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Energy security and the European Community: market norms or geopolitical considerations?

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ABSTRACT *The following paper analyses the correlation amidst the attempts to develop a common European energy policy and the evolution of the European Communities. The role played by the Commission in order to guide the birth of energy policy and security is examined among other issues. Throughout the years, European countries have experimented different energy mixes which shapes national interests, inter alia, concerning national security. The supreme nature of the concerned interest has prevented the Union from creating a common energy policy. Nevertheless, the differences have proved solely apparent in the 1970s when member states accepted that united were actually stronger. In fact, the several differences in national energy mixes, then as now, were overrun by the common dependance on fossil fuel.*

The essay is organised as follows. The first section provides an overview of the energy issue connected to European integration. A brief presentation of the distinctive features necessary for a better understanding of the energy security issue will follow. Moreover, in line the goal of the paper, dedicated paragraphs are reserved to France and the Euro-Arab dialogue opened by the country. In the conclusive section, reasons which have delayed or put off the birth of a common energy policy will be addressed. Finally, the question of how, under which circumstances and in which areas transnational authority and a common energy policy was due to emerge will be analysed following the main phases and events which have shaped the development of a common energy policy.

The evolution of an European energy policy is strictly complementary to the development of the European Union's supranationality and to the relative strength of the European institutions in themselves. According to scholars such as Morgenthau (1973) and Waltz (2010), the inconsistency of a common energy policy, protracted until the late 1980s, would be the natural consequence of the lack of overlapping interests between member countries and national energy sectors.

Nonetheless, in line with the Neofunctionalist theory, integration would evolve precisely ecause of the functional requirements of highly interdependent systems, noting the need for a higher degree of rationality. Thus, integration is perceived as an implacable process (Nye 1968, Keohane and Nye 1977, Moravcsik 1991).

The above leads to the introduction of another key concept, the spillover effect. It refers to the pressures stemming from the interconnectedness of industrial economies (Andersen, 1993). Being impossible to detach one sector from the rest, the complete integration of one sector at the European level hinged upon the integration of the others. Nonetheless, it is worth noting that the protracted inadequacy of a common energy policy after the formation of the European Coal and Steal Community[1] evidenced that functional spillover does not inevitably follow.

Energy was of such paramount importance for the European Community that two of the three Treaties on which the Community was based were concerned with the industry: the 1951 European Coal and Steel Community and the 1957 European Atomic Energy Community treaties were devoted to the coal nuclear sectors. The underlying idea was to create free and integrated markets by abating all barriers to trade among member states.

In May 1950, Robert Schuman, French Foreign minister, disclosing his own Declaration proposed that "Franco-German production of coal and steel as a whole be placed under a common High Authority, within the framework of an organisation open to participation of other countries of Europe."[2] Eventually this led to the creation of the European Coal and Steel Community.

Because of the wide range of forms in which energy can be found, national energy sectors have always played a central role in shaping national interests. Being energy essential for any economic activity to take place, dependance on oil, gas and coal imports relegates all economic sectors from transport to industry to vulnerability to variations in international markets (European Commission, 2000). Member countries have always been in very different situations regarding energy security. The fact that dependance was not merely economic but also political and, consequently, concerning national security explains the reason to address arising issues nationally rather than transnationally.

Yet, perhaps for this very reason, growing interdependent scenario made imperative for energy policy to take on a European dimension. It is, in retrospect, rather evident how uncoordinated national decisions regarding energy policy aggravated the Union's overall vulnerability. A common European energy policy was the sole way to efficiently address the international energy supply crises which took place in the Middle East (Hoogeveen and Perlot, 2007). Historically, considerable major social and economic crises involved the Middle East, such as the 1956 Suez

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[1] The Treaty, entered into force in July 1952, brought France, Germany, Italy, Belgium, Luxembourg and the Netherlands together in order to manage free movement of coal and steel as well as free access to sources of production.

[2] The full text of Robert Schuman's May 9, 1950 speech can be accessed on the Schuman Project website at http://www.schuman.info/9May1950.htm.

crisis, the 1967 Six-Day War between Egypt and Israel, the 1973-74 Arab oil embargo and the oil crisis followed by the Iranian Revolution in 1979. Although, in different degrees, the crises poured into Western countries through energy sources.

