

THE PRESSURE GROUPS RELATIONSHIP IN THE ROMANIAN ENERGETIC SECURITY PROBLEM

COSMIN GABRIEL PACURARU¹

Abstract

Romania and the European Union started to accord serious attention to energetic security for just a few years. Although the United States warned the European states that they can become energetically dependent of USSR and later Russia, these ignored the national security.

In 2004, with Traian Basescu's rise to power, we can say that Romania elaborated a serious energetic policy, which is updated in accord with the growing changes that intervene on the gas market and in a geopolitical context.

Key Words: *energy, strategy, legislation, alternative sources, securitized subject*

Introduction

The energetic security is an annalistic theme that has existed for approximately ten years in the spotlight of the institutions in the domain, of the European Commission's administrative states, even though in the 60s commercial contracts of exchange with the natural gas subject were signed. The subject became of increasing importance due to the fact that observations were made about a correlation between the supply transport of raw materials and the political and economical advantages won by those who uphold the raw materials and transport. The dynamics between the economic and political international relations make the energetic security to be "Subject of the Day" more and more often on the European agenda.

Romania approached the energetic security as a matter of national security starting with 2005, in parallel with the change of power and its implication in the European plans for the research of alternative options of energy supply. Unfortunately, only the Supreme Council of Defense and the Romanian President are the centers of focus that decided the national security strategy in the energetic domain.

Traian Basescu secured the energetic security subject, becoming the only person to introduce the subject in the public agenda, and the only person to come up with initiatives. We appreciate the President's efforts, but we think that only one approach is not sufficient and we also think that the existence of more than one center would bring more value to the documents elaborated by the Romanian state. Also, the existence of few documentation possibilities and of few annalistic works confirms the necessity of more implication in the domain.

Studying official documents, press releases, interviews with actors, personalities from the diplomatic, business and administration domain, literature of specialty or complementary, studies realized by organizations in the domain and of the information obtained by the press, can bring us to form a number of conclusions about the connection between the gas prices and Russia's relations with the important states.

International relations fluidity in the last decades

The last 30 years brought drastic changes in international politics. The fall of the Communist Block and the Soviet Union brought a reconfiguration in the influential spheres. A large number of

¹ Journalist, retreated in communication, and PR. From 2008, he manages the website www.sigurantaenergetica.ro. He is now a Ph. D. Candidate at UBB Cluj with his work "Romania's energetic security in European context" (email: cosmin_pacuraru@yahoo.com).

east-European states in the influential sphere reoriented to the North Atlantic Treaty and the West European poles. With little effort, these countries were welcomed in the newly configured European Union. After a short period, the newly formed Russian Federation, after reconfiguring the internal politics, was experiencing an economic boom. This brought to the comeback of strong friendships and the elaboration of foreign policies through which states the comeback of the old economic and political influential zones². In today's situation and using the only reliable instrument, the energetic weapon³, adapting the American policies from the 50's – 60's, brought to Latin America and the Middle East, Russia created new vassals.

From the 60's, USSR wished that European states should become dependent of the energetic resources that it detains. The first big economic contracts that stated the construction of gas pipes for Germany, Austria, Italy, and France were signed at that period of time, in exchange for technology and money. Although the CIA warned the Common Market countries of the risks of becoming dependent of Siberian gas⁴, its administrations signed contracts under the pressure of the large multinational companies. After years, we found that the dual speech of the 4 European states (GFR, France, Italy, and Austria): On one hand they were criticizing the USSR for its policies in Afghanistan and Poland, and for its arms policies and the fact that they disobeyed the human rights, but on the other hand, they were encouraging the large corporations to sign contracts with the USSR and to provide technology (which was under American license and broke every embargo).

In 1991, the Soviet Union left the newly founded state an inheritance of 160.000 km of pipe systems, 350 compression centers and dozens of gas storage reservoirs. The most important resources were left to Russia (80%), but over a third of the pipelines were in Ukraine (32.000 km) which realized the export to the west (100 billions of cubic meters per year).

