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## A policy framework for Eurasian energy relations. From zero-sum to win-win

Conference on: EU Energy Policy and Infrastructure  
Development. The Role of the Visegrad Countries  
CEU, November 04, 2008



## Principle observations on EU-Russian gas relations

- Russia 100% dependant on European market
- Soaring European gas demand (import needs 500 bcma 2030)
- Massive investment needs/ lack of managerial and technological know-how in Russian upstream
- Geographical proximity
- Preferences: generate revenues/ secure supplies at least possible costs
- Setting: high exit costs for both sides



# A simple model

		RF	
		cooperation	unilateral action
EU	cooperation	 4 $(P, N)$ 4	1  3
	unilateral action	3  1	 2 $(N)$ 2

“play safe”



## A simple model

- ➔ Essentials for win-win: high degree of mutual trust; high degree of information on mutual preferences
- ➔ If stakes are high and insecurities strong, there is a strong incentive for both players to 'play safe'



## Implications: the way to win-win

- Establish/revive institutionalized framework to enhance mutual degree of information
- Signaling matters:
  - Semantics (“Energy Cold War”; “Energy Nato”)
  - (Business) behavior (RosUkrenergo; opaque Gazprom subsidiaries)

➡ Tit-for-tat revisited

➡ get preferences right and communicate them effectively and consistently

➡ Vizegrad Four: a driver?