Historical overview

In the post war period, the European economy needed to be reconstructed. Driven by the unquestionable inadequacy of the industrial system, or lack thereof, Europe became a major consumer of petroleum to the detriment of coal.[3]

Consequently, the global pattern of petroleum production underwent an utter adjustment. However, the switch implied enforcing new regulation of the market. In fact, coal and petroleum were treated differently, whereas coal was classified among the interests of the organisation, atomic energy policy was entrusted in the hands of the individual states and residual power was granted to the European Atomic Energy Community. Countries became extremely dependent on imports and thus vulnerable to oil prices variations and the security of supply. This feature was partaken by EC countries to a different extent.

Under the new circumstances, European countries had to find new oil suppliers as it was extremely unlikely that the United States could possibly provide Europe with the new amount of oil required. People, in fact, had engaged in a new way of life. To illustrate, the industrial recovery and the use of private affected the oil production in the Middle East where, in only twenty years, it passed from 1,7 billion barrels of oil per day to 20,5 billion barrels per day. It was the Golden Age of Oil. New pipelines were built to create a permanent link between Persian Gulf and the Mediterranean Sea bypassing the Suez Canal.[4] As a result, Middle Eastern countries were pulled into the oil market.

The development of the oil market in Western Europe was additional to the success of the oil companies in finding new oil fields in the Middle East. The more petroleum was recovered in the Middle East, the less investments and research were conducted in Europe, which solidly connected itself to the Middle East, embarking on

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[3] European business benefitted by replacing coal with oil as the latter was cheaper and more ductile in terms of final use.

[4] Pipelines connect the area of production with the final consumer countries, replacing ships. From a political point of view, as pipelines cannot be moved nor destined to other uses, they imply stable and long-lasting relations among supplier countries, consumer countries and transit countries. For the same reason, they can be manipulated in case of conflicts. It is not surprising that the European Union has actively attempted to create new routes to integrate former Soviet republics bypassing Russia.

an irreversible era of vulnerability.

Although, since the 1950s, some states had expressed concerns over the new exposure to internal energy shortage, to revive coal production was never considered a viable option. On the contrary, by the end of 1950s its production had "ceased to be an industry and became only an instrument for reaching objectives of social security" (Adelman, 1967).

Notwithstanding the gap between intentions expressed in the Treaties and the policy outcomes, the European Commission or its equivalents sought to develop a policy both for coal and for energy as a whole. Both the attempts proved unsuccessful. Indeed, the foundation of the European Economic Community in 1957 was the key juncture for the European governments in their attempt to develop a coordinated policy for a common energy market. The ultimate goal was to ensure that energy prices were kept low and thereby to contribute to the Community's industrial competitiveness. Only with the upcoming Suez crisis, Europe found itself concerned with maintaining secure energy supply yet any attempt to face the issue through the EC forum was readily rejected by member states.

In 1968, when the three Communities had merged, the Commission revised its proposals codifying them into an explicit strategy, First Guidelines Towards a Community Energy Policy. Observing the persistence of barriers to trade in energy, the Commission suggested three broad objectives: a Commission role in planning as a basis for members' investment strategies, measures to bring about a common energy market and measures to ensure security of supply at lowest cost. The proposals failed to turn into action, except for the provision regarding the coordination of reserve oil stocks, following the Arab-Israeli war in 1967. The failure could be ascribed to member state inertia ad opposition as well as the contradictions inherent in the proposal.

In the wake of the first oil shock, the EC tried to manage the crisis yet failed. Moreover, the EC was not able to provide a united front vis-à-vis Arab oil suppliers. Member states focused on their own policies or worked through the International Energy Agency.[5] The shock of oil price increased, however, reinforced the necessity of a more interventionist approach.

5 It was created with the purpose of overseeing oil supply emergencies. It provided a vehicle for continual contact and coordination on major aspects of energy policy, it also created a cooperative mechanism for the advanced industrial countries to have available an emergency oil sharing scheme for use in the event international oil supplies fell by 7% or more.

