

# EU Russia softpower - LaBelle

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## SPEAKERS

Michael LaBelle

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Michael LaBelle 00:03

Welcome to the My energy 2050 podcast where we speak to the people building a clean energy system by 2050. I'm your host, Michael LaBelle. This week, I'm talking about EU Russia relations taking a more informal approach. I'm not interviewing anybody. But this is some ideas that I've been working through for a few weeks now. And I think there's something here. And actually to help me write about it more, I decided to do a podcast about it, in order to get my thoughts out kind of clear, my ideas to condense them down. And I thought it'd be kind of useful to to share with everybody, I certainly hope everyone is staying healthy. Actually, I've just returned to the university. And yesterday was my first time teaching in person since summer, and to be talking to people in person about energy, and recent developments. And of course, the whole, I don't know, I would just say the whole background of the energy sector, because that's what I love to do. A little I'm a little hoarse today from from speaking yesterday, I tell you, anytime you get a chance to actually meet people in person, or go and see someone talk or give a talk yourself. I know, I know, this COVID thing is crazy. And we all have to be careful. But essentially, I've been sheltering for two years. And I don't know, I just really enjoyed it. And the power and the ability to convey your message. And to teach and to get feedback in person is just phenomenal and much, much better than just online. Nonetheless, I'm going to take my opportunity here in the podcast, to go through these ideas and to lay them out. And certainly I'll be working on for the foreseeable future to like, get a journal article out, or whatever I decided to do with this. So the title of today, today's podcast is called the soft power failure of the European Union. Russia walks off. And I have this question. It's kind of like the guiding question for today. Why did the EU lose its soft power. And I will go through and I will define what soft power what hard power means. And I will also talk about course, the EU's role in this. This is all relates to I would say the high gas prices currently in the EU, and also Russia's take on it or actions or inactions about helping the EU with their high gas prices. And of course we have this geopolitical standoff with Ukraine right now. Or we have this geopolitical standoff with Ukraine right now. And engagement with NATO. So it's kind of brought NATO back into the center, what we do and what are we going to do with NATO, the EU, Russia, hopefully some of these ideas that are discussed today around soft power, hard power, become a bit more crystallized about some failures that have occurred in the past. And what what the EU should hopefully do in the future. So I'm trying to end with a positive note, not just doom and gloom, but suggest some solutions here. I have a preface before I begin kind of documenting