Vladimir Putin's rise to power represented a reconfiguration in the Russian foreign policies taking in account the fact that the old tsarist and soviet principles were adapted for the 21'st century. The "European energetic pliers" strategy was perfected with the North Stream and South Stream components that today are realized in northern Europe, South Stream being in the unfunded project state because of the International crisis. The directory lines of the new foreign Russian policies can be concluded in:

1. European Union countries should become more dependent of Russian gas
2. Gigantic investments in pipelines
3. Market diversification by extending its exports to China
4. Growing the transport capacity from the ex-USSR countries: Turkmenistan, Uzbekistan, and Azerbaijan to the west
5. Creating intermediary firms in the west European states which would deal with gas imports.
6. Gazprom's association with "old business partners" in a number of firms.
7. Complete acquisition or shareholding national companies for transport and distribution of gas, for railway producers for extraction and gas transport industries, or for infrastructure firms (communications, railway transport, etc.) from as many European countries, especially in the EU in exchange for a smaller gas price.

² Detinguy, Annde - Moscow and the rest of the World, The Ambition for Greatness: An Illusion?, Bucharest, "Minerva" Publishing, 2008, 8

³ Ibidem, 187

⁴ Ougartchinska, Roumiana; Carre, Jean Michel - Gas Wars- The Russian Threat, Timisoara, "Antet" Publishing, 2008, 39

We can observe that all these directions can be found in the actions of the foreign Russian politics in the last 10 years. If we analyze every detail we can affirm that European countries are very dependent of Russian gas, as shown in the chart below.

Chart: The European Union countries' dependency of Russian gas

Country	Dependency rate
Bulgaria	100%
Slovakia	100%
Finland	100%
Estonia	100%
Letonia	100%
Greece	100%
Denmark	100%
Belgium	100%
Lithuania	100%
Austria	75%
Czech Republic	75%
Hungary	75%
Poland	67%
Romania	52%
Slovenia	51%
Germany	42%
Italia	33%
France	23%
Holland	12%

Non EU countries

Serbia	100%
Croatia	88%
Turkey	76%
Switzerland	12%

Sources: Eurostat- 2007 report, CRS- Congress Report- the European Union's Energy Security Challenges, 2008, ECFR – Beyond dependence, 2009

Taking in consideration the investments made by Russia with its partners, the major projects finished: Bleu Stream with 3.2 billion dollars, having stockholders Gazprom, ENI, and Botas, and North Stream with 8.8 billion euros (Gazprom 51%, BASF SE 15.5%, and Gasunie and GDF SUEZ each with 9% of the actions), we can conclude that Russia realized with success a big part of what it proposed in 2001. We can add to this operation that at the beginning of 2006, a contract was signed that foresaw 2 gas transport route; one to China, parallel to the Pacific coast already being used, and one route that passes through western Mongolia and is still under construction.

The legislation overlooking Romanian policies in energetic security

Energetic security is a subject recently appeared on the Romanian authorities' work agenda. In 1998, the CDR governing adopted a Government Ordinance (GO 52/ 1998) overlooking at Romania's defense strategy, which was transformed into a law in 2000 (law 63/ 2000) in which the

Romanian President's obligation is set to realize the National Security Strategy of Romania (NSSR) and to present for approval in front of the Parliament⁵. As said in article 5: "Romania's national security strategy includes: defining its own security interests and objectives, evaluating the foreign security environment, identifying the risk factors in the national and international environment, the ways of action and the main means for assuring Romania's national security. The strategy has an evaluation horizon on a 4 year term and a long term perspective including the estimation of Romania's assigned resources to achieve its security and defense objectives. The first strategic security plan was adopted in 2001." This was modified through Law 473/2004⁶ and is complete because Article 2 defines "The defense planning domains are: a) planning the force; b) planning the armament; c) planning the resources; d) logistics planning; e) command, control, and communication planning; f) civilian emergency planning."

The first National Security Strategy was elaborated in 2002. In this no element reminding the energetic problem appears but it is said that risks can appear from entities or groups from the inside of a state that is orienting its actions in threatening other states.

