



Getting to *nyet*

Nord Stream 2 and its myriad stakeholders

Laying pipe: The Audacia at work on Nord Stream 2 in the Baltic Sea

DPA/BERND WÜSTNECK

BY ANDRÉ WOLF

The project was almost 90 percent finished. Preparations for the inaugural festivities were underway. But the US was set on putting a halt to the Nord Stream 2 gas pipeline no matter what. Even though the ships belonging to the Swiss contractor Allseas would most likely have completed their work within a couple of days, Donald Trump abruptly threatened sanctions on companies involved in the project. And then, early this February, he announced additional sanctions. The pipeline at the bottom of the Baltic Sea was designed to ferry gas from the huge fields in Russia's arctic Yamal Peninsula to the German coast near Greifswald, where it would be fed into European grids. Today, the project is on ice.

The controversy surrounding the Baltic pipeline has a long history. As early as the 1950s, during one of the Cold War's tensest periods, West German industrialists spoke with Soviet representatives about a deal that would benefit them both. The young Federal Republic's fast-growing economy had its eye on the Soviet Union's comparatively cheap oil and gas. In return, pipes imported from Germany would help modernize the USSR's gas infrastructure. A US trade embargo put an end to those plans.

The sanctions were dropped during the détente era. It was the economically burgeoning German region of Bavaria that restarted talks with the Soviets in the late 1960s. They culminated in 1970 in

a far-reaching agreement for three billion cubic meters of natural gas to be delivered annually to Essen-based Ruhrgas AG for 20 years. In return, the West German steel industry provided pipes for building pipelines.

A series of economic factors encouraged the continued expansion of these ties. The 1973 energy crisis saw West German industry clamoring for more independence from the caprices of OPEC states. And the Soviets were always open to hard currency and a stable revenue source.

Points of political dispute were deliberately excluded. On both sides, neutral technology experts were tasked with management. It was believed that stable trade ties would foster reciprocal trust and lay the groundwork for development cooperation in other sectors as well.

Following the collapse of the Soviet Union, plans were drawn up to expand available transport routes. The goal there, too, was to link the Russian Federation more closely with the West through increased trade.

Meanwhile, Ukraine became a new, independent transit country, only too happy to charge transit fees and finding itself in a position to threaten the flow of gas. As a result, in the mid-1990s, much to the chagrin of the Ukrainians, the idea of building a supplementary underwater pipeline through the Baltic, with Germany as its terminal, gained currency.

In July 2004, a memorandum of intent was signed regarding construction of a 1,224-kilometer duct from Vyborg to Lubmin near Greifswald. It resulted in a 2005 agreement in principle among the

operating consortium made up of Russia's Gazprom and German contractors Wintershall and E.ON Ruhrgas, and was shepherded politically by German Chancellor Gerhard Schröder and Russian President Vladimir Putin. The proprietor and operator of the project would be the newly founded company Nord Stream AG.

In 2013, it was revealed that plans were in the works to augment the two existing lines with two additional, largely parallel pipes. From the beginning, this new pipeline project, called Nord

Stream 2, elicited heated international political reaction. Some arguments similar to those witnessed during the earlier project evolved due to new geopolitical realities.

The current debate is characterized by three different yet related spheres of argumentation, namely economy, security and ecology, which are emphasized to varying degrees by the parties involved. At one end of the spectrum stand the clear opponents of the project – the US, Ukraine and many Eastern European states. Washington regards Nord Stream 2 as detrimental to US interests for several reasons. The US sees a geopolitical threat in Europe's energy supply becoming even more closely tied

to Russia, thereby possibly undermining the effectiveness of Western sanction regimes in current areas of conflict.

Economic interests also play an important role. It is no secret that the US wants to greatly expand delivery capacities to Europe for its domestic fracking gas in the form of LNG tankers. The necessary infrastructure has recently undergone a substantial expansion, with Europe now operating 36 LNG terminals. However, because it must be liquefied and transported by ship – both of

matter is likewise clear. Although both countries no longer rely heavily on Russian gas for their own energy supplies, the transit fees they collect remain an important source of revenue that would be jeopardized by the detour through the Baltic.

The project also poses great security risks for Ukraine. In the country's ongoing conflict with Russia, Nord Stream 2 would deprive Ukraine of an important advantage against its big neighbor.

Furthermore, closer ties between its important continental partner, the EU, and Russia are also not in Ukraine's interests. In sum, the economic and security interests of Nord Stream 2's opponents are generally congruent.

