

THE INFLUENCE OF THE DOMESTIC ENERGY INDUSTRY ON GERMAN
ENERGY FOREIGN POLICY: THE CASE STUDY OF THE NORD STREAM
PIPELINE AND RUSSO-GERMAN ENERGY RELATIONS

A thesis submitted to the faculty of
San Francisco State University
In partial fulfillment of
the requirements for
the Degree

AS
36
2017
IR
-A93

Master of Arts

In

International Relations

by

Sejla Avdic

San Francisco, California

May 2017

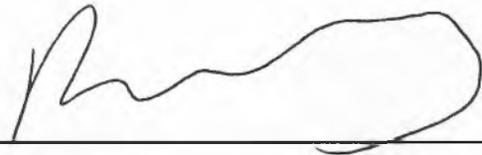
Copyright by

Sejla Avdic

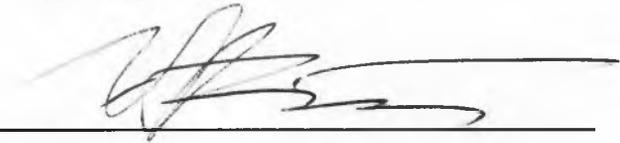
2017

CERTIFICATION OF APPROVAL

I certify that I have read *The influence of the Domestic Energy Industry on German Energy Foreign Policy: The Case Study of the Nord Stream Pipeline and Russo-German Energy Relations* by Sejla Avdic, and that in my opinion this work meets the criteria for approving a thesis submitted in partial fulfillment of the requirement for the degree Master of Arts in International Relations at San Francisco State University.



Burcu A Ellis, Ph.D.
Professor



Andrei Tsygankov, Ph.D.
Professor

THE INFLUENCE OF THE DOMESTIC ENERGY INDUSTRY ON GERMAN
ENERGY FOREIGN POLICY: THE CASE STUDY OF THE NORD STREAM
PIPELINE AND RUSSO-GERMAN ENERGY RELATIONS

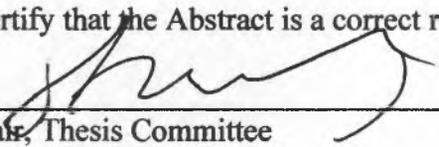
Sejla Avdic

San Francisco, California

2017

This thesis explores how domestic factors (interest groups, energy industry, state leaders) influenced Germany's pro-Nord Stream energy pipeline outcome from 2005-2010. A single explanatory case study methodology is applied, based on the work by Yin (1984). The case study is divided into three parts: first, the ease of lobbying access to German policy-makers in the Bundestag is explored, second, an in-depth discussion of the 'revolving door phenomenon' between German politicians and the energy industry is presented, third the influence of lobbyists' to persuade decision makers, with a focus on Chancellor Angela Merkel will be shown. With the inclusion of domestic factors, we learn that the largest German energy companies (BASF, E.ON, and Wintershall) successfully lobbied their policy preferences to the Bundestag. This paper's findings illustrate that domestic politics; particularly the lobby structure of a country has the potential to significantly impact political discourse and economic decisions concerning major energy endeavors'. We learn that the making of energy policy involves both domestic and international actors. The domestic actors include German energy companies (E.ON, Wintershall, BASF), political actors (Chancellor Merkel and Parliament Ministers), and energy regulators (German legislation applicable to Nord Stream).

I certify that the Abstract is a correct representation of the content of this thesis.



Chair, Thesis Committee

05/20/2017
Date

PREFACE AND/OR ACKNOWLEDGEMENTS

I owe my deepest gratitude to my parents Sead and Seada Arnautovic for their unequivocal support and encouragement. This thesis would not have been possible without your personal support and patience. I would like to thank my Committee Chair, Professor Ellis A. Burcu, whose valued feedback and guidance from the initial to the final step have been invaluable. The good advice, of my second reader, Professor Andrei Tsygankov, has been much appreciated.

TABLE OF CONTENTS

List of Tables	vii
List of Figures	viii
Introduction.....	1-5
Methodology	5-10
Literature Review	
Realist Approaches to Energy Security: Power or Security	11
Neoclassical Realism	11-18
Economic Liberalism and Interdependence	18-22
Domestic Interest Groups	22-26
Lobbying	27-30
Historical Background: The Nord Stream Pipeline	31-34
Legal Groundwork	34-35
German Legislation: Nord Stream pipeline.....	35
The Federal Mining Act (BBerG) & the Energy Industry Act (EnWG).....	35
The Shareholders and Project Costs.....	39-41
German Political Consensus: Nord Stream.....	41-44
European Parliament Votes and Obstacles.....	44-45
Baltic and Eastern European Dissent.....	45-46

Estonia	46-47
Latvia.....	47-48
Lithuania.....	48- 49
Poland.....	49-51
Sweden.....	51-52
Finland.....	52-53
Russia’s Lobbying Efforts and Limitations.....	54-57
Russia’s Effective Lobbying Efforts: Nord Stream.....	57-60
Russia’s Limited Lobbying Efforts	60-63
Historical Dimension.....	63-65
Case Study (part 1):	
Ease of Lobby Access to Policy-Makers.....	65-66
Legal Framework & Transparency: Limitations.....	67-68
Lobbyists in Ministries.....	69
E.ON- The Foreign Office (Auswärtigen Amt).....	70
Wintershall Holding GmbH-Lobby in the Foreign Office	71-74
BASF	
SE.....	74-75
Lobbying in Ministries.....	76-82
The German Pro-Russian Business Lobby.....	82-86

Case Study (part 2): Government-Business linkages.....	87-89
Integrity Measures.....	89-95
Politicians' Revolving Door with Energy Industry.....	95-103
E.ON.....	103-105
BASF.....	106-109
Case Study (part 3): Lobbying and Policy Outcome	
Angela Merkel's Flip-Flopping: Pre and Post-Election.....	106-109
Post Elections: 2006-2010.....	109-121
Analysis.....	121-140
Conclusion.....	141-147
Bibliography.....	148-175

LIST OF TABLES

Table	Page
1. Merkel's Varying Position on the Nord Stream Pipeline.....	121

LIST OF FIGURES

Figures	Page
1. The Nord Stream Pipeline Route	33
2. Nord Stream Project Timeline	34
3. Nord Stream: National Legislation.....	39
4. Germany: Parliamentary Elections 1990-2009.....	44
5. E.ON: Shareholder Structure.....	70
6. E.ON Ruhrgas- Involvement in German Gas Market.....	74
7. Most Effective Lobbying Strategies.....	82
8. Wolfgang Clement Supports Nuclear Lobby.....	93
9. Wolfgang Clement's Career: Revolving Door.....	94
10. Joschka Fischer: Revolving Door.....	98
11. The Revolving Door: Gerhald Hennenhöfer.....	101
12. Revolving Door: Caio Koch-Weser.....	103
13. Lobbyists' Access to Politicians.....	122
14. German Ministerial Law Comparison.....	128
15. Merkel's Stand on Nord Stream: Potential Influential Factors.....	130
16. Waiting Periods Adopted by Individual Federal Republics as of 2016.....	145

Introduction

Today, it is well known that “Russia and Germany have closely cooperated in the oil and natural gas trade and investment for many decades, even during the Soviet time.”¹

In the last decade, the major goal of the European Union has been the one of diversification. Namely, the EU’s intention was to distance itself from Russian natural gas imports, and increase gas its supplies from countries such as Norway and Qatar.² Germany’s decision to build the Nord Stream pipeline, an offshore natural gas pipeline from Vyborg in the Russian Federation to Greifswald in Germany – contradicted the overall European Union policy of diversification, thereby stirring much criticism in the EU, the United States and the Baltic States. Prior to Nord Stream, Germany has relied on transit countries, such as Ukraine, Poland, and Belarus to receive Russian gas imports. However, the “gas disputes in January 2006 and January 2009 left Western Europe vulnerable to gas interruptions, prompting Germany to question the reliability of the existing transit routes.”³ Thus, the aim of the Nord Stream project was to make Germany less dependent on Russian gas supplies via transit countries. Nord Stream’s supporters emphasized its positive economic impacts, claiming “that the new link will diversify the EU’s natural gas import pathways, thus enhancing the security of Europe’s energy supply

¹ Ekaterina Svyatets, “Russia-Germany energy cooperation” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 110.

² Ekaterina Svyatets, “Russia-Germany energy cooperation” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 121. In Grib N, “Gazprom Smog Obognat Tolko Nigeriyu po Dinamike Postavok Gaza v Evropu,” *Kommersant* (December 14, 2009): 11.

³ Ekaterina Svyatets, “Russia-Germany energy cooperation” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 113.

as a whole.”⁴ Since gas is usually delivered by pipeline via transit states, the risk of unstable governments and contract breaches, amongst others – can potentially halt gas deliveries. The implementation of the pipeline will allow Germany to serve as a “major energy hub and reseller of natural gas in Europe, increasing the country’s geopolitical importance.”⁵ Furthermore, liberal interdependence arguments have stressed that “Russia needs European financial, technical, and managerial resources, while the EU needs Russia’s energy resources, stable trade conditions, and favorable investment terms.”⁶

The Nord Stream pipeline project received much criticism from environmental groups in the EU, the United States and the Baltic States. Arguments criticizing the gas pipeline range from environmental groups who raised concern over the ecological damage to the Baltic Sea, to major international players such as the EU and the United States, who question the political, security and economic aspects of the project. The U.S. Ambassador to Sweden, Michael Wood, called the Nord Stream a ‘special arrangement between Germany and Russia’, advising the European Union to focus on developing a more unified energy policy instead.⁷ “The European Commission also disapproves of increasing dependence on Russian gas and advises that a more prudent policy should consist in more suppliers holding smaller shares in the EU market” (European

⁴ Ekaterina Svyatets, “Energy Security: The Current Approaches of Scholarship” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 2.

⁵ Ekaterina Svyatets, “Russia-Germany energy cooperation” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 112.

⁶ Green, S. (2010). EU-Russia: You Can’t Always Get What You Want. (May 2, 2016). Retrieved from <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=41009>

⁷ Svyatets, Ekaterina, “Energy Security: The Current Approaches of Scholarship” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 110.

Commission 2006, 2009, 2010).⁸ The project has alarmed Baltic States such as Poland, Estonia, Latvia and Lithuania, who rose geopolitical, economic and security concerns with regard to the project. “In order to mitigate European opposition, former German Chancellor Gerhard Schröder was appointed head of the shareholders’ committee and former Finnish Prime Minister Paavo Lipponen was hired as a consultant.”⁹ Despite harsh criticism, Germany followed its own energy security policy by increasing natural gas imports from Russia via construction of two parallel pipelines at 1,200 kilometers (745 miles) in length, making it the largest subsea pipeline in the world.¹⁰

The multinational subsea pipeline comprises the following countries: Russia, Germany, the Netherlands, and France. The shareholders include OAO Gazprom (Russia, 51%), PEG Infrastruktur AG (PEGI/E.ON subsidiary, Germany, 15.5 %), BASF SE/Wintershall Holding GmbH (Germany, 15.5%), N.V. Nederlandse Gasunie (Netherlands, 9%), ENGIE (France, 9%).¹¹ The project’s total costs were 7.4 billion euros (about \$10 billion), of which its shareholders funded 30 percent, while 70 percent

⁸ Proedrou Filippou, “Relations with Russia,” in *EU Energy Security in the Gas Sector: Evolving Dynamics, Policy Dilemmas and Prospects* (Ashgate Publishing Ltd., 2013), 94.

⁹ Paillard, Christophe-Alexandre. “Russia and Europe’s Mutual Energy Dependence.” *Journal of International Affairs* 63, no. 2 (2010): 67. <http://www.jstor.org/stable/24384335>.

¹⁰ “Nord Stream Passes Ships and Bombs,” *The Moscow Times*. Bloomberg, (May 4, 2011). Retrieved April 25, 2017. Available at <https://themoscowtimes.com/articles/nord-stream-passes-ships-and-bombs-6757>

¹¹ Nord Stream AG: Project Information Document, “The Nord Stream Pipeline Fact Sheet” (August 2016):1. Retrieved April 27, 2017. Available at <https://www.nord-stream.com/the-project/pipeline/>

came from the bank market.¹² With a total capacity of 55 billion cubic meters (bcm), the Nord Stream pipeline will meet about a third of the EU's gas demand while also increasing reliance on Russian energy supplies.

The theories of international relations literature on the topic of energy security vary widely in explaining the role of the state, the influence of domestic actors, and the power of ideas and perceptions with regard to shaping energy policy. A vast amount of literature explores this issue using liberal and realist explanations. Although both schools of thought offer valuable explanations on the topic of energy security, neither focuses on the domestic implications of nations' energy policy outcome. What piqued my interest is whether domestic-centered explanations, with a focus on domestic factors such as interest groups, energy companies, and decision-makers – reveal deeper insight about the making of energy policy.

This thesis explores the domestic factors that influenced Germany's decision to construct the Nord Stream pipeline and partner with Russia over EU diversification efforts. With a focus on domestic factors, this work provides insight into the role of Germany's interest groups, energy industry and state leaders that have the potential to guide energy policy outcome in the Federal Republic. With the inclusion of domestic factors, we learn that the making of energy policy is very much a 'business.' In it, the largest German energy companies successfully lobby their policy preferences to the

¹² Nord Stream: The new gas supply route for Europe, "The Nord Stream Pipeline Project: Fact Sheet," (document date August 2016): 1. Accessed April 26 2017, from <https://www.nord-stream.com/the-project/pipeline/>

Bundestag. They keep a revolving door with politicians to gain further access and influence decision-makers, while attempting to guide energy policy outcome to benefit the energy industry. Moreover, interest groups in Germany have the potential to guide energy policy outcome.

The layout of this thesis is structured according to the following order: initially, the theoretical framework will be discussed. Next, the case study will be divided into three parts. In the first part, the ease of lobbying access to German policy-makers in the Bundestag will be reviewed, focusing on Nord Stream's shareholders, i.e., the lobbying efforts of E.ON, BASF and Wintershall. The second part will present an in-depth discussion of the 'revolving door phenomenon' between politicians and the energy industry (specifically, E.ON, BASF, Wintershall), during the consultation and implementation of the Nord Stream pipeline project. The third part will discuss the influence lobbyists have over energy policy outcome, with a focus on Chancellor Angela Merkel's changing position on the Nord Stream pipeline from 2005 -2010. Finally, the domestic-centered approach will be applied to the cases in the analysis, with an aim to answer the thesis question, which will be followed by a short conclusion.

Methodology

This thesis explores how domestic factors (interest groups, energy industry, state leaders) influenced Germany's pro Nord Stream energy pipeline outcome from 2005 - 2010. A single explanatory case study methodology is applied, based on the work by Yin

(1984). “A case study is an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident.”¹³ “Case study methodology allows the researcher to explore individuals or organizations, simple through complex interventions, relationships, communities, or programs” (Yin, 2003). The case study approach “facilitates exploration of a phenomenon within its context using a variety of data sources,”¹⁴ which allows the researcher to explore an issue through multiple lenses. “It enables the researcher to gather data from a variety of sources, e.g., (documents, interviews and observations) and to converge the data to illuminate the case.”¹⁵ Thus the strength of the case study approach lies in the variety of evidence available. This paper adopts the “explanatory case study” which is based on “how” or “why” research questions.¹⁶ The explanatory case study method is well suited for the purpose of this study since “the researcher has no control over actual behavioral events, and focuses on contemporary events.”¹⁷

The research documents will cover the period of the Nord Stream pipeline project from 2005 to 2010, the time during which the project was deliberated and granted

¹³ Yin Robert K, *Case study research: Design and methods* (London: Sage publications, 2014):16.

¹⁴ Baxter, Pamela, and Susan Jack. “Qualitative case study methodology: Study design and implementation for novice researchers.” *The qualitative report* 13, no. 4 (2008): 544.
<http://nsuworks.nova.edu/cgi/viewcontent.cgi?article=1573&context=tqr>

¹⁵ Ibid.

¹⁶ Yin Robert K, *Case study research: Design and methods* (London: Sage publications, 2014):9.

¹⁷ Yin Robert K, *Case study research: Design and methods* (London: Sage publications, 2014):9.

permission for construction. The documents were limited to the most relevant domestic energy industry lobbies and political representatives of the German government.

One shortcoming is the availability of statistical information for registered interest groups for years studied (2005-2010) through the europa.edu *Transparency Registry*, which has been, since 2011, limited to registered users only. This work might have been enriched by statistical data from the *Registry* regarding the activities of lobbying, interest representation and advocacy from lobby groups in the energy sectors. Due to a lack of EU statistical information on lobby groups in the energy industry (specifically information on E.ON, Wintershall) for the case study years 2005-2010, the majority of the research will come from independent watchdog groups such as *lobbypedia.de* and *abgeordnetenwatch.de*, *Transparency International*. They report on issues such as lobbying, political contributions and transparency, as well as from the federal parliament, the German Bundestag – “the only reliable information regarding the officially registered interest groups.”¹⁸ In addition, I will include key documents related to the Nord Stream pipeline published by the German Federal Government from 2005 to 2010. I chose to include documents from the German Bundestag because the Bundestag is believed to be “the center of decision-making” (von Beyme, 2000, p. 34).¹⁹

¹⁸ Sebaldt Martin, “Interest Groups: Continuity and Change of German Lobbyism since 1974,” in *Institutions and institutional change in the Federal Republic of Germany*, Helms, Ludger, ed. (New York: Macmillan Press Ltd, 2000), 189.

¹⁹ Ibid.

This thesis' dependent variable is the pro Nord Stream energy policy outcome. For the purpose of this study, I define energy policy outcome as the backing of the Nord Stream pipeline by the German political representatives. The following German energy companies were selected as Nord Stream AG shareholders: E.ON, Wintershall, and BASF. The following independent variables will be explored: (1) interest groups (2) energy industry, (3) political representatives. Finally, the following three hypotheses have been suggested:

- H1 Lobbyists' have access to politicians.
- H2 Politicians have a revolving door with the energy industry.
- H3 Lobbyists' have the ability to influence policy outcome.

Judging from these hypotheses, lobbyists have a revolving door that allows them to influence energy policy outcome. Based on the definition used by Rudolph Speth, I observe lobbying as "any form of direct or indirect communication with officials, political decision-makers or representatives, aiming to influence political decisions."²⁰ Verhoeff & Njemann (2011) showed how the domestic energy industry lobbies to influence German energy policy by expressing their wishes to the government. In return, the government responded with support to "bolster the position of German industry in the

²⁰ Rudolph Speth, "Lobbying in Germany," *Transparency International Deutschland e. V.* (October, 2014), (accessed November 16, 2016): 7.

Russian upstream sector and to enhance its security of demand.²¹ Thus, lobbyists have a significant effect on the behavior of the German government.

According to Frye (2002), close business-state relations in Russia have been established due to successful lobby efforts and close ties between firms and “direct contacts with state officials, such as the governor, the mayor or representatives of the regional Duma or administration.” Particularly in Germany, a significant number of former ministers who ended up with high-ranking positions at energy companies signaling a message of “conflict of interest” have been observed. For instance, Tönjes make reference to Frank-Walter Steinmeier, who was in office in the period between 2005 and 2009. According to Tönjes, Steinmeier frequently took along representatives from the German energy industry on his official foreign trips.²² Thus, German political representatives seem to be influenced by the energy industry in their decision-making process.

As far as lobbyists’ power to influence policy outcomes in Germany is concerned, Laumanns (2005, 283) asserts that the domestic energy industry is one of the most important determinants for German energy policy. The lobbyists have direct (by lobbying) and indirect (in securing supply) influence on the federal government.²³ Based

²¹ Heinrich, Andreas. *Poland as a transit country for Russian natural gas: potential for conflict*. Koszalin Institute of Comparative European Studies (KICES), 2007.

²² Tönjes, Christoph. “Duits energiebeleid in 2007.” *Internationale Spectator* 61, no. 1 (2007): 30-3.

²³ Ibid.

on the following observation by Roberts, we can notice that lobby groups in Germany have significant ability to influence policy outcomes.

The efforts of the operators of nuclear power facilities to get the SPD-Green government to modify its legislation in early 1999 concerning the abandonment of nuclear power in Germany and provisions for the treatment of nuclear waste, repeated when the 'grand coalition' which was formed in 2005 revised the schedule for closing nuclear power facilities, are examples of such interest group pressure on government.²⁴

Based on the domestic variables that affected the outcome of the Nord Stream pipeline, this case study will be divided into three chapters. The first chapter will cover German domestic energy interest groups and their access to the ministers in the Bundestag. The second chapter covers the extent of the relationship between the ministers and the German domestic energy industry, or what I refer to as the "revolving door" between ministers and the energy industry. Lastly, the third chapter includes the change in discourse among German political representatives concerning the issue of the Nord Stream pipeline project due to the influence of lobby efforts.

²⁴ Roberts, Geoffrey K. "Interest group politics," in *German politics today*, second edition (Oxford University Press, 2013): 178.

Literature Review

Realist Approaches to Energy Security: Power or Security?

Realist approaches attempt to accurately predict the behavior of Russia regarding its energy politics. Analysts who use realist approaches presume that the Russian state interprets EU diversification policies as a threat to its energy security. It is assumed that such policies will reduce Russian future oil and gas exports to the EU, thus decreasing the state's revenue and influence as a key energy supplier in the region. Therefore, according to realist approaches, Russia uses energy policy as a powerful political tool to secure its energy supply with the EU while Germany pursues the Nord Stream pipeline project due to its own national interest. Among many realist branches, neoclassical realism offers arguably the most convincing explanation for Russian behavior *vis-à-vis* energy security.

Neoclassical Realism

Neoclassical realism provides not only the most convincing but also the most comprehensive interpretation of the Russian energy security policy as a tool of foreign policy. The primary emphasis of neoclassical realist theory is that "Russia seeks to enhance its power."²⁵ This view of Russia's quest for power is most often espoused on the basis of this country's energy resources.²⁶ Neoclassical realism, or simply *neorealism*, revives the classical realist ideas first suggested by Hans Morgenthau in his

²⁵ Anita Orban, *Power, energy, and the new Russian imperialism* (Westport, Connecticut: Praeger Security International, 2008), 23.

²⁶ Cf. Elena Kropatcheva, "Playing Both Ends Against the Middle: Russia's Geopolitical Energy Games with the EU and Ukraine," *Geopolitics* 16 (2011): 554.

famous book *Politics Among Nations* (1954). This revival was sparked by Kenneth Waltz and his *Theory of International Politics* (1979). In this study, Waltz has restated in clearer terms some major realist ideas and arguments concerning the features of the overall system of states and how they affect security affairs.²⁷

Anita Orban interprets neoclassical realist theory as a synthesis of both classical realism and neorealism. Thus, neoclassical realist theory can be used to explain both systematic outcomes as well as behavior of states.²⁸ Unlike classical realists, for whom power-centrism is one of core assumptions about how the world works,²⁹ “neoclassical realists distinguish between power and foreign policy interests.”³⁰ Power is here defined as “the capabilities or resources with which states can influence each other.”³¹ Even though Fareed Zakaria claims “foreign policy is made not by the nation as a whole but by its government,”³² Russia’s case is different. In this country, foreign policy is shaped by state power, accompanied by the statesmen’s domestic perceptions which are influenced by power distribution in the international system. Judging from this insight, one could conclude that neoclassical realist theory takes into account the perceptions of decision

²⁷ William C. Wohlforth, “Realism and Security Studies,” in *Liberalism* (New York: Routledge, 2010), 11.

²⁸ Orban, *Power, Energy, and the New Russian Imperialism*, 20.

²⁹ Cf. William Wohlforth, “Realism and Security Studies,” 9.

³⁰ *Ibid.*, 21.

³¹ William C. Wohlforth, *The Elusive Balance: Power and Perceptions During the Cold War* (New York: Cornell University Press, 1993), 4.

³² Fareed Zakaria, *From Wealth to Power: The Unusual Origins of America’s World Role* (Princeton, NJ: Princeton University Press, 1999), 9.

makers as well, for they can provide explanations of how much (if any) change in policy outcome took place due to changes in leaders' perception of the international system.

Neoclassical realism distinguishes between two types of power: national power and state power. Comparing these two types, Orban is of the opinion that state power values more than national power.³³ For her, state power is “that portion of national power the government can extract for its purposes and reflects the ease with which central decision makers can achieve their ends.”³⁴ For Fareed Zakaria, state power is a “function of national power and state strength.”³⁵ He defines the state as an organization

composed of numerous agencies led and coordinated by the state's (executive authority) that has the ability or authority to make and implement the binding rules for all the people as the parameters of rule making for other social organizations in a given territory, using force if necessary to have its way.³⁶

This definition implies that state capabilities in international relations vary from state to state. Instead of “state power,” Thomas Christensen developed the term “national political power,” which Christensen, defines as “the ability of state leaders to mobilize their nation's human and material resources behind security policy initiatives.”³⁷ In order

³³ Orban, *Power, Energy, and the New Russian Imperialism*, 21.

³⁴ Orban, *Power, Energy, and the New Russian Imperialism*, 21.

³⁵ Fareed Zakaria. *From Wealth to Power: The Unusual Origins of America's World Role* (Princeton, NJ: Princeton University Press, 1999), 38.

³⁶ Quoted in: Jolel Migdal, *Strong Societies and Weak States: State-Society relations and State Capabilities in the Third World* (Princeton, NJ: Princeton University Press, 1988), 19.

³⁷ Thomas J. Christensen, *Useful Adversaries: Grand Strategy, Domestic Mobilization, and Sino-American Conflict, 1947–1958* (Princeton, NJ: Princeton University Press, 1996), 11.

to explain states' foreign policy, one must incorporate "state power" which statesmen use for their own purposes. Therefore, Christensen equals power with the ability (obviously political or rhetorical) of individuals to put material resources to their own use. In a similar fashion to Christensen, Zakaria is of the opinion that in neoclassical realism "statesmen, not nations, confront the international system."³⁸ Zakaria adds "nations try to expand their national interests abroad when central decision-makers states perceive a relative increase in state power."³⁹

In neoclassical realism, it is often assumed that states respond to the uncertainties of international politics by seeking control of their internal organization. Zakaria would equal this claim with what he sees as the usual stance of defensive realists. Namely, they state that "expansionist urge derives not from increased power, but from insecurity."⁴⁰ This view is in stark contrast to the position of a classical realist, who believes that "states expand out of confidence, [...] because they can."⁴¹ This claim indicates that large quantities of resources increase state power, which further instills greater expansionist urge.

Focusing on material power, importance of state domestic structure and statesmen perceptions of the international environment, the neoclassical realist theory offers a convincing explanation of Russia's energy security policy. In her analysis of the

³⁸ Zakaria, *From Wealth to Power*, 35.

³⁹ *Ibid*, 42.

⁴⁰ *Ibid*, 21.

⁴¹ *Ibid*.

expansion of Russian energy companies into Central Europe, Anita Orban maintains that Russia seeks to enhance its power by regaining some of its old power in the region. In order to reach both economic and foreign policy goals, Russia pursued a strategy of assuming control of key energy assets in Poland, Slovakia, and Hungary.⁴² Orban applied neoclassical realist theory to explain how Russia's expansionist energy policy is used as a foreign policy tool to increase the country's economic power.

For its emphasis on material power, domestic factors and statesmen perception of the international system – Neoclassical realism is particularly applicable to the analysis of Russian energy resources in foreign policy. These variables (material power, domestic factors and statesmen perception) can be used to explain changes in states' energy foreign policy in cases of sustained national energy power. Russia and Venezuela are perfect examples of this situation. Their energy resources became more important in foreign policy after major changes within their governments (when Vladimir Putin and Hugo Chavez took the offices, respectively). Between 2000 and 2004, Russia's endeavors in Poland, Slovakia, and Hungary "managed a successful economic expansion into Central Europe."⁴³ In Poland's case, *Gazprom* enjoyed leverage over *Europol Gas* (a Polish-Russian joint venture transporting gas to Poland and Germany through Poland) as both suppliers of gas and the part owner of the joint venture. Russia's gas company, *Gazprom*,

⁴² Orban, *Power, Energy, and the New Russian Imperialism*, 166.

⁴³ Anita Orban, "Harvest and Obstacles: Russian Energy Companies' Expansion into Central Europe during the Second Putin Presidency, 2004-2008," in *Power, energy, and the new Russian imperialism* (Westport, Connecticut: Praeger Security International, 2008), 101.

also gained direct access to the Western European market, “most importantly Germany, *Gazprom*’s largest European customer” through the agreement of the Yamal pipeline (delivers gas to Poland and Germany from Russia).⁴⁴ In Slovakia, a Russian company acquired 49% stake and management rights in *Transpetrol* shares.⁴⁵ In Hungary, Russia gained further strongholds when the “Hungarian government committed to the Blue Stream pipeline instead of the EU- and U.S.- backed project of Nabucco” which intended to diversify the natural gas via non-Russian controlled pipelines.⁴⁶

In all three cases, when acquiring major control of energy assets, Russian companies were intertwined with Russian state leaders (the prime minister and president). According to Orban, when Russian state power increased in 2004 due to higher federal tax revenues (24.5% of Russian GDP in 2006) the country relied on energy companies to gain footholds in Poland, Slovakia, and Hungary by “participating in privatization tenders for these countries’ companies, strategic energy assets and acquiring control of key pieces of energy infrastructure.”⁴⁷ In Russia’s case, we can see that the neoclassical realist theory accurately describes how this country uses energy security to increase its economic power in the region. Other authors, such as Elena Kropatcheva, have come to the same conclusion in the case of Russia and Ukraine’s energy relations: “Russia’s

⁴⁴ Orban, “Planting the Seeds: Russian Energy Companies’ Expansion in Central Europe in 1991-2000,” 44.

⁴⁵ Orban, “Harvest and Obstacles: Russian Energy Companies’ Expansion into Central Europe during the Second Putin Presidency, 2004-2008,” 145.

⁴⁶ *ibid.*, 165.

⁴⁷ Orban, *Power, Energy, and the New Russian Imperialism*, 167.

interest has been to increase its economic power in the strategic energy sector in Ukraine, especially by acquiring control over its gas transit system and thereby increasing its political influence.”⁴⁸ This claim can be further elucidated by Orban, who explains, “Russian energy companies tried to expand in Central Europe precisely when the Russian leadership saw that Russia’s relative influence vis-à-vis the West is low (1993-1996 NATO enlargement) and the Russian state had enough power to mobilize the necessary resources.”⁴⁹ “When Russia was satisfied with its international position (1991-1993), or when its state power was limited, the companies made no attempt to expand in the region.”⁵⁰ Russian energy companies expanded when state power was high (1991-1993, 2000-2004, 2004-2008) but Russia’s influence in the world low. NATO’s political enlargement (admitting Slovakia, Latvia, Lithuania, Estonia) and antimissile bases in Poland and the Czech Republic (between 2004-2008) – have weakened Russia’s influence during this period, leaving a “determined Russia to direct substantial state power into achieving the foreign policy objective of Russian energy companies’ expansion” in the region.⁵¹

While allowing cooperation among actors, neoclassical realism still remains pessimistic about the cooperation’s durability. As Kropatcheva (2014, 2) asserts, “states are interested in increasing their competitive power advantage *vis-à-vis* each other. Thus,

⁴⁸ Elena Kropatcheva, “Playing Both Ends Against the Middle: Russia’s Geopolitical Energy Games with the EU and Ukraine,” *Geopolitics* 16 (2011): 566.

⁴⁹ Orban, *Power, Energy, and the New Russian Imperialism*, 166.

⁵⁰ *Ibid.*

⁵¹ *Ibid.*, 164.

cooperation has an ad hoc instrumental rather than a normative institutionalized form, as liberal or normative institutionalism claims.”⁵²

Economic Liberalism and Interdependence

Neoliberal thought rests on the key assumption that cooperation fosters economic growth and peace. The literature on economic liberalism and interdependence, with its “focus on the economic fundamentals of trade and cooperation,” offer valuable explanations to why states trade with each other, especially in energy resources such as oil and gas.⁵³

Economic interdependence is defined as the degree to which two (or more) states are connected by flows of goods, services, capital, labor and technology (Rousseau and Walker 2009, 27). Interdependence occurs ‘where there are reciprocal (although not necessarily symmetrical) costly effects of transaction’ (Keohane and Nye 1989, 9). Some authors, such as Mansfield, Russett and Oneal, assume that conflict can avoid escalation as economic interdependence increases. Rousseau and Walker (2009, 27) explain the casual mechanisms as follows: “First, decision-makers contemplating whether to initiate a dispute or initiate or escalate a crisis must calculate the cost of such an action.” The use of force becomes less likely an option between two highly interdependent states due to the cost of jeopardizing the good standing economic partnership. In other words, states prefer to trade instead of invading each other (Keohane & Nye 1989). “Second, [...],

⁵² Kropatcheva, Elena. "He who has the pipeline calls the tune? Russia's energy power against the background of the shale "revolutions"." *Energy Policy* 66 (2014): 2. Accessed May 1, 2017, Retrieved from <http://www.sciencedirect.com/science/article/pii/S0301421513010811>

⁵³ Svyatets, Ekaterina. *Energy security and cooperation in Eurasia: Power, profits and politics* (Abingdon, Oxon: Routledge, 2015), 13.

firms and workers with international ties (e.g. export-oriented firms or firms using imports in the production process) will pressure government representatives to de-escalate disputes that arise between trading partners” (Keohane and Nye 1989). In contrast to the realists who emphasize relative gains,⁵⁴ liberalism stresses the mutual benefits of trade and cooperation.

As for the topic of energy security, liberalism advocates interdependence between energy producers and fosters cooperation among consumers. For example, in the case of Europe’s dependence on Russian oil and gas, Vieira (2012, 2) describes their relationship as interdependent: “The EU depends on Russia (its fossil natural resources) and on the ‘transit countries’ (Ukraine and Belarus) and Russia also strongly depends on the EU markets and on the ‘transit countries’ (Ukraine and Belarus) as well.” The ‘transit countries’ have been a milestone while a ‘connecting-link between Russia and the EU.’⁵⁵ *Gazprom*’s CEO, Alexei Miller, still claims that the EU “remains the primary export market.”⁵⁶ On the other hand, the EU needs to adjust to Russia’s and the Commonwealth of Independent State’s (CIS’s) interests as well (Vieira 2012, 3). More or less similar conclusions can be found in Tom Casier’s article “The rise of energy to the top of the EU-Russia agenda: from interdependence to dependence?” He claims, “the Russian

⁵⁴ Relative gain or zero-sum-game states that wealth cannot be expanded and the only way a state can become richer is to take wealth from another state. Kenneth (1979,195). “Theory of international relations.” *Reading: Addison-Wesley* (1979).

⁵⁵ Vieira, Estela, “Gazprom and the Russian Economic Diplomacy Towards the EU: Blurred Frontiers Between the Company and the State,” *Centro de Estudos da População, Economia e Sociedade (CEPES)*, (2012): 9-10.

⁵⁶ Vieira, “Gazprom and the Russian Economic Diplomacy Towards the EU: Blurred Frontiers Between the Company and the State,” 3.

economy is considerably dependent on the EU economy for its export, of which 60 percent goes to the EU (60 percent of which is energy).”⁵⁷

Other authors, such as Øistein and Claes, portray the Russia–EU energy relationship as asymmetric interdependence. Asymmetric interdependence, introduced by (Keohane and Nye, 1977) holds that state A is very dependent on state B, but state B is not very dependent on state A). According to Øistein and Claes (2013, 785), “Russia is dependent on the income from gas exports to the European market,” but nevertheless the “European gas consumers seem relatively more dependent on Russian gas supplies.” The authors present evidence of the asymmetry of trade relations between EU’s exports to Russia, concluding, “the Russian market is more important for former eastern-European countries compared to Western Europe.”⁵⁸ In other words, one cannot depict Russia’s trade relationship with the EU exclusively as a whole. Instead, the factors of ‘dependence’ or ‘interdependence’ are more specific for these countries, or, in this case, an East vs. West trade relationship. Øistein and Claes claim, “dependence accurately describes the trade relationship between Russia and the ‘big four’, France, Germany, UK

⁵⁷ Tom Casier, “The Rise of Energy to the Top of Russia-EU Agenda: From Interdependence to Dependence?” *Geopolitics* 16 (2011): 542.

⁵⁸ Harsem, Øistein, and Dag Harald Claes. "The interdependence of European–Russian energy relations." *Energy policy* 59 (2013): 790. Retrieved from <http://www.sciencedirect.com/science/article/pii/S0301421513002851>

and Italy.”⁵⁹ The effect of the shortfall in imported energy for the Europeans is far more imminent than the effect of a lack of export income for Russia.⁶⁰

As far as the essential role of institutions in the market of oil and gas trade is concerned, Goldthau and Witte highlight “the important role institutions play in making energy markets tick.”⁶¹ Adopting a definition developed by Douglass North, the authors defined institutions as the ‘rules of the game’ in global energy markets. “Institutions are thus composed of formal rules (laws, regulations), informal constraints (norms, conventions) and thus enforcement mechanisms.”⁶² Unlike vast literature that perceives international energy policy as a zero-sum game, Goldthau and Witte reiterate, “with proper markets and institutions in place to balance competition and cooperation, all sides stand to gain.”⁶³ Thus, institutions serve three purposes: correct market failures (by establishing national oil and gas reserves), lower transaction costs (e.g., by sharing and disseminating information through the International Energy Agency) (IEA), and set rules and standards for market exchange by the World Trade Organization (WTO) (Ibid, 379–380). Both the consumers and producers benefit from greater transparency, as “more transparency would reduce uncertainty in international energy markets and thus adjustment costs for both consumers and producers” (Ibid, 379).