In the 1970s, a certain extent of difference between member states persisted[6], yet the trend of the 1970s was that the member countries were moving in the same direction in some areas, namely reduction of dependency on oil prices and increase security of supply. The "New Strategy" for energy designed by the Commission enlisted targets to be met by 1985 for the reduction of oil imports, the development of domestic energy capabilities and the rational use of energy. It meant a change even though the project of creating a common energy market was dismissed.

The EC policy followed the same path throughout the 1970s and early 1980s, especially in occasion of the second oil shock in 1979-80. More objectives were established in 1979 and 1986. As far as energy policy was concerned, member country policies had merged without a super-structure for joint policy (Andersen, 1993) yet this consideration cannot be extended at the EC level. The countries often diverged on several issues as domestic policy was solidly interconnected with the interests of the oil industry and with the trade and economic policies.

National interest dominated on energy policy until the late 1980s. The role of the Commission was strongly belittled by the Council of Ministers, the decision-making institution. The EC arena did not turn into a supranational arena altogether, it was rather a space for negotiations. The advent of a common energy policy was further obstructed by the requirement of unanimity in the Council of Ministers.

Suez Crisis

The Suez Crisis was a diplomatic and military confrontation among Egypt and the interests of Britain, France and Israel. The occupation was eventually ended in late December 1956 thanks to the intervention by the United States, the Soviet Union and the United Nations (Turner, 1974). It has to be, nevertheless, noted that the inadequate peace settlement achieved led to the outbreak of the Six Day War in 1967. The relevance of the conflict lays on the fact that it brought a severe oil shortage and financial crisis which involved the United Kingdom and Western Europe.

As a consequence of the crisis, the Organisation of the Petroleum Exporting Countries (OPEC), a permanent intergovernmental organisation, was created at the Baghdad Conference on September 10-14, 1960. The principal objective of the

[6] In particular, Britain enjoyed a well diversified energy supply thus it was not particularly vulnerable to any individual producer country, whereas France and Italy had less diversified energy mixed and were terribly vulnerable to their primary suppliers. In short, Britain could afford to take a hard posture against the Arab producers, while France and Italy simply could not.

organisation is to “coordinate and unify petroleum policies among Member Countries, in order to secure fair and stable prices for petroleum producers; an efficient, economic and regular supply pf petroleum to consuming nations; and a fair return on capital to those investing in the industry” (McDermott, 2001).

In the 1960s, the Soviet oil entered the market and, at once, the United States introduced limits to oil imports. Therefore, it was experimented an over supply of oil which led to the fall of oil prices. The Western companies opted to reduce the production of oil in the Middle East, granting local governments less money in spite of the protests advanced by OPEC members. The first quarrels between producer countries and importers had begun.

Moreover, European countries reckoned the deadlock in which they had ended concerning the reduction of supply of imported oil products from the developing world.

In the light of new events, the European Council, on 20 December 1968, established that member states of the European Economic Community were to maintain minimum stocks of crude oil and/or petroleum products (68/414/EEC). Member countries were expected to keep in store enough petroleum stockpiles to be able to cover internal consumption requirements for 65 days.

Oil shocks in the 1970s

The 1970s sealed the relationship between Europe and OPEC in terms of financial and energy interests.

When 1970 started the prices of oil were still low, as a consequence the OPEC countries started to nationalise oil industries, although not every member followed the main trend. The cooperation between OPEC and Western countries, mainly represented by the Seven Sisters, did not altogether halt yet local governments aimed to manage oil activities within different agreements, wishing to be involved in the exploitation process in spite of their lack of proper resources and tools.

Due to the collapse of the US spare production capacity, OPEC acquired approximately 55% of the global oil production. This proved to be advantageous for OPEC countries which, for the first time, resorted to use old as a diplomatic weapon for Western countries not to support Israel, as previously happened.

Yet American President Nixon sent weapons to Israel making OPEC enter the conflict through the control of oil resources. OPEC managed to increase oil prices by cutting the production of 5% each additional month of war and to apply selective embargo, which involved US and the Netherlands. The Western governments, although consuming the same amount of oil, paid more transferring a massive amount of financial resources to OPEC members. It should be stressed that the crisis impacted on Europe in two different waves. The first phase, between October 1973 and February 1974, was associated mainly with scarcity, whereas the second, beginning in March 1974, reflected the issue of rising prices.