From Russia's perspective, the project eases its own vulnerability to pressure from neighboring states and weakens the West's political unity, yet the economic consequences are harder to judge. In connection with other pipeline projects such as Turkish Stream, Nord Stream helps diversify sales channels for Russian gas and stabilize revenue over the medium term. But it is doubtful that the additional income for Gazprom will suffice to offset the high construction costs, especially in light of the new EU gas directives.

As the entry point for Nord Stream 2, Germany can expect savings on transit fees. On the ecological level, disputes continue over the compatibility of the project with the long-term goals of Germany's own energy transition project. On the one hand, gas is considered a necessary medium-term bridging technology for the generation of electricity. With their flexibility and low

CO₂ intensity (in comparison to coal), gas-fired power stations are an essential backup for absorbing natural fluctuations in power generation from wind and the sun.

On the other hand, Europe's own gas production will fall sharply. Critics fear that the additional pipeline will produce lock-in effects in energy acquisition that could turn a bridging technology into a permanent solution.

It can be argued, however, that under the conditions of the liberalized European gas and electricity markets, the production technology and means of delivery that yield the greatest value will ultimately prevail regardless of infrastructural conditions, so that the success of the "green transition" will be decided in one way or another by the market.

The European Commission has become increasingly critical of the project. Ever since the Russian-Ukrainian gas conflict of 2005 temporarily affected gas supplies to Europe, the Commission has backed a policy of diversification. Yet it is not actively obstructing the Nord Stream 2 project. Nevertheless, initiatives such as the recent amendment to the EU Gas Directive, which further eases ownership unbundling and expands third-party access to include suppliers from non-EU states, can certainly be seen as defensive steps – even if exceptions are still possible. ■

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Knock, knock! Huawei's there

The EU has settled the dispute over Huawei's role in its 5G network. Or has it?

BY DANIEL LEISEGANG

It appears that the impasse relating to Huawei is finally coming to an end. Starting back in May 2019, a heated discussion had emerged within the EU as to whether or not the controversial Chinese tech giant should be involved in the expansion of the ultra-fast fifth-generation (5G) mobile network in Europe.

Ever since, two distinct fronts have stood almost irreconcilably opposed to one another. On one side are the representatives of EU security authorities and intelligence services, who fear that Huawei could spy on European mobile networks and sabotage critical infrastructure on behalf

of the government in Beijing. On the other side are industry representatives, a majority of whom is in favor of using Huawei's services because they see it as the only way to avoid lagging behind other countries in the high-speed digital age.

The European Commission has now come up with what looks like a way out of this stalemate. In late January, after months of negotiations with member states, it announced that it was explicitly opposed to excluding particular 5G providers per se from the European market, arguing that the decision as to whether a supplier is considered risky or not must be made solely on the basis of specific security considerations.

At the same time, Brussels presented a bundle of recommendations designed to minimize the risks involved in setting up 5G networks – including an instruction to keep suppliers that had been classified as "high-risk" out of critical areas of the network. The commission included among these risks any influence coming from a third country.

In other words, Huawei will now be permitted to participate in the expansion of the 5G network in the EU, but under strict conditions. Does this mean that all's well that ends well? Not at all. The US government, in particular, reacted very angrily to the European decision. After all, it was US President Donald Trump who declared a telecommu-

nunications emergency in the US last May as part of his trade war against China. This was the point at which the US Department of Commerce put Huawei on a kind of blacklist, and since then, the Trump administration has urged all of its international allies to similarly refrain from using Chinese mobile phone technology for reasons of cybersecurity. An extra component of this request was a thinly veiled threat that the US would restrict intelligence cooperation if it felt it had to.

Even if the US government is more concerned with China's expansive economic policies than with actual data security, the suspicion that Huawei could carry out surveillance on behalf of the Chinese government is entirely

justified. Indeed, Chinese intelligence laws require that private sector companies assist state intelligence agencies on the collection of information whenever requested. However, the US has so far been unable to provide any evidence to support its allegations.

As long as this evidence is unavailable, the German government is not eager to automatically ban Huawei from participating in German networks. As Chancellor Angela Merkel has made clear from the very beginning, she is in favor of a more moderate approach that would include increased security requirements and stronger controls.

Merkel's posture on the issue, however, has caused a measure-

able degree of uneasiness, not only in Washington, but also in Berlin, and even in her own party, the CDU, and among her own ministers. Foreign Minister Heiko Maas (SPD), in particular, is intent on ensuring that "political trustworthiness" is an essential criterion for the approval of any 5G suppliers. On the other hand, Economic Affairs and Energy Minister Peter Altmaier (CDU) and Interior Minister Horst Seehofer (CSU), like Merkel, are against the complete exclusion of Huawei.