⁵⁹ Øistein and Claes, “The interdependence of European–Russian energy relations,” 790.

⁶⁰ *ibid.*, 789.

⁶¹ Andreas Goldthau and Jan Martin Witte, “Back to the Future or Forward to the Past? Strengthening Markets and Rules for Effective Global Energy Governance,” *International Affairs* 85 (2009): 378.

⁶² Goldthau and Witte, “Back to the Future or Forward to the Past? Strengthening Markets and Rules for Effective Global Energy Governance,” 378.

⁶³ *Ibid.*, 390.

Domestic Interest Groups

The power of domestic groups to influence a state's energy policy via lobbying and public persuasion is significant. The literature on domestic interest groups is very applicable in the analysis of energy security since it focuses on how various interest groups and actors influence foreign and energy policies. Factors such as 'strategic societal stance' determined by status and prestige, closeness to government structures, and their access to valuable information determine the power of interest groups.⁶⁴ Such internal features as the degree of formalization, leadership abilities, and financial resources shape the success of interest groups.⁶⁵ Other scholars, like Olson, highlight that the power of the market determines lobby power. According to (Olson, 1965), "if a firm has obtained a leading position in its market, it will be easier for it to overcome collective action problems."⁶⁶ Groups considered by Olson as being largely unorganized and unable to organize 40 years ago (consumers, patients, etc.) "are well organized in Germany nowadays."⁶⁷ Based on Sebaldt's analysis, "interest groups dedicated to environmental

⁶⁴ Truman David B, "Interest Groups," in *The Governmental Process*. Vol.3. (New York: Knopf, 1951), 250.

⁶⁵ Truman, "Interest Groups," in *The Governmental Process*, 250.

⁶⁶ Mancur Olson, *The Logic of Collective Action* (Cambridge, MA:Harvard University Press, 1965).

⁶⁷ Sebaldt, Martin, "Interest Groups: Continuity and Change of German Lobbyism since 1974."

In *Institutions and Institutional Change in the Federal Republic of Germany*, (New York: Macmillan Press Ltd 2000).

problems, elimination of global and political inequalities nearly quadrupled their number” from 23 in 1974 to 89 by 1994.⁶⁸

Domestic actors play a key role in the energy sector since “energy projects can only be implemented if domestic actors in participating countries support them (or, at a minimum are unable to block them.”⁶⁹ Domestic actors include energy ‘movers’ (producers and transportation companies), energy industry shapers (the ‘financial, research, social, and supporting organizations that facilitate the movement of energy from producers to users’), energy users (consumers), and energy regulators (government agencies) (Geri and McNabb 2011, XXIX). Multinational corporations (Saudi Aramco, GAZPROM, National Iranian Oil Company, etc), strong labor unions (Oil & Natural Gas Industry Labor-Management Committee, Russian Oil & Gas Workers Union, etc.) are some of the actors and interests with the potential to shape the energy sector. Policy-makers are also closely engaged with energy companies. Frank-Walter Steinmeier, for example, who was in office 2005-09, frequently took along representatives from the German energy industry on his official foreign trips (Christoph 2007, 33).

The literature has followed the prominence of regional and country-specific domestic groups. In the case of Ukraine’s energy environment and its energy relationship with Russia, Balmaceda (2004) highlights “the importance of domestic interest groups in

⁶⁸Sebalt Martin, “Interest Groups: Continuity and Change of German lobbyism since 1974.” In *Institutions and institutional change in the Federal Republic of Germany*, Helms, Ludger, ed. (New York: Macmillan Press Ltd, 2000), 190.

⁶⁹ Svyatets, Ekaterina. *Energy security and cooperation in Eurasia: Power, profits and politics* (Abingdon, Oxon: Routledge, 2015), 17.

determining how energy policy is made, and how and whether various domestic actors will attain economic gains from the energy dependency relationship with Russia.”⁷⁰ Her findings indicate that informal institutions “are often more important in the management of energy dependency than formal, official ones.”⁷¹ In the case of Ukraine, some informal institutions such as the system of informal balances among strong but informal business-administrative groups, the importance of informal networks in policy-making and the institutional corruption and lack of transparency that have made it possible for some economic actors to make a considerable profit out of Ukraine’s energy dependence on Russia are often more important in the actual management of energy dependency than formal official ones.⁷² In addition, how formal and informal institutions interact and mutually reinforce each other reveals an important narrative. For example, the significant informal powers given by the Ukrainian Constitution to the President reinforce his formal ones by “multiplying” their de facto significance and making it possible for Leonid Kuchma as executive to play the role of “balancer” in a largely informal system of

⁷⁰ Balmaceda, Margarita M, "Explaining the Management of Energy Dependency in Ukraine." *Possibilities and Limits of a Domestic-Centered Perspective* (Mannheimer Zentrum für Europäische Sozialforschung, Mannheim, 2004): 32.

⁷¹ Balmaceda, "Explaining the Management of Energy Dependency in Ukraine." *Possibilities and Limits of a Domestic-Centered Perspective* 32.

⁷² *ibid.*

power.⁷³ As a result, energy policy lacks clarity, consistency and a long-term policy line.⁷⁴

The domestic energy industry is one of the most important determinants for German energy policy.⁷⁵ They have direct (by lobbying) and indirect (in securing supply) influence on the federal government.⁷⁶ Verhoeff & Njemann (2011) exemplify how the domestic energy industry influences German energy policy vis-à-vis Russia. Companies lobby by expressing their wishes to the government (Ibid, 1278).⁷⁷ They also influence matters by seeking cooperation with *Gazprom* through joint ventures such as WINGAS and WIEH (Sander 2007). The Nord Stream pipeline exemplifies how German domestic industries influenced overall German energy policy with Russia. According to an interview at the Ministry of Foreign Affairs, “the two German companies (BASF/Wintershall and E.ON Ruhrgas, who own 20 percent of Nord Stream AG project) used their contacts in the Chancellery and the relevant ministries to gain support for their plans.”⁷⁸ “Nord Stream constitutes an important opportunity for BASF/Wintershall and

⁷³ Balmaceda, Margarita M, "Explaining the Management of Energy Dependency in Ukraine." *Possibilities and Limits of a Domestic-Centered Perspective (Mannheimer Zentrum für Europäische Sozialforschung, Mannheim, 2004)*: 33.

⁷⁴ Balmaceda, Margarita M, "Explaining the Management of Energy Dependency in Ukraine." *Possibilities and Limits of a Domestic-Centered Perspective*, 33.

⁷⁵ Laumanns, Ulrich, 'Determinanten der Energiepolitik.' In Reiche, D. (ed.) *Grundlagen der Energiepolitik* (Frankfurt: Peter Lang) 283.

⁷⁶ Ibid.,

⁷⁷ Verhoeff, Emma C., and Arne Niemann, “National Preferences and the European Union Presidency: The Case of German Energy Policy towards Russia.” *Journal of Common Market Studies* 49, no. 6 (2001): 1278. *Business Source Complete*, EBSCO host (accessed July 2, 2016).

⁷⁸ Verhoeff and Niemann, “National Preferences and the European Union Presidency: The Case of German Energy Policy towards Russia,” 1279.

E.ON Ruhrgas, as part of a broader strategy of participating in the expansion of the Russian gas market.”⁷⁹ The German government duly supported this strategy to bolster the position of German industry in the Russian upstream sector and to enhance its security of demand (Heinrich 2007).⁸⁰ This example resembles the close ties between the business industries and government officials and/or institutions and the impact they have to guide state policies in their favor.

Other studies explore the symbiotic relationship between domestic groups and the state, as in the case of Russia. Svyatets summarizes Tolstykh’s analysis as follows; “Russia has as a corporatist model, in which certain interest groups maintain the monopoly in specific issue-areas, as opposed to the pluralist model that implies the diversity and competition among interest groups.”⁸¹ “The Russian government encourages a monopolistic domestic structure in order to establish a symbiotic relationship with interest groups by giving preferential treatment to some of them.”⁸² According to Colton (2008, 264), since Vladimir Putin came to power, “the structure has become increasingly monopolistic.” “Monopolists, often with roots in the command economy, are likely to be especially powerful lobbyists” (Olson 1965, 54).⁸³

⁷⁹ Ibid.,

⁸⁰ Heinrich, Andreas, “Poland as a Transit Country for Russian Natural Gas: Potential for Conflict” (Koszalin: Institute of Comparative European Studies, 2007): 54.

⁸¹ Svyatets, Ekaterina. *Energy security and cooperation in Eurasia: Power, profits and politics* (Abingdon, Oxon: Routledge, 2015), 16-17.

⁸² Svyatets, *Energy security and cooperation in Eurasia: Power, profits and politics*, 17.

⁸³ Mancur Olson, *The Logic of Collective Action* (New Haven, Yale University Press, 1965); Donald D. Jensen, 'How Russia is Ruled', in Peter Rutland (ed.), *Business and the State in Contemporary Russia* (Boulder, Westview Press, 2001), pp. 54.

Lobbying

One of the main methods used to advocate particular interests and policies is through lobbying (Carter and Scott, 2004). According to Russian political scientists Avtonomov, Neschadin, Blokhin, Vereschagin, among others, only non-governmental groups and businesses can be categorized as lobbyists (Tolstykh 2006, 9). A broader definition claims, “lobbying can be done by any societal entity that tries to promote a particular issue and a policy (Ibid, 8). In the case of Russia, lobbying activities are not transparent and “happen behind closed doors, with very slim ways to control financial contributions to politicians.”⁸⁴

In her analysis of the influence of Russian actors in energy policy and profit, Balmaceda (2008, 23) shows how Russian actors (*Gazprom*, President Vladimir Putin) use small energy companies to pursue “Russian” (private⁸⁵, state⁸⁶, and covert) goals in Lithuania, and enrich certain individuals tied to them. In Lithuania, several intermediary *Gazprom* gas dealers had shared the market, but in 2002 the corporation transferred its supply contracts to a single, near-monopolist company, *Dujotekana* (a gas trade

⁸⁴ Svyatets, Ekaterina. *Energy security and cooperation in Eurasia: Power, profits and politics* (Abingdon, Oxon: Routledge, 2015), 16.

⁸⁵ “These “private” interests may include the attempt to control some or all gas imports to Lithuania in the pursuit of individual profit.” Balmaceda, Margarita M. “Corruption, intermediary companies, and energy security: Lithuania’s lessons for Central and Eastern Europe.” *Problems of post-communism* 55, no. 4 (2008): 28.

⁸⁶ “Russian ‘state’ interest in Lithuania may include the geopolitical goal of controlling port infrastructure in the Baltics.” Balmaceda, Margarita M. “Corruption, intermediary companies, and energy security: Lithuania’s lessons for Central and Eastern Europe.” *Problems of post-communism* 55, no. 4 (2008): 28.

intermediary firm).⁸⁷ According to Balmaceda, “Russian leadership realized the intermediary companies were not only good business (as in benefitting particular groups or individuals) but a powerful tool for influencing political elites abroad.”⁸⁸ Thus, *Gazprom* lobbied for the legal existence and profit-making rights of *Dujotekana*, while president Putin replaced existing intermediary companies with Russian-controlled ones. Control over the Russian side of the intermediary gas trace companies in Lithuania, for example, was transferred from Vyakhirev’s (former Chief of *Gazprom*) circle to a close Putin associate, Vladimir Yakunin, head of Russian Railways.⁸⁹ The link between business and the Russian state is very evident in this case. The possible rents in the Lithuanian case were not only significant at the individual or group level but also “as a moderate, albeit constantly self-replenishing source of funds available for supporting (or buying the favor of) important political actors in Lithuania.”⁹⁰ Therefore, lobbying is not just an effective tool to gain profit and interest, but also to expand Russia’s influence in the EU. As Balmaceda emphasizes, “the Russian leadership through its energy investments in there seek to use Lithuania as a bridgehead into the EU, or even as a

⁸⁷ Balmaceda, Margarita M “Corruption, Intermediary Companies, and Energy Security Lithuania’s Lessons for Central and Eastern Europe.” *Problems of Post-Communism* 55, no. 4 (July 2008): 20. *Military & Government Collection, EBSCOhost* (accessed July 8, 2016).

⁸⁸ Balmaceda, Margarita M “Corruption, Intermediary Companies, and Energy Security Lithuania’s Lessons for Central and Eastern Europe,” 20.

⁸⁹ Balmaceda, Margarita M “Corruption, Intermediary Companies, and Energy Security Lithuania’s Lessons for Central and Eastern Europe.” *Problems of Post-Communism* 55, no. 4 (July 2008): 23. *Military & Government Collection, EBSCOhost* (accessed July 8, 2016).

⁹⁰ Balmaceda, Margarita M “Corruption, Intermediary Companies, and Energy Security Lithuania’s Lessons for Central and Eastern Europe.” *Problems of Post-Communism* 55, no. 4 (July 2008): 25.

means to foster divisions within the EU and also in the post-Soviet Baltic States.”⁹¹

Unlike most studies, Balmaceda’s approach stands out due to her emphasis on small intermediary companies, not on the largest energy sectors such as *Gazprom* or *Lukoil*.

As for the topic of business lobbying in Russia, Frye (2002) presents evidence of strong business-state relations for a majority of firms. His findings showed that successful lobbyists received favorable policies from the state, in return for providing benefits for state officials. Many firms relied on direct contacts with state officials, such as the governor, the mayor or representatives of the regional Duma or administration to press for their firms’ advantages. Successful lobbyists used other tools (such as the media) to advocate favorable policies from state officials and turned to professional or business organizations to promote their interests.⁹² Other scholars highlight the lobbying power of the oil and gas sector (Gustafson, 2001). Gustafson’s findings indicate, “financial sector firms are likely to exert some influence over legislation, as are fuel and telecommunication firms in Russia (10).⁹³ According to Remnick (2000), large industrial firms, banks, and natural resource companies exert disproportionate control over the Russian state.

⁹¹ *ibid.*,

⁹² Frye Timothy, “Capture or exchange? Business lobbying in Russia,” *Europe-Asia Studies* 54, no. 7 (2002): 1027. Retrieved August 3, 2016, from <http://www.tandfonline.com/jplnet.sfsu.edu/doi/pdf/10.1080/0966813022000017113>.

⁹³ Gustafson, Capitalism Russian-Style; David Lane, “The Political Economy of Russian Oil,” in Peter Rutland (ed.), *Business and the State in Contemporary Russia* (Boulder, Westview Press, 2001), pp. 114.

Other authors have explored the interaction between domestic and international actors. Putnam (1988) argued that the position of the German, Japanese and American state on macroeconomic policy in 1978 incorporated both domestic and national actors to foster the recovery of the Western economy from the first oil shock. His interpretation of the 1978 Bonn summit posits that, due to domestic divisions and pressure, governments were pressured to mutually support international policies. The interaction between domestic and international actors was essential. Putnam maintained that

at the national level, domestic groups pursue their interests by pressuring the government to adopt favorable policies, and politicians seek power by constructing coalitions among these groups. At the international level, national governments seek to maximize their own ability to satisfy domestic pressures, while minimizing the adverse consequences of foreign developments.⁹⁴

The domestic politics literature, with its concentration on interest groups, transnational actors (energy companies), lobbies and state elites is well suited to explain the influence of German behavior in the case of the Nord Stream pipeline interconnection with Russia.

⁹⁴ Putnam, Robert D, "Diplomacy and domestic politics: the logic of two-level games," *International Organization* 42, no. 3 (1988): 434. *Military & Government Collection, EBSCOhost* (accessed August 4, 2016).

Historical Background: The Nord Stream Pipeline

The first Nord Stream pipeline endeavor was initiated by two countries: Germany and Russia. After a long history of gas price disputes between Russia, Ukraine and transit routes (such as Poland and Belarus), reliable security of supply came to the forefront of both German and Russian interests. The Nord Stream proposal offered an alternative route for the security of supply in the Eurozone while securing Russia's gas exports to Western Europe. The direct Baltic sub-sea pipeline bypasses the "former pipeline network of Eastern Europe, running north into Russia to join the pipeline network there."⁹⁵ In October 2012, a second line parallel to line 1 began operating.

Currently, about three-quarters of Russian natural gas intended for the EU goes through Ukraine.⁹⁶ The Nord Stream's twin pipeline, with total capacity of 55-bcm of natural gas per year, equal to "enough energy to supply more than 26 million households," independent of gas cutoffs and price disputes."⁹⁷ This pipeline presents itself as one of possible solutions to a reliable supply of natural gas to Germany and the rest of the Eurozone.

In addition to the Nord Stream's twin pipeline, construction of Nord Stream 2, two parallel lines, "each 27.5bcm annual capacity, starting southwest of St Petersburg,

⁹⁵ Kolb, Robert W, *The natural gas revolution: At the pivot of the world's energy future* (New Jersey: Pearson, 2014), 173.

⁹⁶ Svyatets, Ekaterina, "Russia-Germany energy cooperation," in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics*. (New York: Routledge 2015),113.

⁹⁷ Nord Stream AG, "*Secure Energy for Europe: The Nord Stream Pipeline Project*," http://www.nord-stream.com/media/documents/pdf/en/2014/04/secure-energy-for-europe-full-version_245_20140417.pdf (accessed December 18, 2016): 1.

ending near current Nord Stream 1 is set to begin in 2018.”⁹⁸ Even with Nord Stream up and running, EU gas demand is not met. The purpose of the new pipeline is to fill EU’s gas demand of 144 bcm⁹⁹ of natural gas by 2035.

State-controlled Russian energy giant Gazprom currently holds 50 percent of Nord Stream 2, while French utility company ENGIE and German utilities E.ON and Wintershall, as well as Austrian OMV and British Dutch Shell, each hold 10-percent stakes.¹⁰⁰

Nord Stream began operating in 2010 and is currently supplying significant gas resources directly from Russia to Germany. The route continues to be expanded with new parallel pipelines.¹⁰¹ Further, a spur line from Germany now goes to the Czech Republic.¹⁰²

⁹⁸ Nord Stream AG 2.” Nord Stream 2: New Pipeline for Europe’s Energy Future (document date February 2016), <https://www.nord-stream2.com/project/pipeline/> (accessed date September 26 2016), 4.

⁹⁹ “Nord Stream AG 2.” Nord Stream 2: New Pipeline for Europe’s Energy Future (document date February 2016), <https://www.nord-stream2.com/project/pipeline/> (accessed date September 26 2016), 1. Originally based on IHS CERA European Gas Long-Term Supply and Demand Outlook to 2040, July 2015.

¹⁰⁰ “Eastern EU Countries Complain about Pipeline Deal.” 2015. *Daily News Egypt*, Nov 27. <http://search.proquest.com/docview/1737002569?accountid=13802>.

¹⁰¹ Krupnick, Alan J., Raymond J. Kopp, Kristin Hayes, and Skyler Roeshot. “The natural gas revolution.” *Critical questions for a sustainable energy future*. Washington, DC: Resources for the Future (2014): 174.

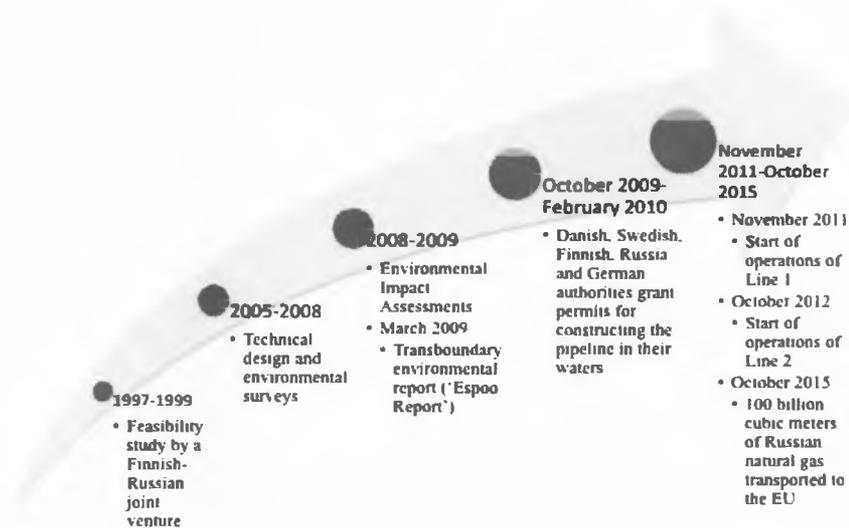
¹⁰² Ibid.

Figure 1: The Nord Stream Pipeline Route



Nord Stream AG: "Nord Stream Route" <https://www.nord-stream.com/press-info/images/nord-stream-route-with-legend-2888/> (accessed September 1, 2016),

Figure 2: Nord Stream Project Timeline



“Nord Stream - The New Gas Supply Route for Europe.” The Nord Stream Pipeline Project Document, <https://www.nord-stream.com/the-project/planning/> (accessed August 30, 2016), 2.

Legal Groundwork

Due to the scope of the project, the Nord Stream pipeline has been described as “one of the most complex international environmental consultations ever undertaken.”¹⁰³ The reason for this complexity is that the pipelines “pass through the territorial waters or

¹⁰³ “Nord Stream - The New Gas Supply Route for Europe.” <<https://www.nord-stream.com/the-project/planning/>> (accessed August 30, 2016).

Exclusive Economic Zones (EEZ) of Russia, Finland, Sweden, Denmark and Germany.”¹⁰⁴ Because they could affect other nations, “an extensive permitting and consultation process was required under the Espoo Convention.”¹⁰⁵ According to the 1982 UN Convention on the Law of the Sea (UNCLOS) Article 79, ‘All States are entitled to lay submarine pipelines and cables on the continental shelf of another state.’ Although coastal states such as Poland, Estonia, Latvia, Lithuania “may not impede the laying of pipelines, they may take ‘reasonable measures to preserve the environment and its natural resources, and the delineation of the pipeline ‘is subject to the consent of the coastal State’ (UN 1982). An extensive Environmental Impact Assessment (EIA) was completed on March 9, 2008 – after Sweden, Finland, Denmark and Germany “approved that the EIA is satisfactory,” and granted construction permits since the pipeline pass through their EEZs.¹⁰⁶ Although the pipeline also passes through Russia’s EEZ, because it did not ratify the Espoo Convention the only part it could play is in the EIA process.

German Legislation: Nord Stream pipeline

The Federal Mining Act (BBerG) & the Energy Industry Act (EnWG)

The purpose of the (BBerG) act is to (1) ensure the availability of raw materials by managing and promoting the exploration, extraction and processing of mineral resources with a view to geographical constraints and sustainable mining while applying

¹⁰⁴ Ibid. Espoo- The Convention on Environmental Impact Assessment in a Transboundary Context whose purpose is to encourage economic cooperation among member states.

¹⁰⁵ Ibid.

¹⁰⁶ “Nord Stream - The New Gas Supply Route for Europe.” <<https://www.nord-stream.com/the-project/planning/>> (accessed August 30, 2016).

economical and low-impact technology, (2) to ensure the safety and mining operations and employees, and (3) to strengthen precautions against risks to human life, health or to third-party equipment and material arising from mining activities and to improve the compensation of unavoidable damage.”¹⁰⁷

According to Section 132 of the (BBerG) legislation,

any party wishing to conduct research directly on the continental shelf that, as such, is obviously unsuitable for discovery or identification of resources shall obtain permission from the Federal Maritime and Hydrographic Agency regarding the Ordinance on Use of Bodies of Water Above the Continental Shelf and the Air Space Above These Bodies of Water.¹⁰⁸

Thus, the Nord Stream pipeline planning, operation and research were authorized by the Federal Maritime and Hydrographic Agency and granted a construction permit (EEZ) on December 28, 2009. Following Section 133, the law on Submarine cables and transit pipelines, a mandatory Environmental Impact Assessment will be conducted for construction and installation of a transit pipeline, and official notice must be published in

¹⁰⁷ Federal Mining Act of 13 August 1980 (Federal Law Gazette I . 1310) last amended by Article 11 of the Act of 24 May 2016 (Federal Law Gazette I p. 1217) http://gesetze-im-internet.de/englisch_bbergg/englisch_bbergg.html (accessed December 09, 2016).

¹⁰⁸ Federal Mining Act of 13 August 1980 (Federal Law Gazette I p. 1310) last amended by Article 11 of the Act of 24 May 2016 (Federal Law Gazette I p. 1217).

“two national newspapers”¹⁰⁹ for public accessibility and transparency. According to Section 136, it is the responsibility of the competent Land authority to grant construction permits. The mining offices in Stralsund as well as the Federal Bureau for Shipping and Hydrograph (BSH) have legal authority for the execution of the Federal Mining Act (BBerG).¹¹⁰ Since the pipeline is located in Greifswald, the federal state in Northern Germany, Mecklenburg-Vorpommern is responsible for the execution of the act.

The aim of the Energy Industry Act (EnWG) is “to provide the most secure, cost-effective, consumer-friendly, efficient and environmentally sound, public-sector supply of electricity and gas based on renewable energies.”¹¹¹ In other words, the EnWG¹¹² regulates the electricity and gas networks “ensuring effective and unadulterated competition in the supply of electricity and gas and long-term efficient and reliable operation of energy supply networks.”¹¹³ For the planned approval of the Nord Stream pipeline in German territorial waters, the Nord Stream AG consortium was legally required to request authorization, according to Section 43 EnWG in accordance with the

¹⁰⁹ Ibid.

¹¹⁰ “Nord Stream AG.” Nord Stream Espoo Report: Annex National EIA Summary- Germany (document date February, 2009), <https://www.nord-stream.com/press-info/library/?q=&type=&category=&country=12> (accessed December 9, 2016): 6.

¹¹¹ Energy Law of July 7, 2005 (Federal Law Gazette I, 1970, 3621), which has been amended by Article 6 of the Act of 13 October 2016 (Federal Law Gazette I p. 2258). Retrieved from http://gesetze-im-internet.de/enwg_2005/BJNR197010005.html#BJNR197010005BJNG000900000 (accessed December 9, 2016).

¹¹² (State Regulation about the Competence for the Energy Industry).

¹¹³ Energy Law of July 7, 2005 (Federal Law Gazette I, 1970, 3621), which has been amended by Article 6 of the Act of 13 October 2016 (Federal Law Gazette I p. 2258).

abovementioned legislation (Section 133, BBerG) and the Federal Maritime and Hydrographic Office.

The applications, including a scoping document, were available for public consultation from November 27, 2006 to January 12, 2007, including NGOs (WWF, NABU, and BUND Mecklenburg-Vorpommern). On December 12, 2008, Nord Stream submitted the Stralsund Mining Authority and BSH Hamburg full application documents, together with an environmental impact assessment.¹¹⁴ A discussion was held with the Stralsund ministry from June 22, 2009 to June 25, 2009 in Stralsund.¹¹⁵

¹¹⁴http://www.bsh.de/de/Meeresnutzung/Wirtschaft/Rohrleitungen/Nord_Stream_Gas_Pipeline/Genehmigungsverfahren_in_Deutschland.jsp

¹¹⁵http://www.bsh.de/de/Meeresnutzung/Wirtschaft/Rohrleitungen/Nord_Stream_Gas_Pipeline/Genehmigungsverfahren_in_Deutschland.jsp

Figure 3: Nord Stream: National Legislation

Appendix – National legislation applicable to the Nord Stream project

Country	Legislation	Authorities	Permits issued
Russia	<ul style="list-style-type: none"> • Federal laws about • Internal Sea Water, Territorial Sea and Nearest Zone of Russian Federation • Continental Shelf of Russian Federation • Exclusive Economic Zone of Russian Federation • Environmental Expertise Decree of the Government of Russia about Approving the Order of Laying of Undersea Cables and Pipelines in Internal Sea Water and in Territorial Sea of Russian Federation	Leningrad Region Authorities Various Russian Federal Authorities Ministry of Natural Resources (Rosprodnadzor)	Construction Permit – 18.12.2009
Finland	<ul style="list-style-type: none"> • The Finnish EIA Act (468/1994) • The Finnish Act on the EEZ (Act 1058/2004) • The Water Act (Act 264/1961) 	Ministry of Employment and the Economy (EEZ) Regional State Administrative Agency for Southern Finland	EEZ Permit – 05.11.2009 Water Permit – 12.02.2010
Sweden	<ul style="list-style-type: none"> • Act on the Continental Shelf (Act 1966:314) No EIA is expressly required for the construction	Swedish Ministry of Enterprise	Construction Permit – 05.11.2009
Denmark	<ul style="list-style-type: none"> • Act on the Continental Shelf (1101:2005) as specified in Administrative Order (361:2006) on Pipeline Installation on the Danish Continental Shelf for Transport of Hydrocarbons The EIA is an integrated part of the permitting procedure.	Danish Energy Authority	Construction Permit – 20.10.2009
Germany	<ul style="list-style-type: none"> • Energy Industry Act (EnWG) • Federal Mining Act (BBergG) The EIA is parallel to and integrated in the permitting procedure.	Mining Authority of Stralsund Federal Maritime and Hydrographic Agency (BSH)	Construction permit Territorial Waters – 21.12.2009 Construction permit EEZ – 28.12.2009 Permit for re-routing – 26.02.2009 and 19.08.2010

“Nord Stream - The New Gas Supply Route for Europe.” Permitting Process for the Nord Stream Pipeline

Document, <https://www.nord-stream.com/the-project/planning/> (accessed November 2, 2016), 3.

The Shareholders and Project Costs

In 1997, Russia’s Gazprom and the Finnish company Neste (later known as Fortum) established a shared company, North Transgas Oy, to examine alternative gas pipeline routes from Russia to Germany through the Baltic Sea.¹¹⁶ A joint feasibility study concluded “that an offshore project would have the best chance of implementation.”¹¹⁷

¹¹⁶ Whist, Bendik Solum. “Nord Stream: Not Just a Pipeline.” *Age* 30, no. 4 (2007): 5.

¹¹⁷ Ibid.

After Fortum had sold its 50% stake in North Transgas Oy to Gazprom, cooperation continued with the German gas company E.ON AG (renamed E.ON Ruhrgas AG in 2004). In May 2005, Russia's Gazprom became the only shareholder after Fortum withdrew from the project.¹¹⁸ By September 2005, just days before the federal elections, under the presence of German Chancellor Gerhard Schröder and President Vladimir Putin – Gazprom, E.ON, Ruhrgas and BASF/Wintershall agreed to construct the Nord Stream pipeline (at the time known as the North European Gas Pipeline). The shareholders of the pipeline include: Gazprom (51%), BASF/Wintershall, E.ON (each 15.5%), Gasunie (joined 2008), GDF Suez (now Engie- joined 2010) each 9%.¹¹⁹ Thus the countries that make up the Nord Stream consortiums are Russia, Germany, The Netherlands and France.

The five shareholders in the Nord Stream consortium provided 30% of the 7.4 billion euros investment, with the remaining 70% coming in the form of commercial loans on the international financial markets.¹²⁰ At the cost of 10 billion euros (\$11 billion),¹²¹ a second line was completed in June 2011, increasing gas deliveries to

¹¹⁸ "Gazprom takes control of North Transgas." Accessed September 20, 2016. <http://www.upstreamonline.com/live/fsu/article1075972.ece>.

¹¹⁹ Hall Siobhan & Elliott Stuart. "Platts Guide to Nord Stream 1 and 2 Gas Pipeline Projects," (document date September 2016) www.platts.com/natural-gas, (accessed October 6, 2016), 2.

¹²⁰ "Nord Stream - The New Gas Supply Route for Europe." Nord Stream's Twin Pipelines: Part of the Long-Term Solution for Europe's Energy Security, (document date August, 2016) <https://www.nord-stream.com/press-info/library/?q=nord+stream+2&page=6>, (accessed September 23, 2016), 2.

¹²¹ "Bloomberg View: No Need for New Russian Gas Pipeline." 2016. *The Salt Lake Tribune*, Feb 20. <http://search.proquest.com/docview/1767032212?accountid=13802>.

Germany by 55 billion cubic meters of gas per year.¹²² The extended pipeline allows Germany to directly supply gas to the rest of the EU, serving as a major energy hub.

German Political Consensus: Nord Stream

The Nord Stream pipeline gained strong political and regulatory support from the European Commission (EC) and German federal energy regulator Bundesnetzagentur (BNA)¹²³ for helping to diversify the EU's import routes.¹²⁴ In the electricity and gas sector, the BNA regulates these industries to “prevent network operators from making monopoly profits and to keep networks operated as cost efficiently as possible”¹²⁵ According to “this strong support came after unexpected disruptions to Russian gas supplies to the EU via Ukraine, in 2006 and 2009.”¹²⁶

The Nord Stream pipeline discourse included Germany's conservative parties “(Christian Democrats (CDU) and Free Democrats), left-leaning parties (Social Democrat Party), and environmentalists (Green Party).”¹²⁷ Among the German political establishment, “the center-right Christlich Demokratische Union

¹²² “Gazprom.” Nord Stream 2, <http://www.gazprom.com/about/production/projects/pipelines/built/nord-stream2/> (accessed September 23, 2016).

¹²³ The BNA is a federal government agency of the Federal Ministry of Economics and Technology for electricity, gas, telecommunications, posts and railways.

¹²⁴ Hall Siobhan & Elliott Stuart. “Platts Guide to Nord Stream 1 and 2 Gas Pipeline Projects,” (document date September 2016) www.platts.com/natural-gas, (accessed October 6, 2016), 3.

¹²⁵ Bundesnetzagentur- General Information on Energy Regulation, (accessed October 12, 2016) http://www.bundesnetzagentur.de/cIn_1431/EN/Areas/Energy/Companies/GeneralInformationOnEnergyRegulation/IncentiveRegulation/IncentiveRegulation_node.html

¹²⁶ Hall Siobhan & Elliott Stuart. “Platts Guide to Nord Stream 1 and 2 Gas Pipeline Projects,” (document date September 2016) www.platts.com/natural-gas, (accessed October 6, 2016), 3.

¹²⁷ Svyatets, Ekaterina, “Russia-Germany Energy Cooperation” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 135. Originally from Europe Pushes for Russia to Resume Gas Deliveries. (2009, June 5). *Spiegel Online*

Deutschlands/Christlich-Soziale Union (CDU/CSU) and the center-left SPD demonstrated a somewhat greater interest in energy policy.”¹²⁸ The Social Democratic Party (SPD), led by Foreign Minister Steinmeier and Kurt Schumacher in 2009, was quite pro-Russian and pushed for stronger cooperation.¹²⁹ Steinmeier’s stance on Russia from the concept of ‘rapprochement through interweavement’ and ‘partnership for modernization,’ reiterates his longstanding integrative Russia policy.¹³⁰

According to Ekaterina Svyatets, the most accurate reflection of the view of German political parties can be found in major German newspapers. These parties are “traditionally categorized as center-left *Süddeutsche Zeitung*, the right-leaning *Die Welt*, and center-right *Frankfurter Allgemeine Zeitung*.”¹³¹ Svyatets indicates that the *center-left Süddeutsche Zeitung* “urged a focus on the economic rational in energy contracts with Russia and transit countries.” In the case of the Nord Stream debate, the SPD and Green Party reflected these views.

An entirely different discussion took place in the right-leaning *Die Welt* newspaper. The paper “insisted on Germany’s reducing imports of Russian gas and

¹²⁸ Duffield, John S. “Germany: From Dependence on Persian Gulf Oil to Russian Gas,” in *Fuels Paradise: Seeking Energy Security in Europe, Japan, and the United States*. Duffield, John S (John Hopkins University Press, 2015), 176.

¹²⁹ Svyatets, Ekaterina, “Russia-Germany Energy Cooperation” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 135. Originally from Szabo, Stephen F. “Can Berlin and Washington Agree on Russia?” *The Washington Quarterly* 32, no. 4 (2009): 32.

¹³⁰ Meister, Stefan. “An alienated partnership: German-Russian relations after Putin's return.” *Helsinki: Finnish Institute of International Affairs (FIIA Briefing Paper, no. 105)* (2012): 3-4.

¹³¹ Svyatets, Ekaterina, “Russia-Germany Energy Cooperation” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 137.

increasing the domestic production of nuclear energy”.¹³² The right-wing *Alternative für Deutschland* (AfD) party, for example, is a representative of such views.

According to the center-right *Frankfurter Allgemeine Zeitung*, Nord Stream would increase the EU’s dependence on Russian gas.¹³³ The newspaper proposed the Nabucco pipeline that runs from Iran through Turkey, up to North to Western Europe – as an alternative gas route and even suggested the use of coal and nuclear power to lessen dependence on gas suppliers.¹³⁴ On the other hand, the newspaper also argued that “alternatives must be found” to the Ukrainian pipeline that “evidently does not work” some of the time.¹³⁵ Ultimately, “the CDU party proceeded with engaging Russia in economic ties, despite disagreements on political and ideological issues,” and in 2005, backed the German and Russian companies to build the sub-sea Baltic pipeline.¹³⁶

¹³² Svyatets, Ekaterina, “Russia-Germany Energy Cooperation” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 137. Originally from “The Pipeline Power Party.” (January 7, 2009). *Spiegel Online*.