In October 1973, the selective embargo divided European countries into three categories: favoured countries receiving normal shipments (France and Britain); disfavoured countries being totally embargoed (the Netherlands) and others which went through phased reductions of 5% each month.

The strategy of getting together was ineffective at that point. It could not prevent damage nor loosen the Arab grip on the supply of oil. It could spread the damage to countries, unwilling to be involved, and even so the severity of the economic damage varied.

In Europe, the Northern countries -Britain, West Germany, the Netherlands and Belgium- could be distinguished from Southern Europe by their lower dependance on oil (48, 55, 44 and 57% respectively) and by their domestic coal and gas production. France and Italy relied on imported oil for, at least, 70% of their energy needs not producing significant quantities of oil or gas (Krapels, 1980).

The EEC member states introduced several domestic policies to tackle the crisis whereas deliberations within the European forum were marked by disagreement. Most of the member states adopted a s*auve qui peut* approach, in the hope of negotiating bilateral deals with specific oil producing countries (Chakarova, 2013).

The Netherlands, likewise United States, underwent a total embargo. The European countries did not rally around the neighbour, indeed some European countries were willing to support the Arab embargo, neglecting the Community rules. Due to the Arab threat to extend the embargo to those countries which would have supported the Netherlands, it took a month before the rest of the Nine could support the European embargoed country. The process was, moreover, quickened by the Dutch threat to curtail natural gas exports to France, Belgium and Germany.

The oil reduction in the aftermath of the Yom Kippur war was the longest endured by the West. Arab oil supplies were reduced, for five months, from the

September 1973 level by 24% in November 1973, 23% in December, 16% in January 1974, 14% in February, and 12% in March (United States. Office of International Energy Affairs, 1975).
The aforementioned supply reductions affected, although differently, nearly every European country that relied on imports from OPEC.

The reduction of supply was topped off by the increase in price, which gave tangible shape to the European fear that many countries would simply be unable to pay for the oil imports necessary to fuel their domestic economies or else countries would amass such large payment deficits that they would eventually fall into bankruptcy. Moreover, it was hard to ignore the latent fear that the quantity of oil in the market would be insufficient to support the national production and employment levels.

The imminent risk was to see industry, transportation and the entire economic life brought to a halt. Briefly, energy and oil had become security issues *par excellence* (Lieber, 1980). Measures limiting consumption were differently adopted from country to country depending on the relevance of petroleum in the national energy supply, ton the balance of payment and on political relations with the producing countries.

Security of supply, storage and diversification of energy sources became areas of government concern throughout Europe (Lieber, 1980). Regrettably, the threat was not confronted within the European Community. Curtailing the European dependence on imported oil could happen only gradually, if compliant at all with the aim of achieving economic growth.

However, the issue was faced isolating the long run effects from the short run ones. The latter were fairly neglected, mainly because of the extraordinary capacity of the European economies to adapt. Oil companies maintained an uninterrupted supply of oil from producing to consuming countries. They were able to replace embargoed Arab oil by oil coming from other neutral sources yet, although it unquestionably represented a benefit, it concealed the major risk that, being the adaptability satisfying enough, dependance and vulnerability could not be reserved the attention they actually required. For this reason, after the crisis, the European regulation was based on the implicit assumption that the oil industry was still capable of moving large supplies of oil internationally on a continuous and uninterrupted basis, and was capable to invest the growing sums of money required for the maintenance of this capacity.

Moreover, it had to be taken into account the different level of priority reserved to energy security. This factor, indeed, created considerable divisions among the European states. According to Charakova (2013), right from the beginning the Arabs meant to split the consumers by differentiating among them.

Although the crisis dictated for the Community to take up significant changes concerning energy, the community was prevented from developing an effective policy due to international differences. In any case, the Community acquired agreements over topics such as energy conservation, reduction in energy import dependance and subsidies for research and development. The energy import dependance lowered from 59% in 1973 to 55% in 1978 (Lieber, 1979).