and describing and hopefully things will be short today. But it's a preface about what I'm calling the post a key era. So a key is essentially the how do we describe the chapters, the rules, everything if you wanted to become an EU member states in 2004, you had to kind of check all the boxes, change your rules, change your regulations, I don't know closed some some businesses, you have to really revamp your if you're a post communist country. You had to revamp your economy and your political system to conform with EU rules. And I would say expectations both soft and hard. And this is kind of our theme today soft and hard. And so but now I think we're entering a new era. This is all kind of background where the ascension process to the EU for former communist countries all the way from Latvia, all the way down to well here in Hungary or Croatia or Slovenia, Poland, Czech Republic, Romania, Bulgaria, that that certainly this joining the EU was a monumental occasion. Super important. And one sense this this idea of soft power, which we'll get into in a minute really comes out I'll just say like that, at least in my interpretation of the of the Cold War, right where democracy and market economies were very attractive, and communism and the lack of goods in communist countries. kind of represent the opposite side of that, right so certain The West wasn't looking over at this, the communist country is going oh, yeah, we want that kind of system or the people. Rather, it was another way. And I think now after more than 20 years of membership, that what are we 20,000? For? Yeah, okay, not quite. But I've been here for 24 years. That's really, really crazy. And I know, okay, this is a little rant. But I went to the swimming pool that I've been going to for almost 25 years, and on and off some some years, but certainly always been going there. And I paid for the swimming for today. And the lady threw the bracelet, the locker bracelet at me. So she was really angry. And, and it really made me think about how that's how I was treated when I first came here in 1998. Was was, you know, in a very rude way. And and then I could kind of think about all the changes I've seen at the swimming pool over the past 24 years, and how it actually corresponded with the political leadership and in Budapest, or nationally, you know, pain on the side for a special sports ticket, but just to the attendant, right, that would let you in and out. And probably that the guy was pocketing the money. But nonetheless, it was a good deal for all of us. And I don't know, the past few years, and we have a new mayor in the district, things kind of got better. And I kind of took that with the lady throwing the bracelet at me today, as you know what? Not everything's okay in this country now. So I don't know, just one one little random event. But still, these things happen. And I think they're kind of symbolic, in one sense and understanding what's going on in a country. So that's my, I would say my story of the post communist assessment at the swimming pool today. So okay, what are we talking about? We're talking about the, the Cold War, and kind of comparing this comparing and contrasting the Cold War mindset and what happened during the Cold War. And then we're looking at EU membership and why this may not be so attractive nowadays. And yeah, I was defining the post a key era. And the post a key era is this reality of, hey, being a member of the EU is kind of hard, right? We got to have democracy, supposedly, we have to have transparency, we have to have good governance. So So compared to the communist times, for for many countries, it's it's a challenge. And we could definitely see this in the rule of law, procedures that are being launched against Poland against Hungary. And I would even say to some, I'll be just very polite about the gray areas as well, and other countries like Bulgaria and Romania, and even Czech Republic. So there's always some gray issue here, it becomes much more black and white. I think now that we have Russia on one side, trying to reassert its sphere of influence to these to these countries here telling NATO to get out, leave them alone. Okay, maybe they I think Russia kind of threw that out there just to make it an unreasonable demand that that wasn't going to be met at all. But it still kind of displays the thinking, at least in Russia about the role and the importance of Eastern European EU member states. And yes, they are NATO. and the EU is definitely different. But I would say and I would argue, and it's important for today's discussion that there's a lot of there's a lot of cohesion. And there's some strong relationships between the two organizations. So certainly

NATO is a defense organization. It's a hard power, since we're defining that it's a hard power organization, definitely left over from the Cold War, where the EU, essentially how His birth was from from World War Two. And, and an attempt to make sure that there wasn't going to be any more war within Europe. And because of that, it became and the European Economic Community in and then now I think, with the assertion of nationalism, and we can see this over the the fight over the rule of law in Poland and in Hungary. We're entering a much more nationalistic and populist era. That the European Union, I think, and I just be very general there and I would say those national politicians and Western member states and those within the EU institutions themselves. I believe in the European Union role for peace and prosperity and economic union, that that this is actually threatened. And we're only at the beginning of this right now. Because Because what nationalism represents is an undermining of the EU institutions themselves. And when, when that is undermined, then the legitimate legitimacy is taken away. And so if one of the advantages of the European Union is to have the soft power to represent democracy, to represent freedom of the individual, and I would say that's both in how they talk, and even in what they consume, right, because when we talk about the Cold War era, and why a new period may be emerging, it's important to represent to remember that democracy was something that wasn't allowed in communist states, right. And it's kind of obvious, but but the people looked at that. And then they still thought, Hey, that's pretty good. And they could maybe just see the material benefits that democracy, at least on the surface brought. And but it still fueled this wave to want to join and want to be part of, of Europe as a whole of a democratic Europe. And United States certainly played this role, both as a as a large superpower, militarily, but also the cultural influence that it had in the representation of democracy. And this is really important when we talk about where we're going now, because we can start to see that the current institutions have been undermined. And they're in it's the actions that are being taken now, I think are quite limited, basically. Okay, I'm gonna move on here to the symbolic events of the failure of soft power. And I'm going to describe to you why did the EU lose its soft power, I'm going to actually hold off on the definition of soft power, even though it makes sense to talk about it first. But I just want to frame this in current events. And I think if we engage in Current Events first, then kind of get into the theory, this will be easier to understand where I'm going. Okay, I'm just going to point out the high gas prices in the European Union. And the lack of we could say cooperation or solidarity that that Russia has shown Russia hasn't needed to move beyond their contractual relationships to supply Europe with more gas. Right. So the European Union developed this single energy market to attract and to make it competitive. To make it a competitive space for consumers to benefit a neoliberal model is what was created. So Russia was selling gas into the EU. And I think it's really important to reflect back on the Cold War period, and think Gustafsson has written this excellent book on called the Bridge, I'm reading it right now. And it really goes into great detail about why Austria, and then later Germany really reached out to and actually, and with kind of mutual agreement with the Soviet Union, to import Soviet gas, and to build the pipelines. It was a bridge for economic commerce, that helped facilitate, I would say, even personal relationships. And this, this is really important. But what's outlined nicely in the book is the small steps that were taken to build trust over over a long period of time. And everything about the key period and EU membership. All these things were done in a very stepped manner, slow, but progressive, it moved forward. The countries that wanted to join the EU implemented and change rules, change regulations, changed laws. So a lot a lot was done to conform, essentially, with this internal market rules. That was the big one of the basis of the EU, and they done this in energy. So the single energy market is being developed. And here, we can see this is an exercise in soft power, because the single energy market of the EU has at its core kind of undoes neoliberal competitive system that that's created to attract players ready to make money. And it's an attractive to play in the US gas market. And one sense this is where the EU overplayed its hand when I start to talk about why why they've lost their their soft