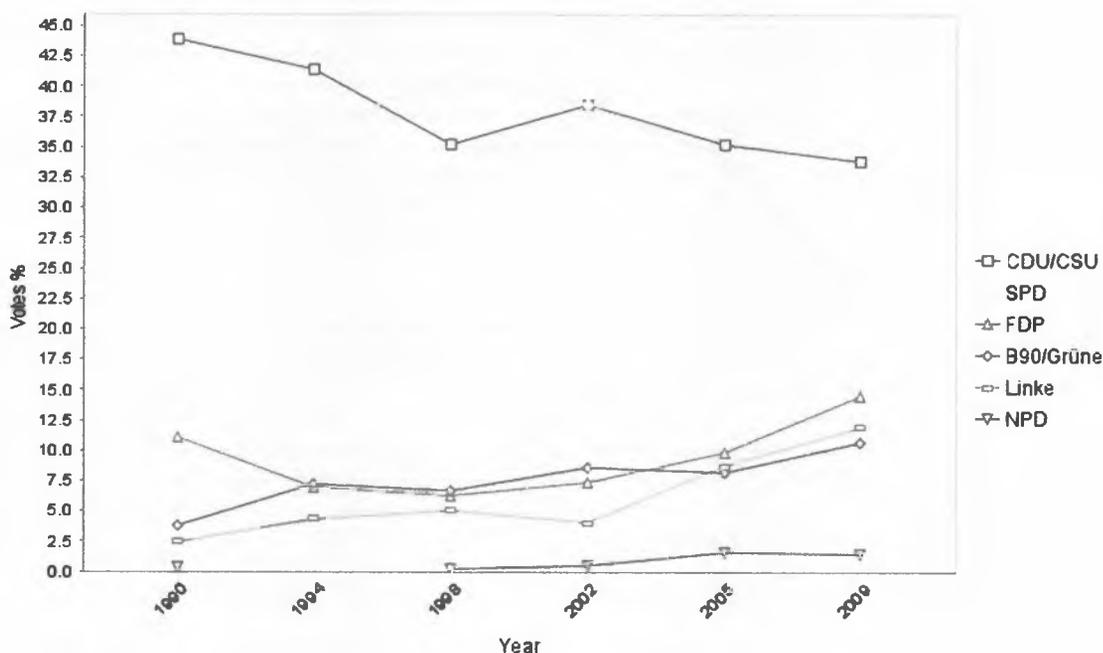
¹³³ Svyatets, Ekaterina, “Russia-Germany Energy Cooperation” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 137.

¹³⁴ Svyatets, Ekaterina, “Russia-Germany Energy Cooperation” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 137. Originally from Crossland, David. “German Mideast Proposal Doesn’t Go Far Enough.” *Spiegel Online*, January 12, 2009.

¹³⁵ *Ibid.*

¹³⁶ Svyatets, Ekaterina, “Russia-Germany Energy Cooperation” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 137.

Figure 4: Germany: Parliamentary Elections 1990-2009



Norsk Senter For Forskningsdata, "Germany: Parliamentary Elections 1990-2009,"

http://www.nsd.uib.no/european_election_database/country/germany/, Data Source PARLINE database on national parliaments (accessed Oct 21, 2016).

European Parliament Votes and Obstacles

On July 8, 2008, the European Parliament voted by an overwhelming majority to adopt a resolution requiring further study of the negative effect the pipeline could have on the ecology of the Baltic Sea.¹³⁷ Marcin Libicki, a member of the Law and Justice Party, initially "drafted the controversial resolution"¹³⁸ following Lithuanian petitioners. "The

¹³⁷ Natalya Grib and Mikhail Zygar, "European Parliament Votes Against Nord Stream" *The Current Digest of the Post-Soviet Press*, no.28, vol. 60, (2008).

¹³⁸ *Ibid.*,

document emphasized that, prior to beginning construction of the pipeline along the bottom of the Baltic Sea, all of its adverse effects on the environment must be studied.”¹³⁹ In addition, “the document calls for the creation of alternative routes for transporting gas to Europe.”¹⁴⁰ In other words, Poland and Lithuania attempted to delay the project by “seeking direct European Commission involvement in assessing Nord Stream’s environmental impact.”¹⁴¹ All things considered, 543 of the European parliamentarians voted in favor of the resolution, while only 60 voted against it.¹⁴²

Baltic and Eastern European Dissent

The widely divergent views on Nord Stream from perspective nations such as Poland, Lithuania, Estonia, Sweden and Finland, to a lesser extent posed several delays of the pipeline’s construction. Where at first it was planned to begin pumping gas in July 2010,¹⁴³ the start of the operation of line 1 was not until November 2011, following the operation of line 2 in October 2012. Several explanations, ranging from historical to geopolitical and environmental aspects, help explain the dissent of the Baltic States. For instance, Barber states that “the project has alarmed Poland, Estonia, Latvia and Lithuania because the pipeline’s direct route from Russia to Germany has stirred

¹³⁹ Natalya Grib and Mikhail Zygar, “European Parliament Votes Against Nord Stream” *The Current Digest of the Post-Soviet Press*, no.28, vol. 60, (2008).

¹⁴⁰ *Ibid.*,

¹⁴¹ Nord Strom AG “*Facts About the Natural Gas Pipeline Across the Baltic Sea*,” Issue 7 (August 2008) <https://www.nord-stream.com/press-info/library/?pk=45> (accessed October 25, 2016): 3.

¹⁴² Natalya Grib and Mikhail Zygar, “European Parliament Votes Against Nord Stream,” *The Current Digest of the Post-Soviet Press*, no.28, vol 60, (2008)

<http://illiad.sfsu.edu/illiad/illiad.dll?Action=10&Form=64> (accessed October 24, 2016): 15.

¹⁴³ *Ibid.*,

memories of historical suffering caused by Russian-German pacts at the expense of the countries sandwiched between them.”¹⁴⁴ Ward is of the opinion that Sweden and Finland both played down the geopolitical concerns during almost two years of deliberation and focused instead on environmental risks to the ecologically sensitive Baltic Sea.¹⁴⁵ Finally, Kramer believes that “Belarus, Latvia, Lithuania, Poland and Ukraine had also opposed the pipeline because of concerns that it would enhance Russia’s ability to use energy for political means.”¹⁴⁶

Estonia

The Estonian government was the “fiercest opponent of the project.”¹⁴⁷ According to Estonian press, the government’s refusal to grant Nord Stream exploration rights in the country’s economic zone evolves around “the republic’s sovereignty in its territorial sea and state interests in Estonia’s economic zone.”¹⁴⁸ “Among the motives for the government’s decision were concerns that the exploration work would disclose information on the volume of Estonia’s natural resources and their potential utilization.”¹⁴⁹ As a former Soviet republic, Russia’s proximity and domination in the

¹⁴⁴ Barber, Tony. 2007. “Russia Attacks Estonia for Refusing Gas Pipeline Survey.” *Financial Times*, Oct 17, 7. <http://search.proquest.com/docview/250049879?accountid=13802>.

¹⁴⁵ Ward Andrew, “Sweden and Finland clear Nord Stream plan” *Financial Times*, November 6, 2009.

¹⁴⁶ Kramer, Andrew E. 2010. “Plan for Baltic Sea Pipeline Clears Last Major Hurdle.” *New York Times*, Feb 13. <http://search.proquest.com/docview/434298015?accountid=13802>.

¹⁴⁷ “Finland, Sweden, Denmark Mind Their Interests in Nord Stream - Estonia.” 2009. *Daily News Bulletin*, Nov 09. <http://search.proquest.com/docview/456186713?accountid=13802>.

¹⁴⁸ Estonia Denies Nord Stream Permission to Explore Its Territorial Waters. (2007, Sep 20). *Daily News Bulletin* Retrieved from <http://search.proquest.com/docview/456084262?accountid=13802>.

¹⁴⁹ Estonia Denies Nord Stream Permission to Explore Its Territorial Waters. (2007, Sep 20). *Daily News Bulletin* Retrieved from <http://search.proquest.com/docview/456084262?accountid=13802>.

region's gas market, especially considering Gazprom's 51% stake in Nord Stream – most likely posed a security threat to Estonia's economic resources. Relations between the two countries were “strained since the Estonian authorities removed a Soviet war memorial from Tallinn in April, sparking riots among local Russian speakers and drawing protests from Moscow.”¹⁵⁰

Aside from economic, geopolitical and historical issues, the majority of the debate within the country stressed on environmental concerns and moral issues such as disturbing WWII graves. “The pipeline gives nothing to Estonia or Europe, except for increased risks to the environment and security,”¹⁵¹ said former Prime Minister, Mart Laar. Estonian economic minister Juhan Parts advocated for a land route, even suggesting Nabucco as an alternative. In the end, Estonia's environmental concerns as well as “political fears that Russia might use its Navy to guard the Nord Stream”¹⁵² urged the company to lay the pipelines in Finnish waters instead.

Latvia

Latvia's opposition to the Nord Stream pipeline was identical with the stance of its neighbor, Estonia. In November 2008, the Baltic State “insisted on an independent

¹⁵⁰ Ibid.,

¹⁵¹ Estonian Opposition Demands Parliament Investigate Nord Stream Explorations. (2007, Sep 10). *Daily News Bulletin* Retrieved from <http://search.proquest.com/docview/456084173?accountid=13802>.

¹⁵² “Estonia Denies Permission for Nord Stream Expansion Studies.” 2012. *Interfax: Russia & CIS General Newswire*, Dec 06. <http://search.proquest.com/docview/1223464866?accountid=13802>.

environmental evaluation of the Nord Stream project,”¹⁵³ particularly one that is not based on persuasion. Latvian Ambassador to Russia, Andris Teikmanis, told a press conference in Moscow that what they “need is not proof, but an analysis, an expert evaluation of the environmental safety of this project.”¹⁵⁴ The Nord Stream lobby in the Baltic States was highly present, and the Ambassador’s comments attempted to tone down the rhetoric that was coming from Nord Stream supporters.

Since the planned pipeline surpasses Latvia, like Lithuania and Estonia, granting no incentives to the Baltic States, such as transit fees, these countries did not see the need to support Nord Stream. Poland, Lithuania, Latvia and Estonia could only voice their comments on Nord Stream’s plans, but they could not block or change them, as the pipeline would pass through the waters where their national law does not apply.¹⁵⁵

Lithuania

“The appointment of Gerhard Schroeder, the former chancellor of Germany, in 2005 as the chairman of the board of overseers of the Russian company North European Gas Pipeline Company (NGEP) raised suspicions in Lithuania that Russia was pulling Germany’s ruling layers into its imperial intrigues,” as in WWII. “Arvydas Pociunas, an

¹⁵³ “Latvia Wants Independent Environmental Evaluation Of Nord Stream Project.” 2008. *Daily News Bulletin*, Nov 26. <http://search.proquest.com/docview/456212894?accountid=13802>.

¹⁵⁴ “Latvia Wants Independent Environmental Evaluation Of Nord Stream Project.” 2008. *Daily News Bulletin*, Nov 26. <http://search.proquest.com/docview/456212894?accountid=13802>

¹⁵⁵ “Polish Officials Said Surprised at Sweden's Approval for Russian Pipe Project.” 2009. *BBC Monitoring European*, Nov 21. <http://search.proquest.com/docview/459536870?accountid=13802>.

expert in military history, agreed with the thought that the Molotov-Ribbentrop¹⁵⁶ pact to Lithuanians and to other nations of Eastern Europe gave the syndrome of mistrust in big countries, which was mitigated after the Cold War. However, it has not gone away completely even today.”¹⁵⁷ In other words, historical memory, amongst others played a part in Lithuania’s opposition to the Nord Stream pipeline. Ecological and political objections to the pipeline were equally present. In 2003, Russia cut off gas supplies to Lithuania “following the sale of the Mazeikiu Nafta refinery to a Polish company.”¹⁵⁸ Kremlin’s proximity, historical mistrust and energy politics prompted Lithuania from the start of negotiations to oppose the construction of the Nord Stream pipeline, similar to its neighbors, Latvia and Estonia.

Poland

Poland’s opposition to the Nord Stream pipeline endeavor was strictly due to the diminishing role as a geostrategic ‘transit artery’ of Russian natural gas to the European Union and the historically rocky relationship with Russia. “Polish leaders stressed that Gazprom’s motivation for constructing Nord Stream extended beyond its primary purpose – the transport of Russian gas to Western European markets into a clandestine geopolitical agenda aimed at increasing the Russian state’s political control over the

¹⁵⁶ A 1939 treaty that “secretly” meant to divide Poland, Lithuania, Latvia, Estonia amongst others into German and Soviet “spheres of influence.”

¹⁵⁷ MP says NATO, EU membership guarantee of Lithuania's independence. (2012, Sep 03). *BBC Monitoring European* Retrieved from <http://search.proquest.com/docview/1037651682?accountid=13802>.

¹⁵⁸ Amsterdam, Robert R. 2008. “The Gazpromization of EU Energy Security.” *The Daily Star*, Feb 22. <http://search.proquest.com/docview/432518370?accountid=13802> (accessed October 31, 2016).

EU.”¹⁵⁹ “The Polish government attempted to convince Russia that sending gas via the so-called Amber gas pipeline, through Estonia, Latvia, Lithuania and Poland, would be less expensive than through the Nord Stream.”¹⁶⁰ Like Lithuania, Poland was wary of Russian intentions due to a history of mistrust. “If Gazprom were a normal Western company, interested in profits and building customer relations, the situation would not be so drastic, but as we have seen, Gazprom is not this kind of company; it is better understood as a tool of foreign policy for the Russian Federation,” said Dominik Smyrgala, an expert on energy issues on academic leave from the Polish foreign ministry.¹⁶¹ The level of personal ties amongst leading officials (Gerhard Schroeder) and the Nord Stream consortium (Prime Minister Vladimir Putin of Russia) “only added to the Pole’s mistrust.”¹⁶² “Schroeder’s government approved the deal – and provided nearly \$1.5 billion in loan guarantees to Gazprom – just weeks before he lost the 2005 election. A few weeks before the defeat, Schroeder accepted a job as chairman of Nord Stream.”¹⁶³ Matthias Warnig, Nord Stream’s chief executive, is a former member of the Stasi, East Germany’s notorious secret police. He served as a senior officer in the foreign intelligence section during the same years when Putin was a top KGB (NYSE: KGB)

¹⁵⁹ Bouzarovski, Stefan, and Marcin Konieczny. “Landscapes of paradox: Public discourses and policies in Poland’s relationship with the Nord Stream pipeline.” *Geopolitics* 15, no. 1 (2010): 11.

¹⁶⁰ “Visiting Polish Premier Speaks of “Revitalization” of Ties with Russia.” 2008. *BBC Monitoring European*, Feb 08, 1. <http://search.proquest.com/docview/459321178?accountid=13802>.

¹⁶¹ “Poles Wary of Nord Stream Pact.” 2010. *GlobalPost*, Jan 03. <http://search.proquest.com/docview/238525409?accountid=13802>.

¹⁶² *Ibid.*

¹⁶³ *Ibid.*

agent in East Germany.¹⁶⁴ Monika Michaliszyn, a specialist in energy issues at Warsaw University stated the following: “We are isolated – we and the Baltic States. It’s like the Second World War. We know that when the Germans and the Russians do something together behind our back, it’s not good.”¹⁶⁵ Other officials stressed environmental impacts. “This pipeline will destroy the environment. And this is a political plan. A plan by the Kremlin,” Martin Libicki argued in the European parliament.¹⁶⁶ As an EU member state, Poland felt the pipeline divides EU unity since it would allow Russia to cut off gas supplies to some countries (Poland, Baltic States) while continuing supplies to others (Germany, U.K, etc.).

Sweden

In Sweden, opposition to the Nord Stream pipeline ranged from military security aspects to environmental implications on the Baltic Sea. Swedish security analyst Robert Larsson said that “the project will only cause trouble.” “Sweden has nothing to gain from it.”¹⁶⁷ In *Spiegel Online* the situation was described as “a Trojan Horse for Russian spies.”¹⁶⁸ Due to environmental concerns, Sweden’s three opposition parties even considered rerouting the pipeline.

¹⁶⁴ “Poles Wary of Nord Stream Pact.” 2010. *GlobalPost*, Jan 03.
<http://search.proquest.com/docview/238525409?accountid=13802>.

¹⁶⁵ *Ibid.*,

¹⁶⁶ Natalya Grib and Mikhail Zygar, “European Parliament Votes Against Nord Stream” *The Current Digest of the Post-Soviet Press*, no.28, vol. 60, (2008)
<http://illiad.sfsu.edu/illiad/illiad.dll?Action=10&Form=64> (accessed October 24, 2016): 15.

¹⁶⁷ Bakst, Alex. “Baltic Sea Pipeline: Sweden Afraid of Russian Spooks.” *Spiegel Online* 15 (2006).
<http://www.spiegel.de/international/baltic-sea-pipeline-sweden-afraid-of-russian-spooks-a-448652.html>

¹⁶⁸ *ibid.*,

In November 2009 “Sweden eventually overcame its fears about its effect on the marine environment and gave its consent to the pipeline passing through its exclusive economic zone in the Baltic.¹⁶⁹ Andreas Carlgren, Sweden’s environment minister, said the Swedish government was satisfied that the pipeline’s impact would be “very limited.”¹⁷⁰

Finland

Finland was the last country to give approval to the Nord Stream pipeline. The Finnish were concerned with “over-fishing and high levels of marine traffic, likely to increase with the expansion of the Russian port Ust-Luga.”¹⁷¹ Environmental concerns over “pollutants settled on the Baltic seabed, including fertilizers that encourage algal bloom and choke marine life” were amongst several concerns.¹⁷² “Finnish environmental authorities approved the \$7.4 billion project, two days after Vladimir Putin pledged his commitment to cleaning up the heavily polluted Baltic Sea.”¹⁷³

In the same manner as Lithuanians and Poles raised suspicion over the project due to personal ties between the former German Chancellor Gerhard Schroder (now Gazprom

¹⁶⁹ Chazan, Guy. 2009. “World News: U.S. Gears Back Criticism of Two Russia-Backed Pipelines.” *Wall Street Journal*, Nov 27. <http://search.proquest.com/docview/399069023?accountid=13802> (accessed November 4, 2016).

¹⁷⁰ Simon Johnson, “Nord Stream pipeline gets nod from Sweden, Finland” *Reuters*, November 5, 2009. Retrieved on November 3, 2016 from <http://www.reuters.com/article/us-nordstream-idUSTRE5A44FK20091105>

¹⁷¹ Scally, Derek. 2010. “Russia Offers to Help Clean Up Baltic.” *Irish Times*, Feb 11, 11. <http://search.proquest.com/docview/309226472?accountid=13802> (accessed November 4, 2016).

¹⁷² *Ibid.*,

¹⁷³ Gorst, Isabel and Andrew Ward. 2010. “Nord Stream Clears Last Hurdle.” *Financial Times*, Feb 13, 2. <http://search.proquest.com/docview/250227708?accountid=13802> (accessed November 4, 2016).

Chairman) and then Vice President Putin – the Finnish expressed similar views over the extensive lobby effort. “In Finland, Nord Stream had hired a former prime minister, Paavo T. Lipponen, to help secure permits. That kept with its practice of hiring prominent former politicians in the West to lobby for a project majority-owned by Gazprom of Russia.”¹⁷⁴ “Paavo Lipponen became an independent consultant on issues involving the environmental impact assessment (EIA) and obtaining the required permits in Finland.”¹⁷⁵ Although Nord Stream stressed that Mr. Lipponen could not “speak on behalf of the company or conduct negotiations with government officials,”¹⁷⁶ his involvement from the very beginning (1997 discussion of Baltic Sea pipeline as Prime Minister) to its implementation (2011) cannot be overseen.

Russia’s Lobbying Efforts and Limitations

In Russia, the government is heavily intertwined in the management of the countries energy sector. “Government appointees lead the gas industry.”¹⁷⁷ These individuals represent and follow the government’s energy foreign policy. Russian energy business lobbies serve as an extension of Kremlin’s foreign policy, where top Russian leaders and senior Gazprom executives intertwine as one to advocate Nord Stream not

¹⁷⁴ Kramer, Andrew E. 2010. “Pipeline Planned for Baltic Passes Final Hurdle.” *International Herald Tribune*, Feb 13, 12. <http://search.proquest.com/docview/319040397?accountid=13802> (accessed November 4, 2016).

¹⁷⁵ Grivach Aleksei, “Club of Former Prime Ministers,” *The Current digest of the post- Soviet press*, no.33, vol.60 (August 18, 2008), EBSCO: Academic Search Complete (Via SFX) (accessed November 7, 2016): 15.

¹⁷⁶ Ibid.

¹⁷⁷ Ekaterina Svyatets, “Russia-Germany energy cooperation” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 110.

just in Germany but also internationally. State officials simultaneously serve as Gazprom's Chairman such as Dmitry Medvedev and Prime Minister (Dmitry Medvedev). Gazprom is thus not just a state-run company but also "the state."¹⁷⁸ As a state-controlled company, Gazprom's managers followed the lead of Kremlin's energy foreign policy, advocating the project to German members of parliament via official visits, business conferences or and energy business lobbies.

In the case of the Nord Stream pipeline, "Russian energy lobbies were considered an extension of the government's foreign policy, rather than a separate force on the international area."¹⁷⁹ Thus, next to Dmitry Medvedev¹⁸⁰ and, Vladimir Putin¹⁸¹ high-ranking managers such as Gazprom CEO Alexei Miller and Deputy Charmin of the Management Committee of OAO Gazprom, Alexander Medvedev lobbied the Nord Stream pipeline in the European Union and the U.S. Matthias Warnig, A close friend of Vladimir Putin since the 1980s was named the projects managing director who also lobbied for Nord Stream in Europe.¹⁸² At an investor conference in 2007, Warnig advocated Nord Stream by presenting the pipeline project as a guarantee to Europe's

¹⁷⁸ Kasparov, Garry. "The Kremlin's New Man." *Wall Street Journal*. December 19, 2005. Retrieved May 18, 2017. <http://search.proquest.com/docview308641955?accountid=13802>.

¹⁷⁹ *ibid.*,

¹⁸⁰ Russia's Prime Minister from 2005-2008, Russia's President 2008-2012.

¹⁸¹ Russia's President 2000-2008, 2008-2012 Prime Minister.

¹⁸² Ekaterina Svyatets, "Russia-Germany energy cooperation" in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 110. In Ispolnova, Daria. "Ot VTB s Lyubovyu." *Gazeta.Ru*. February 12, 2009. Available at <https://www.gazeta.ru/financial/2009/02/12/2941393.shtml>

energy security, rejecting any criticism that Nord Stream increases reliance on Russia.¹⁸³ According to *Turkish Daily News*, Matthias Warnig sought financing from the European Investment Bank¹⁸⁴ and met with European Commissioners for industry and energy to further the interest of the project in Europe.¹⁸⁵ In 2009 “Gazprom sought and received Warnig’s consent to join Russian energy behemoth Gazprom’s board of directors.”¹⁸⁶ When the project ran into some trouble after the Baltic republics’ refused access to their waters Former Finnish Prime Minister Paavo Lipponen, and Lars Groenstedt, the former head of the large Swedish bank Svenska Handelsbanken were hired to lobby the project in Sweden and Finland. Russian foreign minister Sergey Lavrov lobbied the project at a meeting of the foreign ministers of the Council of Baltic Sea States (CBSS), stressing the importance of “environmental protection” and “economic efficiency” of the project.¹⁸⁷ According to *BBC Monitoring Former Soviet Union* Lavrov expressed the need for Nord Stream partners not to politicize the “important project,” as geopolitical concerns were

¹⁸³ Medetsky, Anatoly. “Officials Tout Energy Successes.” *The Moscow Times*. June 19, 2007. Retrieved May 15, 2017. www.lexisnexis.com/hottopic/inacademic.

¹⁸⁴ The European Union’s lending institution.

¹⁸⁵ “Controversial Baltic pipeline seeks EIB financing.” *Turkish Daily News*. February 9, 2007. Retrieved May 16, 2017. <http://illiad.sfsu.edu/illiad/illiad.dll?Action%3D10&Form%3D75&Value%3D423540>

¹⁸⁶ “Germany: Former German Spy could be Nominated to Gazprom Board.” *Asia News Monitor*. January 28, 2009. Retrieved May 16, 2017. <https://search.proquest.com/docview/1017727324?accountid=13802>.

¹⁸⁷ “Environment Priority in Nord Stream Pipe Project- Russian Foreign Minister.” *BBC Monitoring Former Soviet Union*. June 12, 2007. Retrieved on May 17, 2017. <http://search.proquest.com/docview/460289292?accountid=13802>.

raised by the Baltic States.¹⁸⁸ Mr. Lavrov also attempted to persuade Poland, to stop protesting against the pipeline and extended alternative business opportunities between the two. Aside from hiring top decision makers across Europe, Russian authorities “amazed the Scandinavian countries” by the amount of funding contributed to “scientific institutes and experts to study the Baltic Sea’s ecology on whom the public’s opinion depended.”¹⁸⁹ According to *BBC Monitoring Former Soviet Union* “the entire strategy for Nord Stream was based on the idea that you can buy experts, hire former premiers and chancellors, and that you can do as you like in Europe.”¹⁹⁰ The financial backing to pay high ranked individuals to lobby the project seemed a necessary and most practical tool for the Russians.

Russia has various ‘business associations’¹⁹¹ that promote Russian business, including in the natural gas industry. The National Association ‘Russian Gas Society’ “includes 147 natural gas companies, and promotes the interests of participating Russian companies on the domestic market and globally.” “The Society represents Russia at major oil and gas forums and conferences around the world.” According to Svyatets, “this organization has been strongly aligned and intertwined with the Russian

¹⁸⁸ “Russian Minister Calls on Nord Stream Project Members Not to “Politicize” “It.” *BBC Monitoring Former Soviet Union*. December 18, 2007. Retrieved May 17, 2017. <http://search.proquest.com/docview/460493934?accountid=13802>.

¹⁸⁹ “Russia Needs to Build Nord Stream Pipeline to Win “Gas War.” *BBC Monitoring Former Soviet Union*. April 2, 2009. Retrieved May 17, 2017. <http://search.proquest.com/docview/460455168?accountid=13802>.

¹⁹⁰ *ibid.*,

¹⁹¹ Russian Union of Industrialists and Entrepreneurs, the National Energy Security Fund, or the Center of Political technologies.

government's energy policy" and likely lobbied Nord Stream in Germany.¹⁹² Moscow also relied on "its partner BASF"¹⁹³ to lobby for the project in the German Bundestag and the European Parliament.

Russia's Effective Lobbying Efforts: Nord Stream

Russia's lobbying proved to be more effective because of the complex approach: working on public opinion through gradual denouncing of arguments of critically-minded opponents and creating a reputation of a trustworthy and reliable partner as well as convincing all parties in the project's economic benefits. One of the main arguments of critically-minded opponents (including Poland) was that this project could harm and destroy the Baltic's fragile ecosystem. Russia and its primary partner Germany chose the strategy of indirect lobbying through public opinion by broad media coverage of all steps of building the gas pipeline and providing for all safety measures. "German TV is making video materials and is showing the preparations for building the North-European gas pipeline to the residents of the Baltic region," said Sergey Serdjukov, the technical director of Nord Stream during the interview for the maritime magazine in 2007.¹⁹⁴ The idea of the projects 'complete safety' has been emphasized in mass media frequently

¹⁹² Ekaterina Svyatets, "Russia-Germany energy cooperation" in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 139.

¹⁹³ Sam Savage, "Gazprom Gets Its Business Partners to Lobby for It in Europe." *RedOrbit*. July 27, 2008. Retrieved May 17, 2017.

http://www.redorbit.com/news/business/1497299/gazprom_gets_its_business_partners_to_lobby_for_it_in/

¹⁹⁴ "North European gas pipeline- a unique energy bridge to Europe," *Maritime Market*, no. 1 (19), 2007.

Retrieved May 17, 2017. Translated by Marina Pisklenova.

<http://www.maritimemarket.ru/article.phtml?id=182>

citing the influencers, including the Russian leader Vladimir Putin. “A complex system of environmental monitoring has been created to ensure the safety of the Baltic ecosystem.”¹⁹⁵ “I remember how difficult it was to convince Finland, Denmark, Sweden in the necessity of a such gas pipeline.”¹⁹⁶ “The parties were afraid for the ecology of the region” said the head of presidential administration of Russia Sergey Ivanov.¹⁹⁷ Soon after the public received proof of all the taken safety measures (including the report on the transboundary environmental impact assessment (Espoo report) translated into nine languages of the Baltic region as well as the final environmental impact assessment (EIA), arguments concerned over the negative environmental impacts lost significance, drawing main attention to the project’s economic benefits.¹⁹⁸

Indirect lobbying through mass media paid particular attention to the benefits European countries could reap from the Nord Stream project. These benefits were also emphasized during the official speeches of political leaders.

Nord Stream is capable of satisfy the growing requirements of Europe in energy resources. Gas will be supplied directly, through the shortest route, connecting the biggest Russian gas fields with European markets with no transit

¹⁹⁵ Vitaly Loukashov, “Nord Stream”: a technical masterpiece and sign partnership,” *Vesti.Ru*, October 8, 2012. Retrieved May 17, 2017. Translated by Marina Pisklenova.
<http://www.vesti.ru/doc.html?id=927561&cid=7>

¹⁹⁶ *ibid.*,

¹⁹⁷ Vitaly Loukashov, “Nord Stream”: a technical masterpiece and sign partnership,” *Vesti.Ru*, October 8, 2012. Retrieved May 17, 2017. Translated by Marina Pisklenova.
<http://www.vesti.ru/doc.html?id=927561&cid=7>

¹⁹⁸ “The gas pipeline “Nord Stream,” *Vesti.Ru*, July 14, 2009. Retrieved May 17, 2017. Translated by Marina <http://www.vesti.ru/doc.html?id=301683>

risks. Steadily and uninterruptedly. We guarantee this. Russia has always fulfilled and will fulfill its obligations as a reliable and predictable fuel supplier for European markets” said Vladimir Putin.¹⁹⁹

Mass media indirectly lobbied for the project by emphasizing that direct supplies of gas could guarantee European stability of gas supplies and independence from unpredictable countries. “The Nord Stream project will help to diminish gas supplies through Ukraine and Belarus, which are frequently inconsistent and tend to change their mind regarding their announced price for transit” said Konstantin Simonov, the director of National Energy Safety Fund.²⁰⁰ German experts, such as Professor of the German Institute of Ecological Research in Berlin, Claudia Kemfert, confirmed, “from an energy security point of view it is very important to get Russian supplies directly,” recalling the 2006 and 2009 Ukrainian gas disruptions.²⁰¹ Thus media coverage of influential state leaders rhetoric over the Nord Stream pipeline seemed to have influenced the public. For example, Deutsche Welle reported in 2004 only 17% of Germans were critical of Putin, while by the end of the project in 2011 this number increased to 48%.²⁰² All these factors:

¹⁹⁹ Michael Akinchenko, “Nord Stream” is on full power,” *Itv.Ru*, October 8, 2012. Retrieved May 17, 2017. Translated by Marina Pisklenova. https://www.1tv.ru/news/2012-10-08/85292-severnoy_potok_zarabotal_na_polnuyu_moschnost

²⁰⁰ Judge: “Nord Stream” shows the effective cooperation between Russia and European countries,” *Er.Ru*, October 3, 2011. Retrieved May 18, 2017. Translated by Marina Pisklenova. <http://er.ru/news/62182/>

²⁰¹ “Nord Stream” Europe is already profitable, and “Gazprom”- yet”, *Insomi.ru*, August 10, 2010. Retrieved May 17, 2017. Translated by Marina Pisklenova. <http://inosmi.ru/europe/20121008/200526651.html>

²⁰² Alexander Varkentin, “Poll: German attitude towards Russia against the background of the Ukraine crisis,” *Deutsche Welle*, April 15, 2014. Retrieved May 17, 2017.

creating the reputation of a reliable partner, lobbying public opinion through mass media by destroying arguments against the gas pipeline, convincing society of the pipeline's economic benefits helped Russia to lobby its projects in the EU.

Russia's Limited Lobbying Efforts

Russia's lobbying success was limited by the following factors: high gas prices, insufficient capacity of the first line, and EU's intention to diversify away from Russian gas supplies. European experts admit that regardless of the project's importance for Europe, the price of gas becomes very high because of its dependence on oil prices. That's why the risks of insufficient capacity of the pipe remain rather high, especially taking into account the claim of Nord Stream's press secretary Yens Muller that the sub-sea pipeline is loaded only for 30-40%.²⁰³ The same situation was reported by The Deutsche Welle. So even with the launch of Nord Stream 2, these risks will increase.

EU countries also don't want to be entirely dependent on Russia's gas and try to use and develop other sources of energy. According to "Vedomosti," Angela Merkel said that Germany will experience an energy shortage because of its refusal from nuclear power stations. But this deficiency will be covered not by the increase in import, but by the costs reduction and transfer to renewable energy sources."²⁰⁴ She added that they "want to double the share of renewable sources of energy". And "the remaining amount

²⁰³ "Gazprom" will launch two more lines "Nord Stream," *Vesifinance.ru*, August 10, 2012. Retrieved May 18, 2017. <http://www.vesifinance.ru/articles/18075>

²⁰⁴ "Angela Merkel has refused to extend the "Nord Stream," *Lenta.ru*, July 19, 2011. Retrieved May 18, 2017. <https://lenta.ru/news/2011/07/19/pipeline/>

won't require the building of the 3rd, 4th, 5th pipes of Nord Stream.²⁰⁵ Turning to alternative sources of energy is suggested by many financial experts and European politicians. For example, the Financial Times reported that Manfred Veber, the chairman of European Popular Party offers Brussels not to count on Russian supplies and develop cooperation with alternative experts, for example from Iran and Iraq.²⁰⁶ Even the USA is trying to conquer European market by promoting its liquefied shale gas. Claudia Kemfert, the professor of German Institution of Ecological Research in Berlin, admits: "Russia is undoubtedly a very important supplier. But the competition is growing, the prices are falling and this, naturally, influences the cost-efficiency of such giant project as Nord Stream."²⁰⁷

Currently, high gas prices, inflexible price policy and Gazprom's monopoly along with the necessity for European countries to look for other sources of energy make the building of other pipes unprofitable for Europe, regardless the lobbying efforts of Russia. As for the sanctions, they are mainly dependent on the regulation of the situation in Ukraine. German Chancellor Angela Merkel was hopefully about lifting sanctions during

²⁰⁵ "Russia and Germany have agreed on the construction of the third branch of "Nord Stream," *Gazeta.ru*, July 19, 2011. Retrieved May 18, 2017. https://www.gazeta.ru/news/business/2011/07/19/n_1930617.shtml

²⁰⁶ "Together pipe. Why is the US so concerned about Nord Stream 2?" *aif.ru*, May 5, 2016. Retrieved May 18, 2017.

http://www.aif.ru/money/economy/vmeste_protiv_truby_pochemu_ssha_tak_volnuet_severnny_potok-2

²⁰⁷ "Nord Stream Europe is already profitable," *bfm.ru*. October 7, 2012. Retrieved May 18, 2017. <https://www.bfm.ru/news/195536>

her negotiations with Vladimir Putin in May 2017.²⁰⁸ However, “only under the conditions of the Minsk²⁰⁹ agreement.”²¹⁰

Although EU countries take separate stands on Russia, they unite in terms of supporting the sanctions. This could possibly be explained by German domination in EU. “The opinion poll, led by the public center YouGov in 2014, which included 1070 people from different social groups, showed that the majority of Germans (53%) support the national course of tightening sanctions against Russia because of its support of the rebels in East Ukraine.”²¹¹ “Another opinion poll presented by Sociology institution Infratest Dimap showed that 48% of Germans are against Russian annexation of Crimea, and 54% see the threat in Russian external policy.”²¹² And until Germany dominates the EU, the sanctions the sanctions will not be lifted.

Lobbyists’ Access to Politicians

Historical Dimension

To understand the role interest groups play in the Federal Republic of Germany, one must first understand the pluralist political system that emerged after the Second

²⁰⁸ “Merkel described the conditions for lifting the sanctions to Russia,” May 2, 2017. Retrieved May 19, 2017. <http://www.vesti.ru/doc.html?id=2883948>

²⁰⁹ An agreement to halt the war in Ukraine.