Until 2006, Romania did not elaborate a separate chapter destined for energetic security in the National Security Strategy. After Traian Basescu's rise to power and his prime-minister Calin Popescu Tariceanu, more and more analysis were achieved and elaborated studies that were at the foundation of the new security strategy, including energetic, successively elaborated in all these years. We can affirm that the adherence debt to the European Union and NATO, foreign political exchanges of Russia, Ukraine, European Union and its component states, EU water body access countries, Turkey and the Caspian states in the Middle East, Romania was obligated to review a few times its energetic strategy.

In 2007, the "Tariceanu government" elaborated a document that exclusively refers to this domain for the 2007-2020 period: ROMANIA's ENERGETIC STRATEGY FOR THE 2007-2020 PERIOD⁷.

The directory lines that define the future energetic strategies are: energetic security growth by insuring the necessary energetic resources and limiting the dependency of imported energetic resources, diversification of import sources (energetic resources and their transport routes), growing the adequacy level of national transport routes of electric energy, natural gas, and petrol, energetic efficiency growth, promoting energy production using alternative sources, developing competing markets in electric energy, natural gas, petrol, uranium, green certificates, greenhouse effect gas emission certificates and energetic services, liberating energy transit and assuring permanent and anti-discriminatory of market and transport routes participants, international distribution and interconnection, continuing the restructuring process and privatization in electric energy, thermal energy, and natural gas sectors⁸.

⁵ „*Legea 63/2000 pentru aprobarea Ordonanței Guvernului nr. 52/1998 privind planificarea apărării naționale a României*”, *site de legislație românească*, <http://www.jurisprudenta.com/lege/lege-63-2000-6v622/> Art.

⁶ „*Legea Nr. 473 din 4 noiembrie 2004 privind planificarea apărării*”, *site-ul Ministerului Apărării*, http://www.mapn.ro/diepa/planificare/legea_473_2004.htm

⁷ „*Strategia Energetică a României pentru perioada 2007 – 2020*”, *site-ul Centrului pentru promovarea energiei curate și eficiente în România* - <http://www.enero.ro/doc/STRATEGIA%20ENERGETICA%20A%20ROMANIEI%20PENTRU%20PERIOADA%202007-2020.pdf>

⁸ *Strategia Energetică a României pentru perioada 2007 – 2020*, *site-ul Centrului pentru promovarea energiei curate și eficiente în România* - <http://www.enero.ro/doc/STRATEGIA%20ENERGETICA%20A%20ROMANIEI%20PENTRU%20PERIOADA%202007-2020.pdf>

In Prime Minister Emil Boc's Governing Program, there is a chapter 17⁹ that deals with Energy and Mineral Resources. Comparing this document with "Romania's Energetic Strategy for the 2007-2020 period, we can affirm that nothing new is added.

Beginning with 2008 new elements appeared that boosts the production of alternative energy in the Romanian legislation (continuation of the EU Directive 2001/77/CE)¹⁰. In 2001, the Minister of Economy, Commerce, and Business Environment along with the National Authority for Regulation in the Energetic Domain showed in a public debate a draft entitled "Energetic strategy elements for the 2011- 2035 period- Strategic directions and objectives in the electric energy sector"¹¹. This specifies "Romania's energetic policy should be correlated with similar documents existent on a European level to assure the convergence of our country's policy with the European Union's one in the domain."¹²

We can affirm that the Romanian Parliament does not dispose of experts in the energetic security problems, resulting that the Romanian legislation is not coherent in the domain, just in the Government's proposals, having at its foundations the National Security Strategy, the Governing Program, and the European Union's Directives and Regulations.

Analyzing and comparing NSSR, the Government's Program and energetic strategy elaborated by the Minister of Economy, we can conclude that these are elaborated by a single group of experts because they are almost identical. This group's uniqueness can bring wrong interpretations of the processed dates, implicitly at the elaboration of strategies, policies, laws and erroneous legislative proposals.

