent in the energy sector, has not alleviated European and Russian security concerns regarding the other side, but has instead aggravated them. Nor has it prevented them from embracing the antagonistic policies at the heart of the current crisis. Both parties' ambitions to incorporate Ukraine into their conflicting regional integration programs destabilized Ukraine's political climate. (2015).

In the academic literature on Europe-Russia energy relations, Marco Siddi has made the greatest contribution. Specifically, he underlined several powers in the EU-Russia Energy Relations; He assumed that the EU has maintained mostly to the liberal market and regulatory

paradigm, but Russia has adopted a geopolitical approach, especially in the area of pipeline politics. In recent years, however, the picture has become more nuanced as each side has begun to incorporate its traditional power approach to energy with different strategies and, at times, deployed multiple types of power simultaneously. (2018).

The research by de Jong and Van de Graaf (2020) utilizing process tracing to examine the European Commission's role in Nord Stream 2 is one of the more intriguing perspectives. Initially, the Commission insisted that Nord Stream 2 comply with EU law, whereas similar pipelines were not required to do so. Second, the Commission's request for a mandate was determined to be a "political decision," consistent with the Commission's efforts to address a (geo)political matter through its regulatory framework. As stated by DG Energy, the proposed adjustments were geared specifically at Nord Stream 2. Fourthly, the modifications led to the adoption of a selective rule that affected only Nord Stream 2 and no other pipelines or projects. Fifthly, the Commission wished to maintain the Ukraine route and utilized EU legislation against Nord Stream 2 to assure that it remained operating. In applying EU legislation strategically and selectively to Nord Stream 2, the Commission's activities are cast in a geoeconomics light by these acts. The use of the liberal mercantilist model by the Commission, utilizing its regulatory framework selectively to achieve geopolitical objectives, was ineffective because the Commission lacked the required regulatory powers.

The examination of the legal setting of the Nord Stream 2 pipeline (Talus, 2017; Jeutner, 2019; etc.) is also crucial. Jeutner assumed that aside from its geopolitical significance, the most problematic feature of Nord Stream 2 has been its interaction with the different legislative instruments of the EU's Third Energy Package. The author rejects the argument that Germany's involvement with Nord Stream 2 in light of Russia's annexation of Crimea and Sevastopol violates international law, as Germany's involvement with Nord Stream 2 breaches the duty not to recognize or support annexation by an aggressor state, and Germany's support for Nord Stream 2 cannot be legally interpreted as support for Russia's activities in relation to Crimea and Sevastopol. (2019).

One of the most popular angles of analysis of the Nord Stream 2 is from the perspective of conflicting interests on this project, for example, the comparative analysis of Ukraine and Poland regarding the implications of the Nord Stream 2 on them (Sydoruk et al., 2019), Ukraine and Turkey (Proedrou, 2016), and a recent study by de Jong et al., (2020), using Qualitative Comparative Analysis to unravel the determinants of the differing positions. The Nord Stream 2 dispute serves as a testing ground for a new intergovernmentalism theory, which contends that preference formation is influenced not only by material and (geo)political situations, but also by the preferences of other member states.

Europe-Russia energy relations can also be studied in the context of the environment, sustainability, and climate change (Westphal, 2020), as well as from a non-material-constructivist perspective (role of ideas (Kuzemko 2013), Energy security discourse, (Tichy 2019), discourse of the EU's energy diplomacy (Herranz-Surrallés, 2015), etc.

Other models and theories that are presented in the literature are: Zagorsky's (2018) contribution, with 'real sovereignty theory,' (the author attempts to explain how German

policy is viewed and interpreted through the lens of Russian popular thought, as well as what future 'strategic partnership' expectations are with Berlin.), and Szabo's research: Commercial realism and Germany's approach to Russia are consistent with the geo-economic model, with the caveat that Berlin did not utilize economic power to push its views on Moscow until after the Ukraine crisis had begun. Germany is the archetypal geoeconomic power that opposes the traditional military-based power exemplified by the United States and Russia. The relationship between Germany and Russia is a case study in commercial realism, having ramifications not only for Germany's future position in Europe and beyond, but also for the growth of international politics as a whole. (2014).

2.1.1. Justification of a study

As indicated above, a number of scholars examine Russia-European energy ties, Germany-Russia collaboration, and Nord Stream 2 from a variety of perspectives. However, relatively little literature explains and clarifies why Germany supported the big and disputed energy project, the Nord Stream 2 gas pipeline, shortly after implementing sanctions against Russia in 2014-2015.

In addition, the war in Ukraine exposed Russia's brutal force once more and altered the reality of Europeans, making the threat from Russia more apparent. Therefore, there is a need for a novel study that takes into account these new significant events occurring in the European region: This study will contribute to the existing body of scholarly knowledge. Since 2022, there is a requirement to do updated study. February, when Europe confronted a new challenge in its eastern neighborhood and the Russian threat against the entire area grew more alarming and tangible. The study will extend the temporal period of the existing literature and consequently take into account these significant events, such as Russia's repeated invasions of Ukraine, blackmail, and Western sanctions. Recent developments have also damaged Russia-Germany energy cooperation. Consequently, the neorealist theories appear to be closer to resolving the thesis's research questions. Consequently, my study can be placed alongside those of neorealist authors.

The importance of geopolitics and neorealism theory will be elaborated upon in the following sections.

2.2. Theoretical Framework

2.2.1. The growing importance of energy Geopolitics in Europe

In the twenty years after the Cold War, Eurasia's geopolitical structure has seen significant transformations. In broad terms, the most significant shift has been from the hardened dichotomy of East and West to the modern geopolitics and geoeconomics of privileged collaborations and networked ties. The post-World War II construction of spheres of influence majorly delivered middle ground literally and figuratively impossible. (Johnson &

Derrick, 2012, pp. 482-483). The end of the Cold War marked the collapse of the previous global geopolitical system. It marked the beginning of the period of new global rivalry vying for world leadership, historically characterized by lengthy cycles of world leadership. These contests have always resulted in attempts to establish a new global system with new rules and a new distribution of power, referred to as a geopolitical world order in some geopolitical studies. (Naji & Jawan, 2012, pp. 1-2).

The dissolution of the Soviet Union in 1991 ushered in a new era, albeit one that lacked efficient political and economic systems. Moreover, the realignment of the post - soviet states had a significant impact on Russia's standing in international affairs. (Schewe, 2019, p. 194). Putin has referred to the fall of the Soviet Union as the greatest geopolitical disaster of the 20th century" and has emphasized that Russia must return to its origins. (Putin, 2005). These words are obviously about his desire to revive the old Soviet Union. Russia has made substantial attempts in recent years to incorporate Russia, Belarus, and Kazakhstan into the Eurasian Economic Union. Simultaneously, some of the former Communist nations, including Georgia and Ukraine, have been moving away from Russia's sphere of influence. Thus, it may be argued that Russia's desires to reassert its authority in the region have spurred the conflict in Ukraine. (Veebel & Markus, 2016, p. 128).

Energy, particularly natural gas, plays a vital role in defining the geopolitical environment of the present day. Unlike oil, which is traded on a worldwide market and is often transported by ship, rail, and roadway, natural gas is still typically transacted bilaterally and through dedicated infrastructure (i.e. pipelines). (Johnson & Derrick, 2012, p. 483). "Natural gas is a very versatile energy source with extensive industrial and domestic uses". (Sziklai et al., 2019, p. 1). Gas is also more difficult to store than oil, making the development of strategic gas reserves more difficult and reducing the ability to deal with unanticipated gas shortages. As a result, providers who are physically close to the EU benefit. States have control over the land traversed by the pipeline, and political conflicts can have an influence on gas delivery. Geopolitical changes that influence suppliers (such as Russia) and transit nations (such as Ukraine) have an impact on supply security. The strained ties between Russia and Ukraine, which impacted the gas supply of Central and Eastern European nations entering the EU in 2005–2007, played a significant part in easing European energy supply fears. This EU extension increased the EU's total gas import dependency and increased the EU's susceptibility to gas supply interruptions, particularly those caused by Russia (Bocse, 2018). "Politicization of the energy discourse on both sides has substantially redefined EU-Russia energy relations. By thinking about energy transmission in terms of geopolitical interests, energy relations have been reframed in terms of a new 'great game' of pipelines". (Casier, 2011a, p. 549).

When we compare the 1990s to the first decade of the new century, we can observe that the global energy market has changed dramatically. The world's energy usage has skyrocketed. Booming economies, such as China's, have attempted to get access to energy resources in many regions of the world. As a result, concerns regarding the shortage of traditional energy resources have grown. Energy prices have skyrocketed. Rising energy prices have undeniably bolstered Russia's economic situation. (Casier, 2011b, p. 502).

Ursula von der Leyen proclaimed the energy transition a primary priority during her first months as President of the European Commission, while also emphasizing that she will lead a "geopolitical Commission." The idea that the Commission would take a geopolitical posture reflects the EU's growing desire to act strategically and protect the EU's interests in international affairs in the face of great power rivalry. Given the importance of energy resources in geopolitics, von der Leyen's comment has consequences for the EU's attitude on CEG and substantiates the EU's strategic approach in this policy area. (Siddi & Kustova, 2021, p. 1085).

The term 'energy geopolitics' was established in 1974. The geopolitics approach to energy relations is founded in the neorealist paradigm of international relations, which focuses on power politics and the battle for survival with little regard for national politics or transnational ties. It is associated with conventional, statist types of organization as well as territorial entities (where resources are located, transported and consumed). This paradigm regards energy as a strategic commodity rather than a commodity in and of itself. The geopolitical method assumes centralized, top-down decision-making as well. It is related to a negative perception of external dependency and the urge to regulate this dependence. (Romanova, 2016, p. 859).

Despite their relative invisibility, the significance of pipelines tends to increase as natural gas demand rises and domestic fuel sources, such as the North Atlantic gas field, approach the point where they are no longer economically viable to service. The new pipeline projects in Europe, such as Nord Stream, Nabucco, South Stream, and Amber, have acquired political identities of their own. These initiatives represent not only tangible warmth, but also metaphorical well-being or, conversely, coolness in international relations. (Johnson & Derrick, 2012, p. 483).

When analyzing German-Russian energy cooperation, there are two widely-used concepts in the literature: "energy weapon" (referring Russia) and "geo-economic power" (referring Germany).

The term "energy weapon" refers to a state's use of its energy resources as a political instrument to either penalize or coerce (or sometimes both) its customers. Future energy relations are likely to be characterized by tightening markets and diminishing supplies, therefore it would be advantageous for policymakers to improve their understanding of energy relations and threat assessment. (Stegen, 2011, p. 6511).

"At that time, geoeconomics, as a new concept, established a logical relationship between economy, politics and geography, and helped the formation of different interpretations of global political economic space". (Naji & Jawan, 2012, p. 2).

2.2.2. Neorealism

“Considering the way, the Russian Federation operates and the nature of the energy sphere, realistic theories appear to have the greatest applicability in analyzing Russia’s external energy policy”. (Kardas, 2019, p. 26).

The neorealist perspective on international relations is characterized by the complete domination of security concerns, the self-preservation instinct of states, and the refusal to cooperate. As there is no authority beyond the states (such as a global government) that establishes laws and standards that are mandatory for all nations and can if necessary enforce compliance by force, countries must live in a state of continual uncertainty regarding the intentions of their neighbors. They must constantly be ready for the worst-case scenario, which is war. (Schörnig, 2014, p. 37).

The term anarchy evokes thoughts of violence, devastation, and disorder. However, for realists, anarchy is merely the lack of any legitimate authority above governments. Nations are sovereign. They assert the right to be independent or autonomous vis-à-vis other nations, and they assert the right to exercise complete power over their own territory. Although governments vary in terms of the authority they possess or are capable of exercising, none can assert the right to control another sovereign state. Realists differentiate authority and power. They are pointing to the lack of any hierarchy of legal power in the international system when they use the term anarchy. In international politics, there exists a hierarchy of power, but not of authority. Clearly, some states are more dominant than others, but no recognized authority is higher than any state. In this sense, anarchy is the defining feature of the environment in which independent nations interact. There may be instances of violence and war, but there are also times of comparative peace and stability. This lack of any superordinate or central authority over countries (such as a global government with the capacity to enforce regulations and maintain order) is fundamentally distinct from domestic societies, in which an authority exists to maintain order and arbitrate conflicts. Exceptions would include instances of total government breakdown or civil warfare in which legitimate authority may be ambiguous. (Viotti & Kauppi, 2012, p. 56).

German-Russian ties have long been an intriguing puzzle for experts in International Relations. These bilateral relationships have always been of enormous importance to the world, as they involve two of Europe's greatest nations. Moreover, these relations have been so richly diverse over time –ranging from eras of friendliness and explicit alliance to times of intense confrontation and horrific warfare—that it would be difficult for any expert to analyze them simply. In a variety of ways, German reunification has impacted bilateral relations profoundly. At the same time, Russia's similarly significant historical split— the dissolution of the Soviet Union — has resulted in both countries being considerably different from what they were in 1990. (Newnham, 2017, p. 56).

“The post-cold war order, which suited Germany well, has been called into question by changes in the foreign policies of Russia and more recently, the United States. (Daehnhardt, 2018, p. 523). The geopolitical codes of the United States are intricately intertwined with the enduring goal of maintaining and advancing the United States' global leadership position.

After the fall of the Soviet Union, when the United States was the single superpower on the international stage, this issue was also pursued. Leading an international coalition against Iraq in 1991 appeared to demonstrate the United States' global leadership within a unipolar system, but the rise of some other major powers as serious rivals indicated a potential global trend toward a multipolar system; (...) The United States' global leadership has been challenged by a number of other powerful global actors. China, India, Russia, Japan, and Europe have been introduced from various angles as other major powers in the new era. (Naji & Jawan, 2012, p. 3). Russia's international foreign policy activities has greatly expanded. Second, the Kremlin has posed genuine dangers to global peace and security. (Sydoruk et al., 2019, p. 469). Beginning approximately 1995, Russian policy turned in a more nationalist and aggressive direction as the first signs of what the Russians now allege was the West exploiting Russia's vulnerability emerged. (West's choice to redesign NATO and add post-communist republics, so bringing NATO closer to, and ultimately up to, the Russian border. In addition to integrating and preparing Central European military forces for membership into NATO, the formation of NATO's Partnership for Peace programme gave the United States access to and influence over post-Soviet armies and their governments in Eurasia. This broad range of topics remains one of the primary sources of tension between Moscow and the West twenty years later. (Kanet, 2015, pp. 505-506).

Four factors of realism-anarchy, uncertainty, the security imperative, and geography-equip states with a strong incentive structure to construct a sphere of influence along their borders. There are numerous explanations for this. First and foremost is preventing smaller border states from becoming military bases or supporters of extra-regional powers. In the end, nobody desires to have forward operating bases or staging areas of great power adversaries from other regions of the world on its doorstep. Major nations have a tremendous motivation to control transport and communication channels in their region. Controlling communication and transportation networks is not only economically advantageous, but also has a strategic function. It decreases the possibility of being blocked off from essential goods or export markets during times of crisis and conflict. (Götz, 2016, pp. 302-303). In the following sections of this thesis, the neorealist perspective on Russia-German energy cooperation as well as Russia's politics towards Ukraine will become clearer.