²¹⁰ “Merkel described the conditions for lifting the sanctions to Russia,” May 2, 2017. Retrieved May 19, 2017. <http://www.vesti.ru/doc.html?id=2883948>

²¹¹ “Most Germans support tougher sanctions against Russia” *Germannews.ru*, July 28, 2014. Retrieved May 19, 2017. <http://www.germannews.ru/obschestvo/996-bolshinstvo-nemtsev-podderzhivaet-uzhestochenie-sanktsiy-v-otnoshenii-rossii.html>

²¹² Mischenko Olga, “Poll: Almost 40 percent of Germans agree to recognize Crimea as part of Russia,” *Deutsche Welle*, November 24, 2014. Retrieved May 19, 2017. <http://bit.ly/2rrUIQ3>

World War. This pluralist political system encouraged such groups to participate in the democratic process. Robert A. Dahl defined the term *pluralism* as “the existence of a plurality of relatively autonomous (independent) organizations (subsystems) within the domain of a state.”²¹³ “This meant that social groups (and not only political parties) were seen as having important functions of representation, of policy initiation and of linkage between government and governed; these groups therefore should be protected and fostered.”²¹⁴ Thus, in Germany “freedom of association is one of the constitutional rights protected by the Basic Law (Article 9), and the Rules of Procedure of the Bundestag and the federal government permit (indeed encourage) interest group inputs to the policy-making process.”²¹⁵

In fact, throughout the Federal Republic’s history interest group participation in the political decisions of the state were present “even before the unification of Germany in 1871.”²¹⁶ For example, the German Chamber of Trade (Deutsche Handelstag) was founded in 1861, the German Federation of Trade Unions was founded in 1868 and an Association of German Industry in 1876.²¹⁷ Interest groups continued to play an important political role in the Weimer Republic. “Political parties were usually associated with particular interest: the KDP and Social Democratic parties with their trade unions

²¹³ Dahl, Robert Alan, *Dilemmas of pluralist democracy: Autonomy vs. control*. Vol. 31. (Yale University Press, 1982):5.

²¹⁴ Roberts, Geoffrey K. “Interest group politics,” in *German politics today*, second edition (Oxford University Press, 2013): 167.

²¹⁵ *Ibid.*

²¹⁶ *Ibid.*, 168.

²¹⁷ *Ibid.*

and other working-class organizations; the Center party with the Catholic Church; the right-wing parties with business and commercial interests,”²¹⁸ amongst others.

Although pluralism came to a halt under the Third Reich (1933-1945), it was reintroduced to post-war Germany by “the occupation authorities in 1945.”²¹⁹ Trade unions such as the Federal Association of German Industry (Bundesverband der Deutschen Industrie, BDI), the German Federation of Trade Unions (Deutscher Gewerkschaftsbund, DGB) and the Federal Association of German Employers’ Organizations (Bundesvereinigung der Deutschen Arbeitgeberverbände) formed once again. “As the political system developed, and as the economy and society of West Germany became more complex, so the number of interest groups expanded and the intensity of their political activity increased.”²²⁰ “In the 1980s, the growing complexity of the matters governed or due to be governed by laws had made parliamentarians and officials dependent on the association of lobbyists’ information and assessments.”²²¹ “The unilateral flow of information became a barter relationship, in which lobbyists exchanged information and political support in return for opportunities to influence political decisions.”²²² By the 1990s, individual companies’ pushed their interests to policymakers (Transparency International Deutschland, 9). Today, the immense number

²¹⁸ Ibid.

²¹⁹ Ibid, 169.

²²⁰ Ibid.

²²¹ Rudolph Speth, “Lobbying in Germany,” *Transparency International Deutschland e. V.* (October, 2014), (accessed November 16, 2016): 9.

²²² Rudolph Speth, “Lobbying in Germany,” *Transparency International Deutschland e. V.* (October, 2014), (accessed November 16, 2016): 9.

of interest groups in Germany range from the more significant and politically active interest groups such as Trade Unions (DGB), and the German Voters' Association (Deutsche Wählergemeinschaft) to the less significant groups that do not engage in political activity, such as the German Sports Federation (Deutscher Sportbund, DSB).

Ease of Lobby Access to Policy-Makers

The German system of interest groups encourages contacts between politicians and government officials at a rather intimate level. According to German political scientist von Beyme, the Bundestag,²²³ is “the center of decision- making,”²²⁴ and interest groups may be invited to serve as expert witnesses to discuss bills in the various committees.²²⁵ According to Federal Constitutional Court Judge Hohmann Dennhardt, it is difficult to find neutral experts “because many experts have a long track record with particular interest groups and have great stature.”²²⁶ Bundestag committee hearings and discussions are “held at the officials’ or staff members’ offices at the ministries” and according to a Transparency International Deutschland 2014 report, lack transparency.²²⁷ According to the report, “there is not reliable information on the financial expenses/sales turnover” earned through lobbying, and no records are kept on private meeting held at

²²³ Federal constitutional and legislative body in Germany.

²²⁴ Roberts, Geoffrey K. “Parliamentary politics,” in *German politics today*, second edition (Oxford University Press, 2013): 148 in Von Beyme, Klaus. *Die politischen Theorien der Gegenwart: eine Einführung* (Springer-Verlag, 2000): 34.

²²⁵ Ibid, 148.

²²⁶ Network Search. “Transparenz und eine kritische Öffentlichkeit schaffen!” Accessed December 2, 2016. <https://netzwerkrecherche.org/blog/transparenz-und-eine-kritische-oeffentlichkeit-schaffen/>.

²²⁷ Rudolph Speth, “Lobbying in Germany,” *Transparency International Deutschland e. V.* (October, 2014), (accessed November 16, 2016): 14.

officials' offices (Transparency International Deutschland, 14), thus lobby activities are out of the public view and also lack disclosure. Hence, the Bundestag serves as an open invitation to interest groups with no restricted access. In this respect, according to Thomas Saalfeld (1999, 44), the Bundestag serves as "a channel rather than the target of interest group influence," since this is where policy is deliberated and where interest groups may impose their views to guide policy outcomes in their favor. On the other hand, according to Ulrich Battis (2009, 118), political advice is a form of persuasion and, therefore, acts as an influential power. Nevertheless, the Bundestag serves as the principle avenue for lobbyists.

Legal Framework & Transparency: Limitations

The German Bundestag publishes and updates a list of interest groups on its website. However, "the budgets of the individual organizations and the objectives of the lobbying work are not recorded."²²⁸ Therefore, limited material of information is available on the exact scope and intensity of interest groups. According to *Transparency International Deutschland 2014*, the Bundestag lobby regulation is flawed such that "it does not contain any codes of conduct, and the voluntary registration does not involve any specific requirements."²²⁹ Furthermore, "the committees of the German Bundestag are similarly not bound to this list when extending invitations to hearings."²³⁰ Another

²²⁸ Rudolph Speth, "Lobbying in Germany," *Transparency International Deutschland e. V.* (October, 2014), (accessed November 16, 2016): 18.

²²⁹ *Ibid*, 26.

²³⁰ *Ibid*, 26.

critical factor worth noting is the loopholes in laws companies and lobby groups covertly take advantage of.²³¹ “For example, donations of less than 50,000 Euros are publicized late, and donations under 10,000 Euros are not publicized at all. Donations over 10,000 Euros are published in the parties’ statements of accounts, but only appear eighteen months after the end of the year in which the donation was received.”²³² Although law exists on the German access to information, according to Transparency International Deutschland, only “some but not all lobbying data is accessible under the law.” According to abgeordnetenwatch.de, most federal ministries do not publish lobbyists’ statements at all or only to a very limited extent. Furthermore, no enforcement mechanisms exist that require lobbyists to publicly disclose political donations to parties or candidates (Transparency International Deutschland, 2014). These are some of the barriers researchers face when studying interest groups within Germany resulting in limited concrete evidence. On the one hand, the flawed laws and lack of regulation and enforcement efforts serve as an enticing platform for lobby groups. Furthermore, they create an uncertain environment for the Bundestag and the citizens of Germany, researchers and anyone else who would benefit from a mandatory lobby registration and financial disclosure of interest groups.

As previously mentioned, lobby groups can freely participate as advisory groups or in a personal setting, including corporate executives. And occasionally, personal

²³¹ Ibid, 17.

²³² Ibid, 26.

meetings are held at the officials' or staff members' offices at the ministries. Thus, it can be argued that interest groups not only have "unrestricted access" to policy-makers but also a very inclusive "private" and "publicly undisclosed" entry to decision-makers. The phrase "unrestricted access" is in reference to the quantitative analysis study based on a questionnaire by Transparency International Deutschland, 2014, in which Germany's overall score was 23%.²³³

Lobbyists in Ministries

Considering that lobbying in Germany lacks transparency, civil society groups and the media, particularly investigative journalists "play a vital role in monitoring and controlling lobbying in Germany."²³⁴ Investigation journalist groups such as the Netzwerk Recherche, the association of investigative journalists, watchdog groups (such as lobbycontrol), abgeordentwatch.de, Transparency International Deutschland – aim to expose corruption and misconduct and "scandalize the unfair influencing of political decisions" to the public eye.²³⁵ These organizations are also key "go-to" websites for researchers covering interest groups in Germany, as their work "is based on specialized knowledge, contacts, and political and media expertise."²³⁶ Because the German

²³³ This percentage was based on the question of "how well Germany insulated against unfair and opaque lobbying? How strong are mechanisms to ensure transparency, integrity and equal access to public decision-makers?" see Rudolph Speth, "Lobbying in Germany," *Transparency International Deutschland e. V.* (October, 2014), (accessed November 16, 2016): 40.

²³⁴ Rudolph Speth, "Lobbying in Germany," *Transparency International Deutschland e. V.* (October, 2014), (accessed November 16, 2016): 19.

²³⁵ *ibid*, 19-20.

²³⁶ Speth, "Lobbying in Germany," 20.

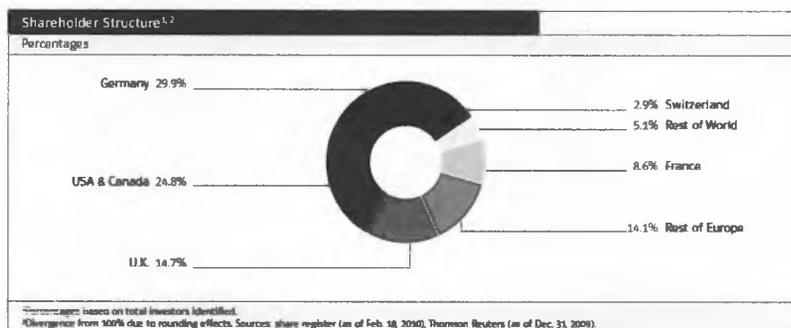
Bundestag does not keep a log of interest group meetings with ministers, the investigatory role of the abovementioned groups' serves as a reliable and credible substitute to show the extent of interest group access to policy-makers.

E.ON, BASF, Wintershall: Lobby Access in Ministries

E.ON Ruhrgas AG is the main German gas importer and “one of the largest investor-owned power and gas companies in the world.”²³⁷ “With a broad geographic footprint and strong market positions, E.ON is one of Europe’s leading energy companies.”²³⁸ “It is the leading electricity provider in Germany, and has a substantial position in Germany’s gas distribution market” with shareholders in Central and Eastern Europe, UK, Russia and the U.S. Midwest region.²³⁹

Figure 5: E.ON: Shareholder Structure

Shareholder Structure



E.ON “Strategy & Key Figures 2010.” Annual Report Document. <http://www.eon.com/en/about-us/publications/annual-report/archive.html> (accessed December 12, 2016) 15.

²³⁷ Nord Stream AG, “*Secure Energy for Europe: The Nord Stream Pipeline Project*,” http://www.nord-stream.com/media/documents/pdf/en/2014/04/secure-energy-for-europe-full-version_245_20140417.pdf (accessed December 18, 2016): 11.

²³⁸ E.ON “Strategy & Key Figures 2010.” Annual Report Document. <http://www.eon.com/en/about-us/publications/annual-report/archive.html> (accessed December 12, 2016) 4.

²³⁹ E.ON “Strategy & Key Figures 2010.” Annual Report Document. <http://www.eon.com/en/about-us/publications/annual-report/archive.html> (accessed December 12, 2016) 29.

The company's principal business is "the exploration and production, supply, transmission, storage and sales and natural gas."²⁴⁰ My research question in this chapter is the amount of influence (if any) and access which the German energy companies have domestically in the German Bundestag, assuming the country's broad footprint. Hence, this chapter examines to what extent and/or ease the German energy companies (E.ON, BASF and Wintershall) as shareholders of the Nord Stream project, were capable to get in touch with politicians in the German Bundestag, while focusing specifically on their lobby efforts.

E.ON - The Foreign Office (Auswärtigen Amt)

As noted previously, the German political system highly encourages the mingling of interest groups in the legislative body in Germany. Various committees (e.g., energy, defense, agriculture, etc.) serve as an attractive platform for interest groups since their advice is both encouraged and considered in the discussion process. Such opportunities offer leading energy companies such as E.ON, BASF, and Wintershall to fill the Bundestag with interest groups advocating policies that serve the interest of the energy industries not only temporarily but also in long-term.

Aside from lobbying in the Bundestag, E.ON interest groups are thereafter observed to transfer to key positions in the German federal government. Based on a 2006 document published by the German federal government (Deutscher Bundestag: Antwort

²⁴⁰ E.ON "Strategy & Key Figures 2010." Annual report document. <http://www.eon.com/en/about-us/publications/annual-report/archive.html> (accessed December 12, 2016): 52.

der Bundesregierung), Tina Zierul was Deputy Head of E.ON lobby offices in Berlin between 2002 and November 2006.²⁴¹ “In 2007 ZDF Frontal 21, a German news source cited that Tina Zierul worked with the Planning Staff of the Federal Foreign Office (Planungsstab des Auswärtigen Amtes).²⁴² In addition, E.ON (CEO) Johannes Teysen, who also sits on the supervisory board of Deutsche Bank and Salzgitter AG (steel industry), was one of the executives most frequently encountered with German top politicians, both during the black-yellow federal government of 2009-2013 and current grand coalition.²⁴³ Aside from being present in the Bundestag, this indicates that E.ON’s lobby extends its influence to prominent positions in the German Federal Foreign Office. It also shows that individuals with high-ranking posts in the energy industry concurrently sit on the board of financial institutions and other sectors of the energy sector, as in the case of Johannes Teysen, the CEO of E.ON.

Outside the circles of the Bundestag, E.ON funds professorships that later provide crucial advice for the federal government. According to German newspaper *Frankfurter Rundschau*, E.ON donated 40 million euros for the Research Institute for Energy at the Aachen University of Technology (RWTH), funding five professorships from the

²⁴¹ Lobbyisten im Auswärtigen Amt – Lobbypedia, http://www.lobbypedia.de/index.php/Lobbyisten_im_Ausw%C3%A4rtigen_Amt#E.ON (accessed December 2, 2016).

²⁴² Das Kartell - Im Griff der Energiekonzerne, ZDF Frontal21 from 14.08.2007 http://www.lobbypedia.de/index.php/Lobbyisten_im_Ausw%C3%A4rtigen_Amt#cite_ref-zdf_15-0 (accessed December 1, 2016).

²⁴³ Lessat, Jürgen, “Offene Türen Für Kohlelobbyisten” *Kontext: Wochenzeitung*, December 4, 2013.

institute.²⁴⁴ Regarding the subject of “Nuclear Fuel Cycle,” Professor Bruno Thomauske provided crucial advice for the federal government on the topic and served as an expert in the Federal Environment Ministry. As previously mentioned, advisory groups are encouraged in Bundestag, while debates, discussions and companies have the right to appoint one representative to the committee in the Bundestag. E.ON regularly sends one representative to serve on the Advisory Board.²⁴⁵ The amount of money E.ON spent for lobbying the EU institutions during the period of this case study (2005-2010) is unknown. The closest figures for the period of this case study recorded are from December 31, 2009 to November 30, 2010.²⁴⁶ According to the EU Transparency Register,²⁴⁷ E.ON SE spent 2,119,000€ on lobbying. A total of twelve “in-house lobbyists and trade/professional associations” were declared.”²⁴⁸

²⁴⁴ Matthias Thieme, “Die Atomlobby unterwandert Universitäten” *Frankfurter Rundschau*, November 2, 2011. <http://www.fr-online.de/wirtschaft/stiftungsprofessuren-die-atomlobby-unterwandert-universitaeten,1472780,11089362.html> (accessed December 27, 2016).

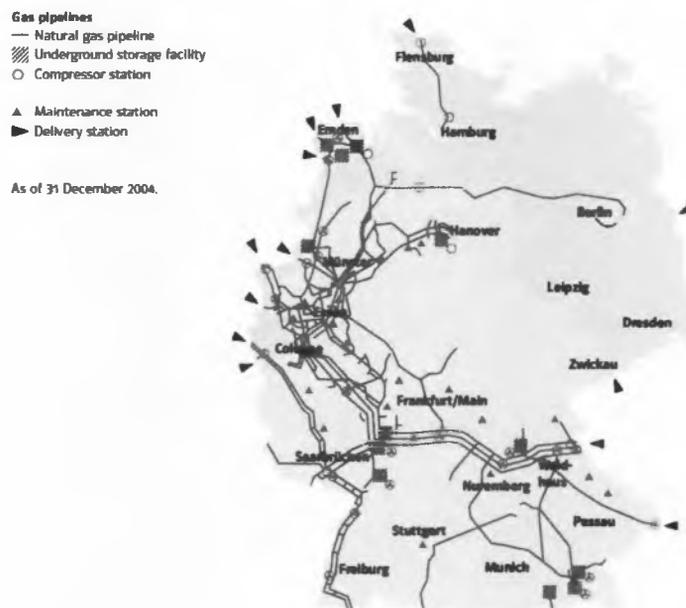
²⁴⁵ Lobbyisten im Auswärtigen Amt – Lobbypedia, https://www.lobbypedia.de/wiki/Energiewirtschaftliches_Institut (accessed December 27, 2016).

²⁴⁶ Ibid.,

²⁴⁷ A voluntary lobby register began in June 2008, as part of the European Transparency Initiative.

²⁴⁸ LobbyFacts, “E.ON SE,” <https://lobbyfacts.eu/representative/59cc70ceef7a4b139e39f53564314590/e-on-se> (accessed January 3, 2017).

Figure 6: E.ON Ruhrgas – Involvement in German Gas Market



E.ON “Strategy & Key Figures 2005.” Annual report document. <http://www.eon.com/en/about-us/publications/annual-report/archive.html> (accessed December 19, 2016) 61.

Wintershall Holding GmbH– Lobby in the Foreign Office the (Auswärtigen Amt)

“Wintershall is Germany’s largest internationally active crude oil and natural gas producer and a wholly owned subsidiary of BASF, the world’s leading chemical company.”²⁴⁹ According to an independent, online lobby critic *Lobbypedia*, Wintershall has lobbied in the Ministry of Foreign Affairs between 2002 and November 2006,

²⁴⁹ Wintershall, <https://www.wintershall.com/company/about-us/core-regions.html> (accessed December 27, 2016).

probably from “June 2006 to June 2007” according to Adamak & Otto (2008).²⁵⁰

According to a 2006 document from the Deutscher Bundestag, Wintershall AG is reported to have employees working in the Ministry of Foreign Affairs.²⁵¹ Based on the information in this document, the duration of their activity lasted only a few days, whereas in certain cases they lasted up to a few weeks. No further details were released regarding either the names of Wintershall’s employees or their assigned tasks or concrete work results, except that these “external employees” contributed through their field of expertise.²⁵² The first published data available to the public sphere on Wintershall Holdings GmbH on the EU Transparency Register website – covers the period from December 31, 2009 to November 30, 2010. According to the EU Transparency Register, two “in-house lobbyists and trade/professional associations were declared” from 2009 until 2010²⁵³

²⁵⁰ Adamek, Sascha, and Kim Otto. *Der gekaufte Staat: wie Konzernvertreter in Deutschen Ministerien sich ihre Gesetze selbst schreiben*. Kiepenheuer & Witsch, 2008.

²⁵¹ Deutscher Bundestag, “Monitor- Bericht über eine neue Art von Lobbyismus in Bundesministerien.” Available at: <http://dip21.bundestag.de/dip21/btd/16/033/1603395.pdf> from November 13, 2006 (accessed December 27, 2016): 2.

²⁵² *Ibid*, 3.

²⁵³ Transparency Register, “Wintershall Holding GmbH.” Retrieved from <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=75729476306-17> (accessed December 18, 2016).

BASF SE

Among some of the continent's most powerful firms, including Gazprom and E.ON Ruhrgas, lies BASF SE, "the world's leading chemical company."²⁵⁴ In the oil and gas industry, BASF is "active in the transport, storage and trading of natural gas in Europe with a focus on oil- and gas-rich regions in Europe, North Africa, South America, Russia and the Caspian Sea region."²⁵⁵ Involved in a web of industries, ranging from the chemical, electronics, construction, textile, automotive, pharmaceutical and agricultural industries, among others, BASF resembles a mega tentacle corporation. Indeed, such diverse platforms of industries conceivably provide BASF with the eagerness to push its' interests in the Bundestag where legislation or new regulations could negatively impact the chemical industry.

Lobbying in Ministries

According to a 2006 Bundestag document reported on the *Lobbypedia* website, BASF extends its' tentacles into the Federal Ministry of Finance, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, and Federal Ministry of Economics and Technology. Based on 2006 Bundestag document, BASF AG employed lobbyists as participants of the Federal Government's exchange program between 2002 and 2006 in the Ministry of Finance, Federal Ministry for the Environment, Nature

²⁵⁴ Nord Stream AG, "Secure Energy for Europe: The Nord Stream Pipeline Project," http://www.nord-stream.com/media/documents/pdf/en/2014/04/secure-energy-for-europe-full-version_245_20140417.pdf (accessed December 18, 2016): 132.

²⁵⁵ BASF- Interim Report, "3rd Quarter Results 2011," <https://www.basf.com/de/en/company/about-us/publications.html> (accessed December 29, 2016): 3.

Conservation and Nuclear Safety, and Federal Ministry of Economics and Technology.²⁵⁶

In the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, BASF employed an “unnamed” individual “for the Competence Center Environment, Energy, Safety Eco-efficiency analysis”²⁵⁷ and was “primarily responsible for corporate social responsibility and instruments for sustainable business in large companies.”²⁵⁸ In their book, *Der Gekaufte Staat*, Adamek & Otto provide a personal account of a “BASF official who initially worked as a “temporary official” for the EU Commission then relocated to the Federal Ministry of Economics under BASF’s payroll.”²⁵⁹

According to a 2008 document released by the Federal Ministry of the Interior (Bundesministerium des Innern), BASF’s activities extended into the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety.²⁶⁰ The document states that from January 1, 2008, until December 31, 2008, “BASF employees worked in the field of plant safety, planning, implementation and further development of safety considerations, safety consulting and determination of causes in case of damage

²⁵⁶ Deutscher Bundestag, “Monitor- Bericht über eine neue Art von Lobbyismus in Bundesministerien.” Available at: <http://dip21.bundestag.de/dip21/btd/16/033/1603395.pdf> from November 13, 2006 (accessed December 29, 2016): 2,4.

²⁵⁷ Lobbyisten im Auswärtigen Amt – Lobbypedia https://www.lobbypedia.de/wiki/Lobbyisten_im_Bundesministerium_f%C3%BCr_Umwelt,_Naturschutz_und_Reaktorsicherheit#cite_note-monitor-1 (accessed December 29, 2016).

²⁵⁸ Deutscher Bundestag, “Institutionalisierter Lobbyismus.” Available at: <http://dip21.bundestag.de/dip21/btd/16/054/1605406.pdf> from May 23, 2007 (accessed December 29, 2016): 4.

²⁵⁹ Adamek & Otto, *Der gekaufte Staat: wie Konzernvertreter in Deutschen Ministerien sich ihre Gesetze selbst schreiben*, 16.

²⁶⁰ Bundesministerium des Innern, “Erster bericht über den Einsatz externer Personen in der Bundesverwaltung.” <http://www.spiegel.de/media/media-19010.pdf> (accessed December 30, 2016): 25.

events.”²⁶¹ BASF’s activities in the Federal Ministry “ranged from international cooperation, in particular with China, Russia, and UNECE²⁶² Member States; for the purpose of exchanging information.”²⁶³

BASF “inner-foot” in the Bundestag extends further to the Press and Information Office of the Federal Government. “The employee BASF AG hired worked in the Internet editorial department, responsible for writing reports on various topics.”²⁶⁴

It was in 2011 when the first published data on the EU Transparency Register website became available to the public sphere on BASF following immediately after this paper’s case study period (2005-2010). Although the data is outside the studied period, it provides real insight about the company’s stand on lobbying activities. Additionally, the 2011 data allows us to presume that BASF’s lobbying efforts (at least for the year 2010) would probably have indicated a similar outcome as reported for 2011. Thus, from December 31, 2010, until November 30, 2011, BASF SE’s lobbying costs amounted to 2,300,000€. ²⁶⁵ The company declared twenty lobbyists of whom four were accredited with access to the European Parliament. Although this paper does not cover lobbying on

²⁶¹ *ibid.*,

²⁶² United Nations Economic Commission for Europe-established to encourage economic cooperation.

²⁶³ Bundesministerium des Innern, “Erster Bericht über den Einsatz externer Personen in der Bundesverwaltung.” <http://www.spiegel.de/media/media-19010.pdf> (accessed December 30, 2016): 25.

²⁶⁴ Deutscher Bundestag, “Mitarbeit von Beschäftigten von Verbänden und Wirtschaftsunternehmen in Bundesministerien und in nachgeordneten Bundesbehörden,”

<http://dip21.bundestag.de/dip21/btd/16/037/1603727.pdf> (accessed December 30, 2016): 4.

²⁶⁵ LobbyFacts, “BASF SE,”

<https://lobbyfacts.eu/representative/233d1859a1304ddba9ba66f9d18ea994/basf-se> (accessed January 3, 2017).

the European level, the insight gained from the disclosure of financial lobby support and the number of registered lobbyists' does at least reveal one clear picture: BASF SE is alive and active in lobby activities outside of the European Parliament. At least sixteen out of twenty (who have no access to the EP) have lobbied somewhere in the European Union or in Germany itself.²⁶⁶

Corporate business in the renewable energy industry can be fairly influential on the decision-making process in Germany. Based on a study by Kathrin Sühlsen and Matthijs Hisschemöller, renewable energy companies as well as the main electric utilities ('Big Four'), which control close to 90% of the electricity market (E.ON SE, RWE AG, EnBW Energie Baden-Württemberg AG and Vattenfall Europe AG) – interact with the political system through lobbying.²⁶⁷ The authors studied the explicit lobby strategies concluding that *top-down lobbying*²⁶⁸ is the preferred communication channel amongst the Big Four. "Their CEO's have a personal relation to the chancellor and are capable of

²⁶⁶ LobbyFacts, "BASF SE," <https://lobbyfacts.eu/representative/233d1859a1304ddba9ba66f9d18ea994/basf-se> (accessed January 3, 2017).

²⁶⁷ Sühlsen, Kathrin, and Matthijs Hisschemöller. "Lobbying the 'Energiewende'. Assessing the effectiveness of strategies to promote the renewable energy business in Germany," *Energy Policy* 69 (2014): 316. Science Direct (accessed January 4, 2017).

²⁶⁸ "Tackling the most powerful decision-maker, i.e. the chancellor, the responsible ministers and the chairs or parliamentary committees." "Lobbying the 'Energiewende'. Assessing the effectiveness of strategies to promote the renewable energy business in Germany." *Energy Policy* 69 (2014): 320. Science Direct (accessed January 4, 2017).

using it 'at the right moment. Next to the chancellor and ministers, companies, the Big Four in particular, establish personal contacts with Ministries' Division Heads."²⁶⁹

In terms of lobby style, E.ON prefers a more arrogant style of lobbying.²⁷⁰ The authors relate arrogant and aggressive lobbying to "providing false information, e.g. through presenting disaster scenarios and name the Big Four in this respect."²⁷¹ Another highly professional lobby style preference fully optimized by the Big Four is characterized as "all-rounders." According to Kathrin Sühlsen and Matthijs Hisschemöller, these are 'professional lobbyists' "who know how to influence and persuade people."²⁷² "When needed, they add an internal technical expert to a conversation with an MP or a ministry employee."²⁷³ The Big Four are capable of recruiting professional lobbyists, often former politicians and high level civil servants."²⁷⁴

Another characteristic feature of successful lobby efforts comes down to the number of years a company has operated. In other words, the longer a company's history, the more likely it will form better contacts. E.ON has operated on the German energy market for decades, and thus "has a privilege to personally contact the most powerful

²⁶⁹ Sühlsen, Kathrin, and Matthijs Hisschemöller. "Lobbying the 'Energiewende'. Assessing the effectiveness of strategies to promote the renewable energy business in Germany," *Energy Policy* 69 (2014): 320. Science Direct (accessed January 4, 2017).

²⁷⁰ *Science Direct*, "Lobbying the 'Energiewende'. Assessing the effectiveness of strategies to promote the renewable energy business in Germany."

²⁷¹ *Ibid*, 320.

²⁷² Sühlsen, Kathrin, and Matthijs Hisschemöller. "Lobbying the 'Energiewende'. Assessing the effectiveness of strategies to promote the renewable energy business in Germany," *Energy Policy* 69 (2014): 321. Science Direct (accessed January 4, 2017).

²⁷³ *Ibid*.

²⁷⁴ *Ibid*.

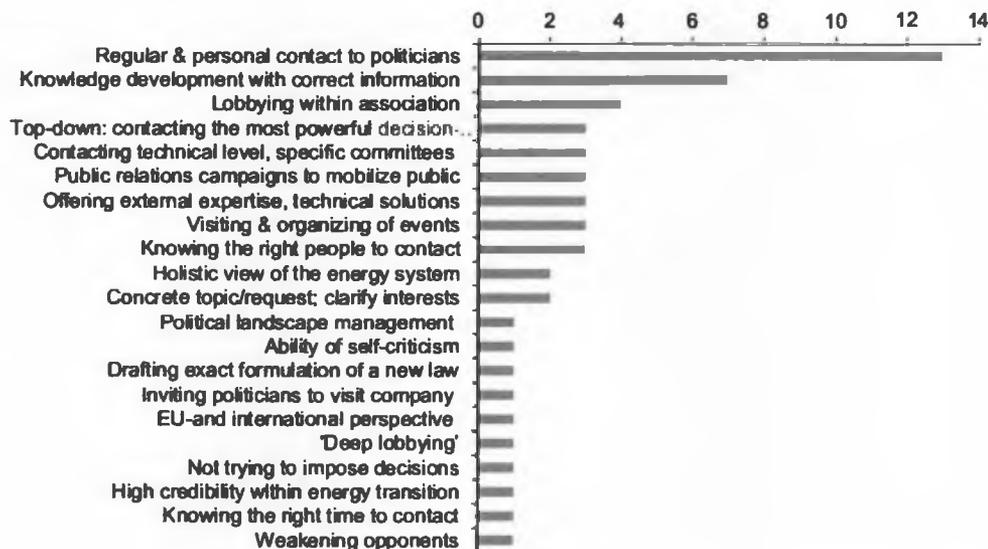
decision-makers such as the chancellor or ministers.”²⁷⁵ Therefore, it is not surprising that E.ON scored best amongst some of the top energy companies on “Top-down contacting.”²⁷⁶

In sum, Kathrin Sühlsen and Matthijs Hisschemöller’s findings indicate that without “regular and personal contact with politicians, knowledge development with correct information and lobbying within an association” – energy companies in Germany cannot effectively lobby their interests.

²⁷⁵ Ibid., 322.

²⁷⁶ Ibid.

Figure 7: Most Effective Lobbying Strategies



Sühlsen, Kathrin, and Matthijs Hisschemöller. "Lobbying the 'Energiewende'. Assessing the effectiveness of strategies to promote the renewable energy business in Germany." *Energy Policy* 69 (2014): 321.

Science Direct (accessed January 4, 2017).

The German Pro-Russian Business Lobby

After decades of investment and trade with Russia, the pro-Russian business lobby in Germany can best be understood through the lens of "intertwined cooperation." According to Lucas (2008), Germany has "a pro-Russian business lobby that has beguiled the foreign-policy establishment."²⁷⁷ In other words, the pro-Russian lobby in Germany has significant power to pressure German leaders to favor policies that will

²⁷⁷Lucas Edward, *The New Cold War: How The Kremlin Menaces both Russia and the West* (London: Bloomsbury Publishing): 19. In Whist Bendik Solum, "Nord Stream –A solution or challenge for the EU?." *EU-Russia gas connection: Pipes, politics and problems* (2009):177.

continue their strong business ties, even if such policies steer away from German foreign policy. According to Lucas, the pressure exerted by the pro-Russian lobby on German leaders can halt any dissuasion among the elite.²⁷⁸ Whist summarizes Lucas (2008) as follows “even if Chancellor Merkel, for political reasons, wanted to lead Germany in another direction on the pipeline issue, she would find herself pressured by a strong business lobby that wants good relations with Russia no matter what.”²⁷⁹

The leading role in the pro-Russian lobby “is played by the Ost-Ausschuss der Deutschen Wirtschaft (Eastern Committee of the German Economy) which represents German economic interests in Eastern and Southern Europe, the Baltic States and Central Asia.”²⁸⁰ Among its members are E.ON Ruhrgas and Wintershall, who stand amid companies that “try to soften the feeling of the threat from the East” that exists in the German mass media.²⁸¹ “The committee trains Russian engineers and managers and supports youth exchange programs,” hence forming a lineage of future generations for Russo-German business advocacy and expansion.²⁸²

²⁷⁸ Lucas Edward, *The New Cold War: How The Kremlin Menaces both Russia and the West* (London: Bloomsbury Publishing): 226. In Whist Bendik Solum, “Nord Stream –A solution or challenge for the EU?.” *EU-Russia gas connection: Pipes, politics and problems* (2009):177.

²⁷⁹ *ibid.*

²⁸⁰ Feklyunina, Valentina. 2012. “Russia's International Images and its Energy Policy. An Unreliable Supplier?” *Europe-Asia Studies* 64, no. 3: 456-457. *Business Source Complete*, EBSCOhost (accessed January 5, 2017).

²⁸¹ Feklyunina, Valentina. 2012. “Russia’s International Images and its Energy Policy. An Unreliable Supplier?” *Europe-Asia Studies* 64, no. 3: 457. *Business Source Complete*, EBSCOhost (accessed January 5, 2017).

²⁸² Belton, Catherine, Benoit Bertrand, Chris Bryant, Charles Clover, Richard Milne, and Daniel Schaefer. 2009. “The New Ostpolitik.” *Financial Times*, October 26, 11. <http://search.proquest.com/docview/250237870?accountid=13802> (accessed November 10, 2016).

Several organizations exist to serve German and Russian business ties explicitly. “Among them, the German-Russian Forum (Deutsch-Russisches Forum), the European-Russian Business Association (ERBA), and the Association of European Business in Russia (AEB) have been most influential.”²⁸³ “Another organization that specifically focuses on Germany and the Russian-German Trade Chamber (Deutsch-Russische Auslandshandelskammer) was formed in 2007, on the basis of the German Economic Union in Russia. The Chamber facilitates business contacts between Germany and Russia and provides business services to German companies in Russia.”²⁸⁴

“Germany and Russia are among the most important trade partners in each other’s rankings of trade partners. “Germany alone accounts for almost a third of the EU’s total exports to Russia.”²⁸⁵ “Chemicals is the third-biggest export sector to Russia, worth €3.2 billion.” BASF, a chemical giant, uses Russian gas as both an energy source and a feedstock; in turn, it sold €1.4 billion of its €74 billion total sales in 2013 to customers based in Russia.”²⁸⁶

After the completion of the Nord Stream pipeline, in 2011, “there was a 30 percent increase in trade between Germany and Russia, with a total volume of 75 billion

²⁸³ Svyatets, Ekaterina, “Russia-Germany energy cooperation,” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics*. (New York: Routledge, 2015), 138.

²⁸⁴ Ibid.

²⁸⁵ “German firms in Russia: Lovers, not fighters” *The Economist*, March 15, 2014. <http://www.economist.com/news/business/21599034-german-exporters-are-pushing-back-against-economic-sanctions-russia-lovers-not-fighters> (accessed January 5, 2017).

²⁸⁶ “German firms in Russia: Lovers, not fighters” *The Economist*, March 15, 2014. <http://www.economist.com/news/business/21599034-german-exporters-are-pushing-back-against-economic-sanctions-russia-lovers-not-fighters> (accessed January 5, 2017).

feedstock; in turn, it sold €1.4 billion of its €74 billion total sales in 2013 to customers based in Russia.”²⁸⁶

After the completion of the Nord Stream pipeline, in 2011, “there was a 30 percent increase in trade between Germany and Russia, with a total volume of 75 billion euros.”²⁸⁷ “The Ost-Ausschuss der Deutschen Wirtschaft (Committee on Eastern European Economic Relations), a lobby group representing big businesses, assert 300,000 German jobs depend on trade with Russia, 6,200 companies with German owners are active in Russia, and German companies invested €20 billion there.”²⁸⁸ “For this reason, the business lobby highly criticized Russian sanctions in 2014. The committee’s boss called the sanctions “senseless.”²⁸⁹ “As Russia is modernizing its infrastructure and worn-out industrial plant, Klaus Mangold, chairman of the Committee on Eastern European Economic Relations “sees great opportunities for German companies, which are world-beaters in both machine-building and construction.”²⁹⁰ In

²⁸⁶ “German firms in Russia: Lovers, not fighters” *The Economist*, March 15, 2014. <http://www.economist.com/news/business/21599034-german-exporters-are-pushing-back-against-economic-sanctions-russia-lovers-not-fighters> (accessed January 5, 2017).

²⁸⁷ Meister, Stefan. “An Alienated Partnership.” German-Russian Relations after Putin’s Return,” *Vestnik Kavkaza*, July 7, 2012. Retrieved from <http://vestnikkavkaza.net/analysis/politics/28706.html> (accessed January 9, 2017).