The European Commission's decision has now provided Huawei supporters with some tailwind. All parties involved already agree that other providers should also be involved in the

Scold war

Radicals have hijacked the climate debate. It's eco-dictatorship vs. eco-Calvinism

BY JULIA BOEK

When *Time* magazine chose climate activist Greta Thunberg as its person of the year last December, US President Donald Trump fumed in a tweet: "So ridiculous. Greta must work on her Anger Management problem, then go to a good old fashioned movie with a friend! Chill Greta, Chill!"

Several journalists interpreted Trump's tweet as a tasteless spin on the "Run Forrest, Run!" clip from *Forrest Gump*. The eponymous character in Robert Zemeckis's masterpiece has a very low IQ and is considered to be mentally handicapped. Sweden's Greta Thunberg suffers from Asperger's syndrome, a vulnerability that is exploited with constancy and hostility by her political opponents.

In Berlin-Mitte this past summer, four pedestrians were killed when a Porsche Macan swerved onto the sidewalk. Even before the cause of the accident was officially announced, the SUV had become a multi-ton public enemy number one. At dinner tables, in the Bundestag, at roundtables and in op-eds, half of Germany began debating a ban on sports utility vehicles in cities. In the rhetoric of climate activists, the Left, the Greens and environmental groups, these half-car-half-trucks have become "motorized murder weapons" that are "responsible for climate change."

Automobile industry executives, conservative politicians and car fans alike are countering with warnings about thousands of lost jobs while, above all, evoking the right of older people to have a comfortable way to get around town. They detect signs of a rising eco-dictatorship out to ban cars altogether.

Ecological issues have become a key component of a major culture war. In almost all segments of our society, climate protectors are pit against car owners, meat eaters and airline passengers. But what exactly is the nature of the problem?

As shown by its carbon countdown clock in Berlin-Schöneberg, the Mercator Research Institute on Global Commons and Climate Change now gives the world just 25 years and 8 months until the global population, at its current rate of emission, has spewed so much CO₂ into the atmosphere that the much-discussed two-degree threshold will be surpassed.

The world produces 1,332 tons of carbon dioxide per second – 42 gigatons per year. These greenhouse gas emissions are caused above all by oil, coal and gas, that is, by the fossil fuels upon which the growth of prosperity and advancement of the industrial world are based. As a result of these forces, scientists predict more frequent severe storms, heat waves, drought and rising ocean levels; and these in turn will lead to hunger crises, land loss, wars and climate refugees. At stake is nothing less than a livable future

This culture war is quite distinct from the emancipatory turmoil that began in 1968. Peter Unfried, senior correspondent for the left-wing *tageszeitung*, points out that up until now, the dynamic has been "men against women" or "heteros against homos," that is, a disenfranchised group asserting its rights in the face of a dominant opponent; today, however, this narrative dichotomy of "us against the fill-in-the-blank" no longer holds. The old deep trenches are losing significance, as the obstacle, which was formerly "the others," has now

But how do we go about creating this green industrial revolution? How do we achieve the democratic majorities we need to usher in innovative social and ecological policies and industries? No one can say exactly how. Nor can we know how much it will cost. At the moment, political and industrial decision makers are under tremendous pressure to agree on innovative climate policies that produce a smaller carbon footprint, as well as alternative concepts for mobility and production and huge investments in renewable energies.

conflict posed to their business models.

At the same time, we cannot overlook the fact that politicians are shifting the climate problem to a moral and cultural level – a phenomenon that Ralf Fücks, a Green Party politician and cofounder of the Center of Liberal Modernity think tank, calls the "privatization of the climate issue." This trend is bolstered by the claims of many climate activists that the looming climate disaster can be mediated by individuals rethinking their habits and values.

But how can the environment debate become more civil? How can we craft a rational and advisable climate policy? Climate experts like Unfried are demanding a new societal discourse that forgoes prophesying the apocalypse while constructively discussing the opportunities presented by the green transformation. It would behoove us to embrace a liberal democratic attitude bent not on dividing society with regulation overload vis-à-vis elite lifestyle questions, but on maintaining open and honest dialog.



SHUTTERSTOCK / RYAN RODRICK BEILER

for all coming generations of humans and other species alike.