At any rate, by March 1974, the resistance had taken place of the crisis mood, discouraging OPEC from any further increase of oil prices.

Relevance of stockpiles in Europe

The crisis also shed a new light on the role of oil stockpiles. They existed, although at different levels, in every European country. In the 1970s, oil stocks could even out the differences in economic vulnerability among the European countries. Yet countries adopted different behaviours whereas some maintained higher stock levels, measured against consumption, than others.

The oil shocks reignited the debate over the more efficient quantity of stockpiles to be detained. Finally, the International Energy Agency set the limit, instructing countries to reach a stock ok 90 days of oil consumption by 1980s. The final aim was to reduce the risk of another embargo, assuming that the oil producers would be deterred by the reserve of oil itself.

On the contrary, the unwillingness to agree to substantial increases in stocks in Europe in the late 1970s was the flaw in the agreement, and it implied that many European countries did not take the threat of a significant reduction in oil supplies seriously (Krapels, 1980). Defining a set amount of stock piles each country was a complex task.

Finally, it was generally agreed that the IEA definition of “emergency reserve” overstated the amount of oil that could be withdrawn. Oil industry managers believed that, as a rule of thumb, 40-50 days of oil supplies was to be held in stock to allow smooth operation of the distribution system. Some politicians underlined how it was not a strategic reserve they were achieving, as they were merely referring to the oil in the pipeline system.

However, whether the stock levels were adequate depended on the severity and duration of a supply reduction. Oil stocks were merely an insurance policy yet some risks were supposed to arise in case of overinsurance. De novo, the fear kept many European countries from building the really massive stockpile reserve that would materially increase the European security against even the most dire prospects (National Petroleum Council, 1975).

Essentially, the inner value of stocks was that they bought time from the moment of import disruption and the day the import shortage could not be replaced (Krapels, 1980).

The European diverging views which seriously compromised the resolution of the crisis, it has to be noted, stemmed also from domestic crisis. Between November 1973 and March 1974, governments fell in Great Britain, France, Italy, Germany and Belgium.

Whether countries resorted to bilateralism, as we shall observe in France, or worked through the International Energy Agency, the ultimate objective was to subtract power to the Arab cartel in order to ensure European security.

France, a case study

At the end of World War II, France experimented the highest economic growth rate in Western Europe. Economic growth, however, being interrelated to economies of both the developed and less developed world exposed France to greater vulnerability stemming from the outer France.

Economic modernisation, availability of cheap imported oil and limited domestic energy resource led, as had happened to the rest of Europe, France to shift from a coal based economy, where coal was mainly produced domestically, to one relying on oil, virtually all of it imported. In 1950, coal provided 77 percent of total French energy consumption and petroleum only 20 percent; even in 1960, imported oil represented just 28 percent of French energy needs. But by 1973, oil imports provided 67.6% of total energy consumption. France depended on imports for 76% of its energy.

Recalling the events of 1957, France fully refrained from showing any support to Israel.[7] Indeed, in 1973, France endorsed the political demands of the Arab states and actively chased the "most friendly" nation status to prevent losing oil supplies. France chose to engage in bilateralism in accordance with the Gaullist policies of political and economic independence. Notwithstanding the precautions undertaken, France could not refrain from suffering oil losses, taking into account that oil distribution was still managed by the oil companies, which refused to assist France.

At the end of 1973 France, was announced, would suffer reduction of oil deliveries of about 10-15% yet, between December 1973 and March 1974, the availability of petroleum in France was only about 5% lower than the previous year (Charakova, 2013).

Following the crisis, some European governments began to consider ways to secure access to oil supplies directly, bypassing the mediation of the oil companies. This was the case of France which straight after the embargo was announced started negotiations with Middle Eastern oil producers. France came to agreements with Saudi Arabia, Iraq, Algeria and Iran: the much needed oil was guaranteed yet the effects on the oil price were poor.

