ESSAY

ENERGY COOPERATION – THE STRENGTH OF THE EU'S ECONOMIC DEVELOPMENT

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Abstract
Continuous economic development of the European Union countries has reached a stage in which both intra- and inter-state cooperation together with the interaction of economic actors, have become biggest strength. The present paper analyze the level of cooperation between European Union countries and the European Union policies in the energy field to emphasize a better image of the European Union energy security level and its future geopolitical trends. In spite of numerous consensus problems among Member States towards a unitary common direction, every state appears to have the same objective – to secure its economic development through energy. As such, the centre of economic gravity in the European Union countries has to be energy cooperation and all policies should be focused on it.

Keywords: energy cooperation, strategic resources, sustainable development, economic development, geopolitics

JEL Classification: F53, P48, Q48

Introduction

Cooperation within states is an essential principle of the European Union (EU), supporting the organization and its functionality from its inception. It has expanded and strengthened contiguous aiming to attain an increased cohesion among the Member States. Naturally, the energy sector has become the EU's central point for economic sustainability and is anchored

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in the norms of this principle. Moreover, every economic assembly includes discussions on energy topics and regulations in which energy is very much related to the security, the unity, and the future strategic development of the EU. Given these conditions, the study aims to analyze different aspects of the energy cooperation framework between EU countries and the EU policies, using as working hypothesis the fact that the strength of the energy sector lies in the multitude of regulations, alliances and partnerships, despite the functional relative success. The research and practical significance of the work lies in the stepwise description of actions taken by EU Member States in order to formulate a common European energy policy.

Different authors have emphasized that the EU energy cooperation framework faces inconsistent levels of expression (Gandara, 2007; Youngs, 2009; Birchfield and Duffield, 2011). The German *Länder* have their own energy policies which have to be included in the cooperation framework. Another situation refers to the Member States' options of sharing energy. Furthermore, each member state may develop bilateral partnerships with other non-EU countries. Finally, the liberalization of the energy market is still under thorough scrutiny and there is no clear harmonization yet. All these factors challenge the cooperation principle of common and coherent energy policy. Besides these, the EU Member States strongly adopt the sustainable development perspective, seeking "long-term reconciliation between industrial production and consumption needs, on the one hand, and the protection of an environment conducive to life, on the other hand".

To perform the analysis of energy cooperation, the paper structure focused on several key elements. The characteristics of the European energy market were discussed and appended with aspects concerning energy industry. These provided support to the next section, in which the challenges of EU's energy collaboration were explored alongside the advantages created through collaboration. The paper concludes the analysis, suggesting that the scale of energy cooperation will produce an integrated system of enormous dimension, with significant effects for the whole EU's industry sector.

1. Characteristics of the European energy market

The EU energy markets are prerogative of the Member States and both are subject to particular energy market regulation and more general competition policy regulation. The unique characteristics of the European states' energy sectors have kept them outside of the European Union loop competences for decades. However, during the past decades a number of trends in the European Union energy sector have appeared and intensified: the European Commission and the competition authorities of the Member States have become increasingly actively using competition policy tools in the EU natural gas and electricity sector. Every economic assembly includes discussions on energy topics and regulations in which energy is very much related to the security, the unity, and the future strategic development of the EU.

Another situation refers to the Member States' options of energy sharing. Furthermore, each member state may develop bilateral partnerships with other non-EU countries. Finally, the liberalization of the energy market is still under thorough scrutiny and there is no clear harmonization yet. All these factors challenge the cooperation principle of common and coherent energy policy. Alongside these internal issues, the threat of the Russian energy dependence has grown ominous because of the lack of clear solutions. Still, there are successful projects, but the bureaucracy of the organization (Hille and Knill, 2006; Kuus, 2011) and the political disagreements have rendered them similar to fantasies.

The critical situation in Ukraine – transit country for the energy pipelines – and the EU's sanctions against Russia have raised a new challenge, with multiple implications in energy. Its solution emerges from the European energy cooperation, an argument that will be developed in the paper assessing evolution of the EU energy sector and investigating the current energy dynamics.

Regarding the energy industry an important number of particular geopolitical characteristics have developed and started to shape the sector dynamic:

- The primary energy resources are owned by the state.
- The majority of governments prefers to control or influence the national energy industry.
- Energy represents the vital element of the current economy and the security of energy distribution represents a main interest for many governments.
- A growing number of states are becoming increasingly dependent on a smaller number of energy suppliers.
- The energy industry remains dominated by large scale projects, financially as well as in terms of duration, and is controlled, as such, by a small number of national and multinational companies with experience in project execution.
- The financing of energy projects is increasingly becoming an international activity, requiring complex documentation capable of satisfying the contracting parties as well as the stakeholders.
- Long distance energy transportation represents a monopoly, and must therefore be regulated by treaties.
- The energy industry represents a large share of national, regional and global pollution.
- Nuclear energy is dependent on technology and therefore on nuclear weapons.
- The concentration of extraction, production and distribution activities in a single company (Gazprom holds shares in German and Polish companies and recently it has concluded an agreement with Italy concerning distribution).
- Orientation towards alternative energy sources has become a priority in the EU.
- The vulnerability to the lack of alternative pipelines.
- Energy cooperation between 2 or several states requires an agreement between all parties involved, not just immediately, but also long-term, through secure agreements and partnerships and under the institutional control of the parties involved.
- The problem of natural gas supply and the shaping of a specific market, in the context of supply being a regional issue, defined by the countries transited by the pipeline.