²⁸⁸ *The Economist*, “German firms in Russia: Lovers, not fighters.”

²⁸⁹ *Ibid.*

²⁹⁰ Edward Lucas, “Pipeline Politics: The Threat and the Reality,” in *The New Cold War: How the Kremlin Menaces both Russia and the West* (London: Bloomsbury Publishing, 2008), 224.

result, as Lucas asserts, “it is hard to fault German companies for acting in the interests of their shareholders.”²⁹¹

In sum, lobbying is encouraged in the German legislative branch (the Bundestag) and filled with top energy companies that serve their interests. Nevertheless, the ties that cultivate continuous German-Russian business links expand via vast bilateral business associations whose purpose serves to ease business corporation. The shareholders E.ON, Wintershall, and BASF have lobbied such interests directly through various ministries with open access and meager transparency records.

Case Study (2): Government-Business linkages

The revolving door phenomenon describes the “transition from federal government to lobbying.”²⁹² This chapter particularly focuses on the revolving door between the energy industry (corporations) and the German government, i.e., the ministers. The metaphor ‘revolving doors’ implies that a constant ‘in-and-out’ motion occurs between former members of the government, energy companies or interest groups. As former ministers retire from public office, new opportunities to serve in high positions with corporations emerge, and their job function now entails to lobby for the interest of the company. Nevertheless, the revolving door phenomenon becomes problematic for the following reasons:

²⁹¹ Ibid.

²⁹² Apollonio, Dorie, Bruce E. Cain, and Lee Drutman. “Access and Lobbying: Looking Beyond the Corruption Paradigm.” *Hastings Constitutional Law Quarterly* 36 (2008): 27.

(1) the prospects of lucrative jobs after the end of the politician's career gives incentives to make political decisions in favor of possible future employers or at least not to raise them against themselves, (2) large companies with deep pockets offer attractive jobs to former top-level politicians, thus strengthening the existing power structure, lastly (3) recent political decision-makers share insider knowledge and their current contacts in ministries and/or parliament with interest groups, thus giving them privileged access to politics to easily influence decisions.²⁹³

Integrity Measures

When it comes to lobbyists or lobbying, Speth indicates a lack of “robust ethical set of rules” in Germany. In particular, there is a lack of comprehensive, binding, transparent, punishable (behavioral) rules which apply to everyone.²⁹⁴ “Transparency Deutschland and Lobby Control therefore called for a cooling-off period of three years between the end of the previous activity and the agreement on the start of a new job.” Within this period, switching from ministerial functions to any lobbying would be prohibited. “The cool-down phase should apply to the chancellor, the ministers, state

²⁹³ LobbyControl, “Seitenwechsel,” (Accessed February 2, 2017)

https://lobbypedia.de/wiki/Revolving_door#Forderung:_Nachbesserungen_am_Karenzzeit-Gesetz.

²⁹⁴ Rudolph Speth, “Lobbying in Germany,” *Transparency International Deutschland e. V.* (October, 2014), (accessed November 16, 2016): 28.

ministers, parliamentary and official state secretaries as well as head of departments.”²⁹⁵ During the period of this study (2005-2010), the Bundestag did not pass a law on the cooling-off period for public servants moving to the private sector nor was a binding code of conduct imposed. In result, “legislators can register as lobbyists immediately after leaving office.”²⁹⁶ Although Germany does have a code of conduct for parliamentarians, based on a (*Transparency International*, 2012) country report on the “links between business and government risks in Europe,” the Federal Republic does not disclose all relevant aspects of Members’ of Parliament (MPs’) interests and/or disclose only partial information.” Such loopholes can create conflict of interest when former ministers accept new employment in sectors previously related to their ministerial position.

It wasn’t until July 2, 2015, when the Bundestag amended the Federal Ministerial Law and the Act on the Legal Conduct of Parliamentary State Secretaries to a 12 to 18 month waiting period “to prevent conflicts of interest between the public service contract and employment after the end of the term.”²⁹⁷ According to the new regulation, ministers and state secretaries must immediately report if they wish to take up employment in the private sector. A panel then decides whether a possible conflict of interest exists. If a

²⁹⁵ LobbyControl, “Seitenwechsel,” (Accessed February 2, 2017)

https://lobbypedia.de/wiki/Revolving_door#Forderung:_Nachbesserungen_am_Karenzzeit-Gesetz.

²⁹⁶ Chari, Raj, Gary Murphy, and John Hogan. “Regulating lobbyists: a comparative analysis of the United States, Canada, Germany and the European Union.” *The Political Quarterly* 78, no. 3 (2007), (accessed January 12, 2017): 427.

²⁹⁷ Deutscher Bundestag, “Act amending the Federal Ministerial Law and the Act on the Legal Conduct of Parliamentary State Secretaries,” <http://dipbt.bundestag.de/extrakt/ba/WP18/651/65141.html> (accessed February 2, 2017).

conflict of interest is determined, the Federal Government could impose a waiting period of up to 18 months.²⁹⁸ Watchdog groups such as Transparency International, Greenpeace, and Lobby Control all call for a 3-year cooling off period that would prevent former ministers or parliamentary state secretaries from taking on new employment related to their previous work. According to Lobby Control, “only compulsory and comprehensive regulation can slow the impact of financially strong stakeholders and businesses. After three years the insider knowledge is at least partly outdated, contacts cooled down and former colleagues no longer in the old positions.” Interestingly enough, “in the case of civil servants of the Confederation, according to § 105 of the Federal Act on Public Employment, employment or other employment is to be prohibited for five years after the termination of the employment relationship.”²⁹⁹ In other words, civil servants must legally abide by a five-year cooling-off period while no such laws apply to former ministers and parliamentary secretaries who, for example, switch to a position in the economy sector where their knowledge is more than welcome.

Politicians’ revolving door with Energy Industry

The transition from post-ministerial positions to lucrative job posts seems to be a common practice in Germany. The best-known example of the revolving door

²⁹⁸ Günter Banna, “Wechsel in die Wirtschaft Regierung einigt sich auf Karenzzeit”

Frankfurter Allgemeine, July 10, 2014. Available at: <http://www.faz.net/aktuell/politik/inland/wechsel-in-die-wirtschaft-regierung-einigt-sich-auf-karenzzeit-13194836.html>.

²⁹⁹ Transparency International Germany, “Transparency Germany calls for a policy of integrity: Consequences of the Wulff scandal,” February 21, 2012. Available at: <https://www.transparency.de/2012-02-21-Integritaetsoffensi.2063.0.html?&contUId=4388>.

phenomenon is that of Gerhard Schröder, former German Chancellor who is now chairman of the board of Nord Stream AG.³⁰⁰ Under his leadership, Chancellor Schröder heavily promoted the initial Nord Stream pipeline proposal. His appointment to the supervisory board was called into question by anti-corruption activists on the basis of possible conflict of interests for retired politicians. These exact incidents are the reason why Transparency International called for a “cooling period” for retired politicians moving to business. Schröder secured another lucrative position in January 2009 as one of three Chairmen of TNK-BP, a Russian-British energy company. “According to *Manager Magazine*, his annual salary is about €200,000.”³⁰¹

In 2006, Schröder undertook several positions, from consulting for the Swiss media, e-commerce and entertainment group, Ringier Verlag, to high paying speaker for the New York agency Harry Walker Agency.³⁰² He also became a Member of the European Advisory Board of Rothschild Investment Bank³⁰³ and a legal advisor to the RAG³⁰⁴ Corporation, before reaching his final most lucrative destination, Nord Steam AG. “The late US congressman Tom Lantos, then chairman of the House Foreign Affairs

³⁰⁰ Nord Stream AG is the owner and operator of the Nord Stream pipeline along with Gazprom, E.ON, BASF and Gasunie.

³⁰¹ Lobby Control, “Gerhard Schröder,” (accessed January 13, 2017) https://www.lobbypedia.de/wiki/Gerhard_Schr%C3%B6der#cite_note-13. Available at <http://www.manager-magazin.de/magazin/artikel/a-680306-9.html>.

³⁰² Lobby Control, “Gerhard Schröder,” (accessed January 16, 2017) https://www.lobbypedia.de/wiki/Gerhard_Schr%C3%B6der#cite_note-13. Available at: <http://www.spiegel.de/wirtschaft/lukrative-aufgabe-promi-agentur-vermittelt-schroeder-als-redner-a-392338.html>.

³⁰³ Rothschild is “one of the world’s largest family-controlled financial advisory groups.” Available at: <https://www.rothschild.com/en/who-we-are/the-way-we-do-business/>.

³⁰⁴ RAG is a German coal-mining corporation.

Committee, likened Schröder to a ‘political prostitute’ for his acceptance to become head of the shareholder’s committee.”³⁰⁵

“Several members of the outgoing government have taken up business positions since the elections. Wolfgang Clement, Schröder’s first economics minister, is now a non-executive director at Dussmann, a family-owned logistics group, while Hans Martin Bury, a former Minister of State for Europe at the Federal Foreign Office, has joined Lehman brothers.”³⁰⁶ Mr. Clement “moved to RAG’s supervisory board after Schroder lost the elections in 2005.”³⁰⁷ According to Lobby Control, Mr. Clement became a member of the lobby group Council for Germany (KFD)³⁰⁸ from 2006 to 2008. In 2009, he became a board member of the Russian consulting firm Energy Consulting, the investment company Lahnstein Middelhoff & Partners LLP.³⁰⁹ In fact, Mr. Clement served on a number of supervisory board positions³¹⁰ post the Schröder’s government, even becoming senior advisor at the Deekeling Arndt Advisors lobby agency.³¹¹

³⁰⁵ Weinthal, Benjamin. 2009. “German Ex-Chancellor Schroder’s Teheran Visit Kicks Up a Storm. Jewish Groups Slam Trip; Social Democrat Says He Opposes Sanctions,” *Jerusalem Post*, February 22, 4. <https://search.proquest.com/docview/319680131?accountid=13802>.

³⁰⁶ Bertrand Benoit, in Berlin. 2005. “FT.Com Site: Schröder Joins Gazprom Pipeline Group.” *FT.Com*: 1. <https://search.proquest.com/docview/228884816?accountid=13802>.

³⁰⁷ Dempsey, Judy. 2007. “Climate-Change Fight Leaves an Industry Cold letter from Europe.” *International Herald Tribune*, July 14, 2. [Http://search.proquest.com/docview/31884109?accountid=13802](http://search.proquest.com/docview/31884109?accountid=13802).

³⁰⁸ KFD- “an elite business-oriented lobby group.” Lobby Control, “Wolfgang Clement,” (accessed January 16, 2017). https://www.lobbypedia.de/wiki/Wolfgang_Clement.

³⁰⁹ Lobby Control, “Wolfgang Clement,” (accessed January 16, 2017). https://www.lobbypedia.de/wiki/Wolfgang_Clement

³¹⁰ See Figure (create figure)

³¹¹ Lobby Control, “Wolfgang Clement.”

However, his track record is not without criticism. The Hessian Economic and Environment Minister, Hermann Scheer, called for Clement to leave the party. “The SPD does not need any advice from a former minister, who has sold himself as a lobbyist to a power company,” said Sheer in reference to Mr. Clement’s employer at the time, RWE.³¹² Scheer also stated “Wolfgang Clement abuses his former leadership role in the SPD, by putting them into a sound coin as a paid lobbyist.”³¹³

In reference to the extension of the duration of nuclear power plants, Hessian Green leader Tarek al-Wazil said that it was “bad enough if social-democratic politicians can be bought by the energy industry after the end of their term of office. Rarely has it been so clearly shown by Wolfgang Clement.”³¹⁴ Mr. Clement’s actions were controversial because he supported a policy to prolong nuclear power for another three years during a time when the German people heavily criticized nuclear power, especially after the Fukushima accident. Former Minister Clement’s track record can be described as a pendulum, swinging left and right. First, he was a former Minister of Economic Affairs, and then he moved into the economy.³¹⁵

³¹² “Attacke gegen Ypsilanti: Clement fällt Hessen-SPD in den Rücken” *Spiegel Online*, January 19, 2008. <http://www.spiegel.de/politik/deutschland/attacke-gegen-ypsilanti-clement-faellt-hessen-spd-in-den-ruecken-a-529687.html>.

³¹³ “Attacke gegen Ypsilanti,” *Spiegel Online*.

³¹⁴ “Attacke gegen Ypsilanti: Clement fällt Hessen-SPD in den Rücken” *Spiegel Online*, January 19, 2008. <http://www.spiegel.de/politik/deutschland/attacke-gegen-ypsilanti-clement-faellt-hessen-spd-in-den-ruecken-a-529687.html>.

³¹⁵ “Eine reine Vertrauensfrage,” *Taz.de*, February 15, 2006. <http://www.taz.de/!474621/>

Figure 8: Wolfgang Clement Supports Nuclear Lobby

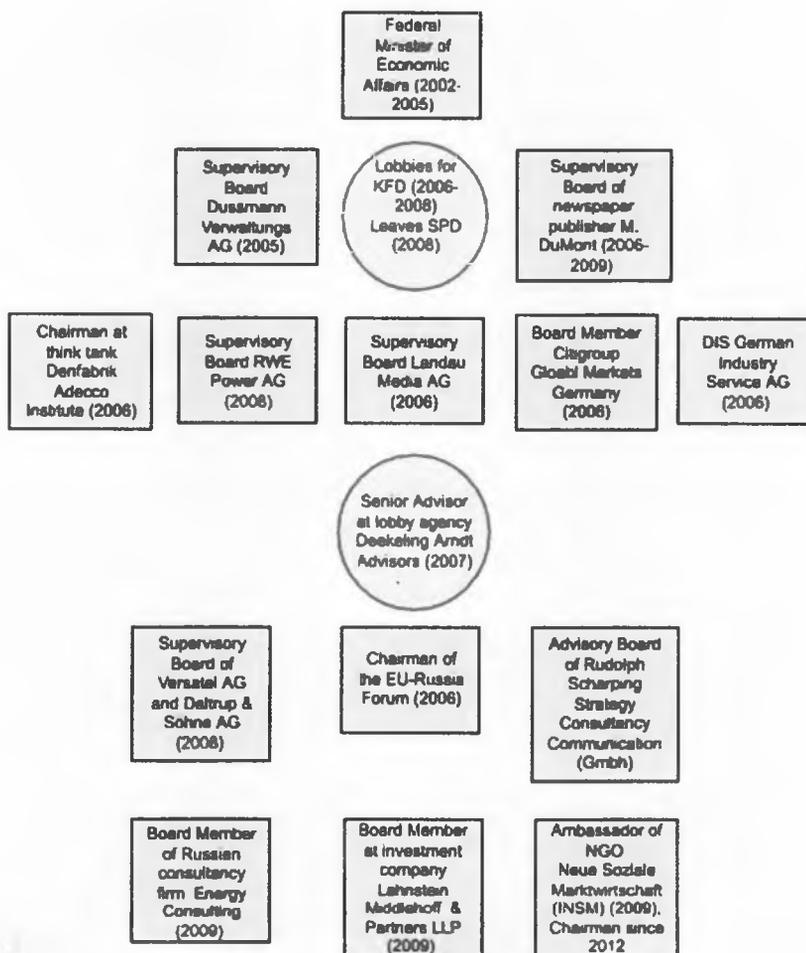
WHO SUPPORTED THE NUCLEAR LOBBY IN THEIR ADVERTISING CAMPAIGN

The signatories

Josef Ackermann, Head of Deutsche Bank; Werner Bahlsen, biscuit maker; Wulf Bernotat, ex-Eon chief; Oliver Bierhoff, manager of the national soccer team; **Wolfgang Clement**, former Federal Minister of Economics; Eckhard Cordes, Metro CEO; Gerhard Cromme, Supervisory Board member ThyssenKrupp; Jürgen Großmann, Head of RWE; Rüdiger Grube, Head of Deutsche Bahn; Jürgen Hambrecht, BASF CEO; Tuomo Hatakka, Vattenfall's chief; Wolfgang Herrmann, President of the TU Munich; Hans-Peter Kettel, BDI President; Carsten Maschmeyer, financial consulting MaschmeyerRürup; Friedrich Merz (CDU), former Fraction Union; Arend Oetker, BDI vice president; Hartmut Ostrowski, head of Bertelsmann; Wolffschmigel, head of the University Clinic Bochum; Ekkehard Schulz, former CEO of ThyssenKrupp; Johannes Teysen, Head of the Eon; Rainer Thieme, Supervisory Board Chairman Salzgitter; Hans-Peter Villis, Head of EnBW; Gerhard Weber, Gerry Weber International; Werner Wenning, former Bayer CEO; Matthias Wissmann, President of the German Association of the Automotive Industry (VDA)

Marco Brost, "Anzeigenkampagne der Atomlobby: Was sagen Sie nun, meine Herren?" *Handelsblatt*, March 16, 2011. <http://www.handelsblatt.com/politik/deutschland/anzeigenkampagne-der-atomlobby-was-sagen-sie-nun-meine-herren/3956310.html>

Figure 9: Wolfgang Clement's Career: Revolving Door



Lobby Control, "Wolfgang Clement." Created by Sejla Avdic using Gliffy on January 18, 2017.

After a fifteen-year career in the Bundestag, Hans Martin Bury turned to the financial sector, landing a position as Managing Director at Lehman Brothers Investment

Banking Germany, even serving as a member of the Executive Board of Lehman Brothers Bankhaus AG.³¹⁶ Following the collapse of the Lehman Brothers due the fiasco in the financial sector, Bury moved to a PR and investor relations' agency Hering Schuppener.³¹⁷ "His department primarily focuses on the positioning of public companies and on the communication of their interests at the political level, thus forming the interface between politics and the economy." The company opened an additional office in Berlin, and according to Lobby Control "it would be even easier for him to maintain his contacts with the political decision-makers now."³¹⁸ Bury also serves as a member of the Supervisory Board of the German Telekom, and is a Managing Director at Nomura Bank.

E.ON

Joachim Lang joined E.ON in 2007, and is now chief lobbyist of E.ON representative office in Berlin. Before Lang joined E.ON in 2007, he worked as Head of Coordination of the European Policy of the Federal Government in the Chancellery. In this role, he was responsible for the coordination of Europolitics, the Economic and Monetary Union and the EU's financial policy." Prior to this, he was speaker of the First

³¹⁶ Lobby Control, "Hans Martin Bury," (accessed January 17, 2016). https://www.lobbypedia.de/wiki/Hans_Martin_Bury.

³¹⁷ Lobby Control, "Hans Martin Bury," (accessed January 17, 2016). https://www.lobbypedia.de/wiki/Hans_Martin_Bury.

³¹⁸ Lobby Control, "Hans Martin Bury."

Parliamentary Managing Director Norbert Röttgen from 1999 to 2006 in the CDU/CSU Bundestagfraktion.³¹⁹

Dr. Walter Hohlefelder was Head of reactor safety in the Federal Ministry of Economics before he served on the boards of E.ON Energie³²⁰ and URENCO Ltd³²¹ from 1999 until 2008. From 2004 to 2010, Dr. Hohlefelder served as president of the German Atomic Forum, “a lobby group of companies, research institutions, and organizations” advocating nuclear energy.³²²

Former Minister and vice-Chancellor, Joschka Fischer is yet another prominent example of the revolving door phenomenon. After his government service, former Minister Fischer entered the private sector, founding his own consulting company Joschka Fischer Consulting. He is also a consultant on strategic issues for Germany’s three largest corporations: BMW, the automaker; Siemens, the electronics and electric engineering company; and RWE, the energy company.³²³ “I am doing almost the same

³¹⁹ Sandra Middendorf, “Wer lenkt die Lobbyisten?” *Pr Magazin*, July 2011.

<http://www.prmagazin.de/meinung-analyse/hintergrund/wer-lenkt-die-lobbyisten.html>.

³²⁰ Adamek, Sascha, and Kim Otto, “Warum werden Strom und Gas immer teuer?” in *Der gekaufte Staat: wie Konzernvertreter in Deutschen Ministerien sich ihre Gesetze selbst schreiben* (Cologne, Germany: Kiepenheuer & Witsch, 2008), 72.

³²¹ URENCO ltd. “is a nuclear fuel company operating several uranium enrichment plants in Germany, the Netherlands, United States, and United Kingdom” Wikipedia, (accessed February 8, 2017).

³²² Klaus Stratmann, “Atomforum findet neuen Cheflobbyisten,” *Handelsblatt.de*, April 15, 2010. Available at: <http://www.handelsblatt.com/unternehmen/management/ralf-gueldner-atomforum-findet-neuen-cheflobbyisten/3412060.html>.

³²³ Dempsey, Judy. 2009. “Hoping for More than just Energy from a European Gas Pipeline.” *New York Times*, December 23. <https://search.proquest.com/docview/434248479?accountid=13802>.

job as in Ministerial times, just for a company,” Fischer said.³²⁴ According to Lobby Control, “it is unclear what Fischer’s exact tasks at BMW are.” According to Spiegel, Fischer was commissioned to develop sustainable strategies to improve the eco-awareness of the Group’s employees.³²⁵ Concurrently, “Mr. Fischer has become a prominent supporter of Nabucco, and not just for the paycheck, he said.”³²⁶ His advice was sought after for the Nabucco project, a new natural gas pipeline construction that will be used to transport natural gas from Central Asia to Europe.³²⁷ According to Das Parlament, Fischer’s salary is unconfirmed in the six-digit range.³²⁸

³²⁴ “Gas Game Between Fischer and Schröder.” 2009. *Welt Kompakt*, Sep 09, 08-1. <https://search.proquest.com/docview/241602825?accountid=13802>.

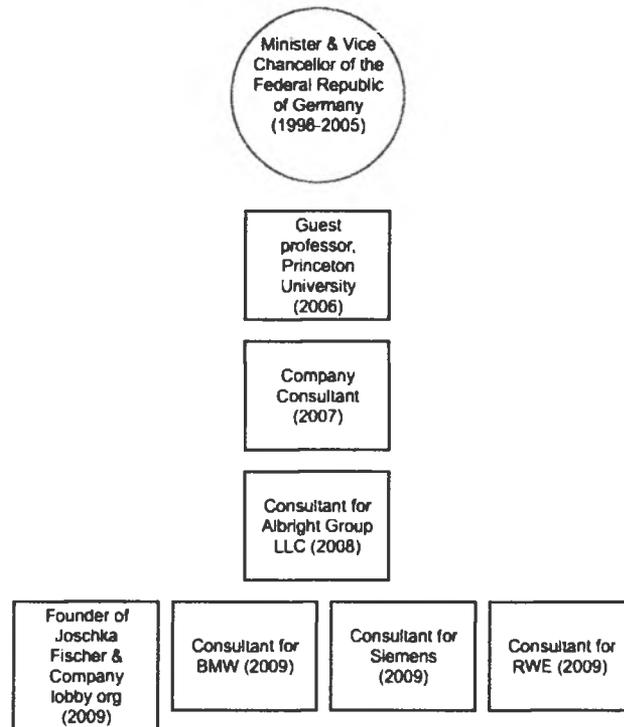
³²⁵ Lobby Control, “Joschka Fischer” Spiegel Online, “Neuer Nebenjob Joschka Fischer berät BMW,” September 20, 2009. Available at: <http://www.spiegel.de/wirtschaft/neuer-nebenjob-joschka-fischer-beraet-bmw-a-650160.html>.

³²⁶ Dempsey, Judy. 2009. “Hoping for More than just Energy from a European Gas Pipeline.” *New York Times*, December 23. <https://search.proquest.com/docview/434248479?accountid=13802>.

³²⁷ Spiegel Online, “Neuer Nebenjob Joschka Fischer berät BMW,” September 20, 2009. Available at: <http://www.spiegel.de/wirtschaft/neuer-nebenjob-joschka-fischer-beraet-bmw-a-650160.html>.

³²⁸ Katta Kottra, “Sechs Richtige beim Lobby,” *Das Parlament*, 2009. <http://www.das-parlament.de/2009/28/Kehrseite/25077995/301388>.

Figure 10: Joschka Fischer: Revolving Door



Lobby Control, "Joschka Fischer." Created by Sejla Avdic using Gliffy, January 18, 2017.

From Head of the Department of Reactor Safety at the Ministry of Environment to atomic lobbyist and back again: Mr. Hennenhöfer's career defines a 360-degree full rotation. Mr. Hennenhöfer left the same position in 1998 to join the nuclear group E.ON and became a lobbyist. In 2009 he took "the position of the uppermost atomic overseer back under then Federal Environment Minister, Norbert Röttgen." After years of lobbying for the atomic industries, his reappointment came with much criticism. The vice-chief of the SPD parliamentary fraction, Ulrich Kelber criticized Mr. Röttgen's

decision to appoint Hennenhöfer stating “Mr. Röttgen could leave nuclear supervision to the nuclear power plant operators, which would be cheaper and more honest.”³²⁹ Thomas Leif, journalist and lobbyist expert, sums up his argument in a *Vorwärts* interview in the following quotation:

The atomic power advocates dominate the entire institutional scenario. This reaches to the department head for reactor safety in the Federal Environment Ministry. Gerald Hennenhöfer is a leader in the nuclear industry. Environment Minister Norbert Röttgen brought him back to his ministry after the Bundestag elections. A scandal that you could not even invent for a fictional political thriller.³³⁰

In 2010, a crack near the pressure vessels was discovered nine months before the Fukushima disaster in Bavaria.³³¹ “For the first time in the history of Germany, Hennenhöfer succeeded in continuing the operation despite the threat. Even after the technicians and subdivision director Dieter Majer protested vehemently.”³³² However, Hennenhöfer commented on the event; He trusted the “external consultants”, even though

³²⁹ Joachim Wille, “Kritik am neuen Umweltminister: Den Bock zum Gärtner gemacht,” *Frankfurter Rundschau*, December 1, 2009. Available at: <http://www.fr-online.de/politik/kritik-am-neuen-umweltminister--den-bock-zum-gaertner-gemacht-,1472596,3278770.html>.

³³⁰ Susanne Dohrn, “Die Doppelstrategie der Atomkonzerne,” *Vorwärts*, April 12, 2011. <http://www.vorwaerts.de/artikel/doppelstrategie-atomkonzerne>.

³³¹ Steven Geyer, “Atompolitik Gorleben: Merkel’s Altlast,” *Frankfurter Rundschau*, September 12, 2012. Available at: <http://www.fr-online.de/energie/atompolitik-gorleben-merkels-altlast,1473634,17227924.html>.

³³² Geyer, “Atompolitik Gorleben: Merkel’s Altlast.”

director Majer was critical of their “legitimacy.”³³³ If that wasn’t scandalous enough, the *Frankfurter Rundschau* reported that the Ministry of Environment confirmed Hennenhöfer was “secretly involved in a controversial nuclear agreement between Merkel’s government and energy titans RWE, E.ON, EnBW and Vattenfall “for the extension of the term and profit tax.”³³⁴

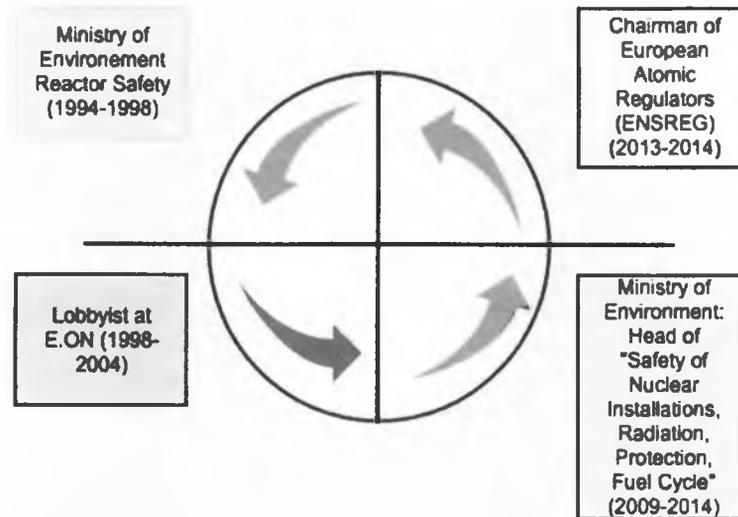
From the head of the Department of Nuclear Safety and Radiation Protection in the Ministry of Environment to Chairman of the Group of Heads of European Atomic Regulatory Authorities (ENSREG),³³⁵ Gerald Hennenhöfer continues his career as nuclear power advocate. As *Lobby Control* asserts, Mr.Hennenhöfer’s track record depicts the revolving-door phenomenon “like no other.”

³³³ *ibid.*

³³⁴ Steven Geyer, “Atompolitik Gorleben: Merkel’s Altlast,” *Frankfurter Rundschau*, September 12, 2012. Available at: <http://www.fr-online.de/energie/atompolitik-gorleben-merkels-altlast,1473634,17227924.html>.

³³⁵ ENSREG’s “objective is to establish a common understanding of nuclear safety and the management of radioactive waste. Bundesministerium für Umwelt, Naturschutz, Bau und Reaktorsicherheit, “BMU-Abteilungsleiter Hennenhöfer Vorsitzender der Leiter der EU-Atomaufsichtsbehörden,” May 29, 2013. Available at: <http://www.bmub.bund.de/presse/pressemitteilungen/pm/artikel/bmu-abteilungsleiter-hennenhoefer-vorsitzender-der-leiter-der-eu-atomaufsichtsbehoerden/>.

Figure 11: The Revolving Door: Gerald Hennenhöfer



Created by Sejla Avdic using Gliffy

Ex-finance secretary, later German bank adviser Caio Koch-Weser was put under scrutiny for his role in the funding of the Nord Stream pipeline whilst working for the Deutsche Bank. Koch-Weser granted a one billion federal guarantee from Deutsche Bank to the Russian energy company Gazprom (majority Nord Stream shareholder). "The then federal government had granted the guarantee at the end of 2005 and thus shortly before Koch-Weser's move from politics to Germany's largest financial institution, Deutsche Bank."³³⁶ A few weeks later, "Deutsche bank hired Koch-Weser as a non-operational

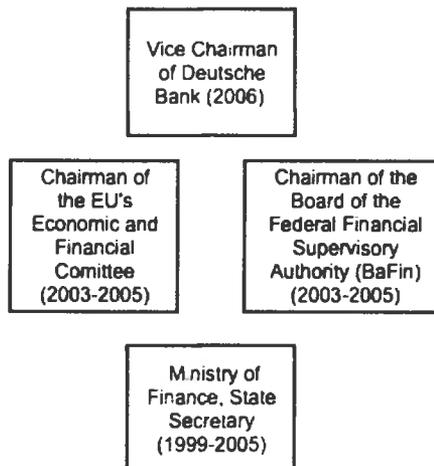
³³⁶ *Spiegel Online*, "Deutsche Bank- Kirsch setzt Ermittlungen gegen Ackermann Durch," March 7, 2008 (accessed February 6, 2017). Available at: <http://www.spiegel.de/wirtschaft/deutsche-bank-kirsch-setzt-ermittlungen-gegen-ackermann-durch-a-540231.html>.

managing director.³³⁷ According to the latest information from Lobby Control, Koch is now a Deutsche Bank senior executive whose salary is counted in millions. In 2008, Spiegel stated, “several politicians criticized the move for possible conflict of interest.” While concurrently State Secretary at the Federal Ministry of Finance and Chairman of the Board of the Federal Financial Supervisory Authority (BaFin), Koch-Weser was directly involved in decision-making that concerned his later employer (Deutsche Bank). According to Lobby Control, Deutsche Bank received public contracts and guarantees under Koch-Weser’s term in office.³³⁸ Koch-Weser’s move to the Deutsche Bank is yet another indication of the revolving-door phenomenon of former politicians gaining lucrative employment contracts shortly after leaving office.

³³⁷ *Spiegel Online*, “Gasprom-Bürgschaft- Neue Ermittlungen gegen Koch-Weser,” July 7, 2006 (accessed February 6, 2017). Available at: <http://www.spiegel.de/spiegel/print/d-47602958.html>.

³³⁸ LobbyControl, “Cairo Koch-Weser,” (accessed February 6, 2017), Available at: https://lobbypedia.de/wiki/Caio_Koch-Weser#cite_note-7.

Figure 12: Revolving Door: Caio Koch-Weser



Created by Sejla Avdic using Gliffy

BASF

BASF-top managers lead the national and also European lobby associations.³³⁹

“The BASF Executive Board Jurgen Strube was the President of the influential Union of Industrial and Employers’ Confederations of Europe (Europäischen Arbeitgeberverbands Unice), the European counterpart to BDI (Federal Association of German Industry).”³⁴⁰

“Thus, among important industrial groups, such as the German and the European Chemical Associations and the European Industry Association, BASF had the reins in all.”³⁴¹ “Germany’s chemical company BASF has directly managed three lobby associations, nationally the VCI (Verband der Chemischen Industrie), at the EU-level the

³³⁹ Adamek, Sascha, and Kim Otto, *Der gekaufte Staat: wie Konzernvertreter in Deutschen Ministerien sich ihre Gesetze selbst schreiben* (Cologne, Germany: Kiepenheuer & Witsch, 2008), 165.

³⁴⁰ Adamek & Otto, *Der gekaufte Staat: wie Konzernvertreter in Deutschen Ministerien sich ihre Gesetze selbst schreiben*, 166.

³⁴¹ *Ibid.*

Cefic (Verband der Europäischen Chemischen Industrie) Chemical Industries Association and at the international-level (Unice) Union of Industrial and Employers' Confederations of Europe.”³⁴²

“BASF has always had the best contacts in politics: in 2005, the group publicly announced that it had a total of 235 politicians under contract at federal, state and municipal level.”³⁴³ However, the names of these politicians were not disclosed. According to *Lobby Control*, there is no account of any former ministers who later took on positions with BASF. Adamek and Otto reference former national expert at the European Commission for the Chemicals Directive REACH, Markus Malangerie, who directly afterward reoriented his career to an office in the Federal Ministry of Economics as an external employee paid by BASF (2008,181). However, no individual cases during the period of this study were found.

In sum, the revolving door phenomenon is operational in the circles of German Ministries and major energy companies. The lucrative salaries offered by some of the largest players in the energy industry seem to be one of the main attractions. Most importantly, flawed German law and lack of an adequate waiting period (at least three to five years) between the end of a ministerial position and the start of new employment related to the previous ministerial post – hinders any efforts to eliminate a conflict of interests. Although following the amended Federal Ministerial Law of 2015 new

³⁴² Ibid, 179.

³⁴³ Ibid, 167.

regulations call for ministers to immediately report new employment in the private sector related to their previous work, and determined by a panel for conflict of interest, no such law or regulation applied for the period of this case study (2005-2010). It is, therefore, not surprising to see notable politicians such as former German Chancellor Gerhard Schröder, former Economic Minister Wolfgang Clement, former Minister and Vice Chancellor Joschka Fischer, amongst other leading figures, venture into the lucrative private sector.

Case Study (3): Lobbying and Policy Outcome

“German economic and lobbying organizations such as the Committee on Eastern European Economic Relations play a key role in influencing Germany’s relations with Russia.”³⁴⁴ “The East Committee of German Companies, founded in 1952, supports companies that operate in Russia, Belarus, Ukraine, central Asia, the Caucasus and South-East Europe, and is an attractive advocate of good relations between Germany and Russia.”³⁴⁵ According to the *Financial Times*, “the lobby is close both to market-friendly circles in Ms Merkel’s CDU and Russia-friendly quarters of the Social Democratic Party (SPD).”³⁴⁶ The *Financial Times* reported the lobby is a supporter of Mr. Putin and that Russia had become “a reliable and important international partner engaged in the

³⁴⁴ Belton, Catherine, Benoit Bertrand, Chris Bryant, Charles Clover, Richard Milne, and Daniel Schaefer. 2009. “The New Ostpolitik.” *Financial Times*, Oct 26, 11.

<http://search.proquest.com/docview/250237870?accountid=13802> (accessed February 10, 2017).

³⁴⁵ “The New Ostpolitik.”

³⁴⁶ “Awkward Embrace how Disputes are Exposing the Limits of German ‘Ostpolitik’,” 2007. *Financial Times*, May 16, 2013. Retrieved from <http://search.proquest.com/docview/250016306?accountid=13802> (accessed February 10, 2017).

resolution of international conflicts” and is campaigning for a EU-Russia free-trade-zone.”³⁴⁷ “One key channel for its influence is the German-Russian Working Group on Strategic Aspects of Economic and Financial Cooperation. In addition to the East Committee of German Companies (Ostausschuss) leadership and its Russian counterparts, the body includes the Russian and German deputy economic, finance and foreign ministers. It has met more than 20 times in the past three years and paved the way for more than €10 billion in investments, including the Baltic Sea pipeline.”³⁴⁸

Angela Merkel’s Flip-Flopping: Pre and Post-Election

Angela Merkel was highly critical of a German-Russian pipeline at the beginning of her Chancellorship until she made a ‘U-turn’ and backed the plans for the construction of the Baltic pipeline.³⁴⁹ In fact, shortly after taking office, Ms. Merkel “accepted it, seeing it as politically untouchable, particularly since her government needed Mr. Schröder’s party, the Social Democrats, as partners to command a majority in Parliament.”³⁵⁰ In September 2005, Friedbert Pfluger, the foreign policy spokesman for Merkel’s Christian Democrats, stated that the party “will never go over the heads of ‘these countries’³⁵¹ when it comes to making decisions with Russia that could affect

³⁴⁷ Ibid.