French governments kept tailoring their foreign policy in the light of the problem of energy security and its economic effects. Closer relations with oil exporters were valuable for a number of reasons. Trade would obviously ease French payment problems and might give the oil producers a greater awareness of the importer's welfare. Furthermore, France attempted to oppose any concerted action which would have aligned the oil importer states against the oil producers. On the contrary, France meant to propose itself as *interlocuteur valable*, promoting international dialogues. This materialised in the Euro-Arab dialogue between the EEC countries and the Arab League member states.

France attempted to lead the European community away from the direction preferred by the United States and, when the Community did not approve of it, abandoned the EEC solidarity in order to comply with the Arab oil boycott of the Netherlands. It is relevant to note that the government held by Pompidou receded from this posture after threats of the retaliation involving supplies of Dutch natural gas to France. France also opposed yet failed to prevent the establishment of the International Energy Agency. When Pompidou died, Valery Giscard d'Estaing came

[7] In 1956, France had joined Israel to strike an attack on the Suez Canal, which at the time represented the main corridor for Persian Gulf oil bound for Europe.

to govern France. He was more prone to NATO. Hence, France softened its position toward the Agency becoming loosely associated with it through OECD and EEC mechanisms, yet France did not join it.

The problem of energy security and its economic effects tailored the foreign policy in the following years. It mainly consisted of three closely linked components: a pro-Arab policy vis-à-vis the Middle East conflict, an effort to establish special bilateral relationships with individual oil producing states, and opposition to concerted action which would have aligned the oil consuming countries against the oil producers. Needless to say, bilateral relations could have brought advantages for France, especially in dealing with Iraq.

Overall, during the first crisis, French policies brought little or no extra oil and no respire from soaring oil prices. In the interim period, from 1974 to 1978, although arms sales increased, France gained no discernible trade advantage.

Finally, after the onset of the Iranian upheaval and the second crisis, French hospitality for Khomeini and efforts in March 1979 to block an EC position supportive of the Egyptian-Israeli peace treaty failed to isolate France from a renewed series of oil price rises; in the process France also lost out on as much as $5 billion in potential long-term arms sales with the collapse of an Arab arms manufacturing consortium which was to have been developed in Egypt over a period of years.[8]

The limited results had some impact on French actions during the aftermath of the Iranian Revolution. Unlike the situation five years earlier, France exhibited a more consciously cooperative attitude aimed at producing common European policies and responses. French leaders called for greater energy policy cooperation, urged joint European efforts to conserve energy.

The *sauve qui peut* behaviour, characterising France's role during the early months of the 1973-1974 crisis, left room for consumer solidarity. In fact, at the June 1979 EC and Wester summit meetings in Strasbourg and Tokyo, collective commitments were made to hold oil import levels static in the years to 1985.

The French politics was an intricate mass fo dirigisme and monopoly, an efficient tool to support a policy of national independence, to foster cooperation with

[8] Although France had hosted the Ayatollah Khomeini during 1978, once in power the Ayatollah showed no gratitude for the asylum and major export contracts were cancelled, including multi-billion dollar orders for the Teheran subway and two nuclear power reactors.

the oil producing countries and to contain the role of international oil companies in the French market.

Euro-Arab dialogue

The Euro-Arab dialogue sprang from the attempt to reach closer cooperation in the economic, technological, cultural and political fields.

The nine EEC member countries entrusted the Davignon Committee, a special committee dealing with foreign policy cooperation with the responsibility of leading the dialogue and not the Commission. On their behalf, the Arab countries delegated the Arab League to lead the dialogue, it was merely a diplomatic body and the nations which adhered to it were the oil poorest.

In march 1974, the later named Euro-Arab dialogue started when the EEC Council of Ministers transmitted a policy proposal to the Arab League for the opening of a wide ranging discussion in cooperation and trade between the two shores of the Mediterranean Sea. United States seeing the initiative as a threat in an area where it had assumed major diplomatic responsibilities managed to remove the subject of oil from the agenda of the preliminary meetings, held in Cairo and Paris during summer 1974 (Carmoy, 1977).