Chapter 3: A Brief Historical Overview of Russia-Germany energy cooperation before Angela Merkel's chancellorship

Introduction

Germany may be the only EU member whose interdependence extends beyond the energy industry. Russia is a significant market for German exports as well as German Foreign Direct Investment (FDI). Russia's local industry is strongly reliant on German machinery imports. It should come as no surprise, then, that Russian-German energy ties have been the most collaborative and largely absent of the securitization features prevalent at the EU level. Germany has showed little interest in diversification away from Russian supplies, instead backing energy projects that expand Europe's reliance on Russian gas, such as the North and South Stream pipelines. However, these measures have enraged several eastern European countries, who are concerned about expanding Russian strength and European reliance on Russian energy. (Krickovic, 2015, p. 8).

In this section, I will provide brief historical context of German-Russia energy relations from the end of the Cold War to before Angela Merkel's era. Germany's Russia policy has always been focused on political engagement and economic interdependence. When Willy Brandt became West Germany's chancellor in 1969, he tried to balance the *Westbindung* with a more open engagement with the Soviet Union, pursuing a new strategy known as *Ostpolitik*, or "eastern policy." Brandt hoped that developing political and economic links between the two countries would eventually lead to German reunification, a plan dubbed "*Wandel durch Annäherung*" (change by rapprochement) by his adviser Egon Bahr. (Kundnani, 2015, p. 112).

In the context of the Cold War, the most prominent instance of *Ostpolitik* was West Germany's readiness to engage the Soviet Union in energy cooperation, including gas supplies, pipeline construction, and nuclear projects. (Forsberg, 2016, p. 21).

Russia has the world's largest natural gas reserves, but it became a substantial producer and exporter in the 1970s, following the development of its Siberian gas reserves and pipelines connecting them to Europe and beyond. (Russell, 2021, p. 2). For more than three decades, Germany has relied on Soviet/Russian energy deliveries. Energy trade was viewed as a strategic component in the *détente* and partnership with the Soviet Union from the start, and this perception carried over to relations with Russia. Imports of natural gas from the Soviet Union to Germany began in 1973. The dialogue began in 1969, just before the German elections that resulted in the Social Democrats and Liberals forming a coalition. (Westphal, 2008, pp. 93-95). Upon reunification, Germany was dependent on Russia for 17 percent of its gas imports due to the development of gas pipelines during the 1970s and 1980s. However, actions made during the height of the 'special relationship' with Russia, such as the construction of Nord Stream and the prioritization of cheap over supply security, have exacerbated this dependence. (Dyson, 2016, p. 504).

The elimination of its pre-reunification restrictions has enabled Germany to define its national interest in increasingly economic terms. In a sense, it has actually bolstered

Germany's identity as a trading state. Prior to reunification, the Federal Republic eschewed military might but sought traditional foreign-policy goals. (Kundnani, 2011, p. 36). Despite some important continuities, it is clear that German-Russian relations have changed substantially since reunification. However, the changes have not been smooth; distinguishable periods can be identified. These have been influenced by external events, such as the US invasion of Iraq or the Orange Revolution and Euromaidan in Ukraine, but also by German and Russian policies since 1990. (Newnham, 2017, p. 45).

3.1. Russia-German Energy cooperation after the collapse of the Soviet Union and reunification of Germany.

In the mid-1980s, the Soviet leader Gorbachev and German Chancellor Helmut Kohl formed a strong personal friendship. This friendship was extremely important during the negotiations for unification in 1990, and it served as the foundation for a similar close friendship among Kohl and the new Russian leader, Boris Yeltsin, that after the Soviet Union's demise in 1991. Throughout the 1990s, Germany was prominent in providing financial and technical assistance to the new Russian state through the TRANSFORM assistance program established in 1992, and in 1994 became the first EU member state to turn its focus to Russia and argue the need to include it in the emerging debate on Europe's future development. (Timmins, 2011, p. 191).

Germany's efforts to integrate Russia into a post-cold war security system were not viewed as empowering Russia to become an equal member of the Euro-Atlantic security structure by Moscow. Putin's goal of transforming Russia into a revisionist power and an authoritarian state revealed that Moscow called into question the Euro-Atlantic post-cold war order, which Germany had helped to build. (Daehnhardt & Handl, 2018, pp. 449-450). By the mid-1990s, Moscow's dominant political elites had reignited their interest in their new neighbors. Vladimir Putin's arrival on the political scene at the beginning of the century resulted in a commitment to reassert Russia's greatness as a regional, if not global, power, and to initiate that process by re-establishing what Nygren has dubbed "Greater Russia." At the same time, the West continued its efforts to limit Russian influence through a variety of policies, beginning with NATO and EU inclusion of former communist countries, such as post-Soviet Baltic republics, and the formation of special relationships with other former Soviet republics through NATO's Partnership for Peace Program and the EU's Eastern Neighbourhood Policy. (Kanet, 2015, pp. 503-504).

At the height of their post-Cold War relations, Germany and Russia developed a special relationship, envisioned a "modernization partnership," and established a plethora of bilateral relations and forums. When it comes to energy price and delivery negotiations with Russia, Germany favors to engage directly with Russia in order to protect its national interests. Poland, along with several other EU members, has called for an EU external energy policy, which would include EU-led dialogue with Russia over the price of its energy exports in order to ensure fair pricing for all EU members. (Yoder, 2018, p. 560).

During the Cold War, German policy toward Russia changed significantly, from reconciliation through strengthened business relations to concern about Russia's geopolitical goals. Germany sought a "strategic alliance" with Russia under Chancellor Gerhard Schröder, buoyed by gratitude for its assistance in reunification. (Dyson, 2016, p. 502). Since the Cold War's end, trade links between Germany and Russia have grown even stronger. Invoking Brandt's Ostpolitik, Schröder embarked on a policy of *Wandel durch Handel*, or "change through trade." Since German reunification, imports of Russian oil and gas have increased significantly. Between 1991 and 2003, Russian gas imports increased by 55.5 percent, while oil imports increased by 57.4 percent. (Westphal, 2008, p. 96).

The following chapter will describe the personal ties between Schröder and Putin which is an important pattern in Russia-German relations.

3.2. Personal ties between Putin and Schröder

Despite significant disagreements over Soviet policy and detente during the Cold War, West Germany always sided with the United States in the end due to the strategic principles that kept their disagreements in check. The first real sign of discord occurred during the 2003 debate over the US invasion of Iraq, when Chancellor Gerhard Schröder sided with Russia and Paris against President George W. Bush. (Szabo, 2014, p. 126).

During Yeltsin's final year in office, tensions arose between Germany and Russia when Gerhard Schröder was elected as a chancellor and pledged to reevaluate the 'sauna diplomacy' of the Kohl-Yeltsin era. The Russian economic crisis, the changeover of five prime ministers in March 1998 and August 1999, Yeltsin's deteriorating health, and his erratic behavior harmed relations. In addition, other European events, such as the 1999 NATO expansion to encompass Poland, Hungary, and the Czech Republic and the Kosovo war, both of which Germany backed and Russia opposed, strained bilateral relations further. By the end of 1999, however, with Yeltsin on the way out, a weak economy, and Russian alienation from the West on the rise, the Germany-Russia relationship seemed to be under increasing strain. (Stent, 2010, p. 159).

The expenses of reunification have increased economic pressure on Germany, making it more difficult for Germany to pursue non-economic foreign policy objectives. Particularly since Schröder became chancellor in 1998, the chancellery has become increasingly active in supporting business interests, for instance by sending big trade delegations abroad. The business sector has subsequently exerted strong influence on key aspects of German foreign policy: energy firms like E.ON Ruhrgas have impacted policy toward Russia, automakers like BMW have influenced policy toward China, and technology and machinery manufacturers like Siemens have affected policy toward Iran. (Kundnani, 2011, p. 36).

The Schröder government in Germany, which ruled from 1998 to 2005, used its strong close connections with President Putin's administration in Russia to enhance German-Russian energy relations. (Westphal, 2008, p. 93). During the early 2000s, Russia's economic weight increased, and the 'Putin factor' played a role in the two countries' closer relations. The SPD-Green coalition government led by Chancellor Gerhard Schröder shared President Vladimir

Putin's dissatisfaction with US President George W. Bush's policies regarding the Iraq war in 2003, when strong opposition from France, Germany, and Russia brought Germany and Russia closer together, as with the missile defense system Bush wanted to introduce in Poland and the Czech Republic. Furthermore, the personalization of relations played a role: after German unification, the Kohl-Yeltsin *Mannerfreundschaft*, and even more so the *Schröder-Putin Mannerfreundschaft*, added a strong personal aspect to the normative and material factors of the German-Russian collaboration. (Daehnhardt & Handl, 2018, p. 449).

Because of Schröder's hesitation to criticize Putin, Germany-Russia energy relations were becoming a source of rising political tension within the EU. The signing of the Baltic Pipeline project among Germany and Russia relatively soon before the 2005 German election engendered resentment that Germany was pursuing national interests over collective EU interests and was seen by Poland in particular as a move designed to insulate Russian energy exports to Germany from any tensions that might arise between Russia and the new member states through which the established pipelines ran. (Timmins, 2011, p. 194).

Like his other European predecessors, Chancellor Schröder was initially wary of Putin due to his dual histories as a KGB officer and advisor to the reformer mayor of St. Petersburg, Anatoly Sobchak. Early on, he had highlighted that Russia was a European country and dedicated himself to continuing to pursue economic reforms and further modernization of Russia. However, he had also started the second Chechen War and created a political system known as "managed democracy," which included an obedient parliament and new political parties created and ultimately controlled by the Kremlin. (Stent, 2010, p. 160).

Despite a rough start for German-Russian relations under Schröder and Putin when the latter took power in 1999, Schröder's trip to Moscow in December 2000 became a significant public relations campaign to highlight the two countries' special relationship. At the German-Russian bilateral summit in St Petersburg in April 2001, Schröder and Putin declared the launch of a German-Russian bilateral governmental consultation process, which established regular meetings at various levels of government, and is an arrangement that Germany previously had only with France. ("Petersburg Dialogue"). (Timmins, 2011, p. 193). The St. Petersburg Dialogue, founded in 2001 by Putin and Schroder, was intended to support civil by elites, with the German side admitting that participants would be chosen by the Russian government rather than civil society actors. As a result, officials and corporate partners from both states wield considerable power. The outcome is not a dialogue between societies, but rather acceptance of Russian rules and legitimization of non democratic decisions taken by Russian governance. This shows the weakness of German policy toward these groups in Russian society who would like to modernize the country. (Meister, 2013, p. 39).

3.3. Nord Stream 1

Chancellor Schröder's close personal relationship with President Putin, Germany's growing demand for gas, and German energy companies' interests in expanding their role in importing Russian gas to Europe culminated in the 2005 agreement to build the Nord Stream gas pipeline, which would allow Russia to transport gas directly to Germany. However, by dividing Eastern and Western Europe's energy supply, Nord Stream provided Moscow with increased influence over the European energy market. (Dyson, 2016, p. 502). In Germany and Russia, the initiative has been presented as a natural development of the countries "special relationship." While Germany perceives itself as a cultural intermediary between Europe and Russia, Russia regards Nord Stream as a natural outcome of its long-standing historical connections with Germany. (Johnson & Derrick, 2012, p. 490).

Few events in recent Baltic region history have generated as much controversy as the April 2005 revelation that a German energy corporation had struck an agreement with the Russian gas monopoly Gazprom to develop a new direct undersea pipeline project between these two states. Nord Stream, as it is now known, immediately became a new source of geopolitical conflict in the region, as public leaders in the nations that would be bypassed by it responded with fierce condemnation. The proponents of the Nord Stream pipeline emphasize its beneficial economic effects, claiming that the new pipeline will diversify the EU's natural gas import routes, so boosting the security of Europe's energy supply. The pipeline is also expected to deliver financial benefits to the areas along its route, as a result of upgrades to local infrastructure and the participation of various subcontracting firms. (Bouzarovski & Konieczny, 2010, pp. 1-2).

Nord Stream's construction started in April 2010. The first line emerged in November 2011, followed by the second in October 2012. The two lines have a combined capacity of 55 billion cubic meters per year. However, due to a disagreement over third-party access to Nord Stream's onshore parts in Germany (the OPAL and NEL pipelines), Gazprom only delivered 33.9 billion cubic meters through the pipeline in 2014. Gazprom's Nord Stream exports will be restricted until an agreement with EU regulators on the company's use of OPAL and NEL is reached. (Sharples, 2016, p. 891).

Despite the ambiguous nature of the Nord Stream project and the unclear response of stakeholders in 2010, the Russian gas monopoly Gazprom and a group of European investors were successful in starting construction of the Nord Stream gas pipeline, which was completed in 2012 and allowed the commercial operation of two gas lines to begin. (Sydoruk et al., 2019, p. 486).

Nord Stream, anticipated to cost \$10 billion, necessitates colossal up-front capital inputs and technological transfers that can only be obtained through collaboration. The joint venture Nord Stream is held by the German energy corporations BASF/Wintershell and E.ON Ruhrgas (20 percent each) and the Dutch company Gasunie. Gazprom owns 51 percent of the enterprise (9 percent). Both the German and Russian authorities, although having no direct financial stake in the project, have spent political capital in it; Germany's primary objective

was to convince its European Union allies of the project's beneficence. (Johnson & Derrick, 2012, p. 488).

German economic and lobbying organizations, such as the Committee on Eastern European Economic Relations, play a significant role in shaping the country's relations with Russia. Even though Merkel was initially quite opposed of the Nord Stream pipeline, she ultimately endorsed the project. Merkel restricted her trips to Russia, but during her discussions with President Medvedev, she provided German corporations access to Russian officials. In this way, she follows in the footsteps of her predecessors. Russia is a significant market for German goods and a significant supplier of natural resources. (Meister, 2013, p. 34).

Russia intends to prevent minor transit states from transporting energy directly to major consumers. This type of costly pipeline project ties Germany to Russia as an energy consumer, but also ties Russia to Germany as an energy supplier. There are other prospective clients for Russian oil and gas, including India, Japan, and China. The substantial investment on the Nord Stream Pipeline signifies that Russia will continue to sell energy to Europe in the foreseeable future. This project also illustrates Russia's approach of avoiding transit states and minimizing transit states' clout over Russia. (Crandall, 2014, p. 154). The evolution of transit-related uncertainties compelled Russia to take decisive action to address this vulnerability source. Following the Orange Revolution, Russia reached an agreement with Germany and a slew of energy companies to build the world's first pipeline connecting Russia to the European Union. Nord Stream's annual capacity more than doubled from 27.5 to 55 billion cubic meters, providing sufficient infrastructure to either supplement Russian gas supplies to EU customers or divert some gas from the Ukrainian route to Nord Stream. (Proedrou, 2016, p. 29).

The rigorous strategy of Berlin's officials, who successfully lobbied for Nord Stream within the EU, was the primary cause for the project's relatively smooth implementation. In addition, Germany utilized the fact that the Third Energy Package (a set of 2009-enacted regulations governing the European gas market) was not fully integrated inside the European Union and the national legislation of its member countries. Therefore, the likelihood of halting the Nord Stream project was diminished. Germany's stance was primarily motivated by its economic interest in the Russian project, as the construction of the gas pipeline below the bottom of the Baltic Sea made it possible to avoid gas transit through Ukraine and Poland (during the first decade of the 2000s, the stability of the Ukrainian direction was repeatedly put under a question). In addition, the project allowed Germany to avoid paying the included transportation cost for imported Russian gas. (Sydoruk et al., 2019, p. 468).