power, because the whole idea behind soft power. Let me go here to some definitions I have and I'm drawing both on Joseph Nye's work. And Andreas Gold, Tao and Nick Cidars work in defining what soft power and hard power is. And this is important because, as I'll acknowledge, I'm being a bit lazy, I should bring in other other sources and other authors on this, I will be doing more research is my response to that. So I'm just outlining some of these things for myself, or what I'm working on right now. But I think it's, it's sufficient in what I have right now to tell you what Soft power is by using other people's words. For example, Andreas and Nick's definition. Reflect on nice examples, that soft power is attractive power. It's important to focus on policy tools that are used, for example, the ability to affect others to obtain the outcome, one wants through attraction, rather than coercion. So what this means is that single energy market is meant to be a very attractive place for sellers to sell their gas to sell their electricity, whatever they want to sell, you could that's in the energy market and everything else, right. So by using by building up this common market space, this gigantic marketplace with lots of consumers, the companies selling into this space can really make money. And this is perceived as a form of soft power because the EU and participate in the EU market is very attractive. But what's also important, though, too, and this is kind of the seed, I would say, for undermining the EU's own soft power, is that soft power is more than just that, okay, it's more than just being attractive, because it's attractive for certain things I mentioned earlier democracy was it is a form of soft power, because it's attractive for people. But we also have ideological power. And this is taken from from Luke's where there's the ability to shape or influence what other actors want and desire. Okay, and this is not just military, but this can be culture, this can be values and giving legitimacy. And normally, and this can be associated with military might, of course, but but by actually, these these by enticing through these other means it can actually be a form of soft power as well. And this is important, because if you think about how a market is created market space, there has to be this. Maybe we can say ideology, certainly neoliberal ideology is part of it. But there has to be this kind of operational system in place with some kind of logic, that that's taking place that guides market participants that guides, for example, regulators in how the market needs to work this underlying philosophy of the market, in the EU in a single energy market, that would be this neoliberal competitive system, that that values, lower cost over higher cost energy sources, unless it's set up in a different way. So and then hard power, hard power? Let's see here. There's no no not not much to say, because essentially, and we'll just draw nigh here is based on the contrast between coercion used by a state backed by the threat of military or economic force on one hand, and the way a state influences world politics because of the attractiveness of its cultures, values, and even the very legitimacy of its foreign policy on hand. So I bring in Andreas Gold, Tao and Nick's definition, again, for that definition of contrasting hard power, which is backed by military or economic force, and soft power, which is attractive for its culture for its values. And what's been interesting, then, if we think about the current situation with Russia, and I want to mention this, just to talk about hard power, and contrast it with soft power, for example, 100 plus troops on the Ukrainian border. We also had Kazakhstan the past few weeks, where Russia sent in troops to help reestablish the peace, whatever piece that is. And of course, we have previous military engagements by by Russia and Crimea and Georgia and Armenia, Eastern Ukraine still there, or at least rebels will say, but we also have a shift in NATO hard power, and I would just emphasize the United States hard power, and that's the withdrawal from Afghanistan, definitely signaling that overseas wars are not something the United States wants to be involved with right now. And there's things to be taken about there's NATO expansion, which this is exactly what Russia is complaining about is that NATO has expanded too far. And that the Eastern member states, the former communist satellites, of Soviet satellites need to get out of NATO. Right? It, it becomes this new geopolitical power, whether whether we believe Russia invades Ukraine or not, the scene is still being set for something new. And I think it's really important to appreciate this at this point in time, because