³⁴⁸ Ibid.

³⁴⁹ “Awkward Embrace how Disputes are Exposing the Limits of German Ostpolitik.”

³⁵⁰ Kramer, Andrew. “Russian Pipeline has Potential to Split a Unified Europe; Russian Pipeline Splits Europe Anew.” *International Herald Tribune*, Oct 13 (1), 2009.

<https://search.proquest.com/docview/319026488?accountid=13802> (accessed February 23, 2017).

³⁵¹ In reference to the Baltic States: Estonia, Lithuania and Latvia.

them, too.”³⁵² Yet, when Merkel was elected, the new government pursued a “policy of continuity in energy policy” said Pfluger. “Gernot Erler, foreign policy spokesman and Russia expert for Schroder’s Social Democrats said, “this change of emphasis by the Christian Democrats was partly related to economic interests.”³⁵³ According to Erler, “German industry wants continuity and stability in the relationship.”³⁵⁴ The *International Herald Tribune* reported German exports to Russia from 2000 to 2004 more than doubled from 6.7 billion to 14.9 billion, thus, of course, the business industry would benefit from a leader who does not tilt the fruits of this relationship. Especially while “Merkel previously indicated that she will follow a tougher overall policy towards Russia.”³⁵⁵ Statements of this nature may have unnerved the German industry prompting the business and industry lobbies to perhaps attempt to influence Merkel’s government from derailing in any way from what Erler describes above.

“After some hesitation, Ms Merkel’s government now admits the North European Gas Pipeline (now Nord Stream) is vital to energy needs.”³⁵⁶ “Economically, the relationship matters not just because of gas,” Eckart von Klaeden, a member of parliament from Ms Merkel’s CDU and the party’s foreign policy spokesman, told FT

³⁵² Dempsey, Judy. 2005. “Schroder and Putin Forge Pact on Energy Contract Cements Special Relationship,” *International Herald Tribune*, Sep 09, 2005.
<https://search.proquest.com/docview/318689094?accountid=13802> (accessed February 22, 2017).

³⁵³ Ibid.

³⁵⁴ Ibid.

³⁵⁵ Gallis, Paul. “NATO and energy security.” LIBRARY OF CONGRESS WASHINGTON DC CONGRESSIONAL RESEARCH SERVICE, (2006): 4.

³⁵⁶ Bertrand, Benoit. 2006. “Criticism of Russia ‘Harming German Business’,” *Financial Times*, April 07, 2. <https://search.proquest.com/docview/249893115?accountid=13802>.

that “Russia is undergoing rapid modernization and upgrading its infrastructure, which is a huge market for our companies.”³⁵⁷

Two factors seemed to have influenced Angela Merkel’s final decision on the Nord Stream pipeline. “Alongside the Social Democratic party, business has played a key role in encouraging the chancellor to temper her misgivings about the country’s autocratic drift.” The Eastern chapter of the BDI industry federation praised the “advances in reforms and legal developments” under president Vladimir Putin. Sergei Lavrov, Russia’s foreign minister, awarded Klaus Mangold, chairman of the chapter, a state distinction.³⁵⁸

By April 2006 Merkel’s rhetoric changed. “We think that the future of our country depends on a secure energy policy. We want to reduce our dependency on energy imports and prevent energy prices [from] rising further.”³⁵⁹ Merkel said she wants energy security by supporting the North European Gas Pipeline (now Nord Stream). However, energy security via the Nord Stream pipeline also means increasing Germany’s dependence on Russian gas. Thus, Angela Merkel’s change of emphasis went from being ‘highly critical’ of the Nord Stream project at first, to being ‘hesitant’. Merkel then spoke of the ‘economic interests’ of the gas pipeline, until finally stressing the issue over

³⁵⁷ Ibid.

³⁵⁸ BERTRAND BENOIT and, CAROLA HOYOS. 2006. “Merkel Warms to Closer Ties with Russia Business Interests have Helped Persuade the German Chancellor to Temper Her Misgivings, Write Bertrand Benoit and Carola Hoyos.” *Financial Times*, Apr 15, 5.

<https://search.proquest.com/docview/249905930?accountid=13802>.

³⁵⁹ Dempsey, Judy. 2006. “Merkel has the Wheel, but the Map is Unclear.” *International Herald Tribune*, Apr 05, 2006. <https://search.proquest.com/docview/318743080?accountid=13802>.

‘security of supply.’ While multiple factors may explain why Chancellor Merkel and her government at one point adopted two opposite sides of the spectrum on the Nord Stream pipeline project, one factor this chapter attempts to highlight is the potential of the German business industry to influence the Chancellor’s final decision.

Post-Election: 2006- 2010

The German-Russian business industry immensely supported the construction of the Nord Stream pipeline, debunking sentiment of critics. In a 2006, *Financial Times* article titled “*Merkel Warms to Closer Ties with Russia: Business Interests have Helped Persuade the German Chancellor to Temper Her Misgivings,*” the chairman of the East Committee Mr. Mangold stated the following: “The fear of excessive dependence on Russian gas is unfounded. Look how many things are being built only here. Do people worry about their dependence on German machine tools?”³⁶⁰ In other words, the East Committee stands for mutual benefits of the pipeline, denouncing rhetoric that the benefits of the pipeline are one-sided and in Russia’s favor only. In October 2006, Klaus Mangold stated that the aim to bring Russia closer to Europe “has been one of our long-term aims.” He also added that “the future outlook for German-Russian economic

³⁶⁰ Bertand Benoit and Carola Hoyos. 2006. “Merkel Warms to Closer Ties with Russia Business Interests have Helped Persuade the German Chancellor to Temper Her Misgivings, Write Bertrand Benoit and Carola Hoyos,” *Financial Times*, Apr 15, 5.
<https://search.proquest.com/docview/249905930?accountid=13802>.

relations is excellent,” and that he was “confident that German-Russian firms would increase their commitment in the years ahead.”³⁶¹

As the chairman of the East Committee, Angela Merkel did not at first reiterate the same “win-win” benefits of the Baltic pipeline. On June 20, 2006, Merkel attended the country’s number one business lobby conference BDI (German Federation of Industry) themed “women and power.”³⁶² In a usually ‘man-dominated environment’, the events catered to German Chancellor Ms. Merkel and Tarja Halonen, Finland’s female President. The *Financial Times* commented the following: BDI “seemed to have a new spring in their step, judging by the agenda for their big conference in Berlin.”³⁶³ The purpose of the conference, however, is loud and clear – it puts an emphasis on closer business ties with the Russians. But BDI’s attempts to influence Ms. Merkel and her inner circle did not stop there. According to *Financial Times* reporting, “Mr. Röttgen, a member of Ms Merkel’s inner circle and author of her electoral platform” turned down a senior position with the industry giant.³⁶⁴ His appointment would bridge an exclusive relationship between the chancellor and the BDI industry.

³⁶¹ Dempsey, Judy. 2006. “Russia Looks to Germany to Build Influence in Europe,” *International Herald Tribune*, Oct 13, 1. <https://search.proquest.com/docview/318773824?accountid=13802>.

³⁶² “Change Afoot?” 2006. *Financial Times*, Jun 20, 14.

<https://search.proquest.com/docview/249912530?accountid=13802>.

³⁶³ Ibid.

³⁶⁴ Bertand Benoit and Carola Hoyos. 2006. “Merkel Warms to Closer Ties with Russia Business Interests have Helped Persuade the German Chancellor to Temper Her Misgivings, Write Bertrand Benoit and Carola Hoyos,” *Financial Times*, Apr 15, 5.

<https://search.proquest.com/docview/249905930?accountid=13802>.

In October 2006, Chancellor Merkel “rebuffed an offer by Putin to make Germany the ‘energy hub’ of Europe.”³⁶⁵ Merkel stated “Germany would instead pursue closer energy cooperation with France.”³⁶⁶ Nonetheless, by 2007, “Merkel herself gave a green light” to the project.³⁶⁷ According to *Foreign Affairs*, “Merkel has continued to give priority to increasing economic ties to Russia and has refused to cancel the Baltic pipeline.”³⁶⁸ Based on an International Herald Tribune report from October 2006, “Merkel said she fully supported Russian companies entering the European markets and spoke of a ‘win-win’ situation for both sides.”³⁶⁹ Chancellor Merkel stated, “the pipeline was directed against no one. It is a necessary project.”³⁷⁰ In fact, the Chancellors sentiment favored a “partnership” based on a level playing field.³⁷¹ “It is important for me to have realized that we are acting on the same business principles as the Russian government in this cooperation.” Both sides were working out a “a joint charter in which these principles will be enshrined.”³⁷² Gernot Erler, state secretary at the Foreign Ministry and a Russia expert stated the following: “We are considering a program of intertwined companies. We hope to develop a win-win situation based on mutual

³⁶⁵ Baran, Zeyno. *Lithuanian energy security: Challenges and choices*. Hudson Institute, (2006): 6.

³⁶⁶ Ibid.

³⁶⁷ Ibid.

³⁶⁸ Larrabee, F. S. 2006. “Danger and Opportunity in Eastern Europe,” *Foreign Affairs* 85 (6): 117.

<https://search.proquest.com/docview/214290778?accountid=13802>.

³⁶⁹ Dempsey, Judy. 2006. “Russia Looks to Germany to Build Influence in Europe,” *International Herald Tribune*, Oct 13, 1. <https://search.proquest.com/docview/318773824?accountid=13802>.

³⁷⁰ Ibid.

³⁷¹ Ibid.

³⁷² Ibid.

dependence.”³⁷³ The *International Herald Tribune* commented asset swaps between German and Russian companies “encourage stability and mutual profit.”³⁷⁴ Merkel’s sentiment around the mutual economic benefits of the project continued into the year 2007. When Angela Merkel met with Putin in October 2007, she stated, “the project enjoyed German ‘political support’ and that Germany looks forward to the project’s economic benefits.”³⁷⁵

In 2008, Chancellor Merkel’s statements about the Nord Stream pipeline ripened into complete advocacy and promotion of the project. During this time, the Nord Stream pipeline was heavily criticized by the Baltic States and transit nation, Poland, thus public advocacy of the project seemed the way-to-go to further the project. The situation escalated after “the Swedish government rejected the environmental impact assessment as being incomplete.”³⁷⁶ These events prompted Chancellor Merkel to personally visit Sweden, Lithuania, and Estonia to win over their support.³⁷⁷

Merkel became the first foreign leader to visit newly elected president Dmitry Medvedev. They discussed “economic ties and energy projects, particularly the prospective Nord Stream pipeline.”³⁷⁸ It is important to note that Gazprom, of which

³⁷³ Ibid.

³⁷⁴ Ibid.

³⁷⁵ “Russia, Germany Back Nord Stream Pipeline.” 2007. *UPI NewsTrack*, Oct 15.

<https://search.proquest.com/docview/468777849?accountid=13802>.

³⁷⁶ Wolff, Reinhard. 2008. “Merkel wirbt für die Ostsee-Gaspipeline.” *The daily newspaper*, Aug 25, 8.

<https://search.proquest.com/docview/434372602?accountid=13802>.

³⁷⁷ Ibid.

³⁷⁸ The Associated Press. 2008. “Putin: Successor Nationalist.” *Telegraph - Herald*, Mar 09, A11.

President Medvedev is chairman, controls Nord Stream AG, the company that constructs and operates the pipeline. The agile meeting between the two leaders suggests that besides economic ties, there seemed to be a tremendous sense of urgency around the Nord Stream pipeline. The fact that Medvedev concurrently acted as president and chairman is nothing new from Russia's part since many Russian leaders are known to hold high positions in the country's energy sector. Indeed, the timing of Medvedev's presidency and the planning of the Nord Stream pipeline go hand-in-hand. As Russia's leader Medvedev would have been capable of influencing one and the other economic interests in Russia and getting ahead with the Nord Stream pipeline. This could explain why a meeting with the German chancellor was the first order of business.

On May 15 2008, German foreign minister Steinmeier visited Moscow, where the Association of European Business, Europe's largest business organization, warmly welcomed him.³⁷⁹ Among German business leaders, Klaus Mangold, chairman of Germany's Committee on Eastern European Economic Relations, also accompanied Steinmeier. The *Moscow Times* commented the following: "Frank Schauff, head of the Association of European Business, said it was good that the German foreign minister met the new president so soon."³⁸⁰ "This is a constructive signal that shows that the good

<https://search.proquest.com/docview/368874395?accountid=13802>.

³⁷⁹ "Medvedev Makes Germany a Top Priority," 2008. *The Moscow Times*, May 15.

<https://search.proquest.com/docview/427393149?accountid=13802>.

³⁸⁰ Ibid.

relations between Berlin and Moscow will continue, and this will definitely have a positive impact on Russia's future relations with Europe," Schauff said.³⁸¹

By mid June 2008, both Merkel and Medvedev "agreed to push the planned gas pipeline through the Baltic Sea and to remove the resistance of the neighboring countries."³⁸² Merkel said the project has a "positive strategic importance" and was not directed against anyone. The chancellor's intent was to tone down criticism of the subsea pipeline from the Baltic States and Poland. To further advance the Nord Stream pipeline Angela Merkel "paid a high-profile visit to the Baltic States to offer support."³⁸³ She continued to lobby for the project even after Russia's incursion into Georgian enclaves in summer of 2008. In August 2008, Klaus Mangold met with Ms. Merkel "to press the case for preserving business ties," following Russia's actions in Georgia. Merkel called the act "unacceptable" but also did not lift a finger, reiterating that relations between Germany and Moscow and their planned pipeline had not been affected by the Russian invasion of Georgia.³⁸⁴ In August 2009, Klaus Mangold met with Ms.

³⁸¹ Ibid.

³⁸² Steiner, Eduard. 2008. "Das Stockende Unterwasserprojekt." *Welt Am Sonntag*, Jun 15, 1. <https://search.proquest.com/docview/241516705?accountid=13802>.

³⁸³ Lucas, Edward, 2008. "Putin's pipeline to power as Russia forces us into a new Cold War, Edward Lucas Warns that Dollars and Energy, not weapons and missiles, give it the upper hand." *The Daily Telegraph*, Aug 30, 19. <https://search.proquest.com/docview/321610156?accountid=13802>.

³⁸⁴ Belton, Catherine, Chris Bryant, and Charles Clover. 2008. "Gazprom Drops Demand on Germany," *Financial Times*, Oct 03, 4. <https://search.proquest.com/docview/250141073?accountid=13802>.

Merkel “to press the case for preserving business ties.”³⁸⁵ Mr. Mangold lobbied against breaking ties with Moscow due to Russia’s actions in Georgia.

The Chancellors advocacy for the project continued during a trip to Russia in October 2008, where she stressed the pipeline was important for other countries as well.³⁸⁶ Merkel was implying that the benefits of the German-Russian pipeline would benefit the EU as a whole, not just Germany. In November 2008, Joachim Pfeiffer, energy-policy spokesman for the ruling German Democratic Party of Chancellor Angela Merkel – stated that while Germany is still on board “we won’t insist on the Nord Stream project if it doesn’t make business sense.”³⁸⁷ In other words, if the pipeline were not cost-effective, a reliable and secure supply of gas, among other things – then Germany would not even consider it. Concurrently, the German Economy Minister fully supported the pipeline, calling it a “central project to the future assurance of European and German gas provision.” He seemed assured that the business side of the pipeline will be beneficial to EU’s energy needs.

³⁸⁵ Marcus Walker in Berlin, Alessandra Galloni in Paris and Guy Chazan, in London. 2008. “EU is Divided Over Best Actions to Punish Russia,” *Wall Street Journal*, Aug 29, 1. <https://search.proquest.com/docview/308773399?accountid=13802>.

³⁸⁶ Roscher, F. (2008, Nov 02). “Eine Pipeline durch die Ostsee,” *Welt Am Sonntag*, retrieved from: <https://search.proquest.com/docview/241571923?accountid=13802>.

³⁸⁷ White, Gregory L., David Crawford, and Thomas Catan. 2008. “Putin Threatens to Scrap Pipeline,” *The Wall Street Journal Asia*, Nov 14, 13. <https://search.proquest.com/docview/315657643?accountid=13802>.

In 2009, Angela Merkel continued to stress the “economic benefits” of the Nord Stream pipeline while also highlighting how vital it is to “European security.”³⁸⁸ On March 31 2009, she stated, “economic ties between Germany and Russia are very important. There is a lot of potential here.”³⁸⁹ Mr. Pirani at the Oxford Institute for Energy Studies commented the following: “E.U. policy makers need to remember that European energy companies have decades-long relationships with Gazprom that they don’t want to throw away, and many of these companies still take the view that the relationship with Russia comes first.”³⁹⁰ In October 2009, Ms Merkel explained what she meant by “European security,” implying that “none of the world’s main problems, from climate change to the threat of a nuclear-armed Iran, can be solved without Russia.”³⁹¹ She emphasized, “Moscow is essential to the security of Europe.”³⁹² Thus, to Merkel and her advisors, it was essential to continue pro German-Russian business policies but also view close Russian relations as an asset to the security of the EU.

³⁸⁸ Dempsey, Judy. “EU Leader Makes Plea for Pipeline Financing but Banks are Wary of Project’s Rising Cost.” *International Herald Tribune*, Jan 28, 3, 2009.

<https://search.proquest.com/docview/318978444?accountid=13802>.

³⁸⁹ “Kremlin Link in Opel Pact Scrutinized; ‘this Will Fuel Suspicion in East Europe:’ Analyst.” 2009. *National Post*, Jun 01. <https://search.proquest.com/docview/330862156?accountid=13802>.

³⁹⁰ Kanter, James. “E.U. Still Far from having Sure Supply of Natural Gas Despite Abundant Efforts, It Remains Dependent on Imports from Russia News Analysis.” *International Herald Tribune*, Jul 18, 1. 2009, <https://search.proquest.com/docview/318997684?accountid=13802>.

³⁹¹ Belton, Catherine, Benoit Bertrand, Chris Bryant, Charles Clover, Richard Milne, and Daniel Schaefer. 2009. “The New Ostpolitik.” *Financial Times*, Oct 26, 11.

<https://search.proquest.com/docview/250237870?accountid=13802>.

³⁹² Ibid.

The year 2009 was marked with a “host of Russian investments in the car and shipbuilding industry” all backed by Chancellor Merkel.³⁹³ In August, “after energetic lobbying by Ms Merkel, the cash-strapped Wadan shipyards close to her constituency in north Germany sold to Igor Yusufov, Russia’s former energy minister.”³⁹⁴ According to *Asia News Monitor*, “the shipyard is a major employer in Merkel’s constituency” and possibly a deal aimed to boost her election outcome.³⁹⁵ The project was strongly supported by Russian President, Dmitry Medvedev.³⁹⁶ In a second groundbreaking deal, “Siemens³⁹⁷ ditched a nuclear joint venture with the French to enter an alliance with Russia’s Rosatom.³⁹⁸ As with Wadan, the decision of the German engineering group to go east received enthusiastic political backing in Berlin and Moscow.”³⁹⁹

Alongside various Russo-German business deals, Merkel “lobbied successfully for EU endorsement of the Nord Stream pipeline even though the pipeline consortium is registered in Switzerland and controlled by Russia’s Gazprom.”⁴⁰⁰ The Chancellors’ hesitance of 2006 is now replaced with optimism over the business potentials of the two nations. Gernot Erler, deputy to Frank-Walter Steinmeier, the outgoing SPD foreign

³⁹³ “Russia/Germany: Russia, Germany Reach Agreements on Economic Issues,” 2009. *Asia News Monitor*, Aug 17. <https://search.proquest.com/docview/1027226702?accountid=13802>.

³⁹⁴ Ibid.

³⁹⁵ Ibid.

³⁹⁶ Ibid.

³⁹⁷ Siemens is a German industrial conglomerate.

³⁹⁸ Rosatom State Atomic Energy Cooperation is a Russian nuclear vendor and regulatory body of the countries nuclear complex.

³⁹⁹ “Russia/Germany: Russia, Germany Reach Agreements on Economic Issues,” 2009. *Asia News Monitor*, Aug 17. <https://search.proquest.com/docview/1027226702?accountid=13802>.

⁴⁰⁰ Petersen, Alexandros. 2009. “The Molotov-Ribbentrop Pipeline.” *Wall Street Journal*, Nov 10, 15. <https://search.proquest.com/docview/308782579?accountid=13802>.

minister commented, “the new government will look after the interests of business, and business is very much in favor of this relationship.”⁴⁰¹ “We get 45 per cent of our gas and 34 per cent of our oil from Russia,” says Mr. Erler.⁴⁰² “This mutual dependency is a cornerstone of the notion of strategic partnership.”⁴⁰³ He implied that Europe is essential to Russia’s gas market just as Russia’s gas market is vital to Europe.

The construction of the Nord Stream pipeline project officially launched in early April 2010. Even after much criticism from the Baltic States, Poland, and environmental associations, “Chancellor Angela Merkel continued highlighting the economic potential of the project.”⁴⁰⁴ In videotape sent to the ceremony in Russia, Angela Merkel restated: “This is an important contribution to security of supply for Europe.”⁴⁰⁵ While in 2010, Europe imported 25% of its natural gas from Russia, Germany imported more than a third (*Welt Kompakt*, 2010). These numbers reinstate the importance of the Nord Stream pipeline to the future energy demand of both the EU and Germany. Even more so after the 2006 and 2009, gas shortage due to the Ukraine-Russia gas disputes. The shortage of gas Western Europe and Germany experienced in January 2009 prompted Merkel to

⁴⁰¹ Belton, Catherine, Benoit Bertrand, Chris Bryant, Charles Clover, Richard Milne, and Daniel Schaefer. 2009. “The New Ostpolitik.” *Financial Times*, Oct 26, 11.

<https://search.proquest.com/docview/250237870?accountid=13802>.

⁴⁰² *Ibid.*

⁴⁰³ Belton, Catherine, Benoit Bertrand, Chris Bryant, Charles Clover, Richard Milne, and Daniel Schaefer. 2009. “The New Ostpolitik.” *Financial Times*, Oct 26, 11.

<https://search.proquest.com/docview/250237870?accountid=13802>.

⁴⁰⁴ “Medwedjew Verspricht Europa Energiesicherheit.” 2010. *Die Welt*, Apr 10, 11-1.

<https://search.proquest.com/docview/335610453?accountid=13802>.

⁴⁰⁵ “Die Ostsee-Pipeline: Ein Gasanschluss Für Europa.” 2010. *Welt Kompakt*, Jun 21, 03-1.

<https://search.proquest.com/docview/504728683?accountid=13802>.

stress the importance of “security of supply” for the region as she has previously stressed in 2006, 2009 and again in 2010.

The global financial crisis has urged Russia to form even closer ties with the EU, especially the German industry. According to the Committee on Eastern European Economic Relations, the global financial crisis resulted in a sharp decline of trade in 2009. “German imports from Russia fell by 30 percent; German exports to Russia fell by 36 percent.”⁴⁰⁶ The fall in Russian exports prompted “Mr. Medvedev to prepare a strategy paper aimed at modernizing the Russian economy through closer cooperation with the European Union but also at establishing a special alliance with German industry.”⁴⁰⁷ “The paper called for a ‘modernization alliance’ with Germany that would go beyond the support given already by German industry and government for several major infrastructure projects.”⁴⁰⁸ “These include the building of the Nord Stream gas pipeline, cooperation between the German and Russian railway companies; the involvement by Siemens, the electronics company, in building high-speed trains; and investments by Volkswagen, Daimler and BMW in the Russian automobile sector.”⁴⁰⁹ Mr. Medvedev and Chancellor Merkel met in Berlin in June 2017 to discuss how German companies can help Russia modernize. *International Herald Tribune* commented the following: “Under pressure from German industry, Merkel is expected to quiz Mr.

⁴⁰⁶ Dempsey, Judy. “Russia Seeks Tighter Ties with Germany,” *International Herald Tribune*, Jun 05, 3, 2010, <https://search.proquest.com/docview/357147001?accountid=13802>.

⁴⁰⁷ *Ibid.*

⁴⁰⁸ *Ibid.*

⁴⁰⁹ *Ibid.*

Medvedev on how he intends to implement such a strategy.”⁴¹⁰ If modernizing Russia means upgrading its infrastructure and exchanging technological advancements then the German business industry has plenty to gain as a vast number of German firms participate in Russia’s modernization. This could explain why the German industry pressured Chancellor Merkel.

In 2010 bilateral trade relations between Germany and Russia recovered in the first four months: “turnover increased 1.5 times to 15.2 billion U.S. dollars.”⁴¹¹ Merkel said in 2010 “that cooperation became more specific, more intensive and less complicated.”⁴¹² By 2010, the Nord stream pipeline has passed all major obstacles, and was undergoing construction. There was no longer the need to publicly lobby for the project. Instead, the Chancellor stressed the ‘economic benefits’ between the two economies and highlighted the importance of ‘security of gas supply’ Nord Stream would bring to Germany and the rest of the EU.

⁴¹⁰ Ibid.

⁴¹¹ “Russia/Germany: Medvedev, Merkel to Discuss Trade, Economic Cooperation, Joint Projects.” 2010. *Asia News Monitor*, Jul 15. <https://search.proquest.com/docview/1242741490?accountid=13802>.

⁴¹² Svyatets, Ekaterina. *Energy security and cooperation in Eurasia: Power, profits and politics*. Routledge, 2015 in Filatova, I. (2010). Siemens Signs Billions of Dollars of Russian Deals. *The Moscow Times*, (4442).

Table 1: Merkel's Varying Position on the Nord Stream Pipeline

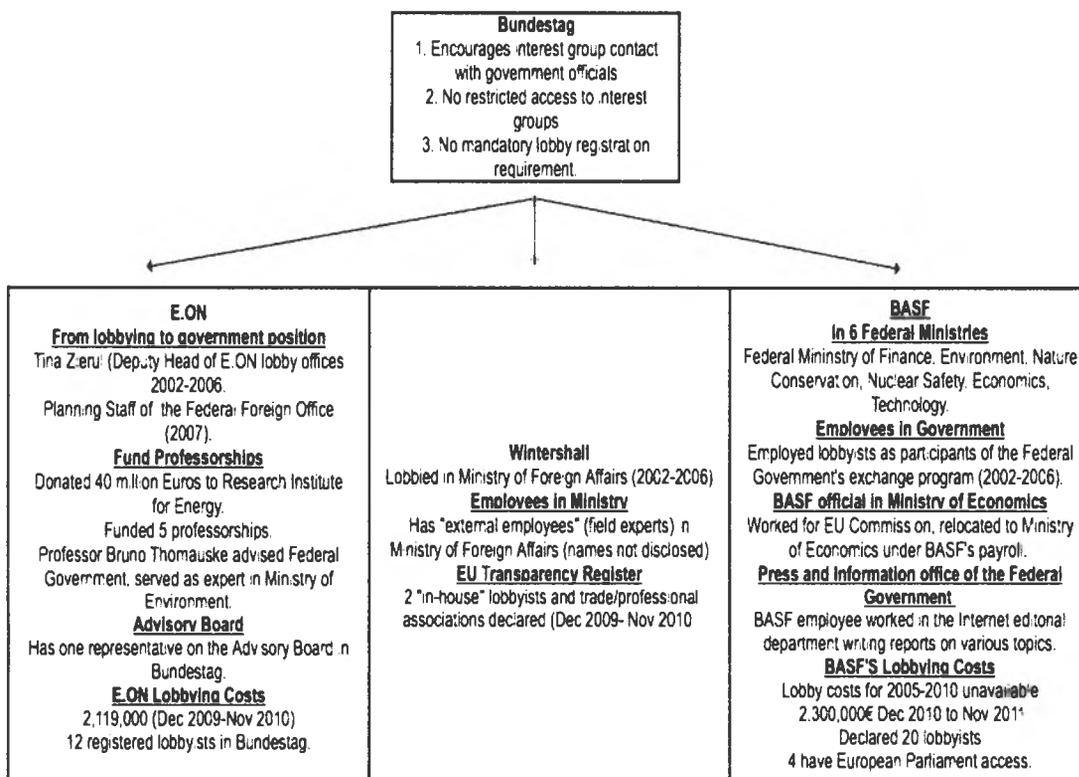
	2005	2006	2007	2008	2009	2010
Highly Critical	X					
Hesitant		X				
“Economic Interest”		X	X		X	X
“Security of Supply”		X			X	X
First Public Support			X			
Fully Advocated Nord Stream				X		
“Positive Strategic Importance”				X		
Lobbied for EU endorsement of Nord Stream				X		
“Moscow Essential to Security of Europe”					X	

Analysis

The first part of this paper's case study presents evidence on the ease of lobby groups to freely participate as advisory groups or in a personal setting with decision-makers in the German Bundestag. First, the Bundestag highly encourages interest group contact with government officials. Second, the Bundestag serves as an open invitation to

interest groups with no restricted access. Third, Germany lacks a mandatory lobby registration requirement. These three factors have likely permitted German energy companies: E.ON, BASF, and Wintershall as Nord Stream shareholders to successfully lobby in various committees of the German Bundestag and extend its influence to prominent positions in the German federal government.

Figure 13: Lobbyists' Have Access to Politicians



Created by Sejla Avdic using Gliffy

The second part of this paper's case study presents evidence of a revolving door phenomenon, where politicians from post-ministerial positions transition to lucrative job

posts in the energy industry. Moreover, this paper's findings show that the lack of a legally binding code of conduct and a cooling-off period between the end of a ministerial position and the start of new employment related to the previous ministerial position during the duration of this case study (2005-2010) may have been a contributing factor to the revolving door phenomenon between German politicians and the energy industry. The third and final part of this paper's case study presents a change in the narrative on Chancellor Merkel's stand on the Nord Stream pipeline (2005 to 2010) that likely resulted due to the influential German-Russian business lobby. Thus, lobbyists' likely influenced Chancellor Merkel's policy outcome on the Nord Stream pipeline.

A central feature of the German Bundestag is the welcoming, unrestricted and inclusively private practices it fostered for interest groups during the time the Nord Stream pipeline was contemplated. Under such leniency, interest groups may directly contact government officials, be invited to serve as expert witnesses to discuss bills, participate in Bundestag committee hearings and discussions and hold private meetings at government officials' offices. Due to the lack of mandatory lobby registration from 2005 to 2010, lobby regulation and transparency was flawed (*Transparency International Deutschland*, 2014). The implications of 'open access' to interest groups, meager disclosure records and the lack of a mandatory lobby registration requirement result in close business lobby/government ties. As seen in (figure 13) Nord Stream shareholders (E.ON, Wintershall, BASF) filled the Bundestag with lobbyists in a number of Ministries.

We can assume that because interest groups are encouraged in the German legislative body Nord Stream shareholders (E.ON, Wintershall, BASF) used the opportunity to influence and lobby interests keen to them. As seen in (figure 13), one potential way to influence policy outcome is to fund professorships that later advice the Federal Government, as in the case of Professor Bruno Thomauske. The other is to send former private sector employees, such as in the case of E.ON's Tina Zierul and a BASF official (undisclosed name to the public) to serve in high-level positions such as in the Federal Foreign Office and Ministry of Economics. Based on my findings direct interest group access to government officials in the Bundestag likely influences policy outcome. The data indicate that E.ON "interacts with the political system through lobbying" and even prefers a top-down lobbying channel of communication, which consists of close contact with decision makers such as the chancellor, ministers, and chairs or parliamentary committees.⁴¹³ As the world's leading chemical company one can assume that BASF's lobbying strategies likely correlate to that of E.ON's. Thus it is likely that energy companies through their access to decision makers and top-down lobby style preference can get their message across to a number of ministers including the chancellor who may, in fact, consider voting according to the energy industry's choice. When interest groups impose their views to guide policy outcome in their favor, then it can likely "act as an

⁴¹³ "Lobbying the 'Energiewende'. Assessing the effectiveness of strategies to promote the renewable energy business in Germany." *Energy Policy* 69 (2014): 320. Science Direct (accessed January 4, 2017).

influential power.”⁴¹⁴ As the data indicate, E.ON and Wintershall are members of the Ost-Ausschuss (Eastern Committee of the German Economy) who advocate for Russian-German business ties and participate in various trade and youth exchange programs. Both E.ON and Wintershall were members of the Ost-Ausschuss during the period of this case study (2005-2010). Hence it is likely that as Nord Stream shareholders both energy companies lobbied for (what would be) an expansion of Russo-German business ties.

As demonstrated by the number of former German ministers moving to positions in the well-paid private sector, the lack of a Federal Ministerial Law for the period of this case study (2005-2010) cultivated a revolving door phenomenon. The fact that no cooling-off period of at least three to five years, “between the end of the previous activity and the agreement on the start of a new job”⁴¹⁵ applied for “the chancellor, the ministers, state ministers, parliamentary, official state secretaries or head of departments”⁴¹⁶ likely furthered the interests of the private sector, particularly energy companies E.ON, Wintershall and BASF. The data indicate that a number of notable politicians such as former German Chancellor Gerhard Schröder, Former Economic Minister Wolfgang Clement, former Minister, and Vice Chancellor Joschka Fischer ventured out of government and into the private energy sector. This relationship can be problematic for

⁴¹⁴ Ulrich Sarcinelli, *Politische Kommunikation in Deutschland. Zur Politikvermittlung im Demokratische System*, 2nd revised and extended edition. Wiesbaden 2009, p. 118ff.

⁴¹⁵ Rudolph Speth, “Lobbying in Germany,” *Transparency International Deutschland e. V.* (October, 2014), (accessed November 16, 2016): 28.

⁴¹⁶ LobbyControl, “Seitenwechsel,” (Accessed February 2, 2017)

https://lobbypedia.de/wiki/Revolving_door#Forderung:_Nachbesserungen_am_Karenzzeit-Geset

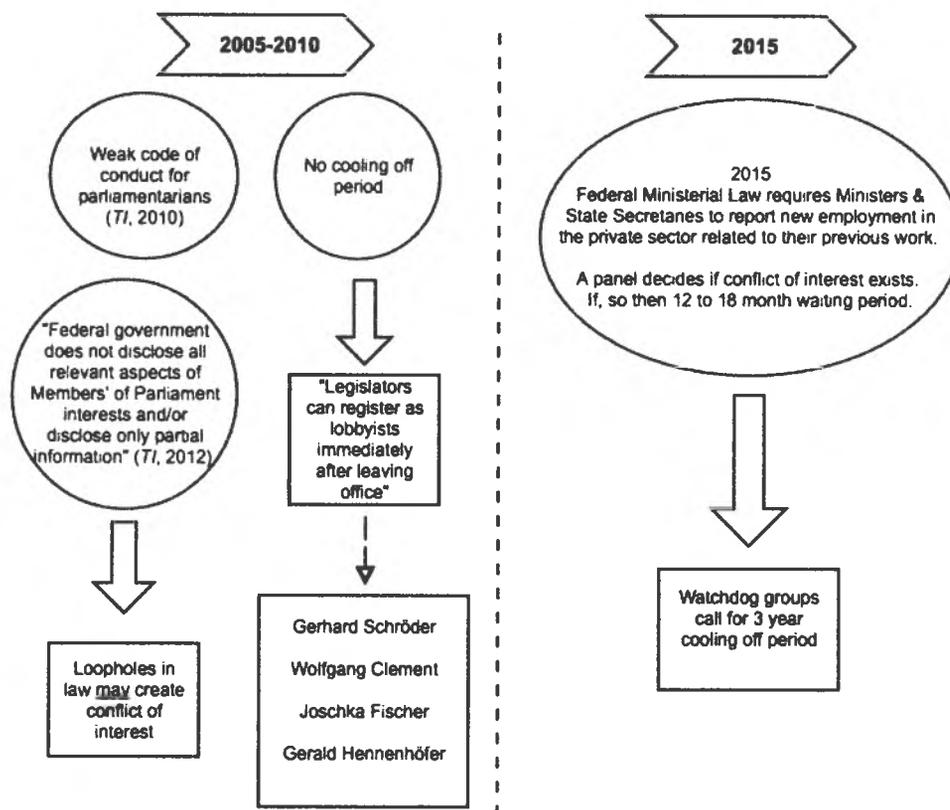
the following reasons: (1) “the prospects of lucrative jobs after the end of the politician’s career gives incentives to make political decisions in favor of possible future employers or at least not to raise them against themselves, (2) large companies with deep pockets offer attractive jobs to former top-level politicians, thus strengthening the existing power structure, lastly (3) recent political decision-makers share insider knowledge and their current contacts in ministries and/or Parliament with interest groups, thus giving them privileged access to politics to easily influence decisions.”⁴¹⁷ Judging from multiple examples (see revolving door figures) it is likely that a conflict of interest did occur.