Figure: 3.1. The Nord Stream pipeline



Source: Cookman, L. (2022, January 25). *Nord Stream 2: Why Russia's pipeline to Europe divides the West.* [Www.aljazeera.com. https://www.aljazeera.com/news/2022/1/25/ukraine-russia-what-is-nord-stream-2-and-why-is-it-contentious](https://www.aljazeera.com/news/2022/1/25/ukraine-russia-what-is-nord-stream-2-and-why-is-it-contentious)

Summary of the chapter

A collaborative relationship, understood as the extension of Ostpolitik, remained central to German policy towards Russia throughout the geopolitical upheaval at the end of the Cold War, German reunification, and Soviet disintegration, as well as changes in the German government coalitions and chancellorship. After Brandt and Helmut Schmidt, Helmut Kohl and Gerhard Schröder developed constructive ties with the Soviet Union and its successor, the Russian Federation, and fostered positive personal contacts with Russian leaders. (Forsberg, 2016, p. 22). The direct impacts of reunification and the dissolution of the Soviet Union have changed the international strength and status of the two countries. Reunified Germany expanded not only geographically but also in terms of population and economic influence. In contrast, Russia decreased in size and influence by numerous metrics. (Newnham, 2017, p. 56).

Russia hoped that Germany would be a key source of economic support, trade, and investment for its rising market economy after approving German unification. The complementary nature of the economic connection remained, with Russia supplying Germany with oil, gas, and other raw materials and Germany receiving Russian-made commodities. Due to the absence of the rule of law and the lack of enforceable legal institutions to protect its assets, the German private sector continued actively engaged in the Russian economy during the Yeltsin era, but was wary about investing. In fact, the most active period of Russia-

Germany trade links did not begin until the Russian economy began to recover following the 1998 financial crisis. (Stent, 2010, p. 159).

Putin's achievement in resolving the fundamental domestic issues confronting the Russian state at the turn of the century allowed Russia to confront Europe and the United States from a perspective of significantly greater power. Putin and his associates benefitted immensely from the accelerating rise in global consumption for gas and oil – at least until the global economic meltdown of Fall 2008–and the resulting revitalization of the Russian economy, in addition to restoring the foundations of the Russian state at a high price to political liberty and democracy, as a prerequisite for Russia's ability to reassert itself as a major power. This allowed Russia to conduct a far more aggressive and active foreign policy. This aggressive foreign policy with its nationalist rhetoric has played a significant role in maintaining Putin's popularity and gaining support for his restrictive domestic policies. (Kanet, 2015, p. 507).

Chapter 4: Angela Merkel's chancellorship era and Demonstration of Russia's assertive policy in the EU's Eastern neighborhood

introduction

When Angela Merkel became Chancellor in November 2005, she endeavored to reshape the German-Russian relationship at a time when the Russo-Ukrainian gas issue had a significant influence on EU energy policy and the EU-Russia relationship in general. (Westphal, 2008, p. 94).

Merkel's relations with her Russian counterparts cooled in comparison to her predecessor's Russia policy, and the bilateral relationship was demoted. Whereas Gerhard Schröder emphasized German-Russian relations as the foundation of a "strategic partnership," Merkel insisted emphatically and consistently that Germany's and Europe's partnership with Russia must be founded on a dedication to respecting liberal democratic values. Within the 2005-2009 coalition, Foreign Minister Frank-Walter Steinmeier (who previously occupied the Russia dossier in the Schröder Government and now holds it in the Grand Coalition following the 2013 election) insisted that closer integration with the EU could bring Russia back to a path of liberal democratic practice. Merkel, on the other hand, was skeptical of Russia's commitment to human rights both at home and abroad. She also questioned Russia's intentions to build an empire based on energy. While Steinmeier appeared to place the onus largely on Europeans to foster positive relations with Russia, Merkel appeared to perceive Russia to rise to the occasion. As a result, Germany's Russia policy is torn among a strong focus on interests or values and a partisan split. (Yoder, 2015, pp. 52-53).

The election of the CDU/CSU/FDP coalition in 2009 signaled the start of a shift in Germany's Russian policy. Chancellor Merkel is skeptical of Russian intentions, particularly in light of Russia's 2008 intervention in Georgia. (Dyson, 2016, p. 503). Following parliamentary elections in 2009, the formation of a Christian Democratic-Liberal government coalition (CDU/CSU and FDP), relations between Germany and Russia shifted away from their special partnership. Sobriety replaced the personal connection among Helmut Kohl and Boris Yeltsin, as well as Gerhard Schröder and Vladimir Putin, with Angela Merkel. During Dmitry Medvedev's presidency, Merkel attempted to limit her meetings with Russian Prime Minister Putin in order to signal her support for the "new, modern Russia" rather than the "old, Putin Russia." (Meister, 2013, p. 29).

Upon Angela Merkel's election as Chancellor, there was considerable anxiety in Russia that the Russia-Germany partnership would alter. Since Mrs. Merkel grew up in the GDR and endured decades of Soviet rule, and because she is a member of the CDU, it was anticipated that she would have a more skeptical attitude of Russia than her SPD predecessor. Despite the fact that she was more circumspect than Schröder in her public admiration of Putin and that the male bonding relationship (*Mannerfreundschaft*) of the Schröder-Putin period had ended, the Russia-Germany relationship remained stable after 2005. Frank-Walter Steinmeier, Merkel's SPD Foreign Minister, was partially responsible for this. His notion of

'rapprochement by integration' (*Annäherung durch Verflechtung*) obligated Germany to intensify contact with Russia, and he and the chancellor both characterized the ties with Russia as a strategic alliance. (Stent, 2010, p. 163).

Following seven decades of peace, Russian tanks crossed borders once more to seize land from Europe's weaker neighbors. These are perilous times for small prosperous countries confronted by authoritarian and vehemently nationalist superpowers. As Merkel declared in May 2018 that it is no longer enough for the US to protect Europeans; Europe must take control of its destiny; that is the task of the future. In the face of such insecurity, hostility, and aggression, the EU's sheer size is significant. With a population of over 400 million, the EU economy is comparable to those of the United States and China; it is ten times the size of Russia's economy. (Baldwin & Wyplosz, 2020, p. 4). Germany has historically been a strong supporter of Russian interests within the EU and a strategic ally in energy and economic cooperation. However, over the last few years, we have observed an increase in bilateral miscommunication, with both sides discussing the same issues but having divergent priorities and interests. (For instance, the partnership for modernization). (Meister, 2013, p. 28).

Following the Ukraine crisis, Germany redefined Russia from a 'strategic' or 'important' partner to one that poses a 'threat' to Europe's security order. For the foreseeable future, these two countries "so-called strategic relationship" is over. (Zagorski, 2018, p. 573). Berlin has spent the last two decades attempting to deepen political and economic relations with Moscow, but Russia's actions in Ukraine indicated that the Kremlin was no longer interested in European partnership. (Kundnani, 2015, p. 108). With Russia's annexation of Crimea in 2014, the external dimension of EU energy policy became rather prominent, and gas supply security emerged as a central issue in the Commission's February 2015 strategy for an Energy Union. (Goldthau & Sitter, 2020, p. 113).

By the time Putin became acting president at the end of 1999, the Russian political and economic systems had reached their lowest point and were beginning to recover. The new president stated that his primary objective was to restore Russia's regional supremacy and global significance. (Kanet, 2015, p. 507).

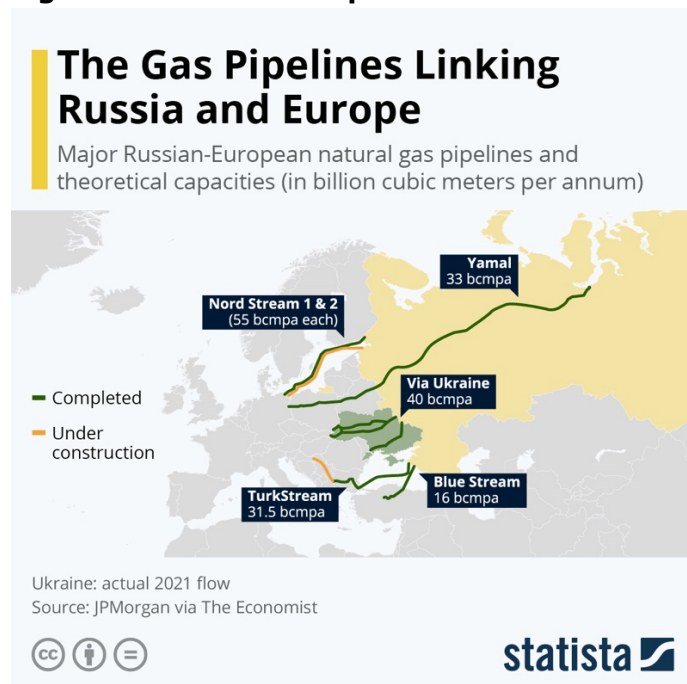
This chapter will outline several key issues in Russia-Germany energy relations during Merkel's chancellorship, for instance, Russia's aggressive revisionist politics in the EU's Eastern neighborhood: gas spats in 2006 and 2009, war in Georgia in 2008 and Ukraine 2014 crisis and sanctions.

4.1 Gas spats of 2006 and 2009

Russian gas is transported into Europe through pipelines and three major routes exist in the region: the **Ukrainian pipeline network** (built during the Cold War), the **Yamal-Europe pipeline** (built in the 1990s via Belarus and Poland), and the **Nord Stream pipeline** (which was inaugurated in 2011 and delivering a direct connection between Russia and Germany via the Baltic Sea). Additionally, Finland and the Baltic states have direct pipeline links to Russia. Between 2003 and 2013, Russia's share of total EU gas imports fluctuated

between 30% and 45%. Until the mid-2000s, the stream of Russian gas to the EU was relatively uninterrupted. However, the scenario shifted dramatically in 2004, when Ukraine's Orange Revolution resulted in Kiev adopting a pro-NATO and pro-EU foreign policy approach. (Siddi, 2016b, p. 109). (See the figure 4.1.).

Figure 4.1. The Gas Pipelines between Russia and Europe



Source: Statista. (2022). *Infographic: The Gas Pipelines Linking Russia and Europe*. Statista Infographics. <https://www.statista.com/chart/26769/russian-european-gas-pipelines-map/>

For decades, the majority of countries in the Soviet Union and Warsaw Pact received Russian energy at discounted, subsidized price, and many of Russia's cutoffs and price increases over the last fifteen years may have been economic in nature—attempts to bring prices up to "market" levels or to penalize customers for non-payment. While the prospect of Russia enacting disruptions to coerce rising prices or punish non-payment may seem unseemly, many observers are more concerned that Russia will try to impact the internal and external policies and decisions of its European customers. Several of the most frequently cited examples of disruptions that appeared to be politically motivated include the 1992 and 1993 suspension of gas supplies to the Baltic States over the status of Russian civilians and military infrastructure in those countries, the 2006 pipeline explosions that cut off supplies to Georgia, the 2006 oil refinery supply disruptions to Lithuania, the early 1990s disruptions to Ukraine coinciding with the Russian-Ukrainian conflict over the Black Sea Fleet. (Stegen, 2011, p. 6509).

As long as Russia was viewed as a reliable energy provider, the security dimension of the EU's gas trade with its huge neighbor received little attention. However, the situation started to change with the Russian-Ukrainian gas disputes of 2006 and 2009, both of which impacted gas supply in EU member states in the south-east. (Goldthau & Sitter, 2020, p. 118). Gas disruptions in Ukraine (1993,1994, 2006, maybe most dramatically in 2009), Belarus (2010), and Russia's supply disruptions to the Baltic countries when those states sought independence in the early 1990s are facts to which Central and Eastern European political figures (such as Vaclav Havel, Lech Walesa, and others) referred when discussing their concerns about increasing energy dependence on Russia. (Johnson & Derrick, 2012, p. 491).

Since late 2004, the number of incidents between Russia and Ukraine has increased. The rising tension had many causes, for instance: political upheavals, most notably the Orange Revolution in Ukraine, and some business difficulties. Ukraine benefited from cheap Russian gas (around \$50 per thousand cubic meters) but planned to charge EU-level transit fees for non-subsidized gas. On January 1, 2006, Gazprom cut off gas supplies to Ukraine for several days. Pipeline closures would affect supply to several EU countries for unknown reasons. In essence, this 'changed the conception of gas spat tactics into a larger strategy of using energy leverage as a type of foreign policy'. Early 2009 saw far worse gas situation. Unlike the previous battle, however, Russia was not easily blamed. (Casier, 2011a, p. 546).

The Orange Revolution and the ascension to power of pro-Western political factions in Ukraine altered the political landscape. Political hostility naturally resulted in a breakdown of the game's rules. Russia, no longer inclined to subsidize a pro-Western Ukrainian government that was hostile to Russia, sought to undermine its power and influence through an accelerating increase in gas prices coupled with a demand for prompt debt repayment. When carrots for political alliances became insufficient to tempt Ukraine, sticks became the primary policy tool for disciplining the country. The 2006 and 2009 gas wars were just the tip of the iceberg, demonstrating Ukraine's open reliance on Russian gas. These two crises not only tarnished both countries' reputations, but also shifted Ukrainian politics in favor of political forces seeking to avoid conflict with Russia. (Proedrou, 2016, p. 29).

4.1.1. The response of the EU

In the decade after the 2006 and 2009 Russian-Ukrainian gas crises, supply security has risen to the top of Europe's policy agenda. The essential concern was not so much whether Putin's Russia posed a potential adversary armed with an "energy weapon" as it was "how the EU could and should use its regulatory power to ensure affordable and reliable external gas supply." (Goldthau & Sitter, 2020, p. 112).

Following the January 2009 Russia-Ukraine gas crisis, the EU also implemented safeguards against gas outages. The European Union now requires all Member Countries to adopt and constantly update preventive action plans, as well as to identify threats to energy security and mitigation strategies. Annex II of this regulation suggests diversifying gas suppliers and gas routes, investing in network infrastructure, increasing the proportion of renewable gas as a supply-side measure, and boosting energy efficiency and fuel switching

as demand-side measures. Before enacting the above-mentioned safeguards, the EU was pursuing the formation of a single European gas market, which is anticipated to contribute significantly to European energy security by increasing gas flows within the entire European Union and mitigating the effects of disruptions, regardless of their cause" (for example, natural hazard or political manipulation). The implementation of the "third energy package"—the decoupling of energy providers from the network—will further improve energy security, as suppliers such as Gazprom will be required to give up their transportation infrastructure. Putin has, as expected, vigorously opposed the third energy package. Unbundling could prevent a manufacturer from implementing an energy weapon, but it is unclear how the legislation will be enforced. (Stegen, 2011, p. 6511).

The EU implements a variety of initiatives to enhance its energy security and reduce its reliance on Russian gas. The first strategy is the deregulation of energy markets inside and beyond the European Union. The liberalization of EU gas markets is pushed by the gas directives of 1998 and 2003, as well as the Third Energy Package, which was enacted in July 2009 to control EU gas and electricity markets. Within the European Union, these regulations mandate the dissolution of vertically integrated state energy firms and the "unbundling" of their downstream holdings. Vertical integration can be detrimental to consumers since it erects obstacles to entry for new producers and firms, so limiting competition. (Krickovic, 2015, p. 12).

After the unexpected gas shortage of January 2009, discussions for external diversification escalated. The then Czech EU Presidency urged the Council to take a more proactive approach to foreign energy policy and convened a series of high-level meetings to advance the Nabucco project. However, the discursive coordination remained fragmented. Several member states, most notably Germany and Austria, refused to consider Nabucco a "strategic project" unless other planned Pipelines, such as the Russian-financed Nord Stream and South Stream, were assessed on same footing. In contrast, the experience bolstered the shift in discourse within the European Parliament, where the majority of MEPs now proposed energy diplomacy instruments, such as the EU's direct involvement in pushing diversification away from Russia. In addition, the commission gradually abandoned its initial neutral stance and began to openly condemn member states' backing for alternative pipelines such as South Stream, which would leave the EU "unnecessarily reliant on the Russia trading system" and "which are not in the European interest." (Herranz-Surrallés, 2015, p. 1396).