this is not just overnight, just Ukraine sending 100,000 troops or it doesn't even go back to when Russia invaded Crimea was 2014. Rather, these things are building up not just in Russia, but in other countries as well, this authoritarian shift, this populist shift, we could see when the election of Donald Trump in America, and some people say Trump will be coming back again, this, this whole populist agenda is not out of the way yet, right? Like it's still appealing for people. And still can, can happen. So maybe we have a lull, but what needs to occur is to find some ways to counter that. One of the reasons I do this podcast is to inform and to discuss energy issues, and really put a social spin on things because we can't leave it up to the populace to just miss sell and sell the price of a low energy, low cost energy transition. Rather, we have to have a much more informed discussion about the cost of the energy transition, and ensure that the the systems are set up the institutions are set up so that people can afford to participate in the energy transition. Anyways, so I got a little distracted there. So we have these, we have these hard power plays going on with the military and certainly over kind of in the east, there we have China, and and becoming stronger and stronger as the years go on. And I would say repositioning of Russia, not wanting to lose its importance, even if the economy is not as important as it was in the past. And somehow they need to stay even, and stay relevant in the world. And it's really important to know, and I'll bring this back when we talk about solutions. In this very random and my apologies, kind of back and forth way we've gone through what Soft power is what hard power is, we've gone to looking at and mentioning at least the high gas prices, high electricity prices, and this is global anyways, and how things are changing. And one of those is that we have to start to think about how and what is soft power and how to retain it. And this is quite important. Because here, Joseph Knight starts to define this in his term, and this is where things become, things become a bit soft, to use the wrong word. Soft power, as he states is descriptive rather than a normative concept and normative. It has these rules these regulations, right? It's supposed to be fair to everyone. And it's it's even coming from this realist perspective, where soft power it's a bit harder to define exactly what it is. But we can definitely place for example, human rights as he does as Joseph Nye does human rights freedom. It's this whole as he describes a structural Millau around goals or general value objectives, that and the role of culture that is part of this soft power. And this is so important, because if, for example, we talk about the rule of law, in Hungary, or in Poland, of course, those polish or Hungarian leaders want everything be written down in a very descriptive way, but soft power, and even to extent democracy, right? It's this cultural, this relational system. Where, yes, there's rules, there's regulations, there's laws lay down. But it there's much more the sense and practice that societies have in respecting human rights in respecting the individual that represent democracy in a much clearer fashion than what is just written in the law or what is written in the constitution. So this is why soft power, yes, it can be defined and can be described. As I mentioned, it's descriptive, but at the same time We shouldn't overemphasize the importance of rules and regulations in soft power, because actually, when it's written down that way, you begin to undermine the system of soft power. And this is where I think the EU has has lost it actually, first, and before I move on to why they lost it, well, let's talk about this concept of soft power with a hard edge. Because the single energy market, I'm just going to bring in Andreas Gould down etc, again, is the single energy markets as they stay in quotes. xcerts exerts soft power in as much as it attracts non EU companies to I love this phrase, come and play on the EU's turf, and accept its rules as the price for access, or when neighboring states voluntarily choose to adopt, ie rules and regulations as their own. And the hard edge comes in here. This means also, as they go on the EU can and does use its regulatory toolbox to foster strategic goals in the near abroad and at the global level. So if you remember, hard power isn't just military, it's also economic here, these rules and regulations display this hard power tendency. While this the market itself, the attractiveness of the market is a display and an articulation of soft power, because people are in organizations, companies are attracted to that. Okay. And so by having a single energy