Wolfgang Clement went as far as supporting the prolonging of nuclear power for another three years after which he became Board Member at the Russian consultancy firm, Energy Consulting and Board Member at an investment company, Lahnstein Middlehoff & Partners LLP. While concurrently, State Secretary at the Ministry of Finance and Chairman of the Board of the Federal Financial Supervisory Authority (BaFin), Koch-Weser granted funding of the Nord Stream pipeline from Deutsche Bank, and in a matter of a few weeks became Vice Chairman of Deutsche Bank. His decision-making in the financing of the pipeline and immediate actions post his government position was likely a potential conflict of interest. If Germany adopted a Federal Ministerial Law and approved a cooling-off period of three to five years (as called by *TI, Greenpeace, Lobby Control*) in 2005 the number of potential conflicts of interest may have been reduced for the period

⁴¹⁷ LobbyControl, “Seitenwechsel,” (Accessed February 2, 2017)
https://lobbypedia.de/wiki/Revolving_door#Forderung:_Nachbesserungen_am_Karenzzeit-Gesetz.

of the deliberation of the Nord Stream pipeline. Former German Chancellor Gerhard Schröder, former Minister Wolfgang Clement, former Minister and Chancellor Joschka Fischer amongst others, would likely not have influenced the policy outcome of the pipeline. Although new regulations went into effect in 2015 that call for ministers to immediately report new employment in the private sector related to their previous work, only an 18-month waiting period applies if such conflict of interest is to be found. Considering the number of years of deliberation, implementation to special construction projects can last; an 18-month waiting period would apparently not stop the revolving door from spinning. It would only halt the transition from federal government to lobbying with the private sector until mid-2006.

Figure 14: German Ministerial Law Comparison

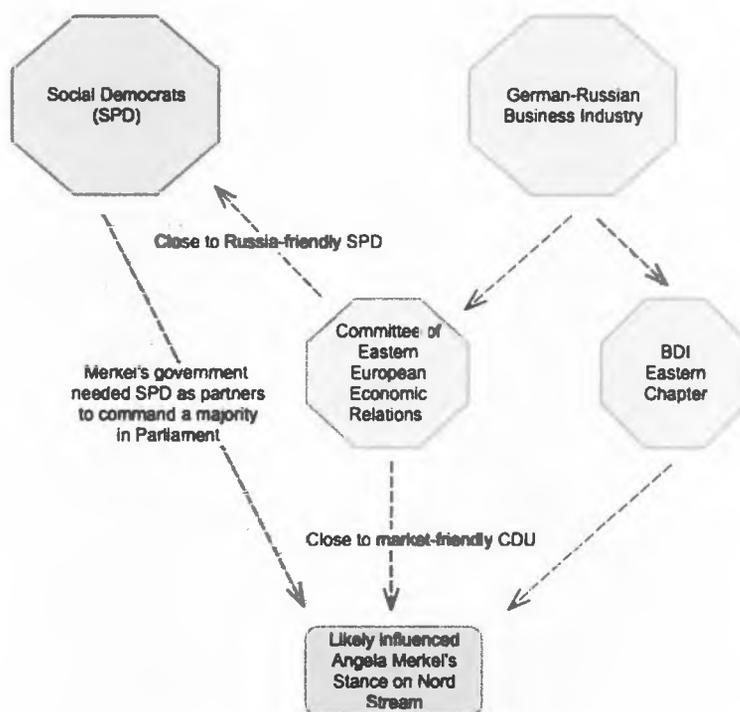


Created by Sejla Avdic using Gliffy

The third part of this paper's case study presents a potential correlation between Russian-German business lobbyists' and German policy outcome on the Nord Stream pipeline. The data indicate that (1) the Social Democrats (SPD) and (2) Russian-German business lobbies (the Committee on Eastern European Economic Relations and the eastern chapter of BDI) likely played an influential part in Chancellor's Merkel final

support of the project. As demonstrated in (figure 15), the Committee on Eastern European Economic Relations has close ties to the Russia-friendly SPD and concurrently close ties to market-friendly Christian Democrats (CDU). In 2005, Merkel's government relied on the Social Democrats to command a majority in parliament, impelling Chancellor Merkel not only to work with the opposition party but also surround herself with the SPD's Russia-friendly stance. The data indicate after much criticism during her election campaign, Chancellor Merkel eventually supported the project by mid-2006, with full public advocacy in 2007. Although several factors may explain why Chancellor Merkel ultimately supported the Baltic pipeline, based on the evidence presented the influence of the German-Russian business industry (BDI, and Committee on Eastern European Economic Relations) is likely a contributing factor.

Figure 15: Merkel's Stand on Nord Stream: Potential Influential Factors



Created by Sejla Avdic using Gliffy

This paper's findings illustrate that domestic politics; particularly the lobby structure of a country has the potential to significantly impact political discourse and economic decisions concerning major energy endeavors. We learn that the making of energy policy involves both domestic and international actors. The domestic actors include German energy companies (E.ON, Wintershall, BASF), political actors (Chancellor Merkel and Parliament Ministers), and energy regulators (German legislation

applicable to Nord Stream). The international actors include Russia's energy giant Gazprom, political actor (President Medvedev), and individual country legislation that apply to the Nord Stream pipeline (Russia, Finland, Sweden, Denmark). These are only some of the domestic and international actors covered in this paper, but certainly not the only factors that help explain the making of energy policy.

The most important takeaway from this study is that energy policy is built via interaction between domestic and international actors. This interaction has previously been explored by (Putnam, 1988) who stated, "at the national level, domestic groups pursue their interests by pressuring the government to adopt favorable policies, and politicians seek power by constructing coalitions among these groups."⁴¹⁸ "At the international level, national governments seek to maximize their own ability to satisfy domestic pressures, while minimizing the adverse consequences of foreign developments."⁴¹⁹ What we learn from this study is that the making of energy policy constitutes an intertwined web of domestic and international actors that interact with one another from deliberation, advocacy, financing, legislation, and construction to final implementation of energy policy. The data indicate that some of the biggest players in the energy industry successfully abide by what (Truman, 1951) referred to as factors that determine the power of interest groups: "strategic societal stance" determined by status

⁴¹⁸ Putnam, Robert D. "Diplomacy and domestic politics: the logic of two-level games." *International organization* 42, no. 03 (1988): 434

⁴¹⁹ Putnam, "Diplomacy and domestic politics: the logic of two-level games," 434.

and prestige, closeness to government structures, and their access to valuable information.”⁴²⁰ For example, “BASF/Wintershall and E.ON used their contacts in the Chancellery and the relevant ministries to gain support for their plans.”⁴²¹ These firms are some of the continent’s most powerful energy companies, with long track records and well-established contacts in the German Bundestag. With such prestige, these ‘energy giants’ are capable of portraying and influencing energy policy outcome. However, energy companies such as E.ON, Wintershall, and BASF were likely only able to do so due to weak German lobby laws. But even if more stringent laws were enforced, the energy industry still “indirectly influence the federal government by securing energy supply.”⁴²² Energy companies seek cooperation with the biggest gas giant on the block, Gazprom, through joint ventures thus not only establishing energy security but also expanding the position of German industry. “The German government duly supported this strategy to bolster the position of German industry and enhance its security of demand.”⁴²³ This indicates when energy policy is made, close ties between business and government is necessary.

⁴²⁰ Truman, David B. *The governmental process: Political Interests and Public Opinion*. Vol. 112. New York: Knopf, 1951.

⁴²¹ Verhoeff, Emma C., and Arne Niemann. "National preferences and the European Union presidency: The case of German energy policy towards Russia." *JCMS: Journal of Common Market Studies* 49, no. 6 (2011): 1279.

⁴²² Verhoeff, Niemann, "National preferences and the European Union presidency: The case of German energy policy towards Russia," 1277.

⁴²³ Heinrich, Andreas. "Poland as a Transit Country for Russian Natural Gas: Potential for Conflicts." Koszalin Institute of Comparative European Studies (KICES), 2007.

If energy policy making involves other international actors (states) as in the case of the Nord Stream pipeline, then extensive efforts must be made by the party's involved (Germany and Russia) to persuade the bilateral energy policy outcome will not negatively affect other states. For example, according to the UN 1982 law both Russia and Germany needed the consent of Poland, Estonia, Latvia and Lithuania and the consent of Sweden, Finland, Denmark and Germany to grant construction permits as the pipeline either passes through their Exclusive Economic Zone (EEZ) or could have an environmental impact on the continental shelf. Energy policy making likely always involves multiple international actors due to historical, geopolitical, economic, environmental and security concerns of pipe laying in or near other countries. The Baltic States shared all of these concerns. Thus on the domestic and international level, Germany and Russia had to legitimize Nord Stream by highlighting the economic benefits and overall EU energy security while denouncing the concerns raised by the Baltic States.

Economic cooperation in the energy industry seems to be the first and foremost factor in the making of energy policy. As the liberal school asserts, countries do not have to "like" each other or share the same ideological, cultural or political stance to trade with one another.⁴²⁴ This is also true in the area of strategic resources. As long as trade and cooperation between two countries is stable, the making of energy policy is more likely. Natural gas pipelines, once built, "result in a high level of commitment and dependency

⁴²⁴ Axelrod, Robert, and Robert O. Keohane. "Achieving cooperation under anarchy: Strategies and institutions." *World Politics: A Quarterly Journal of International Relations* (1985): 226-254.

between the supplier and buyer.”⁴²⁵ Hence, the greater the history of stable trade and cooperation between two states the more likely that the mutual trust gained will propel future energy policy cooperation. In the case of Russia and Germany, energy diplomacy began as early as the 1960s and continued even during the Cold War. This is why it is important to look at alternative explanations when studying energy policy. The “historical, political, economic and cultural explanations”⁴²⁶ offer deeper insight beyond the most common economic liberalism and interdependence argument and realists’ security and national interest approach. A multidisciplinary approach, with its focus on several combined factors presents a clearer overall picture of how these factors are interlinked. For example, Germany’s historical memory of the death of 10.6 million Soviet soldiers during the Second World War, “can make it difficult for German leaders to take positions that appear aggressive towards Russia,” and has thus shaped “contemporary Germany’s overwhelming positive perception of Brandt’s Ostpolitik policy.”⁴²⁷ From the cultural perspective, Russia and Germany go back centuries.⁴²⁸ Thus

⁴²⁵ Wu, K., Fesharaki, F., Hosoe, T., & Isaak, D. (2008). Strategic Framework for Energy Security in APEC 2008 in Svyatets, Ekaterina, “Energy Security: The Current Approaches of Scholarship” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 19.

⁴²⁶ See Chivvis, Christopher S., and Thomas Rid. “The roots of Germany's Russia policy.” *Survival* 51, no. 2 (2009): 106.

⁴²⁷ Chivvis, Christopher S., and Thomas Rid. “The roots of Germany's Russia policy.” *Survival* 51, no. 2 (2009): 115.

⁴²⁸ “German generals fought with the Czar’s armies against Napoleon. Russian support made Otto von Bismarck’s unification of Germany possible before and after 1870, and the chancellor praised Russia as a ‘natural historical and intimate ally.’ In the nineteenth century, German writers and thinkers were fascinated by Russian music and culture.” See Chivvis, Christopher S., and Thomas Rid. “The roots of Germany's Russia policy.” *Survival* 51, no. 2 (2009): 116.

historical and cultural salience between two states can be insightful, especially when making energy policy as the history of events can either portray a message of ‘trust’ and a ‘reliable’ and ‘cooperative’ relationship or ‘mistrust’ in which case the making of energy policy may be less likely.

Controversial energy decisions can have wider political and security implications. Energy projects that pass through the territorial waters of other countries especially in areas where historical memory and security concerns still guide policy outcome may be prolonged in an attempt to reverse or shift energy policy. For example, Poland and Lithuania attempted to delay the project by “seeking direct European Commission involvement in assessing Nord Stream’s environmental impact.”⁴²⁹ Furthermore, governments who profit from transit fees (Belarus, Poland, Ukraine) will be strong opponents of energy project bypassing traditional Eastern transit states, as this would decrease their leverage and discontinue the financial transit benefits. Also, “Belarus, Latvia, Lithuania, Poland and Ukraine had also opposed the pipeline because of concerns that it would enhance Russia’s ability to use energy for political means.”⁴³⁰ According to the neoclassical realist school, “Russia seeks to enhance its power” via expansionist energy policy in Central Europe.⁴³¹ For example, Russia pursued a strategy of getting

⁴²⁹ Nord Strom AG “*Facts About the Natural Gas Pipeline Across the Baltic Sea.*” Issue 7 (August 2008) <https://www.nord-stream.com/press-info/library/?pk=45> (accessed October 25, 2016): 3.

⁴³⁰ Kramer, Andrew E. 2010. “Plan for Baltic Sea Pipeline Clears Last Major Hurdle.” *New York Times*, Feb 13. <http://search.proquest.com/docview/434298015?accountid=13802>.

⁴³¹ Orban, Anita. *Power, Energy, and the New Russian Imperialism* (Westport, CT: Praeger Security International 2008), 23.

control over key energy assets in Poland, Slovakia, and Hungary.⁴³² Russia's expansionist energy policy can be viewed a security threat in the former Soviet Republics, as Russian energy companies acquire key energy infrastructure and gain leverage through joint ventures and economic gains. For example, Gazprom enjoyed leverage over Europol Gas (a Polish-Russian joint venture transporting gas to Poland and Germany through Poland) as both supplier of gas and part owner of the joint venture.⁴³³ In this sense, the making of energy policy in a particular region can generate multiple different reactions. Although, liberalism asserts that states can put their differences aside for the greater benefit of trade and economic cooperation; in regions where historical memory still guides policy outcome economic cooperation may be halted due to security threats.

The making of energy policy hence faces domestic and international pressures. On the domestic side, powerful economic actors (energy companies), domestic interest groups (energy industry lobby) and bilateral economic actors (German-Russian business ties and interest groups) attempt to influence energy policy outcome domestically via government lobbying. On the international side, for example, the European Union pressures individual states to adhere to its overall policy of diversification of energy supplies. When a member state decides to pursue its own energy policy that contradicts

⁴³² Orban, Anita. *Power, Energy, and the New Russian Imperialism* (Westport, CT: Praeger Security International 2008), 166.

⁴³³ Orban Anita, "Harvest and Obstacles: Russian Energy Companies' Expansion into Central Europe during the Second Putin Presidency, 2004-2008," in *Power, Energy, and the New Russian Imperialism* (Westport, CT: Praeger Security International 2008), 101.

comprehensive EU energy policy, it will likely stir much criticism and debate. “The Bush Administration in the United States was also strongly against the Nord Stream pipeline, because the administration supported the interests of the Baltic States and Ukraine.”⁴³⁴ Most likely because the U.S. does not want to see Russia gain more leverage than it already has in these countries. Complex energy projects that involve a number of countries also face time-consuming international law procedures. For example, according to the 1982 UN Convention on the Law of the Sea (UNCLOS) Article 79, ‘all states are entitled to lay submarine pipelines and cables on the continental shelf of another state.’ Thus the more players are involved in the making of energy policy the more complex and prolonged the domestic and international procedures.

The European Union, with 28 member states, all influenced by their own historical, cultural, political, and economic factors may at times conflict with overall EU policy: as a result, a nation state may follow its national interest instead. For example, in response to all criticism, Germany pursued its own energy security policy. When there is little unity on European energy policy it creates leverage for a resource rich country like Russia to strike energy deals with individual member states.

The vast amount of evidence presented in this paper indicates that Russia and Germany are heavily interlinked via domestic business and energy interest groups and that this relationship expands even outside the energy sector. For example, “German car

⁴³⁴ Svyatets, Ekaterina, “Russia-Germany energy cooperation” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 110.

maker Opel was acquired by Russian companies Magna and Sberbank, and Germany's Siemens participated in building wind turbines and trains for Russia."⁴³⁵ In the sphere of economic cooperation, the new Baltic pipeline has likely progressed cooperation.

"Germany will become the chief distributor of Russian gas in Europe", serving as a major energy hub.⁴³⁶ From an economic perspective, "Germany is Russia's most important foreign trading partner."⁴³⁷ It is difficult to conclude that Russia's relationship with Germany fits one international relations theory or the other. Based on good economic relations and cooperation since Brandt's Ostpolitik, it can be said that liberal principles maintained Russia's relationship with Germany. However, alternative explanations that highlight 'historical and cultural'⁴³⁸ factors may offer deeper insight into why this relationship continues to foster deeper economic ties, including in Russia's 'precious' energy industry.

As to Russia's relationship with the EU, interdependence arguments seem more convincing, especially when it comes to energy trade. "It is in the interest of Russia to be

⁴³⁵ Svyatets, Ekaterina, "Russia-Germany energy cooperation" in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 115.

⁴³⁶ Rahr, Alexander. "Germany and Russia: a special relationship." *Washington Quarterly* 30, no. 2 (2007): 139.

⁴³⁷ Rahr, Alexander. "Germany and Russia: a special relationship." *Washington Quarterly* 30, no. 2 (2007): 137.

⁴³⁸ See Chivvis, Christopher S., and Thomas Rid. "The roots of Germany's Russia policy." *Survival* 51, no. 2 (2009); Bösch, Frank. "Energy diplomacy: West Germany, the Soviet Union and the oil crises of the 1970s." *Historical Social Research/Historische Sozialforschung* (2014).

Europe's biggest supplier of energy and a reliable partner."⁴³⁹ "Russia's economy is heavily dependent on oil and natural gas exports, and at the same time, Russia plays a significant role in the European energy sector as the largest exporter of oil and natural gas to the European Union."⁴⁴⁰ "Putin has declared the energy sector, which is responsible for 40 percent of the government tax revenue, 55 percent of the export profits and 20 percent of the entire Russian economy, the most important component of national state interests."⁴⁴¹ Thus Russia remains a significant supplier of energy for the European Union's energy security while the EU remains vital for Russia's energy export economy.⁴⁴²

The case of the Nord Stream pipeline serves as a valuable demonstration of the power of lobbies' to shape energy policy outcome. This paper's takeaway is: the making of a nation's energy policy operates as a business. The most financially powerful, well-established companies with internal connections to decision-makers seem to sway the business outcome in favor of the industry successfully. Accompanied by financially well-backed interest groups and the ability to "buy" prominent former ministers with inside

⁴³⁹ Paillard, Christophe-Alexandre. "Russia and Europe's Mutual Energy Dependence." *Journal of International Affairs* 63, no. 2 (2010): 79-80. <http://www.jstor.org/stable/24384335>

⁴⁴⁰ Trade Council of Denmark, "Introduction to Russian Energy and Utilities Sectors", St. Petersburg, 2008, 1-2. In Paillard, Christophe-Alexandre. "Russia and Europe's Mutual Energy Dependence." *Journal of International Affairs* 63, no. 2 (2010): 71. <http://www.jstor.org/stable/24384335>.

⁴⁴¹ Rahr, Alexander. "Strategic Neighbourhood: EU-Europe versus EU-East." (2004): 2. http://www.ssoar.info/ssoar/bitstream/handle/document/13088/ssoar-2004-rahr-strategic_neighbourhood_eu-europe_versus_eu-east.pdf?sequence=1

⁴⁴² Paillard, Christophe-Alexandre. "Russia and Europe's Mutual Energy Dependence." *Journal of International Affairs* 63, no. 2 (2010): 82. <http://www.jstor.org/stable/24384335>.

knowledge and expertise furthers business/government interlinkage. The making of energy policy involves giant ‘players’ that cross territorial boundaries, have wide footprints, and extensive resources aimed at the final outcome: the continuous growth of the business. The demand for gas and security of supply is of foremost importance to energy companies such as E.ON, BASF, and Wintershall and through influencing domestic policy outcome via the Bundestag, their demands are likely to be met.

Although the domestic-centered approach offers insight into how domestic actors engage in the making of a nation’s energy policy, a multi-disciplinary alternative that combines factors such as historical, economic, geopolitical and cultural explanations may also suit to explain the issue from a wider perspective. Indeed, such work has been explored by Gawdat Bahgat whose conclusive remarks Svyatets summarizes as follows; "energy security may only be explained by a combination of disciplines and areas of knowledge."⁴⁴³ A single approach alone cannot account for the complexity of a country's energy policy outcome due to the number of players involved and interests at stake. Energy policy is country-specific and not a ‘one-fits-all’ kind of policy outcome. Some countries may be guided more by geopolitical aspects over the management of its energy supplies while others due to simple economics: wherever the cheapest supplies are.

⁴⁴³ Ekaterina Svyatets, “Energy Security: The Current Approaches of Scholarship” in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 19. See Bahgat Gawdat, *Energy Security: In Interdisciplinary Approach* (Hoboken, NJ: Wiley, 2011).

Conclusion

Based on a 2015 Transparency International study, “of the 19 European countries examined, only 7 have laws or regulations specifically regulating lobbying activities (Austria, France, Ireland, Lithuania, Poland, Slovenia and the United Kingdom).”⁴⁴⁴ According to the *TI*, 2015 report, “not a single country contained adequate oversight of revolving door rules,”⁴⁴⁵ such as requiring a ‘cooling-off’ period between former public officials, former members of parliament and lobbying-related appointment. “Oversight and sanctions are either missing or weak.”⁴⁴⁶ For example, only in “Lithuania is the oversight body required to publicly disclose the names of all individuals or organizations found to have violated lobbying rules or regulations.”⁴⁴⁷ This indicates that lack of legally binding and punishable enforcement efforts continue to be a widespread problem in the European Union. Under current lobby laws and regulation, the revolving door phenomenon between business and politics continues to circulate, potentially breeding conflict of interest, and abuse of power. Judging from the TI 2015 study, the EU as a whole seems to have a serious problem regulating and enforcing lobbying regulation, raising concern over the level of business/government entanglement and the level of influence business interests hold over particular policy outcomes. Thus the problem

⁴⁴⁴ Suzanne Mulcahy, “Lobbying in Europe: Hidden Influence, Privileged Access” *Transparency International*, (March, 2015): 8. Retrieved from https://www.transparency.org/whatwedo/publication/lobbying_in_europe. Accessed May 6, 2017.

⁴⁴⁵ *ibid.*, 41.

⁴⁴⁶ *ibid.*, 33.

⁴⁴⁷ *ibid.*

persists on a wider angle, as is not country-specific as in this paper's focus on Germany alone.

Interest groups in Germany enjoy privileged access due to the Federal Republic's corporatist structure and constitution. These associations vary from labor unions, trade unions, agricultural and energy associations. While the social interaction of a corporatist structure is not in itself problematic, the lack of a legally binding mandatory lobby register, and a detailed publicly available record on lobbyists' interactions with public institutions is. Germany's overall score in the three sub-categories (transparency 13%, integrity 25%, equality of access 30%) was 23 per cent. In fact on transparency alone, Germany scored among the countries with the lowest scores (Hungary 8%, Spain 10%, Italy 11%, Bulgaria, Portugal 13%).⁴⁴⁸ These results indicate slim efforts of improvement in Germany post the period of this case study. Germany continues to lack a legal requirement for legislators to publicly disclose the "time, person and subject of contacts with stakeholders."⁴⁴⁹ First, there is no code of conduct in place for lobbyists. Second, Germany continues to have weak integrity mechanisms among lobbyists and decision-makers.⁴⁵⁰ Third, the cooling off period's in Germany only "apply to administrators in the ministries and not to ministers or parliamentary state secretaries."⁴⁵¹ Under such

⁴⁴⁸ *ibid.*, 2-3.

⁴⁴⁹ *ibid.*, 28.

⁴⁵⁰ *ibid.*, 28-29.

⁴⁵¹ *ibid.*, 40.

inadequate conditions, interest groups can continue to influence government policy according to their vested interests.

Since March 1, 2016 new lobbyist rules came into effect requiring individual companies to obtain day passes for individual meetings or meet with representatives outside of parliament. According to *lobby control*, only registered associations can obtain up to two passes per federation⁴⁵² “Prior to this, unregistered associations, companies, lobby agencies and law firms were able to obtain passes by directly referring to the political parties in the Bundestag without registration.”⁴⁵³ Although new transparency regulations are a step forward, more stringent rules such as “creating a mandatory lobbying system for all lobbyists: associations, businesses, lobby agencies and chancellors, non-governmental organizations and single-person amateurs”⁴⁵⁴ are needed. Based on (figure 16) only three Federal Republic’s adopted regulation on a waiting period: Brandenburg, Hamburg, and Hessen. As described by Gregor Hackmack of the anti-lobbying group Parliament Watch stated,

the fact is that what we in Berlin describe as lobbying would be called institutional corruption in other countries.“ Lobbying can pay for an member of parliament (MP) dinner, they can earn income on the side, they can be made into

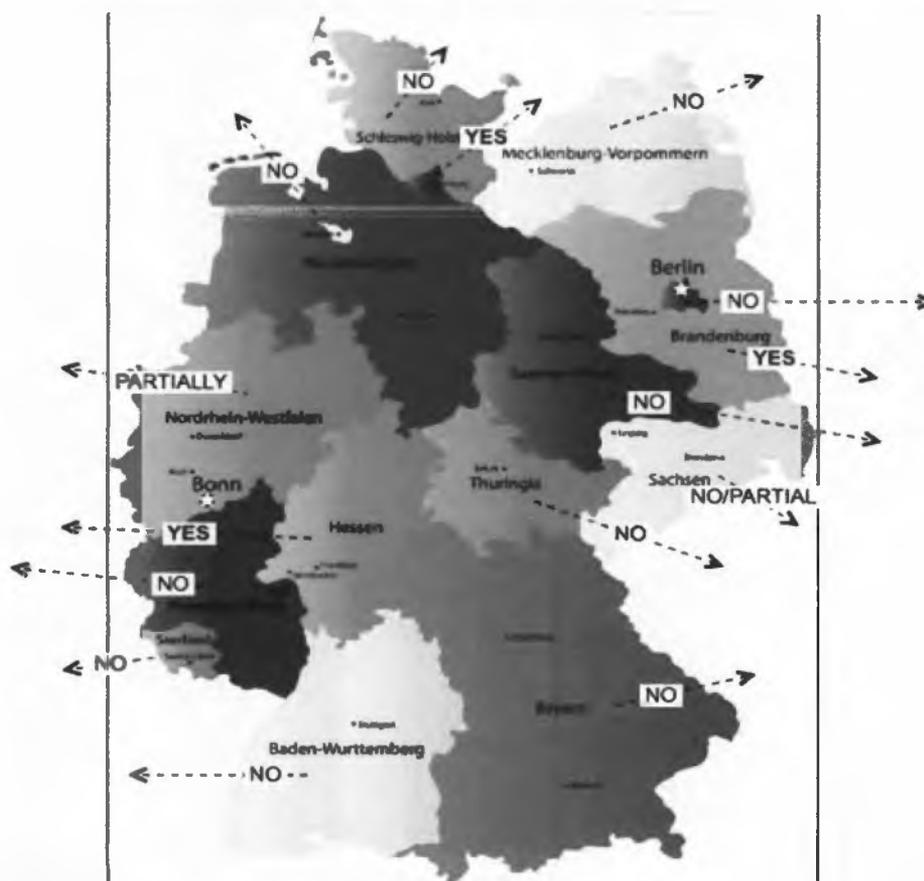
⁴⁵² Timo Lange, “Überraschende Wendung: Ga keine Bundestags-Ausweise mehr für Unternehmen?” *LobbyControl* (February 16, 2016). Retrieved from <https://www.lobbycontrol.de/2016/02/ueberraschende-wendung-gar-keine-bundestags-ausweise-mehr-fuer-unternehmen/>. Accessed May 9, 2017.

⁴⁵³ *ibid.*,

⁴⁵⁴ *ibid.*

political advisers, they can hire sitting (MP) as lawyers- they can offer unlimited donations, whether they're companies or individuals. We have zero regulation.⁴⁵⁵

Figure 16: Waiting Periods Adopted by Individual Federal Republics As of 2016



Lobby Control, "Kazrennzeit Bundesländer." Retrieved from

[https://lobbypedia.de/wiki/Karennzeit_\(Bundesl%C3%A4nder\)](https://lobbypedia.de/wiki/Karennzeit_(Bundesl%C3%A4nder)). Accessed May 9, 2017. Created by Sejla

Avdic using Gliffy.

⁴⁵⁵ Knight Ben, "Lobbyists threaten to sue Bundestag over new rules" *DW* (December 6, 2016). Retrieved from <http://www.dw.com/en/lobbyists-threaten-to-sue-bundestag-over-new-rules/a-19095205>. Accessed May 10, 2017.

The revolving door between business and government continues to spins well into 2017. Former chief lobbyist for E.ON, Joachim Lang became new chief executive of the federal association of German Industry (BDI) in April 2017.⁴⁵⁶ Markus Kerber, former Head of the Department for Policy and Chief Economist at the Federal Ministry of Finance became Chief Executive Officer at BDI in July 2011.⁴⁵⁷ Former spokeswoman for the Federal Ministry of Finance, Barbara Schädler took on a position as Senior Vice President of Communications & Political Affairs at E.ON.⁴⁵⁸ Furthermore, Marion Scheller⁴⁵⁹ and Gerhard Schröder⁴⁶⁰ both took on positions on the expansion project of Nord Stream as Senior Advisor for governmental relations and Chairman of Gazprom subsidiary Nord Stream 2. Thus, not much has changed in Germany to halt the interweaved government and business interests from continuing these practices in the

⁴⁵⁶ *Politik Kommunikation* (August 15, 2016). Retrieved from <http://www.politik-kommunikation.de/personalwechsel/lang-wird-neuer-hauptgeschaefsfuehrer-des-bdi-275529131>. Accessed May 10, 2017.

⁴⁵⁷ *LobbyControl*, "Markus Keber." Retrieved from https://lobbypedia.de/wiki/Markus_Kerber. Accessed May 10, 2017.

⁴⁵⁸ *Politik Kommunikation* (January 28, 2016). Retrieved from <http://www.politik-kommunikation.de/personalwechsel/schaedler-wird-politikchefin-bei-eon-1807830730>. Accessed May 10, 2017.

⁴⁵⁹ *Politik Kommunikation* (September 28, 2016). Retrieved from <http://www.politik-kommunikation.de/personalwechsel/scheller-wechselt-zu-nord-stream-2-1096866703>. Accessed May 10, 2017.

⁴⁶⁰ *Politik Kommunikation* (July 10, 2016). Retrieved from <http://www.politik-kommunikation.de/personalwechsel/schroeder-sitzt-verwaltungsrat-von-nord-stream-2-vor-1780679665>. Accessed May 10, 2017.

future. Big energy companies such as BASF,⁴⁶¹ and E.ON⁴⁶² continue to invest over \$2 million a year in lobbying efforts. In 2013⁴⁶³ BASF donated millions to the SPD party and in 2016 contributed \$339,000⁴⁶⁴ to Donald Trump's campaign.

Russo-German pipeline cooperation continues with the extension of two additional lines (Nord Stream 2), and is set to be complete by 2019. Similar to Nord Stream 1, the project received much criticism from major transit countries such as Poland but also from the U.S. and across the European Union. In the EU, eight⁴⁶⁵ countries object to the Nord Stream-2 project, raising “geopolitical concerns and risks for energy security in the region of central and eastern Europe.”⁴⁶⁶ The Russian/Ukrainian conflict has most likely triggered far more dissent the second time around than experienced with Nord Stream 1. Although Nord Stream 2 is facing much more criticism than its predecessor, judging from the results of this paper, the project will likely pass because powerful energy companies will lobby left and right to move forward with the project. Even more so that lobbying regulation across the EU is very weak and lack transparency,

⁴⁶¹ *Lobby Facts*, “BASF SE.” Retrieved from <https://lobbyfacts.eu/representative/233d1859a1304ddba9ba66f9d18ea994/basf-se>. Accessed May 10, 2017.

⁴⁶² *Lobby Facts*, “E.ON SE.” Retrieved from <http://lobbyfacts.eu/representative/59cc70ceef7a4b139e39f53564314590/e-on-se>. Accessed May 10, 2017.

⁴⁶³ The Local, “Which firms donate to which parties” September 20, 2013. Retrieved from <http://www.thelocal.de/20130920/52025>. Accessed May 11, 2017.

⁴⁶⁴ Olaf Gersemann, “Wahlkampfspenden: Wie deutsche Konzerne Donald Trump unterstützen” *Welt*, July 18, 2016. Retrieved from <http://www.de/wirtschaft/article157112446/Wie-deutsche-Konzerne-Donald-Trump-unterstuetzen.html>. Accessed May 11, 2017.

⁴⁶⁵ Czech Republic, Estonia, Hungary, Latvia, Poland, Slovakia, Romania, Lithuania.

⁴⁶⁶ Andrius Sytas, “EU leaders sign letter objecting to Nord Stream-2 gas link,” *Reuters*, March 16, 2016. Accessed May 23, 2017. <http://uk.reuters.com/article/uk-eu-energy-nordstream-idUKKCN0W11YV>

thus allowing the intermingling of business and decision-makers at a rather personal level.

This paper's takeaway is: the making of a nation's energy policy operates as a business. The most financially powerful, well-established companies with internal connections to decision-makers seem to sway the business outcome in favor of the industry successfully. Accompanied by financially well-backed interest groups and the ability to "buy" prominent former ministers with inside knowledge and expertise furthers business/government interlinkage. Although the domestic-centered approach offers insight into how domestic actors engage in the making of a nation's energy policy, a multi-disciplinary alternative that combines factors such as historical, economic, geopolitical and cultural explanations may also suit to explain the issue from a wider perspective. The vast amount of evidence presented in this paper indicates that Russia and Germany are heavily interlinked via domestic business and energy interest groups and that this relationship is likely to continue setting the stage for future cooperation.

Bibliography

- Adamek, Sascha and Kim Otto. *Der gekaufte Staat: wie Konzernvertreter in Deutschen Ministerien sich ihre Gesetze selbst schreiben*. Köln: Kiepenheuer & Witsch, 2008.
- Alexander Varkentin, "Poll: German attitude towards Russia against the background of the Ukraine crisis," *Deutsche Welle*, April 15, 2014. Retrieved May 17, 2017.
- Amsterdam, Robert R. "The Gazpromization of EU Energy Security," *The Daily Star*, published on February 22, 2008, <http://search.proquest.com/docview/432518370?accountid=13802>, (accessed October 31, 2016).
- Andrius Sytas, "EU leaders sign letter objecting to Nord Stream-2 gas link," *Reuters*, March 16, 2016. Accessed May 23, 2017. <http://uk.reuters.com/article/uk-eu-energy-nordstream-idUKKCN0WI1YV>
- "Angela Merkel has refused to extend the "Nord Stream," *Lenta.ru*, July 19, 2011. Retrieved May 18, 2017. <https://lenta.ru/news/2011/07/19/pipeline/>
- Martin Griffiths (ed.). *International Relations Theory for the Twenty-First-Century. An Introduction*. New York: Routledge, 2007.
- Appolonio, Dorie, Bruce E. Cain and Lee Drutman, "Access and Lobbying: Looking Beyond the Corruption Paradigm," *Hastings Constitutional Law Quarterly* 36 (2008): 13–50.
- "Attacke gegen Ypsilanti: Clement fällt Hessen-SPD in den Rücken," *Spiegel Online*, published on January 19, 2008, <http://www.spiegel.de/politik/deutschland/attacke-gegen-ypsilanti-clement-faellt-hessen-spd-in-den-ruecken-a-529687.html>.

“Awkward Embrace how Disputes are Exposing the Limits of German ‘Ostpolitik’,” *Financial Times*, published on May 16, 2007,

<http://search.proquest.com/docview/250016306?accountid=13802>, (accessed February, 10, 2017).

Axelrod, Robert and Robert O. Keohane. “Achieving cooperation under anarchy:

Strategies and institutions,” *World Politics: A Quarterly Journal of International Relations* 38 (1985): 226–254.

Bakst, Alex. “Baltic Sea Pipeline: Sweden Afraid of Russian Spooks,” *Spiegel Online* 15 (2006).

<http://www.spiegel.de/international/baltic-sea-pipeline-sweden-afraid-of-russian-spooks-a-448652.html>.

Balmaceda, Margarita M. “Corruption, Intermediary Companies, and Energy Security:

Lithuania’s Lessons for Central and Eastern Europe,” *Problems of post-communism* 55 (2008): 16–28.

Bannas, Günter. “Wechsel in die Wirtschaft Regierung einigt sich auf Karenzzeit”

Frankfurter Allgemeine, published on July 10, 2014,

<http://www.faz.net/aktuell/politik/inland/wechsel-in-die-wirtschaft-regierung-einigt-sich-auf-karenzzeit-13194836.html>.

Barber, Tony. “Russia Attacks Estonia for Refusing Gas Pipeline Survey.” *Financial Times*, published on Oct 17, 2007.

<http://search.proquest.com/docview/250049879?accountid=13802>.

BASF- Interim Report, “3rd Quarter Results 2011,” <https://www.basf.com/de/en/company/about-us/publications.html> (accessed December 29, 2016).

Baxter, Pamela and Susan Jack. “Qualitative case study methodology: Study design and implementation for novice researchers,” *The qualitative report* 13 (2008): 544–559.

Belton, Catherine, Benoit Bertrand, Chris Bryant, Charles Clover, Richard Milne and Daniel Schaefer. “The New Ostpolitik,” *Financial Times*, published on October 26, 2009, <http://search.proquest.com/docview/250237870?accountid=13802>, (accessed November 10, 2016).

Belton, Catherine, Chris Bryant, and Charles Clover. “Gazprom Drops Demand on Germany,” *Financial Times*, published on October 03, 2008, <https://search.proquest.com/docview/250141073?accountid=13802>.

Bergmann, Burckhard. “Die neue Ostpolitik-Verlässlicher Versorger-Energiepartnerschaft: Die EU ist nicht einseitig von Russland abhängig,” *Internationale Politik* 62 (2007): 65.

Bertrand, Benoit. “Berlin’s Relations with Business Set to Worsen further.” *Financial Times*, published on March 19, 2017, <https://search.proquest.com/docview/249936561?accountid=13802>.