4.2. August war 2008: Russia's invasion in Georgia and Germany's reaction

The EU appears to have achieved its greatest diplomatic success in its handling of the political revolutions in Georgia ('Rose Revolution' in 2003) and, in especially, Ukraine during the Orange Revolution in late 2004. However, after these successful EU measures, a reaction ensued. The advent of a more proactive Russian foreign policy, with Russian authorities and public opinion desiring to halt the expansion of Western influence and recover control over its "Near Abroad," placed the EU's diplomatic triumphs in a different light. In 2008, Russia invaded Georgia in support of the breakaway territories of South Ossetia and Abkhazia, a culmination of Russia's escalating assertiveness. (Keukeleire & Delreux, 2014, p. 260).

Merkel saw in President Dmitry Medvedev's (2008-12) election hope for the continuation of democratic reforms and the possibility of a long-term transition of Russian-European relations. (Dyson, 2016, p. 503). The election of Dimitri Medvedev as Russia's new President in March 2008 provided an opportunity to 'reset' the EU-Russia relations, and it was significant that Medvedev used his June 2008 visit to Berlin to flog the prospect of a new Euro-Atlantic security community to replace the previous European security architecture. However, any hope that Medvedev's election would serve as a turning point for a better EU-Russia relationship was crushed in August 2008 by Russia's military intervention in Georgia. (Timmins, 2011, p. 196). In Germany, President Medvedev's reform announcements following his 2008 election were taken seriously, and expectations were sky-high. However, the reality of the Putin-Medvedev duo as a necessary component of the Putin system has been overlooked. This naiveté is characteristic of German elites and has historically been motivated by the hope for regime change and democratization in Russia, rather than economic interests. (Meister, 2013, p. 37).

Numerous Russians are of the view that the US and its allies broke agreements made to Gorbachev in 1990 by expanding NATO to Central Europe and the Baltic states. Medvedev's proposal for a new European security pact in his first visit to Berlin as president in June 2008 was a reaction to both this conviction and the possibility of further NATO expansion to the post-Soviet area, a reminder that Russia's assumption that its interests were neglected during the unification negotiations continues to influence its policies toward both Germany and Europe. (Stent, 2010, p. 158). The Russian invasion of Georgia communicated with a wide variety of recipients. It demonstrated to Georgia's President Saakashvili and the Georgian people, as well as to other former Soviet states, including Ukraine, that Russia was capable of and inclined to use the resources necessary to accomplish its objectives. Russia made it abundantly clear to the US and NATO that it would not permit further expansion eastward of the Western bloc. It indicated to the EU and European states that they must consider Russian interests. To all target audiences, the message was clear: Russia was indeed resurgent as the dominant, strong regional leader, and a significant actor in the broader international system. (Kanet, 2015, p. 512).

Poland's former Foreign Minister R. Sikorski believed that in the following the 2008 Russian-Georgian war, the EU needed to offer closer and deeper ties to Eastern European and South Caucasus countries. He first proposed the Eastern Partnership to Steinmeier, who declined out of concern that it would jeopardize Germany's efforts to deepen its 'modernization partnership' with Russia. (Yoder, 2015, p. 56).

Germany unquestionably views the United States as a critical ally two decades after the fall of the Berlin Wall, but also views Russia as an unavoidable partner for the consistency of the European order. When it comes to *Russlandpolitik* of Germany, the bottom line for the vast majority of German leaders is that Russia's isolation is intolerable and must be avoided at all costs. Isolating Russia would denude the West of most of its remaining economic leverage over Russian policy, leaving Europe and the US with only cruder tools for influencing Russian behavior. (Chivvis & Rid, 2009, p. 118).

Moscow had previously proved, through the use of economic pressures, that it was willing to employ its economic influence to attain political objectives. In Georgia, Russia showed that the use of military force was also a legitimate strategy for battling with the West for influence in 'privileged' territories of Russian interest. (Kanet, 2015, p. 515).

4.3. Russia's invasion in Ukraine in 2014

While relations between Germany and Russia have deteriorated over the past decade, Putin's election victory in 2012 coincided with increasingly radical foreign policy conduct. This behavior progressed from symbolic gestures, such as refusing to meet with Germany's Special Representative, to the violent confrontation with the West in Ukraine. Thus, Germany's efforts to link Russia in layers of ties and influence its domestic and international behavior were a failure. Russia did not grow closer to EU behavior standards. In contrast, it grew to view Europe as spiritually and politically weak and boldly promised its population and those in Russia's so-called "near abroad" a superior Eastern alternative. Russia's perception that Europe was weak and unreasonable did not necessarily imply that Germany was seen similarly. Yet, Russia's perception of EU weakness frequently prompted it to seek a "divide and rule" approach and "bilateralize" relations with European nations. (Yoder, 2015, p. 63).

"Russia-EU interaction in the shared neighborhood features a dynamic which is more complex than a mere ideological or geopolitical competition". (Samokhvalov, 2015, p. 1371). Late in 2013, when the Ukraine crisis began, these mounting conflicts between Russia and the West came into full light. Germany and the European Union were instrumental in precipitating this crisis. It was sparked by the European Union's efforts to forge stronger connections with Ukraine, which Moscow interpreted as an attempt to align Ukraine with the West against Russia. To the amazement of some, Germany renounced "equidistance" and the "strategic cooperation" and turned into a fierce opponent of Russia. The Kremlin's audacity in annexing Crimea in early 2014 and supporting separatists in eastern Ukraine startled a great number of Germans and even sparked analogies between Russia's actions and Nazi aggressiveness during World War II — a comparison that had been considered forbidden for decades. In response, Germany remained resolute and worked to implement and enforce EU sanctions on Russia. Many had expected that the deep economic links between Germany and Russia would either preclude sanctions or render them weak and brief. (Newnham, 2017, p. 54).

Meanwhile, the Kremlin's foreign policy has taken on distinct neo-imperialist overtones. As a counter-proposal to the EU, Vladimir Putin proposed the Eurasian Customs Union, now known as the Eurasian Union (EAU), and forced neighboring countries to choose between them and us. Suspicious of the EU's Eastern Partnership and Association Agreements, Moscow began pressuring Ukraine and Moldova in the summer of 2013 through embargoes and bans. (Yoder, 2015, p. 60). The Eurasian Union represents Moscow's ongoing effort to stitch together the disparate parts of the former Soviet Union and thus counter what it perceives as Western efforts to undermine Russia's position and role in former Soviet space.

President Putin first proposed an integration scheme for Eurasia modeled after the European Union during his electoral campaign in Fall 2011, building on a proposal made in 1994 by Kazakhstan's President Nazarbayev. (Kanet, 2015, p. 516). Ukraine's crisis is also a significant setback for the Eastern Partnership (EaP), the EU's flagship initiative aimed at strengthening affiliations with Ukraine and five other post-Soviet states⁴. Despite multiple Western warnings and admonitions that such behavior belongs in Europe's past, Moscow continues to regard these lands as part of its privileged sphere of influence. Thus, geopolitics and security competition have returned to Europe, with a growingly revisionist, nuclear-armed Russia openly intimidating the post-Cold War status quo. (Krotz & Maher, 2016, p. 1057).

Russia was able to 'normalize' its relations with Ukraine in ways that were previously impossible due to the altered balance of political forces in Kyiv following the January 2010 presidential elections (Viktor Yanukovich). (Kanet, 2015, p. 509). The Ukrainian revolution, also known as Euro Mайдan, is frequently defined as a civilizational decision by the Ukrainians in favor of democratic European principles and in opposition to Russia's authoritarianism. (Samokhvalov, 2015, p. 1374).

The Ukrainian crisis started in November 2013, when then-Ukrainian President Yanukovich decided to postpone an EU association agreement in favor of closer ties with Russia. While the decision initially sparked peaceful protests, the situation immediately deteriorated as clashes between protesters and riot police became increasingly violent. Finally, in the final week of February 2014, the demonstrations resulted in the takeover of power. Russian military personnel allegedly began assisting eastern Ukrainian separatists at this time and were spotted in Crimea. (Hofer, 2020, p. 261). Anti-European ultranationalist parties and a predominately Russian-speaking people of the Ukrainian capital Kyiv and other areas comprised the Mайдan protestors in November 2013. (Samokhvalov, 2015, p. 1371).

Following Russia's annexation of Crimea in March 2014 and the downing of a civilian airliner (Malaysian Airlines flight ML17) in eastern Ukraine by Russian-backed separatists, the EU imposed a targeted sanctions regime that has had some effect on Russia in conjunction with the decline in international oil prices. (Wallace, 2017, p. 86).

The Ukraine crisis has prompted the EU to consider a more geopolitical attitude to Russia. This strategy is a combination of pressure and involvement. Despite self-evident divergences in strategic preferences among member states, a fundamental EU line has gradually emerged: sanctions against Russia that are relatively broad in scope; risen collaboration through NATO; more engaged diplomatic engagement in eastern Ukraine, particularly in relation to a mediation role in the Donbas conflict; increased support for Ukraine, Georgia, and Moldova through the Eastern Partnership; (Youngs, 2020, p. 156).

The notion on Russia's resentment towards the coloured revolutions says that Moscow viewed the coloured revolutions in the former Soviet republics as a Western geopolitical plot and therefore attempted to oppose this plot by spreading authoritarian models to these nations. The degradation of relations between Russia and the republics from 2003 to 2008,

⁴ EaP includes Ukraine, Georgia, Moldova, Armenia, Azerbaijan and Belarus

as a result of the colored revolutions in Ukraine, Georgia, and Kyrgyzstan, appears to reinforce this interpretation. The most influential aspect on Russia's stance toward democratic revolutions is not the revolution itself, but rather the ideology and geopolitical direction attributed to it. (Samokhvalov, 2015, p. 1377).

4.3.1. Germany's response on the 2014 Ukraine crisis and sanctions

"Germany, the crisis was a test case of where its loyalties lie. Is it part of the West, or does it have a special relationship with Russia?" (Forsberg, 2016, p. 28).

The relationship between the German and Russian presidents has become fairly personal and amicable. Vladimir Putin is proficient in German, whereas Angela Merkel studies Russian. Putin and Schröder continue to hold private meetings. After Russia's annexation of Crimea, however, ties between Putin and Merkel deteriorated drastically. (Getmanchuk & Solodkyy, 2018, p. 598).

"German policy towards Russia since the outbreak of the Ukraine crisis is perceived as ambivalent. On the one hand, Germany adheres to the West's policy, but on the other hand it keeps the door open for repairing relations with Russia." (Zagorski, 2018, p. 583). Germany's subsequent White Paper on Security Policy, published in July 2016, acknowledged that the rules-based Euro-Atlantic Order of Peace and Stability' has been 'called into question'; Russia is openly undermining the European peace order by its desire to use force to advance its own interests and unilaterally redraw internationally recognized borders, as it has done in Crimea and eastern Ukraine. This has far-reaching repercussions for European security, and thus for Germany's security. (Daehnhardt, 2018, p. 523). The 2010 EU-Russia Partnership for Modernisation, which began as a bilateral initiative between Germany and Russia, exemplifies Berlin's efforts to forge a "European Ostpolitik." When the Ukraine crisis erupted in 2014, Germany once again played a decisive role in steering the EU's policy toward Russia: it coordinated the implementation of EU sanctions and, alongside France, defended diplomatic channels for resolving the crisis peacefully. Additionally, Germany maintained its strategic energy cooperation with Moscow, as evidenced by the Nord Stream 2 project. (Helwig & Siddi, 2020, pp. 5-6).

In 2014, the EU and its partners decided to exert economic pressure on Russia with sector-specific, targeted sanctions. The scope of punishment has been expanded multiple times. However, the sanctions never impacted the core of the Russian economy, which is comprised mostly of exports of energy carriers and natural resources. And they were never directed against high-ranking politicians including as President Vladimir Putin and former Prime Minister Dmitry Medvedev. The international community's hopes that sanctions imposed on Russia would restore Ukraine's territorial integrity or lead to a major regime change in Russia have not been realized. (Veebel & Markus, 2016, p. 128). Given the inadequacy of military action, economic sanctions, despite their dubious effectiveness, represent the most effective coercive tool available to western powers for changing the strategic calculus of Russia's foreign policy elite. Sanctions, however, are insufficient to compel Russia's foreign policy to change. (Dyson, 2016, p. 500).

As we saw in the above sections, Berlin's relationship with Moscow has historically been crucial to both parties. Germany is an important export market for Russia, importing large amount of natural gas, and Russia is a key market for several of Germany's largest exporters, implying that the Ukraine crisis has the potential to cause significant economic harm to Germany. (Wright, 2018, p. 480). Germany's response to the Ukraine crisis may be seen in the context of a long-term deterioration of the country's so-called Westbindung, or postwar integration with the West. The collapse of the Berlin Wall and the expansion of the EU relieved the country of its reliance on the US for security from a powerful Soviet Union. (Kundnani, 2015, p. 108)

"The major western powers, who have divergent commercial and energy relationships with Russia, have displayed differentiated willingness to impose tough sanctions on Russia's energy sector." (Dyson, 2016, p. 500).

Germany utilized its economic clout to censure Russia's actions in Crimea and eastern Ukraine and to influence Russia's posture within a three-pronged crisis-management framework: economic sanctions; engagement with Russia; and Ukraine's strengthening under EU leadership. The use of military instruments in the handling of the Ukraine crisis has, however, been restricted. Germany was successful in blocking both the delivery of weapons to the Ukrainian military and the permanent (as opposed to rotating) stationing of NATO soldiers in eastern Europe, both of which would have breached the NATO–Russia founding document. (Fix, 2018, p. 504).

The United States' harsh condemnation of Russia's activities in Ukraine, as well as its pressure on Germany to follow suit, strained Berlin's transatlantic relationship and its historic strategy of cooperation with Russia. Under these conditions, German authorities chose to support sanctions on Russia and endure the economic penalties that would entail. Berlin policymakers were particularly vocal in their condemnation of Russia's violations of international law." On the other hand, while criticizing Russia, German leaders kept communication channels open with the Kremlin and came out strongly in favor of a negotiated solution to the crisis; Merkel repeatedly reiterated that there was no military solution. (Siddi, 2016a, p. 668). Berlin has responded to Russian aggression in Ukraine with diplomacy as well as physical power, including sanctions and the deployment of a German military presence to Lithuania. At the same time, German politicians continue to meet with their Russian counterparts, despite Russian credibility in Berlin being close to none. (Szabo, 2018, p. 239).

In considering whether or not to follow the United States' lead, Merkel faced pressure from prominent German business lobbyists, led by the Committee on Eastern European Economic Relations, who believed that sanctions would severely harm the German economy. (Kundnani, 2015, p. 112). Merkel has frequently warned that she is prepared to impose more severe trade sanctions, despite the economic costs. This approach has put her up to criticism from former German chancellors Gerhard Schroeder and Helmut Schmidt, Social Democrats (SPD) who oppose conflict with Russia. (Reuters, 2014).

Geo Economic Germany was more vulnerable to the impact of sanctions on Russia due to its ten-fold greater economic relationship, and Berlin's lack of real military operations due

to its strategic culture and how level of military capabilities, made an economic response, diplomacy, and Germany's leadership role in the EU the main tools available in its toolbox. (Szabo, 2018, p. 223).