market with rules and regulations, they've infused it with this hard power or as guilt out instead of say this, this hard edge, soft power with a hard edge, however, and then this is, I guess, my contribution, as I think we start to see that if these rules and regulations become too opaque or shifting too much, and are at least perceived to be unfair, by those, we could say foreign entities that come to play in the EU market, then the attractiveness of that market is lost. And this is this is where I think the EU has failed to maintain itself power the EU. Now let me turn to the EU. And this whole idea of an energy transition unfolding, has really of course, brought never one doesn't really know, what is this transition away from fossil fuels entail, right for sure has a high emission trading scheme price, so more co2 emissions, the costlier that is and at the same time, overlapping that is this implementation of neoliberal market rules. For example, the role that Acer plays I really love Acer. But But I think it's really interesting the rules and regulations and how they attempt to foster the single energy market and gas and electricity in the EU. From a governance perspective, it's a regulatory governance institution, it's an expression of the European Commission and your EU as a whole of regulatory governance by having a Sir the agency for cooperation of energy regulators implement these rules and trying to create a level playing field so that the consumers and I'll be very broad in the term consumers benefit from gas, for example, or electricity being exchanged across borders and being brought imported into the EU. The problem is, then, is that maybe these things together have sent the wrong signal that EU transition away from fossil fuels high ETS price and getting rid of long term gas contracts like Russia used to like in the Soviet Union built this original gas bridge with the with the with Western countries, they built the relationship based on these longer term contracts in order to facilitate the shift of gas into into Western Europe. And then of course, money was exchanged and the Soviet Union got this hard currency, which was very nice. So they sold their natural resources in exchange for money and and this relationship developed over time. So then, Gustafsson has has written this wonderful book, as I mentioned, but now, definitely, this relationship has changed, right? So now, the EU's single energy market is no longer that attractive, and really represents a failure and inflexibility of a regulatory regime in one Since its presenting and instilling, instilling in very structured manner, a hard power in the regulatory system in the market system, but at the same time, it's lost that soft power, where it was attractive for companies and countries to sell their gas into the system. And now, of course, with gas being a global commodity, with LNG, the EU, suppliers can go elsewhere, since they don't if, if it's essentially just the price, then they can take their goods and they can sell it elsewhere. It the Soft power is gone. And really, it's just a commodity now, so where can a country make the most money is the question rather than let's build this relationship with each other, and, and do something over the long term. And kind of before I conclude, I just want to like, I want I want to reflect for a moment back on the cold war again, and the legitimacy of European economic community and legacy there because we talked about hard power, and we talked about NATO. But what's also important too, is incense. It feels like NATO is the only institution leftover from the Cold War. Helsinki Commission, the European Court of Human Rights part of the Council of Europe, these things, these institutions were established with human rights. And this projection, I would say, of soft power in the West, and that even Gorbachev would agree that that this, this is a really good, I would say mission or aspiration for humanity as a whole. And the Soviet Union should sign up to this, right. So we should respect human rights, because we all have the same and rights regardless of where we live. But somehow, with populism, with nationalism, these international institutions that were really fought for and negotiated over, seems like they're irrelevant, when we only have NATO, kind of representing this, it's not in Afghanistan anymore, representing this border between, I don't know, like nationalistic, whatever Russia has going on. And the influence is trying to maintain and value Ruse and Ukraine. And this sphere, this this new border that's been established, basically, of sphere of influence. And that, of course, even extends to the Balkans extends to Hungary, and even threatening, you know, in one sense to Poland and to the Baltic