Bertrand, Benoit. “Criticism of Russia ‘Harming German Business’,” *Financial Times*, published on April 07, 2006, <https://search.proquest.com/docview/249893115?accountid=13802>.

Bertrand, Benoit (in Berlin, 2005). “FT.Com Site: Schröder Joins Gazprom Pipeline Group,” *FT.Com*: 1, <https://search.proquest.com/docview/228884816?accountid=13802>.

Bertrand, Benoit and Carola Hoyos. “Merkel Warms to Closer Ties with Russia Business Interests Have Helped Persuade the German Chancellor to Temper Her Misgivings” *Financial Times*, published on Apr 15, 2006.

Bouzarovski, Stefan and Marcin Konieczny. “Landscapes of Paradox: Public Discourses and Policies in Poland’s Relationship with the Nord Stream Pipeline,” *Geopolitics* 15 (2010): 1–21.

Brost, Marco. “Anzeigenkampagne der Atomlobby: Was sagen Sie nun, meine Herren?” *Handelsblatt*, published on March 16, 2011,
<http://www.handelsblatt.com/politik/deutschland/anzeigenkampagne-der-atomlobby-was-sagen-sie-nun-meine-herren/3956310.html>

Bundesministerium des Innern, “Erster Bericht über den Einsatz externer Personen in der Bundesverwaltung,” <http://www.spiegel.de/media/media-19010.pdf>, (accessed December 30, 2016).

Bundesnetzagentur- General Information on Energy Regulation,
http://www.bundesnetzagentur.de/cln_1431/EN/Areas/Energy/Companies/GeneralInformationOnEnergyRegulation/IncentiveRegulation/IncentiveRegulation_node.html,
 (accessed October 12, 2016).

Casier, Tom. “The Rise of Energy to the Top of Russia-EU Agenda: From Interdependence to Dependence?” *Geopolitics* 16 (2011): 536–552.

- Chazan, Guy. "World News: U.S. Gears Back Criticism of Two Russia-Backed Pipelines," *Wall Street Journal*, published on Nov 27, 2009,
<http://search.proquest.com/docview/399069023?accountid=13802> (accessed November 4, 2016).
- Casier, Tom. "The rise of energy to the top of the EU-Russia agenda: from Interdependence to dependence?" *Geopolitics* 16, no. 3 (2011): 536–552.
- Česnakas, Giedrius. "Energy Resources in Foreign Policy: A Theoretical Approach," *Baltic journal of law & politics* 3 (2010): 30–52.
- "Change Afoot?" 2006. *Financial Times*, published on June 20, 2006,
<https://search.proquest.com/docview/249912530?accountid=13802>.
- Chari, Raj, Gary Murphy and John Hohan. "Regulating Lobbyists: A Comparative Analysis of the United States, Canada, Germany and the European Union," *The Political Quarterly* 78 (2007): 422–438.
- Chivvis, Christopher S. and Thomas Rid. "The roots of Germany's Russia policy," *Survival* 51 (2009): 105–122.
- Christensen, Thomas J. *Useful Adversaries: Grand Strategy, Domestic Mobilization, and Sino-American Conflict, 1947–1958*, Princeton, NJ: Princeton University Press, 1996.
- "Controversial Baltic pipeline seeks EIB financing." *Turkish Daily News*. February 9, 2007.
 Retrieved May 16, 2017.
<http://illiad.sfsu.edu/illiad/illiad.dll?Action%3D10&Form%3D75&Value%3D423540>

Dahl, Robert Alan. *Dilemmas of pluralist democracy: Autonomy vs. Control*,

New Haven, US: Yale University Press, 1982.

Daily News Egypt, “Eastern EU Countries Complain about Pipeline Deal,” published on

November 27, 2015, <http://search.proquest.com/docview/1737002569?accountid=13802>.

Dannreuther, Roland. *International Relations Theories: Energy, Minerals and Conflict*, Polinares

working paper 2010 (Consortium, 4-5),

<http://www.polsci.chula.ac.th/pitch/ep15/roland.pdf>

“Das Kartell – Im Griff der Energiekonzerne,” ZDF Frontal21, published on August 14, 2007,

http://www.lobbypedia.de/index.php/Lobbyisten_im_Ausw%C3%A4rtigen_Amt#cite_ref-zdf_15-0, (accessed December 1, 2016).

Dempsey, Judy. “Climate-Change Fight Leaves an Industry Cold Letter from Europe.”

International Herald Tribune, published on July 14, 2007,

<http://search.proquest.com/docview/31884109?accountid=13802>.

Dempsey, Judy. “EU Leader Makes Plea for Pipeline Financing but Banks are Wary of Project's

Rising Cost.” *International Herald Tribune*, published on January 28, 2009,

<https://search.proquest.com/docview/318978444?accountid=13802>.

Dempsey, Judy. “Hoping for More than just Energy from a European Gas Pipeline.” *New York*

Times, published on December 23, 2009,

<https://search.proquest.com/docview/434248479?accountid=13802>.

Dempsey, Judy. "Merkel has the Wheel, but the Map is Unclear," *International Herald Tribune*, published on April 05, 2006,

<https://search.proquest.com/docview/318743080?accountid=13802>.

Dempsey, Judy. "Russia Looks to Germany to Build Influence in Europe," *International Herald Tribune*, published on October 13, 2006,

<https://search.proquest.com/docview/318773824?accountid=13802>.

Dempsey, Judy. "Russia Seeks Tighter Ties with Germany," *International Herald Tribune*, 2010,

<https://search.proquest.com/docview/357147001?accountid=13802>.

Dempsey, Judy. "Schroder and Putin Forge Pact on Energy Contract Cements Special Relationship," *International Herald Tribune*, published on Sep 09, 2005,

<https://search.proquest.com/docview/318689094?accountid=13802>

Deutscher Bundestag, "Act amending the Federal Ministerial Law and the Act on the Legal Conduct of Parliamentary State Secretaries,"

<http://dipbt.bundestag.de/extrakt/ba/WP18/651/65141.html>, (accessed February 2, 2017).

Deutscher Bundestag, "Mitarbeit von Beschäftigten von Verbänden und Wirtschaftsunternehmen in Bundesministerien und in nachgeordneten Bundesbehörden,"

<http://dip21.bundestag.de/dip21/btd/16/037/1603727.pdf>, (accessed December 30, 2016).

Deutscher Bundestag, "Monitor- Bericht über eine neue Art von Lobbyismus in

Bundesministerien," <http://dip21.bundestag.de/dip21/btd/16/033/1603395.pdf>, published on November 13, 2006, (accessed December 27, 2016).

“Die Ostsee-Pipeline: Ein Gasanschluss Für Europa,” *Welt Kompakt*, published on June 21, 2010, <https://search.proquest.com/docview/504728683?accountid=13802>.

Dohrn, Susanne. “Die Doppelstrategie der Atomkonzerne,” *Vorwärts*, published on April 12, 2011, <http://www.vorwaerts.de/artikel/doppelstrategie-atomkonzerne>.

Duffield, John S. *Fuels Paradise: Seeking Energy Security in Europe, Japan, and the United States*. Baltimore: John Hopkins University Press, 2015.

Edward, Lucas. *The New Cold War: How The Kremlin Menaces both Russia and the West*, London: Bloomsbury Publishing, 2008.

“Eine reine Vertrauensfrage,” *Taz.de*, published on February 15, 2006, <http://www.taz.de/!474621/>.

Elman, Colin. “Realism,” edited by Martin Griffiths, *International Relations Theory for the Twenty-First Century. An Introduction*. New York: Routledge, 2007.

“Environment Priority in Nord Stream Pipe Project- Russian Foreign Minister.” *BBC Monitoring Former Soviet Union*. June 12, 2007. Retrieved on May 17, 2017. <http://search.proquest.com/docview/460289292?accountid=13802>.

E.ON “Strategy & Key Figures 2010,” Annual Report Document, <http://www.eon.com/en/about-us/publications/annual-report/archive.html>, accessed December 12, 2016.

“Estonia Denies Nord Stream Permission to Explore Its Territorial Waters,” *Daily News Bulletin*, published on September 20, 2007, <http://search.proquest.com/docview/456084262?accountid=13802>.

“Estonian Opposition Demands Parliament Investigate Nord Stream Explorations,” *Daily News Bulletin*, published on September 10, 2007,

<http://search.proquest.com/docview/456084173?accountid=13802>.

Federal Mining Act of August 13th 1980 (Federal Law Gazette I), last amended by Article 11 of the Act of May 24th (Federal Law Gazette I).

Feklyunina, Valentina. “Russia’s International Images and its Energy Policy. An Unreliable Supplier?” *Europe-Asia Studies* 64 (2012): 456-457. *Business Source Complete*, EBSCOhost, (accessed January 5, 2017).

“Finland, Sweden, Denmark Mind Their Interests in Nord Stream – Estonia,” *Daily News Bulletin*, published on Nov 09. 2009,

<http://search.proquest.com/docview/456186713?accountid=13802>.

Gallis, Paul. “NATO and Energy Security,” CRS Report for Congress, Library of Congress Washington DC, Congressional Research Service, updated on August 15, 2007,

<https://fas.org/sgp/crs/row/RS22409.pdf>.

“Gas Game Between Fischer and Schröder,” *Welt Kompakt*, published on Sep 09, 2009, <https://search.proquest.com/docview/241602825?accountid=13802>.

“Gazprom” will launch two more lines “Nord Stream,” *Vesifinance.ru*, August 10, 2012. Retrieved May 18, 2017. <http://www.vestifinance.ru/articles/18075>

“Gazprom.” Nord Stream 2,

<http://www.gazprom.com/about/production/projects/pipelines/built/nord-stream2/>,

(accessed September 23, 2016).

“Gazprom Takes Control of North Transgas,” (accessed September 20th, 2016),

<http://www.upstreamonline.com/live/fsu/article1075972.ece>.

“German Firms in Russia: Lovers, not Fighters,” *The Economist*, published on March 15, 2014,

[http://www.economist.com/news/business/21599034-german-exporters-are-pushing-](http://www.economist.com/news/business/21599034-german-exporters-are-pushing-back-against-economic-sanctions-russia-lovers-not-fighters)

[back-against-economic-sanctions-russia-lovers-not-fighters](http://www.economist.com/news/business/21599034-german-exporters-are-pushing-back-against-economic-sanctions-russia-lovers-not-fighters), (accessed January 5, 2017).

"Germany: Former German Spy could be Nominated to Gazprom Board." *Asia News Monitor*.

January 28, 2009. Retrieved May 16, 2017.

<https://search.proquest.com/docview/1017727324?accountid=13802>.

Geyer, Stephen. “Atompolitik Gorleben: Merkel’s Altlast,” *Frankfurter Rundschau*, published

on September 12, 2012, [http://www.fr-online.de/energie/atompolitik-gorleben-merkels-](http://www.fr-online.de/energie/atompolitik-gorleben-merkels-altlast,1473634,17227924.html)

[altlast,1473634,17227924.html](http://www.fr-online.de/energie/atompolitik-gorleben-merkels-altlast,1473634,17227924.html).

Green, Sam. “EU-Russia: You Can’t Always Get What You Want,” accessed on May 2, 2016,

published in June, 2010, <http://carnegie.ru/publications/?fa=41009>.

Gilpin, Robert, *Global political economy. Understanding the international political order*,

Princeton, NJ: Princeton University Press, 2001.

Goldman, Marshall, *Petrostate. Putin, Power, and the New Russia*, Oxford: Oxford University

Press, 2008.

Gorst, Isabel and Andrew Ward. "Nord Stream Clears Last Hurdle," *Financial Times*, published on Feb 13, 2010, <http://search.proquest.com/docview/250227708?accountid=13802>, (accessed November 4, 2016).

Grib, Natalya and Mikhail Zygar. "European Parliament Votes Against Nord Stream," *The Current Digest of the Post-Soviet Press* 28 (2008):

Grivach, Aleksei. "Club of Former Prime Ministers," *The Current digest of the post- Soviet press*, 33 (2008), EBSCO: Academic Search Complete (Via SFX), (accessed November 7, 2016).

Heinrich, Andreas. *Poland as a transit country for Russian natural gas: potential for conflict*. Koszalin Institute of Comparative European Studies (KICES), 2007.

Ikenberry, G. John. "Institutions, strategic restraint, and the persistence of American Postwar order," *International Security* 23 (1998/99): 43–78.

Judge: "Nord Stream" shows the effective cooperation between Russia and European countries," *Er.Ru*, October 3, 2011. Retrieved May 18, 2017. Translated by Marina Pisklenova. <http://er.ru/news/62182/>

Kasparov, Garry. "The Kremlin's New Man." *Wall Street Journal*. December 19, 2005. Retrieved May 18, 2017. <http://search.proquest.com/docview308641955?accountid=13802>.

Keohane, Robert O. and Joseph S. Nye Jr. "Power and interdependence," *Survival* 15 (1989): 9.

- KFD- “an elite business-oriented lobby group.” Lobby Control, “Wolfgang Clement,”
https://www.lobbypedia.de/wiki/Wolfgang_Clement, (accessed January 16, 2017).
- Kolb, Robert W. *The Natural Gas Revolution: At the Pivot of the World’s Energy Future*, New Jersey: Pearson, 2014.
- Kotra, Katta. “Sechs Richtige beim Lobby,” *Das Parlament*, published in 2009, <http://www.das-parlament.de/2009/28/Kehrseite/25077995/301388>.
- Kanter, James. “E.U. Still Far from having Sure Supply of Natural Gas Despite Abundant Efforts, It Remains Dependent on Imports from Russia News Analysis.” *International Herald Tribune*, published on July 18, 2009,
<https://search.proquest.com/docview/318997684?accountid=13802>.
- Knight, Ben. “Lobbyists threaten to sue Bundestag over new rules,” *DW*, published on December 6, 2016, <http://www.dw.com/en/lobbyists-threaten-to-sue-bundestag-over-new-rules/a-19095205>.
- Kramer, Andrew E. “Pipeline Planned for Baltic Passes Final Hurdle,” *International Herald Tribune*, published on Feb 13, 2010,
<http://search.proquest.com/docview/319040397?accountid=13802>, (accessed November 4, 2016).
- Kramer, Andrew E. “Plan for Baltic Sea Pipeline Clears Last Major Hurdle,” *New York Times*, published on Feb 13, 2010,
<http://search.proquest.com/docview/434298015?accountid=13802>.

- Kramer, Andrew. "Russian Pipeline has Potential to Split a Unified Europe; Russian Pipeline Splits Europe Anew," *International Herald Tribune*, Oct 13 (1), 2009, <https://search.proquest.com/docview/319026488?accountid=13802>, (accessed February 23, 2017).
- Krasner, Stephen D. *Defending the national interest: Raw materials investments and US Foreign policy*, Princeton, NJ: Princeton University Press, 1978.
- "Kremlin Link in Opel Pact Scrutinized; 'this Will Fuel Suspicion in East Europe:' Analyst," *National Post*, published on June 01. 2009, <https://search.proquest.com/docview/330862156?accountid=13802>.
- Kropatcheva, Elena. "Playing Both Ends Against the Middle: Russia's Geopolitical Energy Games with the EU and Ukraine," *Geopolitics* 16 (2011): 553–573.
- Krupnick, Alan J., Raymond J. Kopp, Kristin Hayes and Skyler Roeshot. *The natural gas revolution: Critical Questions for a Sustainable Energy Future*. Washington, DC: Resources for the Future, 2014.
- Lane, David. "The Political Economy of Russian Oil," ed. Peter Rutland, *Business and the State in Contemporary Russia*, Boulder: Westview Press, 2001.
- Larrabee, Stephen, F. "Danger and Opportunity in Eastern Europe," *Foreign Affairs* 85 (2006): 117–131.

“Latvia Wants Independent Environmental Evaluation of Nord Stream Project.” *Daily News Bulletin*, published on November 26, 2008,

<http://search.proquest.com/docview/456212894?accountid=13802>.

Legro, Jeffrey W. and Andrew Moravcsik. “Is anybody still a realist?” *International Security* 24 (1999): 5–55.

Leonard, Mark, Nicu Popescu, and European Council on Foreign Relations. *A power Audit of EU-Russia relations*. Vol. 9. London: European Council on Foreign Relations, 2007.

Lessat, Jürgen. “Offene Türen Für Kohlelobbyisten,” *Kontext: Wochenzeitung*, published on December 4, 2013.

Liuhto, Kari (ed.). *The EU-Russia Gas Connection: Pipes, Politics and Problems*, Publications of Pan-European Institute, Turun Yliopisto, Finland, 2009.

Lobby Control, “Cairo Koch-Weser,” accessed February 6, 2017,
https://lobbypedia.de/wiki/Caio_Koch-Weser#cite_note-7.

Lobby Control, “Gerhard Schröder,” (accessed January 13, 2017)
https://www.lobbypedia.de/wiki/Gerhard_Schr%C3%B6der#cite_note-13. Available at
<http://www.manager-magazin.de/magazin/artikel/a-680306-9.html>.

Lobby Control, “Hans Martin Bury,” https://www.lobbypedia.de/wiki/Hans_Martin_Bury,
(accessed January 17, 2016).

Lobby Control, "Joschka Fischer" Spiegel Online, "Neuer Nebenjob Joschka Fischer berät BMW," published on September 20, 2009, <http://www.spiegel.de/wirtschaft/neuer-nebenjob-joschka-fischer-beraet-bmw-a-650160.html>.

Lobby Control, "Seitenwechsel,"

https://lobbypedia.de/wiki/Revolving_door#Forderung:_Nachbesserungen_am_Karenzzeit-Gesetz, (accessed February 2, 2017).

Lobby Control, "Wolfgang Clement," https://www.lobbypedia.de/wiki/Wolfgang_Clement.

"Lobbyisten im Auswärtigen Amt," *Lobbypedia*, (accessed January 16,

2017)http://www.lobbypedia.de/index.php/Lobbyisten_im_Ausw%C3%A4rtigen_Amt#.ON, (accessed December 2, 2016).

Lobby Facts, "BASF SE." Retrieved from

<https://lobbyfacts.eu/representative/233d1859a1304ddba9ba66f9d18ea994/basf-se>.

Accessed May 10, 2017.

Lobby Facts. "E.ON SE,"

<https://lobbyfacts.eu/representative/59cc70ceef7a4b139e39f53564314590/e-on-se>,

(accessed May 10, 2017).

Lucas, Edward. "Putin's Pipeline to Power as Russia Forces us Into a New Cold War, Edward

Lucas Warns that Dollars and Energy, not Weapons and Missiles, Give it the Upper Hand," *The Daily Telegraph*, published on Aug 30, 2008,

<https://search.proquest.com/docview/321610156?accountid=13802>.

Ludger, Helms (ed.). *Institutions and institutional change in the Federal Republic of Germany*,
New York: Macmillan Press Ltd, 2000.

Mansfield, Edward Deering. *Power, Trade, and War*, Princeton, NJ: Princeton University
Press, 1994.

Medetsky, Anatoly. "Officials Tout Energy Successes." *The Moscow Times*. June 19, 2007.
Retrieved May 15, 2017. www.lexisnexis.com/hottopics/inacademic.

"Medvedev Makes Germany a Top Priority," *The Moscow Times*, published on May 15, 2008.
<https://search.proquest.com/docview/427393149?accountid=13802>.

"Medwedjew Verspricht Europa Energiesicherheit," *Die Welt*, published on April 10, 2010.
<https://search.proquest.com/docview/335610453?accountid=13802>.

Meister, Stefan. "An Alienated Partnership: German-Russian Relations After Putin's Return,"
FIIA Briefing Paper, Helsinki: Finnish Institute of International Affairs, 2012.

"Merkel described the conditions for lifting the sanctions to Russia," May 2, 2017. Retrieved
May 19, 2017. <http://www.vesti.ru/doc.html?id=2883948>

Michael Akinchenko, "Nord Stream" is on full power," *1tv.Ru*, October 8, 2012. Retrieved May
17, 2017. Translated by Marina Pisklenova. [https://www.1tv.ru/news/2012-10-08/85292-
severnyy_potok_zarabotal_na_polnuyu_moschnost](https://www.1tv.ru/news/2012-10-08/85292-severnyy_potok_zarabotal_na_polnuyu_moschnost)

Middendorf, Sandra. "Wer lenkt die Lobbyisten?" *Pr Magazin*, published on July 2011,
<http://www.prmagazin.de/meinung-analyse/hintergrund/wer-lenkt-die-lobbyisten.html>.

Morgenthau, Hans Joachim. *Politics among nations*. Vol. 4. New York: Knopf, 1948.

“Most Germans support tougher sanctions against Russia” *Germannews.ru*, July 28, 2014.

Retrieved May 19, 2017. <http://www.germannews.ru/obschestvo/996-bolshinstvo-nemtsev-podderzhivaet-uzhestochenie-sanktsiy-v-otnoshenii-rossii.html>

Network Search. “Transparenz und eine kritische Öffentlichkeit schaffen!” accessed December 2, 2016, <https://netzwerkecherche.org/blog/transparenz-und-eine-kritische-oeffentlichkeit-schaffen/>.

Netzwerk Research, “Macht ohne Mandat,” Accessed December 2, 2016.

<https://netzwerkecherche.org/blog/macht-ohne-mandat/>.

Nord Strom AG. “Facts About the Natural Gas Pipeline Across the Baltic Sea,” Issue 7 (August 2008), <https://www.nord-stream.com/press-info/library/?pk=45>, (accessed October 25, 2016).

Nord Stream AG 2. “Nord Stream 2: New Pipeline for Europe’s Energy Future,” (document date February 2016), <https://www.nord-stream2.com/project/pipeline/>, (accessed September 26 2016).

Nord Stream AG. “Nord Stream Route,” <https://www.nord-stream.com/press-info/images/nord-stream-route-with-legend-2888/>, (accessed September 1, 2016).

Nord Stream AG. “Secure Energy for Europe: The Nord Stream Pipeline Project,”

http://www.nord-stream.com/media/documents/pdf/en/2014/04/secure-energy-for-europe-full-version_245_20140417.pdf, (accessed December 18, 2016).

Nord Stream AG. "Nord Stream Espoo Report: Annex National EIA Summary-Germany,"

(document date February, 2009), [https://www.nord-stream.com/press-](https://www.nord-stream.com/press-info/library/?q=&type=&category=&country=12)

[info/library/?q=&type=&category=&country=12](https://www.nord-stream.com/press-info/library/?q=&type=&category=&country=12), (accessed December 9, 2016).

"Nord Stream Passes Ships and Bombs," *The Moscow Times*. Bloomberg, (May 4, 2011).

Accessed April 25, 2017. <https://themoscowtimes.com/articles/nord-stream-passes-ships-and-bombs-6757>.

"Nord Stream – The New Gas Supply Route for Europe," The Nord Stream Pipeline Project:

Fact Sheet (document date August 2016), accessed April 26 2017, <https://www.nord-stream.com/the-project/pipeline/>.

"Nord Stream – The New Gas Supply Route for Europe." Nord Stream's Twin Pipelines: Part of the Long-Term Solution for Europe's Energy Security, (published in August, 2016)

<https://www.nord-stream.com/press-info/library/?q=nord+stream+2&page=6>, (accessed September 23, 2016).

"Nord Stream Europe is already profitable," *bfm.ru*. October 7, 2012. Retrieved May 18, 2017.

<https://www.bfm.ru/news/195536>

"North European gas pipeline- a unique energy bridge to Europe," *Maritime Market*, no. 1 (19),

2007. Retrieved May 17, 2017. Translated by Marina Pisklenova.

<http://www.maritimemarket.ru/article.phtml?id=182>

Orban, Anita. *Power, energy, and the new Russian imperialism*. Westport: ABC-CLIO, 2008.

Olga Mischenko , “Poll: Almost 40 percent of Germans agree to recognize Crimea as part of Russia,” *Deutsche Welle*, November 24, 2014. Retrieved May 19, 2017.

<http://bit.ly/2rrUIQ3>

Olson, Mancur. *The Logic of Collective Action*. New Haven: Yale University Press, 1965.

Paillard, Christophe-Alexandre. “Russia and Europe’s Mutual Energy Dependence.” *Journal of International Affairs* 63 (2010): 65–84.

Perovic, Jeronim, Robert Orttung, Andreas Wenger (ed.). *Russian Energy Power and Foreign Relations: Implications to Conflict and Cooperation*, London: Routledge, 2009.

Petersen, Alexandros. “The Molotov-Ribbentrop Pipeline,” *Wall Street Journal*, published on November 10, 2009, <https://search.proquest.com/docview/308782579?accountid=13802>.

“Poles Wary of Nord Stream Pact,” *GlobalPost*, published on Jan 03, 2010, <http://search.proquest.com/docview/238525409?accountid=13802>.

“Polish Officials Said Surprised at Sweden’s Approval for Russian Pipe Project,” *BBC Monitoring European*, published on November 21, 2009, <http://search.proquest.com/docview/459536870?accountid=13802>.

Proedrou, Fillipos. *EU Energy Security in the Gas Sector: Evolving Dynamics, Policy Dilemmas and Prospects*. Farnham: Ashgate Publishing Ltd., 2013.

Putnam, Robert D. “Diplomacy and Domestic Politics: The Logic of Two-level Games,” *International organization* 42 (1988): 427–460.

- Rahr, Alexander. "Germany and Russia: A Special Relationship," *Washington Quarterly* 30 (2007): 127–145.
- Remnick, David. *Resurrection: The Struggle for Russia*, New York: Random House, 2000.
- Roberts, Geoffrey K. *German politics today*, Oxford, UK: Oxford University Press, 2013
- Roscher, F. "Eine Pipeline durch die Ostsee," *Welt Am Sonntag*, published on November 02, 2008, <https://search.proquest.com/docview/241571923?accountid=13802>.
- Röttger, Meike. "Ministerien halten Tausende Stellungnahmen von Lobbyisten unter Verschluss," *Abgeordnetenwatch.de*, published on November 25, 2016, accessed December 2, 2016, <https://www.abgeordnetenwatch.de/blog/2016-11-24/ministerien-halten-tausende-stellungnahmen-von-lobbyisten-unter-verschluss>.
- Russett, Bruce and John R. O'Neal, "Triangular Peace: Democracy, Interdependence, and International Organizations," *Capsule Review* (2001), <https://www.foreignaffairs.com/reviews/capsule-review/2001-05-01/triangulating-peace-democracy-interdependence-and-international>.
- "Russia Needs to Build Nord Stream Pipeline to Win "Gas War." *BBC Monitoring Former Soviet Union*. April 2, 2009. Retrieved May 17, 2017. <http://search.proquest.com/docview/460455168?accountid=13802>.
- "Russia, Germany Back Nord Stream Pipeline," *UPI NewsTrack*, published on October 15, 2007, <https://search.proquest.com/docview/468777849?accountid=13802>.

“Russia/Germany: Russia, Germany Reach Agreements on Economic Issues,” *Asia News Monitor*, published on August 17, 2009,

<https://search.proquest.com/docview/1027226702?accountid=13802>.

“Russia and Germany have agreed on the construction of the third branch of “Nord Stream,” *Gazeta.ru*, July 19, 2011. Retrieved May 18, 2017.

https://www.gazeta.ru/news/business/2011/07/19/n_1930617.shtml

“Russian Minister Calls on Nord Stream Project Members Not to “Politicize” “It.” *BBC Monitoring Former Soviet Union*. December 18, 2007. Retrieved May 17, 2017.

<http://search.proquest.com/docview/460493934?accountid=13802>.

Saalfeld, Thomas. “Germany: Bundestag and Interest Groups in a ‘Party Democracy’,” in *Parliaments and pressure groups in Western Europe*, edited by Philip Norton, London: Frank Cass, 1999.

Sam Savage, “Gazprom Gets Its Business Partners to Lobby for It in Europe.” *RedOrbit*. July 27, 2008. Retrieved May 17, 2017.

http://www.redorbit.com/news/business/1497299/gazprom_gets_its_business_partners_to_lobby_for_it_in/

Sarcinelli, Ulrich. *Politische Kommunikation in Deutschland. Zur Politikvermittlung im demokratischen System*, Wiesbaden: VS Verlag, 2009.

Sally, Derek. "Russia Offers to Help Clean Up Baltic," *Irish Times*, published on February 11, 2010, <http://search.proquest.com/docview/309226472?accountid=13802>, (accessed November 4, 2016).

Schattschneider, Elmer Eric (1960). *The Semisovereign People: A Realist's View of Democracy in America*. New Haven: Yale University Press.

Sebaldt, Martin, "Interest Groups: Continuity and Change of German Lobbyism since 1974." In *Institutions and Institutional Change in the Federal Republic of Germany*, (New York: Macmillan Press Ltd 2000).

Simon, Johnson. "Nord Stream Pipeline Gets Nod from Sweden, Finland," *Reuters*, published on November 5, 2009, <http://www.reuters.com/article/us-nordstream-idUSTRE5A44FK20091105>, (accessed November 3, 2016).

Siobhan, Hall and Elliott Stuart. "Platts Guide to Nord Stream 1 and 2 Gas Pipeline Projects," published on May 6, 2016, www.platts.com/natural-gas, (accessed October 6, 2016).

Spiegel Online, "Deutsche Bank- Kirsch setzt Ermittlungen gegen Ackermann Durch," published on March 7, 2008, (accessed February 6, 2017).
<http://www.spiegel.de/wirtschaft/deutsche-bank-kirsch-setzt-ermittlungen-gegen-ackermann-durch-a-540231.html>.

Spiegel Online, "Gasprom-Bürgschaft- Neue Ermittlungen gegen Koch-Weser," published on July 7, 2006, <http://www.spiegel.de/spiegel/print/d-47602958.html>, (accessed February 6, 2017)

- Spiegel Online, "Neuer Nebenjob Joschka Fischer berät BMW," published on September 20, 2009, <http://www.spiegel.de/wirtschaft/neuer-nebenjob-joschka-fischer-beraet-bmw-a-650160.html>.
- Steiner, Eduard. "Das Stockende Unterwasserprojekt," *Welt Am Sonntag*, published on June 15, 2008, <https://search.proquest.com/docview/241516705?accountid=13802>.
- Stratmann, Klaus. "Atomforum findet neuen Cheflobbyisten," *Handelsblatt.de*, published on April 15, 2010, <http://www.handelsblatt.com/unternehmen/management/ralf-gueldner-atomforum-findet-neuen-cheflobbyisten/3412060.html>.
- Sühlsen, Kathrin, "Lobbying the 'Energiewende'. Assessing the effectiveness of strategies to promote the renewable energy business in Germany," *Energy Policy* 69 (2014): 316–325.
- Sühlsen, Kathrin, and Matthijs Hisschemöller. "Lobbying the 'Energiewende'. Assessing the effectiveness of strategies to promote the renewable energy business in Germany," *Energy Policy* 69 (2014), Science Direct, (accessed January 4, 2017).
- Speth, Rudolph. *Lobbying in Germany*. Translated by: Lingua-World GmbH. Berlin: Transparency International Deutschland e. V., 2014.
- Svyatets, Ekaterina. *Energy Security and Cooperation in Eurasia: Power, Profits and Politics*, Abingdon, Oxon: Routledge, 2016.
- Svyatets, Ekaterina "Russia-Germany energy cooperation" in *Energy Security and Cooperation in Eurasia: Power, Profits and Politics* (Abingdon, Oxon: Routledge, 2016), 110. In

- Ispolnova, Daria. "Ot VTB s Lyubovyu." *Gazeta.Ru*. February 12, 2009. Available at <https://www.gazeta.ru/financial/2009/02/12/2941393.shtml>
- Slovak Journal of Political Sciences* 16 (2016): 60–85.
- The Associated Press. "Putin: Successor Nationalist," *Telegraph - Herald*, published on March 09, 2009, <https://search.proquest.com/docview/368874395?accountid=13802>.
- "The gas pipeline "Nord Stream," *Vesti.Ru*, July 14, 2009. Retrieved May 17, 2017. Translated by Marina <http://www.vesti.ru/doc.html?id=301683>
- Thieme, Matthias. "Die Atomlobby unterwandert Universitäten," *Frankfurter Rundschau*, published on November 2, 2011, <http://www.fr-online.de/wirtschaft/stiftungsprofessuren-die-atomlobby-unterwandert-universitaeten,1472780,11089362.html>, (accessed December 27, 2016).
- Tichý, Lukáš. "The EU Integration Discourse in the Energy Relations with Russia."
- "Together pipe. Why is the US so concerned about Nord Stream 2?" *aif.ru*, May 5, 2016. Retrieved May 18, 2017. http://www.aif.ru/money/economy/vmeste_protiv_truby_pochemu_ssha_tak_volnuet_sev_ernyy_potok-2
- Tönjes, Christoph. "Duits energiebeleid in 2007." *Internationale Spectator* 61 (2007): 30–33.
- Transparency International Germany, "Transparency Germany Calls for a Policy of Integrity: Consequences of the Wulff Scandal," published on February 21, 2012,

<https://www.transparency.de/2012-02-21-Integritaetsoffensi.2063.0.html?&contUId=4388>.

Transparency Register, “Wintershall Holding GmbH,”

<http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=75729476306-17>, (accessed December 18, 2016).

Tsygankov, Andrei P., and Pavel A. Tsygankov. “National ideology and IR theory: Three Incarnations of the ‘Russian idea’,” *European Journal of International Relations* 16 (2010): 663–686.

URENCO Ltd. “Is a Nuclear Fuel Company Operating Several Uranium Enrichment Plants in Germany, the Netherlands, United States, and United Kingdom,” *Wikipedia*, (accessed February 8, 2017).

Verhoeff, Ema C. and Arne Niemann. “National preferences and the European Union presidency: The case of German energy policy towards Russia,” *JCMS: Journal of Common Market Studies* 49 (2011): 1271–1293.

Vieira, Estela. *Gazprom and the Russian Economic Diplomacy Towards the EU: Blurred Frontiers Between the Company and the State*. Working Papers, Centro de Estudos da População, Economia e Sociedade (CEPES), 2012.

“Visiting Polish Premier Speaks of ‘Revitalization’ of Ties with Russia,” *BBC Monitoring European*, published on February 08, 2008,
<http://search.proquest.com/docview/459321178?accountid=13802>.

Vitaly Loukashov, "Nord Stream": a technical masterpiece and sign partnership," *Vesti.Ru*, October 8, 2012. Retrieved May 17, 2017. Translated by Marina Pisklenova.

<http://www.vesti.ru/doc.html?id=927561&cid=7>

Walker, Marcus (in Berlin), Alessandra Galloni (in Paris) and Guy Chazan (in London). "EU is Divided Over Best Actions to Punish Russia," *Wall Street Journal*, published on Aug 29, 2008, <https://search.proquest.com/docview/308773399?accountid=13802>.

Ward, Andrew. "Sweden and Finland Clear Nord Stream Plan," *Financial Times*, published on November 6, 2009.

Wendt, Alexander. *Social theory of international politics*. Cambridge, UK: Cambridge University Press, 1999.

Weinthal, Benjamin. "German Ex-Chancellor Schroder's Teheran Visit Kicks Up a Storm. Jewish Groups Slam Trip; Social Democrat Says He Opposes Sanctions," *Jerusalem Post*, published on February 22, 4. 2009, <https://search.proquest.com/docview/319680131?accountid=13802>.

Whist, Bendik Solum. *Nord Stream: Not Just a Pipeline*, Fni Report, Lysaker, Norway: Fridtjof Nansen Institute, 2008.

White, Gregory L., David Crawford and Thomas Catan. "Putin Threatens to Scrap Pipeline," *The Wall Street Journal Asia*, published on November 14, 2008, <https://search.proquest.com/docview/315657643?accountid=13802>.

- Wille, Joachim. "Kritik am neuen Umweltminister: Den Bock zum Gärtner gemacht," *Frankfurter Rundschau*, published on December 1, 2009, <http://www.fr-online.de/politik/kritik-am-neuen-umweltminister--den-bock-zum-gaertner-gemacht-,1472596,3278770.html>.
- Wintershall, <https://www.wintershall.com/company/about-us/core-regions.html>, (accessed December 27, 2016).
- Witte, Jan Martin and Andreas Goldthau. "Back to the Future or Forward to the Past? Strengthening Markets and Rules for Effective Global Energy Governance," *International Affairs* 85 (2009): 373–390.
- Wohlforth, William C. "Realism and Security Studies," in *Liberalism*, ed. Myriam Dunn Cavelty and Victor Mauer, New York: Routledge, 2010.
- Wohlforth, William C. *The Elusive Balance: Power and Perceptions During the Cold War*, New York: Cornell University Press, 1993.
- Wolff, Reinhard. "Merkel wirbt für die Ostsee-Gaspipeline," *The daily newspaper*, published on August 25, 2008, <https://search.proquest.com/docview/434372602?accountid=13802>.
- Yergin, Daniel. *The quest: energy, security, and the remaking of the modern world*, New York: Penguin Books, 2011.
- Yin, Robert K. *Case study research: Design and methods*. London: Sage publications, 2014.
- Zeyno, Baran. *Lithuanian Energy Security: Challenges and Choices*, Washington: Hudson Institute, 2006.

Zakaria, Fareed. *From Wealth to Power: The Unusual Origins of America's World Role.*

Princeton, NJ: Princeton University Press, 1999.