Despite Germany's reliance on Russian gas and Russia's significance to German exporters, Angela Merkel eventually agreed to sanction Russia and helped convince other EU members to do the same. (Kundnani, 2015, p. 108).

"One of the most symbolic examples underlining civilian power in German foreign policy approaches is sanctions policy. Instead of business interests, Berlin puts international law. And values above strict economic interests". (Getmanchuk & Solodkyy, 2018, p. 602). Germany, and Angela Merkel in particular, are at the center of the West's response to Russia's interference in the Ukraine conflict. She has maintained consistent telephone communication with Russian President Putin. Merkel, occasionally alongside French President Hollande, has mediated at multiple points between Russia and Ukraine, and she persuaded several hesitant EU leaders to adopt to sanctions against Russia. Indeed, Germany is in the "front line" of the war between the EU and Russia over Ukraine. One could argue that it has been at the forefront of EU-Russian ties for some time. (Yoder, 2015, p. 50).

Until 2014, continuity maintained in the sphere of economic policy. Overall, German exports were hurt by the penalties the EU and the United States placed on Russia after its occupation of Crimea and the shooting it down of Malaysia Airine MH17 over Ukraine. The bilateral trade between the two countries declined considerably between 2014 and 2016. Regarding the amount of oil and natural gas that Germany buys from Russia, it remains to be the top energy-providing nation for Germany. Here the drop has not been as substantial as the entire commerce with Russia. (Daehnhardt & Handl, 2018, p. 448).

While Germany has had the most influence on the timing and extent of EU sanctions against Russia, it will become increasingly difficult for Berlin to sustain EU unity as the conflict continues. Politicians and interest groups in Britain, France, Germany, and other EU countries will challenge the utility and prudence of maintaining sanctions over the long term, as sanctions damage their own commercial, financial, and industrial interests and appear to have at best a minimal influence on Russian behavior in eastern Ukraine. (Krotz & Maher, 2016, p.1060).

Summary of the Chapter

Germany's stance of putting Russia first greatly influenced its approach toward eastern Europe. After the Soviet Union's leadership over the eastern bloc collapsed in 1989, Germany strongly backed the aspirations of central and eastern European nations to join NATO and the European Union. Shortly after reunification, Germany was one of the first NATO nations to campaign for Poland, Hungary, and the Czech Republic to join the alliance. At the same time, Moscow's security concerns were considered when NATO and Russia established the NATO-Russia Founding Act in 1997, soon before NATO's expansion to the three eastern European nations in 1999. But whereas Berlin encouraged the countries of the former Soviet-led Warsaw Pact in entering the transatlantic security alliance, it rejected the newly independent Soviet

Republics as potential NATO candidates since Moscow exerted control over them and viewed them as its "near abroad." This helps to explain why, at the NATO Bucharest summit in April 2008, Germany opposed US President George W. Bush's goal of full NATO membership for Ukraine and Georgia, given the negative implications that Ukraine and Georgia's potential NATO membership could have on the West's relationship with Russia. This demonstrates that, in terms of security, Germany implemented a "Russia-first policy" toward Ukraine and Georgia until 2014. (Daehnhardt & Handl, 2018, p. 448).

As the leadership under Putin succeeded in revitalizing both the Russian economic and the political system, it came increasingly into conflict with the United States and the EU. Western refusal to respond as Russia wished about its criticisms of NATO expansion, Western intervention in former Yugoslavia and a US anti-ballistic missile system, along with criticism of the suppression of human rights, especially in Chechnya, began to sour the relationship already in the 1990s. Later, EU and US support for the colour revolutions in Georgia, Ukraine and Kyrgyzstan in 2003-2005 was followed by largely successful Russian efforts to undercut the democratization processes in post-Soviet areas, including in Russia itself. This conflict seemingly peaked in August 2008, when Russian troops entered Georgia to make clear – to the Georgians, the Ukrainians, the Americans and NATO, among others – that further NATO expansion eastward was simply not acceptable, and that Russia could and would act forcefully to prevent it. (Kanet, 2015, p. 504).

Chapter 5: Nord-Stream 2 gas pipeline

5.1. What is the Nord Stream 2?

Since 2014, energy security has been the primary focus of EU-Russia energy relations, which have deteriorated as a result of Russia's illegal annexation of Crimea and its military and political intervention in eastern Ukraine, creating fear of a disruption of Russia's gas and oil supplies to Europe via Ukraine. (Tichý, 2019, p. 604). During the last years, one of the most controversial projects has been Nord Stream 2 pipeline (see Figure 5.1.) in European affairs. Similarly of Nord Stream 1, Nord Stream 2 have also sparked fierce debate over their environmental, economic, energy security, legal, and geopolitical implications. (Russell, 2021, p. 3). In general, Nord Stream 2 operates in a different environment than Nord Stream. To be certain that, the latter encountered similar criticism and significant opposition from Eastern European countries over an alleged over-reliance on Russian gas and the security implications that entails. And yet, Nord Stream was planned at a time when Russia was still widely viewed as a partner, geopolitical tensions over Ukraine were at an all-time low, and—perhaps most significantly—the liberal EU energy paradigm was still in its infancy. (Goldthau, 2016, p. 10).

Nord Stream 2 is the 55 billion cubic meter offshore pipeline connecting Russia and Germany throughout the Baltic Sea. Nord Stream 2, which is controlled and constructed by Gazprom, is to double the capacity of existing Nord Stream link, potentially cementing Russia's hegemony in the European gas market and jeopardizing future Russian gas transit through Ukraine. The project is politically contentious, not least because Russian gas supplies have long been associated with East European concerns of import dependency, but it also owes a great deal to Russia's 2014 annexation of Crimea. The Commission's strategy, which has been a vocal opponent of extra pipeline projects bringing Russian gas into the EU, was to subject Nord Stream 2 to the Third Energy Package (TEP) and thus to TPA provisions that the Gazprom-led infrastructure project would have difficulty complying with. (Goldthau & Sitter, 2020, p. 121).

In the summer of 2015, a consortium led by Gazprom, German companies Uniper and Wintershall, France's ENGIE, Austria's OMV, and Dutch/British Shell initiated the Nord Stream 2 project. Nord Stream 2's proponents claim that it will connect Gazprom's newest gas reserves on the Yamal Peninsula to its buyers in Western Europe via a shorter route that eliminates transit risks and costs. (Siddi, 2020, p. 11). "Five European firms— Engie (French), Shell (British/Dutch), O.M.V (Austrian), Wintershall, and Uniper (both German).— account for fifty percent of Nord Stream 2's investment capital. Before reaching Germany, the pipeline passes through the EEZ of Russia, Finland, Sweden, Denmark, and Germany, as well as the territorial seas of Russia and Germany". (de Jong & Van de Graaf, 2021, p. 495).

Figure 5.1. The Nord Stream 1 and Nord Stream 2 gas pipelines
Nord Stream pipelines from Russia



Source: BBC. (2022a, January 27). Nord Stream 2: How does the pipeline fit into Ukraine-Russia crisis? *BBC News*. <https://www.bbc.com/news/world-europe-60131520>

5.2. Disputes around the Nord Stream 2 pipeline

Interests, like power, determine the foreign policies of EU member states. They also determine a member state's input and place in the EU's foreign policy structure. The divergent interests of member states and the small number of "shared interests" are sometimes characterized as significant barriers for EU foreign policy. Several categories of interest can be identified in the European Union: collective interests, common interests, interests that converge but member states are competitors, and interests that diverge and are irreconcilable (examples include the advancement of human rights and democracy in a third country such as Russia (combined with the desire to accept pressure on that country and use sanctions) instead of the economic interest of acquiring energy contracts in Russia and the geostrategic

interest of preventing Russia from becoming a nuclear power. (Keukeleire & Delreux, 2014, p. 125).

Large-scale international energy projects, such as Nord Stream I and II, are always subject to political debate, and opposition is unavoidable. (Talus, 2017, p. 30). Russian energy policy and projects coordinating energy cooperation between Moscow and selected European countries, most notably Nord Stream 1, Nord Stream 2, and TurkStream, generate political friction among EU member states, making it more difficult for EU institutions to establish a shared EU energy policy. (Kardaś, 2019, p. 41).

Nord Stream 2 has been met with widespread opposition on both sides of the Atlantic. In March 2016, eight European leaders, including the Czech Republic's prime minister, Estonia's prime minister, Hungary's prime minister, Latvia's prime minister, Poland's prime minister, Slovakia's prime minister, and Lithuania's president, signed a letter opposing the Nord Stream 2 project. The Nord Stream 2 would have "potentially destabilizing geopolitical consequences," the letter warns. In the same year, the European Parliament adopted a resolution condemning Nord Stream 2 as "a threat to energy security, diversification, and European solidarity". (Sziklai et al., 2019, p. 3).

Germany was the most vocal supporter of Nord Stream 2 thus far. The official position, which German Chancellor Angela Merkel also mentioned during the European Council meeting, recognizes the pipeline project's commercial nature as an activity of economic entities engaged in the gas trade. (Fischer, 2016, p. 2). On the other hand, Poland, which frequently speaks for the larger group of CEE countries struggling with post-communist economic legacies and a coal-based energy sector, is also vocal about import dependence and Russia's influence on European energy policy. (Szulecki et al., 2016, p. 554). Former President of the European Council Donald Tusk referred to outgoing German Chancellor Angela Merkel's decision to construct the Nord Stream 2 pipeline as her "worst mistake." According to him, from the perspective of the EU's interests, Nord Stream 2 is a monstrous proposal, Tusk told the Polish news agency PAP. Tusk added that Merkel had affirmed this during their discussion. He went on to say that Merkel had been 'helpless' in the face of German industry lobbying. *"I've done all I could to reduce the EU's reliance on Russian gas, including the establishment of an energy union"*, declared Tusk. (Deutsche Welle, 2021)

According to German officials, Nord Stream 2 will contribute to Europe's energy security. In an October 2015 meeting with Putin, German Vice-Chancellor Sigmar Gabriel stated that constructing the pipeline is in Germany's and Europe's commercial interests. This line of thought was admonished by a number of European leaders, the majority of whom were from East-Central Europe. According to them, Nord Stream 2 would perpetuate the EU's energy dependence on Russia, disregard the interests of Ukraine and some East-Central European states (which would end up losing their strategic position as transit states for Russian gas exports to Western Europe), and signal to the Kremlin that economic cooperation can resume prior to the resolution of the Ukrainian crisis. (Siddi, 2016a, p. 671).

The German-Russian partnership on the Nord Stream Pipeline construction, which excluded Poland, urged former Foreign Minister Sikorski to rename the project the 'Molotov-

Ribbentrop Pipeline'. The Ukraine crisis heightened concern across the region about Russia's role as Europe's energy supplier, as the continent imports 30% of its gas from Russia, with half of that gas passing through Ukraine. The expansion of Nord Stream II in June 2015 did nothing to allay Polish worries of a German-Russian alliance; rather, it prompted Poland and several other eastern European countries to lodge a complaint with the European Commission. In short, Germany reserved the right to establish its own ties with Russia, whereas Poland desired a European response in order to exert influence. (Yoder, 2018, p. 560).

Ukraine, like Poland, took a firm position on Nord Stream 2 almost instantly after the Russian Federation expressed its intent to build the pipeline. Ukraine's President Petro Poroshenko, in particular, has repeatedly stated that the Russian energy project has a political motivation. He has referred to it as a Trojan horse for European and global security. (Sydoruk et al., 2019, p. 481). One of the primary arguments against Nord-Stream 2 is political, claiming that it undermines Russia's economic sanctions. (Sziklai et al., 2019, p. 2).

Merkel supported plans for the building projects of the second Nord Stream natural gas pipeline from Russia, despite domestic and international criticism. Additionally, German politicians, including Merkel, Gabriel, and Steinmeier, have publicly discussed including Russia in a broader European common economic space extending from Lisbon to Vladivostok, as well as establishing a dialogue between the EU and Russia's Euro-Asian Economic Union (EAEU). Numerous other German politicians have repeatedly called for the immediate lifting of sanctions against Russia and the reintroduction of Moscow into the G8. (Zagorsky, 2018, p. 581).

In sum, each state in Europe operates on a self-interested basis. The countries' prior positions/actions bolster this research. Russia and Germany are the project's primary beneficiaries and supporters. Northeast Europe, specifically Poland, Ukraine, the Czech Republic, and Slovakia, oppose it on the grounds that they will lose their transit advantage. Central and South Europe are concerned that the building of Nord Stream 2 will eventually result in the closure of the Ukrainian route, resulting in a regional shortage of cheap Russian gas. Even if Nord Stream 2 provided considerably cheaper gas, the economic advantages would never reach Eastern Europe. To maintain solidarity, a compensation scheme or financial support for the building projects of a pipeline in the direction of the abandoned Nabucco or South Stream pipelines could be implemented. (Sziklai et al., 2019, p. 16). The United States and United Kingdom, together with Russia's neighbors Poland and Ukraine, oppose Nord Stream 2 fiercely. They fear that if the pipeline were to begin operation, it would enable Russia an even tighter grip on Europe's gas supplies. Boris Johnson, the British prime minister, stated that Europe must "cut the drip feed from Nord Stream into our lifeblood." The United States has already attempted to derail Nord Stream 2 by sanctioning corporations working on the project. Nevertheless, it has only targeted Russian companies and not German ones because of concern over hurting diplomatic relations with Berlin. (BBC, 2022a).

5.2.1. The response of the United States towards the Nord Stream 2 pipeline

The United States has considered the pipeline as a geopolitical instrument used by Russia to weaken energy and national security, thereby strengthening Moscow's clout over Europe, where gas prices are surging. The opposition of Ukraine and Poland to the pipeline has placed the United States in a tough position with its European allies. It has also resulted in political turmoil inside Germany's new coalition government and a split response from the West. (Cookman, 2022).

"The EU, the United States and their allies want to regain the territorial integrity of Ukraine and prevent future Russian violations in neighbouring states". (Veebel & Markus, 2016, p. 131). In May, the Biden administration decided against imposing sanctions on the pipeline, taking a softer line than the previous US President, Donald Trump. In July, the US reached an agreement with Merkel on Nord Stream, which some in Eastern Europe interpreted as playing into Moscow's hands. (Brzozowski, 2021).

US President Donald Trump stated that he finds it very sad when Germany enters into a large oil and gas contract with Russia. Ukraine, which role as a major gas transit country will be jeopardized by Nord Stream 2, is proposing that the project should be "stopped" because it jeopardizes the "national and energy security of Ukraine and a number of EU member states." (Jeutner, 2019, pp. 103-104).

The US Senate failed on January 13 to pass a bill supported by Republican Senator Ted Cruz to impose penalties on Nord Stream 2. The administration of former US Vice President Joe Biden lobbied Republican senators against the bill because of concern for its impact on US-German relations and the likelihood that it could further antagonize Russia in the midst of the Ukraine crisis.

Ukraine's president, Volodymyr Zelenskyy, urged the Senate to adopt penalties on Nord Stream 2, while Germany expressly requested that the US Congress not propose sanctions. In May 2021, as part of an agreement with Germany, Vice President Biden eased sanctions against the Russian-owned, Swiss-based business overseeing the pipeline project, Nord Stream 2 AG. However, the US position has not had the desired impact in Germany, and Russia has ramped up the pressure, with the state-run Tass news agency stating that sanctions on the pipeline will result in a decline in energy supply and an increase in gas prices in Europe. (Cookman, 2022).