Romanian pressure groups and the energetic problem

In the Government before 2004, no politician or political party stood out through a discourse in which the energetic problem is underlined. We can remember two actions: in the communist period, an independence from the USSR was tried, by building hydro-electric power plant and coal, petrol, and natural gas power plants, and beginning the atom-electric power plant in Cernavoda. The Adrian Nastase Government privatized 51% of PETROM, a national company of oil extraction and processing which contributes to 66% of the national natural gas production¹³, to the Austrian company OMV. This means that Romania cannot make a decision over the production, distribution and fuel price policies found in Romania's soil. We have to mention that the Austrian legislation allows residential firms not to declare its shareholding¹⁴. If no Russian corporation is a shareholder in OMV¹⁵ (not being able to find the shareholding component for 48.1% that transacts freely), OMV and Gazprom are old business partners and together are important shareholders in large European energetic companies, with strategic importance being Central European Gas Hub (both with 30%,

⁹ "Strategia de Guvernare, Cap. 17 Energie si resurse minerale – site-ul Guvernului Romaniei: http://www.gov.ro/capitolul-17-energie-si-resurse-minerale_11a2074.html

¹⁰ "Legea nr. 220/2008 pentru stabilirea sistemului de promovare a producerii energiei din surse regenerabile de energie" – site-ul Avocat.net; http://www.avocatnet.ro/content/articles/id_13709/p_2/3.html

¹¹ "Elemente de strategie energetică pentru perioada 2011 – 2035 - Direcții și obiective strategice în sectorul energiei electrice, DRAFT I; http://www.minind.ro/anunturi/strategia_energetica_20112035_20042011.pdf

¹² Minister of Economy, Commerce, and Business Environment- Strategic energy Element Draft for the 2011- 2035 period- Strategic directions and objectives in the electric energy sector, page 3

¹³ "Cat de tare putem sa ne suparam cu Rusia – Cosmin pacuraru" – site-ul dedicat securitatii energetice; <http://www.sigurantaenergetica.ro/wp-content/uploads/2009/05/Cat-de-tare-ne-permitem-sa-suparam-Rusia.doc> page 4

¹⁴ KUPCINSKY, Roman - GAZPROM'S EUROPEAN WEB, Jamestown, Jamestown Foundation Library, 2009, page 18

¹⁵ "OMV Group – shareholders structure" – OMV.com http://www.omv.com/portal/01/com/!ut/p/c4/04_SB8K8xLLM9MSSzPy8xBz9CP0os3gDf1OLQC9HZyNXA3dPD18PN19DAwjQD07N0y_IdlQEANNJ1nE/

Weiner Borse and Centrex Europe Energy and Gas AG with 20%, but Centrex is controlled 50% by Gazprom)¹⁶. Central European Gas Hub wishes to be “Europe’s gas scholarship”, a place where transactions take place and Russian imported gas prices are set. In other words, Gazprom has access to any information regarding PETROM and can stop any efforts to import gas from the Middle East or the Caspian Sea area¹⁷. Remarkably, nobody opposed to that privatization, even the opposition voted in Parliament the privatization contract. Analyzing the SNP assets in the privatization day¹⁸, we can conclude that Romania’s energetic security was put in danger. Other aspects of the privatization contract’s legalities are found in the Senatorial Investigation Commission Report with the purpose of investing PETROM’s privatization and in SRI’s informational Note “Landmarks of SNP Petrom’s privatization” both in 2007¹⁹.

In 2006 though, after the first gas crisis generated by Ukraine, President Traian Basescu brought in his discourse the injustice of PETROM’s privatization contract, this speech being used by all the MPs in power at that time (The Alliance for Truth and Rightfulness formed by PNL and PD), which generated the reports mentioned earlier. The subject is being debated even in 2011, when the Romanian Senate instituted an investigation committee that analyzes the contract’s post-privatization ongoing. Also, Prime Minister Emil Boc declares in May 2011 that “PETROM’s privatization represents a threat to our nation’s security”²⁰.

Another subject overlooking the national security theme is represented by alternative natural gas resources. This way, President Traian Basescu affirmed in 2006-2010 that one of Romania’s priorities is to develop the Nabucco project. Because of the misunderstandings between the governments of the participating countries at this project, the firms that enter as stockholders in the company²¹ that wishes to carry out this project, President Traian Basescu iterated project AGRI as the main target²², which according to Energy Global publication analysts, could stop Nabucco²³. According to the Romanian Foreign Ministry website, both of the projects are on the priorities list of the Romanian Government²⁴.

