

A European federal State to confront the energy problem

The Russian gas war and the continual increases in oil prices (both problems linked to structural aspects of the current international framework) have highlighted the precarious nature of Europe's wellbeing and economic growth. The latter depend on the availability of low-cost fossil fuel and reasonably constant fuel supplies, and thus, ultimately, on the stability of the global power structure that guarantees both these things.

The extent of Europe's dependence on external energy sources is such that the closing of a Russian gas pipeline or large Saudi or Iranian oil field can bring to their knees the economies of vulnerable countries (such as Italy) that are most reliant on imported energy, and have enormous repercussions on the interdependent economies of neighbouring countries.

The reasons for Europe's dependence on external energy sources

The roots of this irresponsible energy policy lie in Europe's division. As long ago as the 1950s, Jean Monnet predicted that, unless an adequate European policy were introduced, the six ECSC countries' dependence on imported energy would, by the end of the 1960s, rise from a fifth to a third of overall consumption. From this perspective, the EURATOM project was meant, through the use of nuclear

energy, to lay the foundations for keeping the growing importation of oil and coal within reasonable limits. But because this institution, like the current institutions, was founded on mere cooperation among the States, the project was doomed to failure. In more general terms, the postponement sine die of the creation of a European federation led the States, on the one hand, increasingly to favour national policies, and on the other to try to exploit the opportunities produced by the international situation: first, there was the United States' undertaking to protect oil supplies, then, after the end of the Cold War, Russia's offer to supply gas to Europe. In this way, the Europeans have become dependent not only on crude oil from the Middle East, but also on gas from Siberia.

The inadequacy of the proposed solutions

In an attempt to tackle this situation, which has grown into a real emergency, the UK, France, and Germany have proposed three solutions, whose main elements emerge in "European plans", put forward by the European Commission, the European Council, and the European Parliament. These proposals take the form, respectively, of a call to liberalise the energy market in Europe, a memorandum on EU energy policy, and a good neighbours policy. What all three approaches have in

Campaign for a European Federal State

This fact file is published under the auspices of the Mario and Valeria Abertini Foundation

Via Volta 5 - 27100 Pavia (I)

www.euraction.org

February 2006

common is the fact that rather than being conceived as European plans, they in fact constitute, once again, efforts to coordinate national policies in a specific sector. And precisely because they are founded on Europe's division, not one of them is destined to solve the problem.

Liberalising the highly strategic energy market, which would mean divorcing it from any European foreign and security policy, cannot fail to leave the Europeans weakened and even more divided than before, and create the very real risk that energy giants such as Gazprom might gain control, directly or indirectly, of the energy distribution networks in different countries, thereby further increasing their hold on the sector.

The simple adoption, at European level, of the French energy policy (i.e., to restart nuclear energy programmes and progressively replace fossil-fuels with biofuels) would be impossible. To be realised, it would need all the countries to support, voluntarily and spontaneously, common energy objectives that would, in any case, have to be implemented through national government and finance bodies that are often in conflict with one another and are coordinated by weak European institutions.

The good neighbours plan that Germany has proposed and already begun to promote, stepping up its cooperation with France in the nuclear energy field and with Russia for the exploitation of Russian gas, in truth serves to re-launch Germany as a country with a central role in Europe, but not to promote a European

energy policy.

We Europeans must, as soon as possible, register the fact that we are faced with two closely interwoven challenges (one concerning the new balances of power in the world and the other the sphere of technology) that can only be overcome by renewing the pursuit of European political unity.

In the energy sphere, the different *raison d'état* of the various global powers are beginning to find themselves on a dangerous collision course. One need only think of the US Congress' decision to prevent China from buying American oil companies; Russia's efforts to speed up its policy to re-nationalise the country's oil and gas industry, linked to its plan to exploit its status as energy superpower both in Europe and Asia; and the cooperation agreement reached between China and India to guarantee control, on the global market, of the companies and resources useful to the growth and development of each of them. Neither the countries of Europe, individually, nor the European Union currently have the remotest hope of influencing the evolution of these relations. And this is because the sovereignty and the *raison d'état* of the single European countries count for very little in the face of the power of the USA, Russia, China and the India, and also because the European Union is not a State.

The solutions needed

In technological terms, the options for reducing European dependence on oil and gas are well known. They include the re-

starting of nuclear energy programmes, without which greenhouse gas emissions and the greenhouse effect cannot be significantly reduced; the use of biofuels, for the production of which there would have to be a review of the agriculture policy (which in this regard would require more resources, not less); to switch from coal to gassified coal burning; incentives for the use of renewable energy sources; and promotion of the use of hydrogen, which, however, would necessitate a new policy on energy supply and distribution, as well as a restructuring of the European transport industry (both public and private). As long as the Europeans remain in the condition of political and economic inferiority that is imposed on them by their narrow, national dimensions and by Europe's confederal framework, it is quite inconceivable that they can reduce their dependence on imported oil and gas and, at the same time, bring about a revolution in the field of energy production and consumption. The successful implementation of the necessary choices would take much more than a simple pooling of national financial resources and of national production and research capacities, as each of them would require the introduction of economic, fiscal and foreign policy measures on the part of a sovereign government of continental dimensions, not mere supervision on the part of the institutions of an organisation of independent States, which is what the European Union is.

The Europeans will not find a way out of

this situation unless they manifest the will to found a European federal State. They must abandon the cooperation-between-States approach, which is useful for the partial sharing of information and costs in this sector or the other, but is not adequate for government.

The European Union cannot, as one, turn itself into a federal State equipped with its own government that has the capacity to guarantee and promote the security of the Europeans. For this reason, there has to be launched, as soon as possible – within the ambit of the countries that, over half a century ago, indicated European federation as the objective to be pursued in order to tackle the global challenges whose outlines, even then, were beginning to emerge – a concrete move to found the initial core of a European federal State, which will be open to all those countries that will subsequently want to be part of it. If they want to avoid a future of decline and subordination, Europe's six founder member States must accept the full weight of this historical responsibility, and make their choices accordingly.