The economic aspect of the unfavorable reaction of many governments to Nord Stream 2 remains significant, as a large expansion in the volume of the northern gas pipeline poses a danger to the current nations of Russian gas both within and outside the EU. These challenges include the allocation of the energy market and the diversity of Europe's gas supply, which is unprofitable for transit countries. Moreover, new global gas suppliers, such as the United States and Qatar, are aiming to extend their energy footprint on the European market, making Nord Stream 2 a danger to their energy goals. (Sydoruk et al., 2019, p. 469).

The commercial interests of the opponents are no less important, especially those of US shale gas exporters, but they are emphasized less frequently. The real political heart of this issue, though, is how to approach Russia. In Germany, according to the logic of the *Wandel durch Handel* paradigm of the trading state, economic integration has a positive and conflict-calming effect, especially in the current strained political environment; however, Poland and the United States view this as undermining their efforts to contain Russia. (Spanger, 2020, p. 1066).

5.3. Analysis

5.3.1. Linking Russia's interests in the Nord Stream 2 project to the wider geopolitical landscape context

Since 2003, Russia has been the most engaged geopolitically in Europe. Its attempt to fill the hole left by America's move toward the Middle East and Central Asia in Eastern Europe and the Caucasus has managed to reverse many of the European and American-induced reforms in those areas since the Cold War's end. In recent years, Moscow has managed to undo the color revolutions in Ukraine and Georgia; it has threatened Estonia with a cyber-attack in 2008; and it has successfully approached Germany to define an energy infrastructure that sidesteps Ukraine, the Baltic States, and Poland, leaving them at the mercy of Russian and German consent. (Simón & Rogers, 2010, p. 60). Two notable events occurred when former communist republics and Soviet Union satellites joined the EU in 2004 and 2007. For starters, the EU's reliance on energy has grown. Second, ties between the EU and Russia deteriorated as a result of the enlargement. Several new member countries were among the most outspoken backers of a harsher approach towards Russia. Many of their bilateral difficulties with Russia have been transferred to the European agenda. It is worth noting here that there is no positive association between energy dependency and desire to deal with Russia pragmatically. Several of the new member countries are heavily reliant on Russian gas imports. This hasn't prevented them from pressing for stricter EU policies. (Casier, 2011b, p. 503).

One of Putin's primary objectives has been and continues to be the division of Europeans and Europe from the United States. His main target has been and will remain the German-American relationship. (Szabo, 2018, p. 233). It is clear that not only the objective of defending and possibly expanding market dominance in Europe, but also the geopolitical motivation of bypassing Ukrainian territory and avoiding payments for Ukrainian transit play a significant role in the project from the Russian perspective. (Fischer, 2016, p. 1). An increasing number of gas pipelines built by Russia to circumvent Ukraine became significant proof that Russia did not wish to share a portion of its gas rent with Ukraine, thereby diminishing Ukraine's transit potential and, subsequently, its revenues from the transit and export of Russian gas. (Samokhvalov, 2015, p. 1380).

Russia will save money on transportation fees and avoid any political issues caused by a transit state. This focuses on two facets of Russia's transit policy in the Baltic Sea region. Prior to the collapse of the Soviet Union, Russia has not been able to negotiate directly with the world's largest energy consumers. Russia was willing to construct a costly underwater

pipeline to circumvent transit states. This creates division in the energy infrastructure and separates smaller eastern European states from Western Europe's more significant markets. Second, this enhances the interdependence between Russia and the main European governments. Expensive infrastructure is coupled with long-term gas contracts, tying Russia to the European market and Europe to Russia as a supplier. (Crandall, 2014, p. 152).

Ukraine, a former Soviet nation that shares borders with both the European Union and Russia, has strong social and cultural links with Russia, and Russian is widely spoken. Despite Ukraine's attainment of independence in 1991, Russia continues to view it as an important territory and has persistently opposed its integration into European institutions. (Cookman, 2022).

Since the Orange Revolution, however, the deterioration of Russian-Ukrainian relations has prompted suggestions to replace commerce via Ukraine with direct connections. Despite the building of Nord Stream, this endeavor has stalled due to EU market regulation that restricts Gazprom's market share in the EU and has effectively halted the development of the South Stream pipeline. (Proedrou, 2016, p. 27).

In truth, Nord-Stream 2 is an economic as well as a political initiative. It is commercial since private Western firms are participating and have an interest in importing Russian gas through a route that looks to be more secure than Ukrainian transit pipelines, especially given Russia's present conflict with Ukraine. The pipeline's construction is expected to cost approximately ten billion euros; however, if Nord-Stream 2 replaces Ukrainian transit, it would reduce transit fees and the need to modernize Ukrainian pipes, both of which would be highly expensive. On the other hand, the project has a major political dimension because it is led by a Russian state enterprise, Gazprom, and it would have a detrimental impact on Ukraine's and several East-Central European nations' strategic importance in energy commerce. It may also diminish their energy security, at least until they diversify their energy imports and develop links with Central and Western European markets. (Siddi, 2016a, pp. 671-672).

Under the circumstances of Russia's military aggression and the Kremlin's constant provocations, Ukrainians view Nord Stream 2 as another component of Russia's hybrid war strategy against Ukraine. Thus, from the Ukrainian perspective, the political and security dimensions of this project dominate Russia's gas initiative and push the economic dimension to the sidelines. (Sydoruk et al., 2019, p. 481).

The Northern Gas Corridor expansion is another significant political instrument that Russia can use in its relations with the EU. On the one hand, it enables it to bolster its political influence in a number of EU member states (most notably Germany, but also France and the Netherlands); on the other hand, it enables it to antagonize EU member states, thereby undermining EU unity, particularly in relation to the development of a common energy policy. (Kardaś, 2019, p. 34).

Russia is eager to increase gas exports to Europe from its expansive western resources. Instead of depending on its ground pipelines that traverse Poland and Ukraine, it desires an undersea route to Europe. These pipeline systems are obsolete and inefficient. In

addition, Poland and Ukraine levy substantial transit costs. Prior to the Ukraine crisis, Mr Scholz's predecessor Angela Merkel exerted considerable effort to advance Nord Stream 2. (BBC, 2022a).

Russian gas supplies began to shift prior to the Ukraine crisis. Amounts of gas supplied through Nord Stream increased significantly between 2012 and 2014, while volumes through Ukraine dropped. Russia is targeting both economic and foreign policy objectives by reorienting its gas exports. On the one hand, it reduces Ukraine's political clout as a transportation hub for EU gas supply. If Russia lowers its dependence on Ukrainian transit pipelines for gas exports, Kiev will no longer have the ability to use the "energy card" in its political conflict with Russia by raising transit prices or disrupting Gazprom's profitable sales to the EU. This reorientation, on the other side, boosted the reliability of Gazprom's gas supply to the EU, which had previously become subject to Russian-Ukrainian political or commercial disagreements. (Siddi, 2018, p. 1561).

"The geopolitical aspect of Nord Stream 2 is amplified by the fact that Moscow concurrently implements another gas transit project that goes around Ukraine, thereby reducing the strategic value of Ukraine for the EU member states". (Sydoruk et al., 2019, p. 486). In addition to Nord Stream, Russia was also planning a second pipeline project, South Stream, which would send Russian gas to the southern European market via a pipeline beneath the Black Sea, so avoiding the current overland routes that cross through Ukraine. However, the South Stream initiative has been subject to a rigorous antitrust assessment by the European Commission to ensure that it complies with EU energy laws, which are only expected to become stricter in the light of the Ukraine conflict. (Krickovic, 2015, p. 17). Along with the construction of the TurkStream pipeline, the implementation of the Nord Stream 2 projects will bring the Russian Federation closer to accomplishing one of its most important foreign policy objectives: eliminating the use of Ukraine as a transit country for gas deliveries to Europe. In addition, by constructing a disputed gas pipeline, Moscow has exacerbated divides within the EU and impaired the coherence of shared energy policy activities, particularly the diversification of supply sources and the reduction of Europe's dependence on Russian gas supplies. (Kardaś, 2019).

Whenever Kiev flirted with outside superpowers, Russia resorted to coercive measures to rein in Ukraine. On contrast, whenever Kiev expressed its willingness to collaborate with Moscow in foreign and defense matters, Russia pursued less forceful approaches and attempted to draw Ukraine closer through the supply of inexpensive energy and other economic benefits. Nonetheless, the essential objective remained essentially unchanged: to exert primary influence on Kiev's foreign-policy orientation. (Götz, 2016, p. 302).

5.3.2. Germany's interests in the Nord Stream 2 project

According to Kundnani, as was the case during the Libya crisis in 2011, we may anticipate that Germany will in the future be increasingly willing to make decisions independently of and occasionally in opposition to its allies and partners. It is expected to pursue its economic national interests with greater assertiveness than in the past, while being less willing to cede

sovereignty to international agencies. Nonetheless, it is likely to be reluctant to dedicate resources to resolving foreign problems, and especially to use force, unless its economic interests are directly endangered. A geo-economic power is more likely to "empty out" the international system, whereas the primary goal of a civilian power is to civilize foreign relations. Therefore, the United States may come into war with Germany in two directions. First, there may be conflicts over economic policy, similar to the impasse between the two nations at the G-20 last year over matters such as stimulus expenditure and domestic demand. Second, it may be difficult to convince Germany to take an active role on global security issues and crisis management consistent with its size and economic strength. (2011, pp. 42-43).

"Russia is a gold mine of material resources and, one way or another, Germany's political establishment has decided that the country's industrial future is linked to it". (Simón & Rogers, 2010, p. 61). While some American officials are tempted to corner Putin in the hope of compelling him to abandon Ukraine, this is not a feasible alternative for their German counterparts. Germany views Russia as more than a large neighbor; it views Russia as a state in which its economic interests far exceed those in Ukraine. (Szabo, 2014, p. 125).

Russia and Germany, under former Chancellor Angela Merkel, maintained that the gas pipeline was purely commercial and would result in lower gas prices for European consumers. Nonetheless, Berlin faced criticism for approving the project a year after Russia annexed Crimea from Ukraine. (Ellyatt, 2022). Nord Stream 2 significantly complicates Poland's pursuit of its interests, as the transportation of gas to Germany via the Baltic pipeline enables the latter to develop into the best re-exporter. Because the gas purchased in Russia will be transit-free, the Federal Republic of Germany will not only be able to import cheaper gas, but also to establish more competitive re-export stances in the European market (especially in Western Europe). (Sydoruk et al., 2019, p. 475). *"If the Nord Stream 2 pipeline becomes operational, Germany would become a European gas hub as 60 % of Russian gas flowing into the EU would be delivered through German territory".* (Fraiooli 2021 p. 3).

The development of Nord Stream 2 implies that Germany will be able to have a significant Russian gas distribution center on its own territory. Despite Western sanctions placed on Moscow, Germany's ambition to deepen economic cooperation with Russia not only antagonizes other EU member states, but also undermines the coherence of EU energy legislation and policy. Since the announcement of Nord Stream 2, Germany—with Russia's help – has made steps to minimize EU legislative constraints that may affect future cooperation. Berlin has been obstructing legislative work on the revision of the gas regulation, which was initiated by the European Commission in November 2017. (Kardas, 2019, p. 42).

"The official justification for the construction of Nord Stream 2 is the need to increase gas transmission capacity given the projected increase in gas demand in Europe, taking into account the decline in European gas production". (Kardas, 2019, p. 34).

Berlin has always underestimated the harm this project will cause to its reputation. The German government's backing for Nord Stream 2 reveals that it prioritizes national

interests over European and international strategic concerns, thereby harming its long-term credibility. (Meister, 2019).

Against the backdrop of the Russia-Ukraine dispute and with the assistance of the Nord Stream 2 project, discussions concerning Germany and the EU's energy independence from Russia have intensified since 2014. For years, the German government maintained that this was a solely commercial venture. In April 2018, however, during a visit with Ukrainian President Petro Poroshenko, Chancellor Angela Merkel acknowledged for the first time that political factors surrounding Nord Stream 2 must also be considered. By not opposing the initiative, the German government approved it from the beginning. During a 2015 meeting in Moscow, Sigmar Gabriel, then the economics and energy minister and later the foreign minister, informed Vladimir Putin that he would personally advocate for the project to fall under German jurisdiction. Despite the fact that the existing agreement does not do this, Germany is now accountable for handling EU regulations and potential exceptions to them. However, Nord Stream 2's ambitions and consequences extend beyond Germany and run opposite to German and EU interests. (Meister, 2019).

Expanding Nord Stream increases the amount of Russian gas on the market, so we anticipate that difficult-to-reach regions, such as the South Balkans, will benefit. However, this does not appear to be the case. The majority of the benefits accrue to Russia and Germany, while other providers and transit countries gain competitors: Norway receives a substantial amount of inexpensive Russian gas at its doorstep, while Ukraine and Poland can now be bypassed by the majority of the Russian gas export. (Sziklai et al., 2019, p. 15).

As additional pipeline capacity bypassing Ukraine comes online, not only will Ukraine lose transshipment profits, but it will also become far more susceptible to a gas shutoff. Despite their desire to strengthen Ukraine's independence, EU nations have strong commercial and security interests in ensuring reliable supplies from Russia. Particularly, Germany has supported the Nord Stream and Nord Stream 2 pipelines, which will significantly lessen Russia's dependence on Ukrainian pipelines. (Hurak & D'Anieri, 2020, p. 3). In Ukraine, the hypothesis that European states (for example, Germany) are and will act in accordance with their own interests, but not with any moral values or principles of justice, is becoming increasingly convincing. All of Ukraine's negative attitudes toward German policy are predicated on the premise that Berlin is primarily influenced by economic factors (the most frequently cited argument is about gas dependence). (Getmanchuk & Solodkyy, 2018, p. 600).

In sum, the Nord Stream 2's objective is to circumvent Ukraine and deliver gas straightforwardly to markets in northwestern Europe. The project is motivated by the geopolitical and economic aspirations of Gazprom and the Kremlin. The Baltic Sea pipeline benefits Germany's gas market and other vast adjoining markets, particularly if the transit connection via Ukraine is retained as a flexibility option. Nord Stream 2 establishes a direct, efficient, and modern connection to Western Siberia's major gas fields. Thus, the economic benefits to northwestern Europe in the medium term are self-evident. (Lang & Westphal, 2017, p. 35).

5.4. Halting of the Nord Stream 2 pipeline, “renewed” threat from Russia and new geopolitical landscape in Europe

“Russia’s use of military aggression to secure influence in post-Soviet space points to its status as a revisionist power that will not easily rescind geopolitical ambitions under threat of sanctions, unless they are highly punitive”. (Dyson, 2016, p. 505).

After the 2008 financial and economic crisis, the subsequent Eurozone crisis, and the COVID-19 outbreak, the war in Ukraine is the third asymmetric shock, as termed by economists, that the Union has undergone in the recent two decades. An asymmetric shock is a sudden shift in economic conditions that has a greater impact on some EU nations than on others. As a result of the influx of refugee migrants and their substantial reliance on Russian gas, the war in Ukraine has a far higher impact on neighboring states. (Borell, 2022).

Since the beginning of 2022, remarkable occurrences have occurred in the contemporary international arena. Finland has taken the first step towards joining NATO, and Sweden may soon follow—a significant leap for two countries with a long tradition of wartime neutrality and avoiding military alliances. The Finnish public's desire for joining NATO has remained between 20 and 25 percent for years. However, after Russia's attack of Ukraine, it has risen tremendously of 76%, according to the most recent survey. In Sweden, 57 percent of the populace desires to participate, which is significantly greater than before the wartime. (Chatterjee, 2022).