In November 1975, Kissinger through his special envoy managed to obstacle the Euro Arab dialogue, convincing Arab oil producers to remove the issue of oil supply from the meeting agenda

The dialogue, however, was slow to take place due to the prominence of national interests. Nevertheless, France managed to convene the Paris Conference on North-South issue, the Conference on International Economic Cooperation which closed in May 1977 without reaching significant results. France continued to call for cooperation between oil producing and consuming countries to find agreement over supply and demand patterns, investment and other forms of long term cooperation. Once again, the results were not remarkable.

In 1978, after three meetings ended with poor results, Qatar's minister of Finance declared that the Western European countries had to be held responsible for the failure of the dialogue between the EEC and the member states of the Arab league (Shwadran, 1986).

In 1979, when the French Minister of Industry pressed OPEC to agree on cooperation in four areas as planning by oil users of consumption and imports, efforts to seek corresponding production levels, progress toward transformation by consumers coupled with guarantees on oil revenues, and joint producer and consumer action to protect the development of the poorest countries most affected by the energy crisis, the OPEC spokesman assured the willingness of the producer countries in engaging in dialogue with the industrialised countries, yet the price and the level of petroleum production were to stay out of it.

The French government persevered in its attempt to support dialogue, although in other forums, and tried to promote a trilogue including Africa. United States of America, Western Europe and the Soviet Union were excluded from any form of dialogue. The conflicts risen with the United States, and to a varied extent with its European allies should have been foreseen due to the nature of the energy problem itself and to the ambiguous results of French policies.

Final remarks

The issue of energy security has proved to be of great concern for at least forty years, especially following the energy crisis of the 1970s. Nevertheless, the creation of a common energy policy has stalled due to the preeminence of national interests and state security. Although national interests are relevant, they have to be articulated and legitimated within a national as well as transnational context.

However, while different interests may actively prevent the common energy policy from rising, they may create considerable pressure for harmonisation of the objectives and policies at a later stage, as the case proved to be. The national governments were on the verge of loosing any control over the energy arena. On this ground, the Commission fully acquired the role of leader of the European integration, throughout the 1980s.

It should be emphasised how certain challenges have demonstrated to be a constant in the development of a common European Energy Policy. Indeed, the final quarrel concerns the inherent nature of policies: are these driven by market norms or geopolitical considerations? Tackling the issue could be the key point to further develop a common energy policy and retrieve the lost bargaining power in the international arena. Moreover, speaking with a single voice seems another crucial point to strengthen the credibility of the Community.

The status of the Union, even nowadays, seems to be fairly described by the expression "EU as a single voice but not a unified state" (Tekin and Williams, 2012).

States usually foster cooperation when coordination increases their control on the domestic policies eliminating negative policy externalities (Moravcsik, 1993). Notwithstanding the frequent disharmony of interests, conflicts happen to occur even when beneficial effects can be collected by the affected parties. This is due to the distribution of benefits. It was indisputable that a common energy policy would have benefitted the Community members, but governments could not find an agreement on the repartition of future benefits.

Furthermore, governments were reluctant to recognise institutions of their ability to improve international interaction among states as it, de novo, would have impeached their national authority. This held true until the fear of losing internal control of domestic groups was about to become a real threat.

Different preferences at the national level hinders external policies. Indeed, the spillover effect has not been sustained by every member nation.
According to the aforementioned effect, the development of EC energy policy moved forward until interests in one sector became overwhelmed by actors invoking different policy contexts, within a general framework of EC development towards broader and deeper transnational authority. It was the result of dynamic interaction between several policy contexts, and the impetus of the more general development, which explains the direction of EC energy policy.

Even nowadays, the Union can enforce policies only to the extent that its members allow it. Although the Union may be a single voice, it is really not a unified state which makes decisions over common energy policies very complex to achieve.

A Common European Energy Policy would require the member states to share the risks of being vulnerable to external factors due to their dependence on oil and gas imports. It has to be noted that, now as then, energy is considered a strategically relevant national interest which cannot be discussed outside the national boarders. Derogations may be granted under highly perilous situations, not on a continuous basis.

Although several proposes have been submitted, policies and instruments do not make for a common energy policy per se. Scholars usually define the European energy scenario in terms of “deadlock” yet they are inaccurate as what they are actually referring to is a Gordian knot.

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