states. So it's the threat also of hard power being used to coerce that that can symbolize a new era. And I think this is really what we're, we're entering. And it's really important, maybe I'm just getting old. But it's really important to reflect back on the founding of these institutions and the roles that they played, and why they were created. And then what we demand of current, and I'll say this EU, but also, of course, countries that want to join the EU, that the standards that those countries must live up to, and that's all about soft power. As I explained, putting these down rules and regulations. Yeah, it's okay. But these are much more descriptive, much more cultural in nature that needs to be respected and followed over a long, long period of time. In conclusion, then, and I've got there is essentially Russia walks off. So there's uncivil unsuitable market rules, tighter regulatory regime, hard edge or the soft power, it undermines the economic, military and self defense. What I mean by that is that by creating the single energy market, and have expressing the economic might of the EU, outside the EU, creating conformity by those wanting to sell in the EU, the EU has already played its hard edge too hard, and maybe undermining and dissuading others from participating, particularly Russia and gas, particularly dissuading them from participating in the EU's soft power energy market. Really, the success of the European project means less security for Moscow, the sphere of influence the expansion of the EU, this representation of democracy and former communist countries, the desire for Ukraine, Georgia to join the EU for example. This while it's not NATO, it's still represent Since a soft power, it still represents membership to a Western organization with democracy and human rights at at its core, or formerly at its core. And Russia sees this in this in this nationalistic sense as threatening their sovereignty, whether we buy it all or not, but it's one way to frame it. and the EU response what what should happen, because I think it's really important that the EU think about why we're using Russian gas, got it in my home. And why we're using it is, is it was an instrument to create relations with the Soviet Union way in the back, right, all these huge gigantic pipelines, 1000s and 1000s of kilometers, running all over the place, and delivering this natural resource used for electricity production, and certainly for heating. This is the backbone of some energy systems in Eastern Europe. And of course, for industrial processes more or less than in the West as well, and also heating. So if we're going to transition away from from gas, it's going to take decades to to move away. And so what can the EU offer as a new relationship bridge with Russia? Is there another energy resource that that can, can be used, because we can't just break off and not buy things from Russia. So I think it's really important that the EU find ways to cooperate with Russia for the future. If gas is not going to be the center, it's kind of crazy how they always go to, I don't know, conferences, or they go to summits, and they're always talking about gas and whatever between them. But like, Don't you have something better to talk about because we shouldn't be using gas at all. But I think they're just don't know what else to talk about. So they really need to find new ways to cooperate economically, that ties Russia with the EU and EU ties is tied to Russia as well. And the EU also has to defend the foundational and evolved human rights principles of the Union. So the union wasn't just built as an economic union was much more than that it was about democracy as a post, post war environment, never to have a war. Again, that wasn't just that wasn't just a merger of, of steel companies and coal mines was much more foundational than that. and the EU really needs to ensure that it does represent democracy, and does hold its members accountable for the democratic systems that they have in their own countries. So with that, I'm going to end this podcast. And I want to thank you, if you still listening to it next week, for sure, we'll have a guest again, thank you very much. Thank you for listening. Thank you for joining us. For this episode, we produce the my energy 2050 podcast to learn about cutting edge research, and the people building our clean energy system. If you enjoyed this episode or any episode, please share it. The more we spread our message of the ease of an energy transition, the faster we can make it. You can follow us on LinkedIn where we are the most active on the My energy 2050 web page or on Twitter and Facebook. I'm your host Michael LaBelle. Thank you for listening to this week's episode.