In September 2021, the Nord Stream 2 pipeline between Russia and Germany was completed, although it is not yet operational. Gazprom, a Russian state-owned energy company, contributed half of the cost, while western energy companies such as Shell and ENGIE of France are covering the remainder. The pipeline lacks an operational license, and Germany has now put this process on hold. It took the action after Russia formally recognized and deployed soldiers to two separatist territories in eastern Ukraine. "In light of the most recent developments we must reassess the situation in particular regarding Nord Stream 2," Declared the Chancellor Olaf Scholz. Previously, US President Joe Biden had pledged to halt Nord Stream 2 if Russia invaded Ukraine, stating, they would guarantee to be able to accomplish it.

Gazprom, a Russian company, holds both a 50 percent share in the Nord Stream 2 pipeline so all of the gas that would pass through it. As a result, Germany's regulator had already refused to issue an operational license. Germany argues that this gives Russia too much influence over supply and wants the pipeline to be transferred to another business. (BBC, 2022a).

Putin's attack on Ukraine is already having significant economic repercussions in Russia, where the rouble has devalued, and inflation is skyrocketing. The stock exchange in Moscow is closed. Numerous multinational corporations, including Ikea, McDonald's, Visa, and MasterCard, have left Russia. In 2022 the Russian economy is anticipated to decline by at

least 15%. Weakened and cut off from the rest of the world, Russia runs the risk of being heavily reliant on China in the future. (Borell 2022).

6. Conclusion

This thesis attempted to answer the following research questions: *Why did Germany choose Russia over the West on the Nord Stream 2 project? Why did Germany initiate the Nord Stream 2 pipeline soon after imposing sanctions against Russia? And what obstacles hindered Russia-Germany energy cooperation over their decades-long bilateral relationship?*

After analyzing Russia-German cooperation between 1990-2022 period, we can conclude that “well before the 2014 Russian annexation of Crimea and the conflict in eastern Ukraine, the bilateral relationship between Germany and Russia began to deteriorate”. (Yoder, 2015, p. 49). With the exception of Norway, the majority of the large energy producers are located in unstable regions (such as the Middle East), nations with whom the EU has a problematic relationship (such as Russia), or states with a fundamentally different political structure and set of values. (Keukeleire & Delreux, 2014, p. 222). The disintegration of the Soviet Union resulted in the formation of fifteen sovereign republics. Several factors made this hard for Russia. There were now millions of ethnic Russians, nuclear weapons, and essential and non-critical infrastructure in other nations. This was particularly true of energy transit infrastructure, as major ports, pipelines, and refineries had relocated to neighboring states. Putin's assertion that the Soviet Union's disintegration was the greatest geopolitical calamity of the 20th century should not be excessively shocking in this context. This geopolitical reality has led to conflicts between Russia and other former-Soviet governments as a result of the process of addressing it. Consequently, Russia has been accused of exploiting its energy as a political weapon for the past 15 years. (Crandall, 2014, p. 149).

The basic principle of Ostpolitik, the pursuit of collaboration with Russia, has been put into doubt by Russia's violations of international law, particularly its annexation of Crimea and military assistance for insurgents in Donbas. (Siddi, 2016, p. 666). Long before the transition from Yeltsin to Putin in Moscow, the honeymoon phase in Russian-Western ties was ended. The West was dedicated to pushing Russia and other post-Soviet republics toward democratic regimes and capitalist economic systems that were completely integrated with existing Western institutions. President Putin and his followers in Moscow were increasingly devoted to a nationalist program that would reassert Russia's strong position in its immediate neighborhood and its equity in the international system. After Vladimir Putin became the presidency on the final day of the 20th century, these two policy approaches became more at odds. (Kanet, 2015, p. 506). The 2014 Russia-Ukraine crisis has significantly altered the circumstances under which Germany formulates and implements its Russia policy and has the potential to alter Germany's role in international and European affairs. Not only the Russian leadership, but also many German allies, were taken aback by the substantial shift in German policy: Berlin's response to Russian intervention in the east of Ukraine depicted a departure from a long-standing tradition of cooperative, inclusive, and trustworthy relations with Russia. (Daehnhardt & Handl, 2018, p. 445).

It is in Moscow's best interest to continue destabilizing Ukraine, since Russia would gain a tactical edge in the international arena if it lasted longer economically and fiscally than Ukraine. (Veebel & Markus, 2016, p. 131). Russia's aggressive assault in Ukraine in February

2022 revealed that Russia's geopolitical goals are prioritized to economic welfare, as none of the major sanctions from the West were effective in stopping Russia's violent actions. (similar argument is made by Prodrou that Russia's geopolitical objectives, namely to defend and support a friendly regime and protect its military bases in Syria, were deemed more important than its energy security objectives, which included reducing Russia's reliance on Ukraine, reviving its energy diplomacy, and innovating good inroads into the promising Turkish gas market, where demand is expected to rise in the coming years. (2016, p. 32)).

Regardless of the difficult technical and economic issues underlying the transmission of Russian oil and gas to neighboring states, energy transit issues have unquestionably played a significant role in the formation of Russia and Europe's geopolitical relations. Due to its crucial geographic region, the Baltic region has become a central focus for the public manifestation of these connections and the conflicts they generate. (Bouzarovski & Konieczny, 2010, p. 4). The Nord Stream 2 pipeline controlled by Russia is at the center of a dispute between Germany and the United States, which views the project as a means for Moscow to enhance its influence in Europe. (Cookman, 2022). Nord Stream 2 reflected and fostered geopolitical competition between the United States on the one hand and Russia and certain EU member states (particularly Germany) on the other. (Siddi & Kustova, 2021, p.1086).

Transatlantic connections between the United States and Germany have recently been subjected to profoundly contrasting influences. The revival of classic East–West conflicts between NATO and Russia has helped to strengthen the alliance, while the Trump administration has cast serious concerns on the United States' dependability as Germany's major security partner. Clearly, the relationship with the United States has changed considerably over the past few years, becoming more distant, mature, conflictual, and partner-like. However, none of this will prevent Germany from collaborating closely with a United States government that, like the Obama administration, is eager to explore and embrace such cooperation. (Maull, 2018, p. 462).

While Merkel's rhetoric toward Russia has become slightly more guarded, a steady and constructive connection with Russia remains very much in Germany's national interests, and the recurring themes of German business interests, Germany's increasing energy dependence on Russia, and broader fears for pan-European political order are the priorities that drive continuity in German foreign policy. (Timmins, 2011, p. 198). The concept of geo-economics appears particularly useful in characterizing the foreign policy of Germany, which has become more willing to inflict its economic preferences on others within the European Union, within the context of a discourse of zero-sum competition between fiscally responsible and irresponsible nations. Instead of accepting a slight increase in inflation, which may impair the worldwide competitiveness of its exports, Germany has pushed on austerity throughout the eurozone, despite the fact that this challenges the overall cohesion of the European Union. In Luttwak's perspective, Germany employs commercial means inside a logic of conflict. In brief, it may be useful to view Germany as a geoeconomic power rather than (or possibly in addition to) a civilian power. Germany's mix of economic assertiveness and military restraint is unprecedented. Consequently, it may be the cleanest illustration of a geo-economic power in the modern world. (Kundnani, 2011, pp. 41-42).

After the end of the Cold War, closeness and continuity have characterized relations between Germany and Russia, whether in the shape of Helmut Kohl's Saunafreundschaft with Boris Yeltsin, Gerhard Schroder's Schmusekurs with Vladimir Putin, or Angela Merkel's pragmatism. This proximity is astounding, given that Russia has never been a great fit for either civilian rule or the trading state. In the wake of the Crimean "referendum" in March 2014, this became infamously apparent when Angela Merkel described the Russian president as living in "another world." She was referring to the world of the great powers of the nineteenth and twentieth centuries, which dodged international rules, institutions, and interdependence, as well as peaceful conflict resolution, and instead claimed "spheres of influence" and "territorial claims," and in which, as she put it, "one-sided geopolitical interests" trumped "efforts to reach agreement and cooperation." (Spanger, 2020, pp. 1057-1058).

While the German government and a variety of other Western European nations emphasize economic and commercial interests, the United States, Poland, and Baltic states emphasize the political and strategic significance of Nord Stream 2. First, there is little doubt that the building of Nord Stream 2 advances Russian economic and political interests by facilitating direct access to its principal European markets and lowering the dangers associated with gas transit through Ukraine. On a geostrategic level, the Russian-German reunion increases concerns of a Western abandoning of Ukraine, depriving the country of transit money and rendering it, along with other Central and Eastern European nations, more susceptible to Russian economic pressures and coercion. Second, from the perspective of Central and Eastern Europe, Germany looks to prioritize its limited economic interests over the political objectives of its more fragile CEE neighbors. Thirdly, from the perspective of the United States, the German strategic economic interest in Russian gas and its endorsement of the Russian government clashes with the German government's ongoing inability to reach the NATO-mandated 2 percent GDP objective for its defense expenditures. Trump, more so than his predecessor Reagan, has been ready to underline this relationship between German-Russian gas cooperation and German defensive inferiority, underlining a key transatlantic strain within the Atlantic Alliance. (Ostrowski, 2020, p. 14).

Germany, as the dominant economic power in the European Union, aims to retain the existing order while asserting its place as the new ordering force in the face of a revisionist Russia and a receding US power. Thus, Germany's growing assertiveness as a geopolitical actor comes in the context of other emerging or revisionist nations contesting the liberal international order. (Daenhardt, 2018, p. 517).

With Washington's preoccupation on the Middle East, Moscow has not only used its unique hold over the EU's gas supply to restructure the so-called 'post Soviet area,' but has also employed armed force to reestablish its control and frighten its neighbors. Germany is on the rise again: through a combination of economic might and deft diplomacy, Berlin has positioned itself at the heart of a continental web of multilateral and bilateral connections. (Simón & Rogers, 2010, p.58).

Bibliography

- Alonso, A. S. (2022, May 3). *Any EU state could be next victim of Russian energy cuts, says Commissioner*. Euronews. <https://www.euronews.com/my-europe/2022/05/02/brussels-says-difficult-months-ahead-for-europe-after-eu-energy-ministers-meeting>
- Baldwin, R. E., & Wyplosz, C. (2020). *The economics of European integration*. London: McGraw Hill.
- BBC. (2022a, January 27). Nord Stream 2: How does the pipeline fit into Ukraine-Russia crisis? *BBC News*. <https://www.bbc.com/news/world-europe-60131520>
- Borell, J. (2022, March 14). *The war in Ukraine and its implications for the EU | EEAS Website*. Ww.eeas.europa.eu. https://www.eeas.europa.eu/eeas/war-ukraine-and-its-implications-eu_en
- Bouzarovski, S., & Konieczny, M. (2010). Landscapes of Paradox: Public Discourses and Policies in Poland's Relationship With the Nord Stream Pipeline. *Geopolitics*, 15(1), 1–21. <https://doi.org/10.1080/14650040903420362>
- Brzozowski, A. (2021, August 23). *Merkel says Nord Stream 2 should not be used as "geopolitical weapon", Zelenskiy unconvinced*. Ww.euractiv.com. <https://www.euractiv.com/section/europe-s-east/news/merkel-says-nord-stream-2-should-not-be-used-as-geopolitical-weapon-zelenskiy-unconvinced/>
- Brzozowski, A. (2022, April 4). *Zelenskyy blames Germany, France over failed Ukraine diplomacy*. Ww.euractiv.com. <https://www.euractiv.com/section/europe-s-east/news/zelenskyy-blames-germany-france-over-failed-ukraine-diplomacy/>
- Casier, T. (2011a). The Rise of Energy to the Top of the EU-Russia Agenda: From Interdependence to Dependence? *Geopolitics*, 16(3), 536–552. <https://doi.org/10.1080/14650045.2011.520862>
- Casier, T. (2011b). Russia's Energy Leverage over the EU: Myth or Reality? *Perspectives on European Politics and Society*, 12(4), 493–508. <https://doi.org/10.1080/15705854.2011.622963>
- Chatterjee, P. (2022, May 12). Are Sweden and Finland going from neutral to Nato? *BBC News*. <https://www.bbc.com/news/world-europe-61397478>
- Chivvis, C. S., & Rid, T. (2009). The Roots of Germany's Russia Policy. *Survival*, 51(2), 105–122. <https://doi.org/10.1080/00396330902860850>
- Cookman, L. (2022, January 25). *Nord Stream 2: Why Russia's pipeline to Europe divides the West*. Ww.aljazeera.com. <https://www.aljazeera.com/news/2022/1/25/ukraine-russia-what-is-nord-stream-2-and-why-is-it-contentious>
- Crandall, M. (2014). Russian Energy Transit Policy in the Baltic Sea Region. *Debate: Journal of Contemporary Central and Eastern Europe*, 22(2), 143–159. <https://doi.org/10.1080/0965156x.2014.932997>
- Creswell, J. W. (2009). *Research design : qualitative, quantitative, and mixed methods approaches* (3rd ed.). Sage. https://www.ucg.ac.me/skladiste/blog_609332/objava_105202/fajlovi/Creswell.pdf

- Daehnhardt, P. (2018). German Foreign Policy, the Ukraine Crisis and the Euro-Atlantic Order: Assessing the Dynamics of Change. *German Politics*, 27(4), 516–538. <https://doi.org/10.1080/09644008.2018.1448386>
- Daehnhardt, P., & Handl, V. (2018). Germany's Eastern Challenge and the Russia–Ukraine Crisis: A New Ostpolitik in the Making? *German Politics*, 27(4), 445–459. <https://doi.org/10.1080/09644008.2018.1448385>
- de Jong, M., & Van de Graaf, T. (2021). Lost in Regulation: Nord Stream 2 and the Limits of the European Commission's Geo-Economic Power. *Journal of European Integration*, 43(4), 495–510. <https://doi.org/10.1080/07036337.2020.1800680>
- de Jong, M., Van de Graaf, T., & Haesebrouck, T. (2020). A matter of preference: Taking sides on the Nord Stream 2 gas pipeline project. *Journal of Contemporary European Studies*, 1–14. <https://doi.org/10.1080/14782804.2020.1858763>
- Deutsche Welle. (2021). *Nord Stream 2 pipeline Angela Merkel's "biggest mistake", says Donald Tusk | DW | 29.11.2021*. DW.COM. <https://www.dw.com/en/nord-stream-2-pipeline-angela-merkels-biggest-mistake-says-donald-tusk/a-59963553>
- Deutsche Welle. (2022, February 27). *German Chancellor Olaf Scholz announces paradigm change in response to Ukraine invasion | DW | 27.02.2022*. DW.COM. <https://www.dw.com/en/german-chancellor-olaf-scholz-announces-paradigm-change-in-response-to-ukraine-invasion/a-60932652>
- Dyson, T. (2016). Energy Security and Germany's Response to Russian Revisionism: The Dangers of Civilian Power. *German Politics*, 25(4), 500–518. <https://doi.org/10.1080/09644008.2015.1133607>
- Ellyatt, H. (2022, March 31). *Nord Stream 2 cost \$11 billion to build. Now, the Russia-Europe gas pipeline is unused and abandoned*. CNBC. <https://www.cnbc.com/2022/03/31/the-nord-stream-2-pipeline-lies-abandoned-after-russia-invaded-ukraine.html>
- Euractiv. (2022, April 5). *Biden urges war crimes trial after Bucha killings*. [www.euractiv.com. https://www.euractiv.com/section/global-europe/news/biden-urges-war-crimes-trial-after-bucha-killings/](https://www.euractiv.com/section/global-europe/news/biden-urges-war-crimes-trial-after-bucha-killings/)
- Eurostat. (2020). *Shedding light on energy on the EU: From where do we import energy ?* European Commission. <https://ec.europa.eu/eurostat/cache/infographs/energy/bloc-2c.html#carouselControls?lang=en>
- Fischer, S. (2016). Nord Stream 2: Trust in Europe. *Policy Perspectives, ETH Zurich Research Collection*, 4(4). <https://doi.org/10.3929/ethz-a-010682973>
- Fix, L. (2018). The Different "Shades" of German Power: Germany and EU Foreign Policy during the Ukraine Conflict. *German Politics*, 27(4), 498–515. <https://doi.org/10.1080/09644008.2018.1448789>
- Forsberg, T. (2016). From Ostpolitik to "frostpolitik"? Merkel, Putin and German foreign policy towards Russia. *International Affairs*, 92(1), 21–42. <https://doi.org/10.1111/1468-2346.12505>
- Fraïoli, P. (Ed.). (2021). The Nord Stream 2 gas pipeline and Germany's relationship with Russia. *Strategic Comments*, 27(3), i–iv. <https://doi.org/10.1080/13567888.2021.1929494>