Traian Basescu launched the phrase “smart boys mafia of energy”, which was immediately used by the press.

Another important actor is the press and should have the role of information distribution in society and to fine or to legitimate the political actions and decisions. Unfortunately, in the last 10 years, we can affirm that the Romanian press unprofessionalized and is subordinated to the patron’s interests. Three out of the 5 big press trusts had or has patrons implicated in energy transactions or

¹⁶ KUPCINSKY, Roman - GAZPROM’S EUROPEAN WEB, Jamestown, Jamestown Foundation Library, 2009, page 19

¹⁷ Kupcinsky, Roman – gazprom’s European Web, Jamestown, Jamestown Foundation Library, 2009, page 19

¹⁸ Senatorial Investigation Commission Report with the purpose of investing PETROM’s privatization, page 3-4, www.lumeajustitiei.ro http://static.luju.ro/files/iulie/21/PETROM_Raportul_Comisiei_de_ancheta.mark.pdf

¹⁹ Romanian Information Services – note information http://static.luju.ro/files/iulie/21/PETROM_INFORMARE_SRI_pag.1_001_resized.pdf

²⁰ “SRR – political site – www.politicaromaneasca.ro” http://www.politicaromaneasca.ro/boc_privatizarea_petrom_un_atentat_la_siguranta_nationala-4387

²¹ “Shareholders of Nabucco Pipeline: http://www.nabucco-pipeline.com/portal/page/portal/en/company_main/shareholders_link

²² “Five companies bid for AGRI gas project study” – News.az <http://www.news.az/articles/economy/37113>

²³ AGRI project could sink Nabucco pipeline, Energy Global; http://www.energyglobal.com/sectors/pipelines/articles/AGRI_project_could_sink_Nabucco_pipeline.aspx

²⁴ “Dosare de actualitate – Securitatea energetica; Romanian Foreygn Ministry” <http://www.mae.ro/node/1602>

raw materials: Dan Voiculescu's Intact Trust, Sorin Ovidiu Vantu's Reality Media Trust, and Dinu Patriciu's Adevarul Trust. Also, these press trust proprietors are implicated in politics, Dan Voiculescu being the honorable president of the Conservative Party, Dinu Patriciu being considered an informal leader (in the last few years) of the National Liberal Party, and Sorin Ovidiu Vantu being in good relations with the Social Democratic Party's leadership. In various media analysis realized by professionals affirms that the Media Pro Press Trust is nobody's political partisan and the patron is not implicated in other patronages except for press. All these private press trusts have in their component influential economic publications, one of them holding a powerful press agency (Mediafax that is part of Media Pro). To all these, we can also add the media channels held by the state: TVR, SSR and Agerpres.

We can consider that besides influential economic publications (Ziarul Financiar, Financiarul, Bursa, Capital, Saptamana Finaciara, money.ro, econtext.ro, e-nergia.ro, focus-energetic.ro, businesslive.ro) that are read by the decision factors in the state and the private administrations, to which we can add the press agencies (Mediafax and Agerpres) we can enlist that the influential quality channels (Adevarul, Jurnalul, Gandul, Romania Libera, Evenimentul Zilei, zire.com si Hotnews.ro) and the news TV channels (Money Channel, Realiztatea, Antena 3, TVR Info). The problem is that very little of these journalist employees or collaborators specialized in the economic problem and even less in the energetic one and very little editorial managers understand the information in the domain. In other words, the role of these publications in pressuring the authorities is very small; the journalists remain to the approach of subjects tied with energy that has a social connotation, to rewriting of the press releases received and information management from press conferences. We can remark the fact that there are very rare press-releases regarding the firms that occupy with energy transaction.

This does not mean that the big energy firms do not realize, through media, public relations campaigns, which can sometimes affect national security. A concluding example is the GdF Suez case (gas distribution firm in the south-east of Romania) that in May 2011 carried a campaign of this sort that took place in Bucharest through letters addressed to the citizens and through purchasing unmarked advertising space in quality press and TV news channels. This campaign filmy guided²⁵ citizens to give up the centralizes heating system and to install individual apartment heating systems motivating that in the actual conjuncture, with the growth of gas prices, individual heating systems are more profitable. Knowing the fact that that in Bucharest live 15% of Romania's population and more that 10% of the homes are here, that individual heating systems are more expensive that centralized heating we can consider that GdF Suez's action to raise its profit through the growth of gas consumption constitutes a threat to the citizen's address and a threat to the energetic security.

