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Time to break free of Putin's grip

By Andre Wilkens and Fouad Hamdan

When Vladimir Putin switched off the gas supplies to Ukraine, then doubled prices for Georgia and this week halted oil supplies through Belarus, he opened our eyes to a future in which the Kremlin has, potentially, an iron grip on EU foreign policy.

With 50% – and rising – dependence on imported energy, Europe's response has been mainly to panic and to cut bilateral deals. It is the surest, quickest route down a cul-de-sac to sky-high energy prices and ever greater indebtedness to unstable, repressive regimes.

The challenge is not, or not simply, economic. Nor is it short-term. Putinism, 'managed democracy', is a determined assault on Europe's whole value-system.

The EU at 50 is undeniably suffering from a mid-life crisis and in dire need of a big idea which is relevant to its citizens, unleashes innovation, creates jobs and enables it to act as a positive global power on the most pressing issues the world faces today.

What could be a more pressing global issue than climate change? The majority of Europeans – and nearly half the US population – now recognise it as the great problem of our times.

Already it is leading to freak weather conditions, growing poverty and migration. And all the indications are that global warming will be accelerated by China and India's breakneck economic growth. A radical move away from old energy sources is clearly imperative.

Yesterday's (10 January) European Commission response to the energy and climate challenge has been good rhetoric but otherwise a mixed bag: an overemphasis on the power of deregulated market forces, lip-service on efficient and renewable energy sources without clear measures to achieve them; defensiveness over the need to diversify oil and gas supplies rather than the need to shift away from fossil fuels altogether.

What Europe needs is a new energy for Europe pact which links climate security with energy security and fills the vacuously technocratic Lisbon Agenda with genuine content and creates a real chance of delivering what it said on the packet: innovation, competitiveness and jobs. New energy for Europe means in practice:

- taxing 'dirty' energy and investing the revenues in new, clean technology;
- phasing out subsidies and incentives for coal-fired and nuclear power stations;
- setting ambitious and binding sectoral targets for the share of new energy by 2020, eg, doubling the efficiency of European vehicles;
- creating an EU legislative and budget framework which specifically favours renewable energy, energy-efficient technology and innovation in this sector.

These are policies which can and should be implemented quickly, with substantial changes to the EU budget, when it is reviewed in 2008, to shift investment to new energy sources.

German Chancellor Angela Merkel has put relations with Russia, energy, and climate security at the top of the agenda for her country's EU presidency. With the economic wind behind her at home, she has the room for manoeuvre to lay the groundwork for a timely new energy for Europe pact which could serve the EU well for decades.

It would deliver, over time, energy and climate security, remove a major obstacle to a common foreign policy and support Europe's claims to be a coherent, benign global player. Weakening Russia's capacity to bully its neighbours would also slow down the export of Russia's noxious, 21st century version of the police state.

Is it too much to hope that Putin, however unwittingly, will prove to be the man who helped Europe rediscover its common interests and values, even to find a new vision of itself?

- *Andre Wilkens is director of the Open Society Institute, Brussels. Fouad Hamdan is director of Friends of the Earth Europe.*

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