- France 24. (2022, February 22). *Scholz says Germany halting Nord Stream 2 project*. France 24. <https://www.france24.com/en/live-news/20220222-scholz-says-germany-halting-nord-stream-2-project>
- Gerring, J. (2004). What is a case study and what is it good for?. *American political science review*, 98(2), 341-354.
- Getmanchuk, A., & Solodkyy, S. (2018). German Crisis Management Efforts in the Ukraine–Russia Conflict from Kyiv’s Perspective. *German Politics*, 27(4), 591–608. <https://doi.org/10.1080/09644008.2018.1454902>
- Goldthau, A. (2016). Assessing Nord Stream 2: regulation, geopolitics & energy security in the EU, Central Eastern Europe & the UK. *European Center for Energy and Resource Security. Strategy Paper*, 10, 1-40.
- Goldthau, A., & Sitter, N. (2020). Power, authority and security: the EU’s Russian gas dilemma. *Journal of European Integration*, 42(1), 111–127. <https://doi.org/10.1080/07036337.2019.1708341>
- Götz, E. (2016b). Neorealism and Russia’s Ukraine policy, 1991–present. *Contemporary Politics*, 22(3), 301–323. <https://doi.org/10.1080/13569775.2016.1201312>
- Helwig, N., & Siddi, M. (2020). German Leadership in the Foreign and Security Policy of the European Union. *German Politics*, 29(1), <https://doi.org/10.1080/09644008.2020.1719073>
- Herranz-Surrallés, A. (2015). An emerging EU energy diplomacy? Discursive shifts, enduring practices. *Journal of European Public Policy*, 23(9), 1386–1405. <https://doi.org/10.1080/13501763.2015.1083044>
- Hofer, A. (2020). All the World’s a Stage, and Sanctions the Merely Props: an Interactional Account of Sender-Target Dynamics in the Ukrainian Crisis. *International Peacekeeping*, 1–26. <https://doi.org/10.1080/13533312.2020.1753513>
- Hurak, I., & D’Anieri, P. (2020). The Evolution of Russian Political Tactics in Ukraine. *Problems of Post-Communism*, 1–12. <https://doi.org/10.1080/10758216.2020.1819162>
- Jeutner, V. (2019). Amendments, Annexations, Alternatives: Nord Stream 2’s Contemporary Status under EU and International Law. *Journal of World Energy Law & Business*, 12(6), 103–111. <https://doi.org/10.1093/jwelb/jwz031>
- Johnson, C., & Derrick, M. (2012). A Splintered Heartland: Russia, Europe, and the Geopolitics of Networked Energy Infrastructure. *Geopolitics*, 17(3), 482–501. <https://doi.org/10.1080/14650045.2011.595439>
- Kanet, R. E. (2015). The failed Western challenge to Russia’s revival in Eurasia? *International Politics*, 52(5), 503–522. <https://doi.org/10.1057/ip.2015.28>
- Kardaš, S. (2019). The great troublemaker: Nord Stream 2 in Russia’s foreign energy policy. *International Issues & Slovak Foreign Policy Affairs*, XXVIII(3-4), 25–44. <https://www.ceeol.com/search/article-detail?id=842163>
- Keukeleire, S., & Delreux, T. (2014). *The Foreign policy of the European Union*. Palgrave Macmillan.
- Kirby, P. (2022, March 2). Is Russia going to war with Ukraine and other questions. *BBC News*. <https://www.bbc.com/news/world-europe-56720589>
- Krickovic, A. (2015). When Interdependence Produces Conflict: EU–Russia Energy Relations as a Security Dilemma. *Contemporary Security Policy*, 36(1), 3–26. <https://doi.org/10.1080/13523260.2015.1012350>

- Krotz, U., & Maher, R. (2016). Europe's crises and the EU's "big three." *West European Politics*, 39(5), 1053–1072. <https://doi.org/10.1080/01402382.2016.1181872>
- Kundnani, H. (2011). Germany as a Geo-economic Power. *The Washington Quarterly*, 34(3), 31–45. <https://doi.org/10.1080/01636660x.2011.587950>
- Kundnani, H. (2015). Leaving the West Behind: Germany Looks East. *Foreign Affairs*, 94(1), 108–116. <http://www.jstor.org/stable/24483223>
- Kuzemko, C. (2013). Ideas, power and change: explaining EU–Russia energy relations. *Journal of European Public Policy*, 21(1), 58–75. <https://doi.org/10.1080/13501763.2013.835062>
- Lang, K.-O., & Westphal, K. (2017). Nord Stream 2: a political and economic contextualisation. In *SSOAR* (Vol. 3/2017). Stiftung Wissenschaft und Politik -SWP- Deutsches Institut für Internationale Politik und Sicherheit. <https://www.ssoar.info/ssoar/handle/document/51318>
- Maull, H. W. (2018). Reflective, Hegemonic, Geo-economic, Civilian ... ? The Puzzle of German Power. *German Politics*, 27(4), 460–478. <https://doi.org/10.1080/09644008.2018.1446520>
- Meister, S. (2013). Germany's Russia Policy under Angela Merkel: A Balance Sheet. *The Polish Quarterly on International Affairs*, 22(2). <https://www.proquest.com/scholarly-journals/germanys-russia-policy-under-angela-merkel/docview/1509100821/se-2?accountid=12870>
- Meister, S. (2019, February 20). *Nord Stream 2: The Dead-End of Germany's Ostpolitik* | DGAP. Dgap.org. <https://dgap.org/en/research/publications/nord-stream-2-dead-end-germanys-ostpolitik>
- Naji, S., & Jawan, J. A. (2012). Geopolitics of the Islam World and world leadership in the post-Cold War geopolitical developments. In *International Conference on—Leadership and Social Science Change in the Muslim World: Prospects and Challenges* in International Islamic University Malaysia.
- Newnham, R. (2017). Germany and Russia Since Reunification: Continuity, Change, and the Role of Leaders. *German Politics and Society*, 35(1), 42–62. <https://doi.org/10.3167/gps.2017.350103>
- Ostrowski, W. (2020). The Twenty Years' Crisis of European Energy Security: Central and Eastern Europe and the US. *Geopolitics*, 1–23. <https://doi.org/10.1080/14650045.2020.1835863>
- Proedrou, F. (2016). Why Russian gas diplomacy fails: the geopolitics-energy nexus in Ukraine and Turkey. *Asia Europe Journal*, 15(1), 21–37. <https://doi.org/10.1007/s10308-016-0460-3>
- Putin, V. (2005, April). *Annual Address to the Federal Assembly of the Russian Federation*. <https://www.youtube.com/watch?v=nTvswU5Eco>
- Reuters. (2014, May 16). *Who opposes Russian sanctions? German companies*. CNBC. <https://www.cnbc.com/2014/05/16/who-opposes-russian-sanctions-german-companies.html>
- Romanova, T. (2016). Is Russian Energy Policy towards the EU Only about Geopolitics? The Case of the Third Liberalisation Package. *Geopolitics*, 21(4), 857–879. <https://doi.org/10.1080/14650045.2016.1155049>
- Russell, M. (2021). The Nord Stream 2 Pipeline: Economic, Environmental and Geopolitical issues. In *European Parliament* (pp. 1–12). EPRS | European Parliamentary Research

- Service: Members' Research Service.
[https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/690705/EPRS_BRI\(2021\)690705_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/690705/EPRS_BRI(2021)690705_EN.pdf)
- Samokhvalov, V. (2015). Ukraine between Russia and the European Union: Triangle Revisited. *Europe-Asia Studies*, 67(9), 1371–1393.
<https://doi.org/10.1080/09668136.2015.1088513>
- Schewe, C. (2019). Defending its rights or testing the limits?: Trade relations and disputes between Russia and the EU before and after the Ukraine crisis. In *Russia and the EU : Spaces of Interaction* (pp. 191–206). Abingdon, Oxon : Routledge.
- Schörnig, N. (2014). Neorealism. In *Theories of International Relations*. Routledge.
- Sharples, J. D. (2016). The Shifting Geopolitics of Russia's Natural Gas Exports and Their Impact on EU-Russia Gas Relations. *Geopolitics*, 21(4), 880–912.
<https://doi.org/10.1080/14650045.2016.1148690>
- Siddi, M. (2016). German Foreign Policy towards Russia in the Aftermath of the Ukraine Crisis: A New Ostpolitik? *Europe-Asia Studies*, 68(4), 665–677.
<https://doi.org/10.1080/09668136.2016.1173879>
- Siddi, M. (2016b). The EU's gas relationship with Russia: solving current disputes and strengthening energy security. *Asia Europe Journal*, 15(1), 107–117.
<https://doi.org/10.1007/s10308-016-0452-3>
- Siddi, M. (2017). The EU's Botched Geopolitical Approach to External Energy Policy: The Case of the Southern Gas Corridor. *Geopolitics*, 24(1), 124–144.
<https://doi.org/10.1080/14650045.2017.1416606>
- Siddi, M. (2018). The Role of Power in EU–Russia Energy Relations: The Interplay between Markets and Geopolitics. *Europe-Asia Studies*, 70(10), 1552–1571.
<https://doi.org/10.1080/09668136.2018.1536925>
- Siddi, M. (2020). EU- Energy Relations. *Handbook of Energy Governance in Europe*, 1–25.
https://doi.org/10.1007/978-3-319-73526-9_54-1
- Siddi, M., & Kustova, I. (2021). From a liberal to a strategic actor: the evolution of the EU's approach to international energy governance. *Journal of European Public Policy*, 28(7), 1076–1094. <https://doi.org/10.1080/13501763.2021.1918219>
- Simón, L., & Rogers, J. (2010). The return of European Geopolitics. *The RUSI Journal*, 155(3), 58–64. <https://doi.org/10.1080/03071847.2010.499627>
- Spanger, H.-J. (2020). The Perils of Path Dependency: Germany's Russia Policy. *Europe-Asia Studies*, 72(6), 1053–1072. <https://doi.org/10.1080/09668136.2020.1760211>
- Statista. (2022). *Infographic: The Gas Pipelines Linking Russia and Europe*. Statista Infographics. <https://www.statista.com/chart/26769/russian-european-gas-pipelines-map/>
- Stegen, K. S. (2011). Deconstructing the "energy weapon": Russia's threat to Europe as case study. *Energy Policy*, 39(10), 6505–6513.
<https://doi.org/10.1016/j.enpol.2011.07.051>
- Stent, A. (2010). Germany-Russia relations 1992-2009. In *Russia and Europe : Building Bridges, Digging Trenches*. Routledge.
- Sydoruk, T., Stepanets, P., & Tymeichuk, I. (2019). Nord Stream 2 as a Threat to National Interests of Poland and Ukraine. *Studia Politica. Romanian Political Science Review*, 19(3-4), 468–490. <https://www.ceeol.com/search/viewpdf?id=904533>

- Szabo, S. F. (2014). Germany's Commercial Realism and the Russia Problem. *Survival*, 56(5), 117–128. <https://doi.org/10.1080/00396338.2014.962799>
- Szabo, S. F. (2018). Different Approaches to Russia: The German–American–Russian Strategic Triangle. *German Politics*, 27(2), 230–243. <https://doi.org/10.1080/09644008.2018.1446081>
- Sziklai, B., Koczy, L. A., & Csercsik, D. (2019). The Geopolitical Impact of Nord Stream 2. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.3360783>
- Szulecki, K., Fischer, S., Gullberg, A. T., & Sartor, O. (2016). Shaping the “Energy Union”: between national positions and governance innovation in EU energy and climate policy. *Climate Policy*, 16(5), 548–567. <https://doi.org/10.1080/14693062.2015.1135100>
- Talus, K. (2017). Application of EU energy and certain national laws of Baltic sea countries to the Nord Stream 2 pipeline project. *The Journal of World Energy Law & Business*, 10(1), 30–49. <https://doi.org/10.1093/jweb/jww037>
- Tichý, L. (2019). EU political discourse on the energy security relations with Russia. *European Political Science*, 19, 603–621. <https://doi.org/10.1057/s41304-019-00229-x>
- Timmins, G. (2011). German–Russian Bilateral Relations and EU Policy on Russia: Between Normalisation and the “Multilateral Reflex.” *Journal of Contemporary European Studies*, 19(2), 189–199. <https://doi.org/10.1080/14782804.2011.580907>
- Veebel, V., & Markus, R. (2016). At the Dawn of a New Era of Sanctions: Russian-Ukrainian Crisis and Sanctions. *Orbis*, 60(1), 128–139. <https://doi.org/10.1016/j.orbis.2015.12.001>
- Viotti, P. R., & Kauppi, M. V. (2012). *International relations theory* (5th ed.). Longman.
- Vogler, J. (2017). The Challenge of the Environment, Energy, and Climate Change. In C. Hill, M. Smith, & S. Vanhoonacker (Eds.), *International Relations and the European Union*, 3rd edition. Oxford University Press.
- Wallace, W. (2017). European foreign policy since the Cold War: How ambitious, how inhibited? *The British Journal of Politics and International Relations*, 19(1), 77–90. <https://doi.org/10.1177/1369148116685297>
- Westphal, K. (2008). Germany and the EU-Russia energy dialogue. In *The EU-Russian energy dialogue: Europe's future energy security* (pp. 93–118). Ashgate.
- Westphal, K. (2020). German–Russian gas relations in face of the energy transition. *Russian Journal of Economics*, 6(4), 406–423. <https://doi.org/10.32609/j.ruje.6.55478>
- Wright, N. (2018). No Longer the Elephant Outside the Room: Why the Ukraine Crisis Reflects a Deeper Shift Towards German Leadership of European Foreign Policy. *German Politics*, 27(4), 479–497. <https://doi.org/10.1080/09644008.2018.1458094>
- Yoder, J. (2018). Good Neighbourliness in a Tense Neighbourhood: German–Polish Relations, 1990 to the Ukraine Crisis. *German Politics*, 27(4), 555–572. <https://doi.org/10.1080/09644008.2018.1429409>
- Yoder, J. A. (2015). From Amity to Enmity: German-Russian Relations in the Post Cold War Period. *German Politics and Society*, 33(3). <https://doi.org/10.3167/gps.2015.330303>

Youngs, R. (2020). EU foreign policy and energy strategy: bounded contestation. *Journal of European Integration*, 42(1), 147–162.

<https://doi.org/10.1080/07036337.2019.1708345>

Zagorski, A. (2018). German Policy through the Lens of Russian Mainstream Thinking. *German Politics*, 27(4), 573–590.

<https://doi.org/10.1080/09644008.2018.1481954>