Subject securitization in the energetic domain

Right above, we saw that the main actor in the energetic security is Traian Basescu. His securitization problems can be classified in order of the audience whom he addresses.

One subject is that of "corruption in the transaction system of electric energy". The addressed audience were officials from the Economy Ministry that facilitate these contracts disadvantageous to the Romanian state and the employees of institutions that specialize in the ability to document, research, and prepare criminal folders and from lawyers. Motivation is a better action in the

²⁵ „Piata romaneasca - invadata de oferte de centrale de apartament”, Adevarul newspaper; http://www.adevarul.ro/actualitate/Piata-romaneasca-invadata-centrale-apartament_0_63595098.html

management of national wealth and boosting the audience shown above and to act in this domain. The form that these subjects appeared in public debates is “discourse”.

The second subject is that of “supply of energy from alternative sources other than Russian ones”. The audience that is addressed with this theme is represented by decision factors in foreign and economic policies from EU states, countries on the coast of the Black Sea, and Russia. The subject’s motivation approach is to give a certain predicament in the future evolution of the foreign policies of Romania.

Even though certain roughness between the President and the press exist, it mostly took with objectivity the themes referring to the energetic security, not bothering them.

Conclusion

We conclude that the only credible political figure because of the messages in the energetic security problems are not distorted, and is the speaking tube of the national policies in the energetic security politics, is President Traian Basescu. From one point of view it is expected from the governing parties not to occupy advertising space on a subject approached by Traian Basescu. The fact is taking place because PDL, UNPR, and UDMR do not have members that are specialists in the domain or if these specialists exist, they do not wish to argue with the President.

The poorly understood fact is that the opposition does not have a point of view on these subjects. We are certain that at least ex-Ministers and state secretaries from the Ministry of Economy in which we add ex-directors from the ministry and the domain agents that have the expertise to formulate informed opinions, to criticize or praise today’s position taking in the domain. The explanation can be the following: the ones that withheld positions in past governments are marginalized by today’s heads of PNL and PSD that do not take part in the expertise and experience in the domain.

Analyzing Russia’s situation (where more centers of analysis and decision making exist) or Poland (European Union country) that invests and takes in consideration independent analysis centers (with Centre for Eastern Studies as an example) we can conclude that it is not recommendable that in a country with Romania’s energetic and geostrategic potential to exist a single group of experts to analyze and elaborate all documents referring to Romanian energetic strategies and one politician that approaches these subjects.

References

- Romania’s national security strategy
- European Union’s security strategy
- National strategy overlooking a durable economic development, MO 297/2000
- Miroiu Andrei, Ungureanu Radu Sebastian- International Relations Manual, “Polirom” Publishing, Iasi, 2006
- Sava, Ionel Nicu- Security studies; “Centrului Roman de Studii Regionale” Publishing, Bucharest, 2005
- Pr. Stern Jonathan - The Future of Russian gas and Gazprom, Centre of Strategic and International Studies, Washington DC, 2006
- Strumer, Michael- Putin and the New Russia, “Litera” Publishing, Bucharest, 2001
- De Tinguy, Anne- Moscow and the World, Ambition for greatness: An illusion?, Bucharest, “Minerva” Publishing, 2008
- Fuerea, Augustin- Guide to the European Union, “Univers Juridic” Publishing, Bucharest, 2004

- Geopolitics - The Asymmetry of energetic resources, Topform, 2008
- Hlihor, Constantin- Political security in the contemporary international environment, the Energetic Domain, "Institutul European" Publishing, 2008
- Ganga, Daniela-Paula- EU-Russia relationship, the Energetic Problem, "Institutul European" Publishing, Iasi, 2008
- Kupcinsky, Roman - GAZPROM'S EUROPEAN WEB, Jamestown, Jamestown Foundation Library, 2009
- STRATFOR, ECFR Analysis.