Climate protection has become an existential question. It affects all segments of society and all political camps. But different groups' perceptions of the issue vary to the utmost degree. While economic liberals, social conservatives and those generally on the right – including globalization critics, traditionalists, climate deniers, etc. – cannot or will not see the danger in it, the left-leaning cosmopolitan big-city elites have elevated the ecology issue to a matter of lifestyle and life philosophy.

become ourselves – that is, Western societies that consume ever more energy in order to satisfy their ever-expanding range of needs.

With its heavy dependence on fossil fuels, the world's growth economy is pushing its limits. At the beginning of the industrial revolution, the capitalist principle of economic growth relied on the idea that the Earth's resources would always be available for exploitation. Today, we are faced with the challenge of developing an energy economy to replace fossil-based raw materials with renewable energy sources like wind, sun, water and biomass.

However, instead of pushing forward with these policies, all their efforts seem to go toward forging half-baked compromises to buy themselves more time, such as modest increases to air-travel taxes in lieu of introducing a Europe-wide kerosene tax or gradually decommissioning the coal industry.

They embrace the former because they fear losing votes and possibly even re-election as a consequence of the socio-economic changes that will inevitably result; and they ignore or reject the latter because of the

At issue here are lifestyle factors like eating meat, fashion, driving SUVs, long-distance travel and the most extreme encapsulation of climate consciousness, "eco-Calvinism," which preaches the renunciation of our consumer society, the abandonment of old norms and the acceptance of certain prohibitions and limitations, no matter what social disadvantages may accrue. This relocation of the climate question to the private sphere increasingly polarizes society and, so Fücks fears, could ultimately foment resignation and radicalization.

Finally, we could all use a little humor. And Greta Thunberg has some. The young Swede countered the petulant Trump's verbal attack by temporarily changing her Twitter bio. Under her photo she wrote: "A teenager working on her anger management problem. Currently chilling and watching a good old fashioned movie with a friend." ■

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development of 5G networks, a move that would increase technical diversity. In addition, all parties agree that Huawei should be excluded from security-related network and system components.

One compromise proposal currently under discussion stipulates that the German Interior Ministry has the authority to exclude providers from involvement in 5G-network expansion if they run contrary to any of Germany's "predominantly public interests" or "security policy concerns." In addition, a strict system of compulsory certification for all equipment is also in the works.

It's hard to believe that the US government will be satisfied with this compromise, especially since Berlin knows full well that such

an arrangement cannot offer 100 percent security against spying and sabotage. The fact that the EU ultimately decided in favor of Huawei has one simple and weighty reason, namely that most EU countries are highly reluctant to forgo the economic benefits of a relationship with Huawei and China.

Industry experts agree that Huawei offers by far the most modern and affordable 5G technology worldwide. It is already being used in two-thirds of commercial 5G networks outside of China; it is far greater use than the technology provided by its competitors, including Nokia, Ericsson and ZTE. Mobile phone companies are using this argument to put pressure on the

deployment process, warning that the expansion of the economically key 5G network would be delayed by years if the Chinese equipment supplier were excluded.

At the same time, the economic powerhouse that is China is tightening the reins to a noticeable degree. Today, the annual volume of trade between China and the EU is roughly €600 billion. In the 20 years since 2000, the exchange of goods between the two trading partners has almost tripled. The EU thus has zero interest in jeopardizing its relationship with such a powerful economic partner. This applies especially to Germany, which is more dependent on foreign trade than many other EU member states.

Beijing is well aware of this fact, that is Germany's Achilles' heel. In December, China's ambassador to Germany, Wu Ken, warned that the Chinese government would not take a German boycott of Huawei lying down.

Wu pointed out that a quarter of the 28 million cars sold in China in 2018 came from German production facilities, an implicit threat that drew the attention not only of German car companies, but also of authorities in Berlin itself.

In other words, a European turnaround is long overdue.

An economic predicament such as this leaves hardly any room for something akin to free choice.

In fact, it makes one thing all too clear: Even if it looks like

the trade dispute surrounding Huawei and 5G has been settled for the time being, the EU still faces tremendous challenges with regard to its economic future.

In the next couple of months, the first thing EU member states must do is agree on how to secure and control their vitally important communications infrastructure. They have until the end of April to implement the recommendations stipulated by the European Commission. After that, they must once again discuss whether the steps taken up until now are sufficient or whether further protective measures are required.

Yet this alone won't be enough. In recent years, the EU has

gravely neglected the research and promotion of key digital technologies in its own sphere; in that same time span, China has grown into a global superpower. This failure is now taking a bitter toll, as the Huawei case shows.

It would behoove the EU to clarify as quickly as possible how it intends to achieve digital and economic sovereignty moving forward. Only then will it be able to counter growing pressure from the US and the Far East. ■

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