2. Guidelines

2.1 Stages of the drafting of the EU energy policy

Energy has become one of the key points of EU development, requiring stability and security. The problem of energy security in the EU states has been a matter of concern ever since the beginning of the organization of this economic community. Even the initial name

– the Organization for Economic Cooperation of Steel and Coal – underlines the economic importance of regional cooperation between European states; the economic community recovered after the Second World War through energy. Although energy cooperation appears at the forefront of talks and agendas in past periods, it was the least discussed until recently, because the interests of states and companies were beyond consensus. Furthermore, the viability of the EU became visible after 1990, when the fall of the Soviet bloc and its common market left only one large party in the region that could manage international relations at the European level.

The history of cooperative relationships in the EU in the energy field allows for an observation of the development and functional dynamics of the EU organs for ensuring economic security. Energy issues are in fact the key issues of the EU, energy being the most difficult problem to tackle in agreement. Even in these moments of crisis, in which dependency on Russia is ever increasing, the prospects are bleak, collaboration between EU states and the EU economic agents are still tense and difficult to put in agreement.

As a first element of our methodology of underlining the advantages of European economic development from the standpoint of energy cooperation, we will inspect what has happened with regards to attempts of unions to cooperate to this end.

The first moments of ensuring the European energy security were shaped in the wake of the Second World War, when the energy industry was considered among the most important elements of economic development, and therefore the conclusion of most European states was that it had to be under the full control of national structures. In this **first stage** (1945-1970), the great European energy conglomerates were formed, largely state-owned: Electricite de France, Gaz de France (1946), ENEL (1962).

The year of 1951 was the reference point, when the Treaty for the Constitution of the European Community of Coal and Steel (Paris) was formed in order to create a common market on a European level of what was the most important energy resource. Moreover, the geopolitical problem of creating the community derived from the change in the belligerent perspective on resources – coal and steel represented symbols for weapons production – to a peaceful one, in which former enemies could collaborate and help one another towards economic recovery (Schumann, 1950). Nevertheless, in this period of infancy, the problem of regional security wasn't tackled until later (1957), when the Treaty for the Constitution of the European Community for Atomic Energy is signed in Rome (Euratom) for the reduction of dependency on imports from the Middle East (the Suez oil crisis in 1956). From this point onwards, the European states confronted a first energy threshold in which dependency on a certain area, possibly involved in conflict, must be avoided by alternative solutions and technological cooperation to this end.

In 1964, collaboration was for the first time observed between European organizations and other world structures, through the signing by Euratom and AEC (American Energy Commission) of an agreement to exchange information for ten years in the field of nuclear energy. The collaboration between Member States of the new European structures is also underlined by the Communications of the European Commission towards the Council of Ministers of 1967, where the first elements towards the creation of a common policy of energy cooperation are set out, without insisting on their development in depth. This state in which some of the guidelines for the energy collaboration are set is characterized by the fact that only the importance of the national energy section increases (the Euratom directives), and

nuclear energy must be developed in more and more states. Evolutions based on energetic policies related to the EU treaties contextualized in the basic principles of the Euratom Treaty that continued the policies in the same manner until the end of the 1970`s.

The second phase of the European energy collaboration takes place between 1970 and 1990, the main events being the discovery of solutions to strengthen national energy industry (a first step) or the liberalization of energy markets (as a result of the USA and UK's privatization). New world economic crises, caused by more problems in the Middle East during the 70's, heightened the energy safety issue and, consequently, the economic issue. They determine the measures taken in the energy industry that were independent from the conventional energy resources. Thus, the increasing need for reliable energy supplies becomes more and more visible to the European Community, the results of this fact being more funds given to the construction of nuclear plants but, at the same time, alternate energy resources are exploited through subsidies.

The International Energy Agency is founded in 1974, ten years after the agreement between EURATOM and AEC, and represents a further collaboration with the States, through which the geopolitical aspect of energy is emphasized. The stated purpose is that of supervising the distribution of financial funds and the encouragement of diversified forms of unconventional energy resources. National energy policies and executing agencies began to form. However, some interventions planned in this traditional way proved to be too hasty and even ineffectual, and that is why the governments' capacity of drafting its own energy policy is questioned. The problem of energy collaboration falls into a second spot, the main topics being related to the strengthening of the European internal market in 1987 through The Single European Act where, as a consequence, the energy subject was of no great interest.

During the **third phase** (1990-2000), at the same time with the further development of the European legislation, the level of cooperation concerning energy and related European policies gather more and more importance. A significant goal was the establishment of a legal framework of the EU energy markets liberalization (e.g. the Electricity Directive 96/92/EC, the Gas Directive 98/30/EC), providing such economic approaches as vertical and horizontal unbundling, network access and interconnection, market opening or universal service obligations (Oprescu, Papatulica and Vasile, 2002). The European Union's common policies are also backed up by various agreements and signed treaties:

- In 1990, at the European Council in Dublin, it was widely accepted that the rebuilding of the ex-communist area, as well as the safety in the energy supplies of the community's space could be sustained through collaboration in the energy industry.

- In 1991, the European Energy Charter from Hague states the principles, objectives and mains of achieving the pan-European energy collaboration.

- In 1992 The Maastricht Treaty brings new aspects in defining the concept of an internal energy market. In the same year, the proposal to include the chapter on energy was rejected by Member States, even if the one who sustained that chapter was the European Parliament.

- In 1994, The Energy Charter Treaty represents the legal framework for cooperation in order to apply the principles of the Charter. The main objective is "promoting the energy collaboration on a long term" on the Eastern-Western axis (the Treaty has been applied since 1998).

- In 1995 The Green Charter "For a European Union Energy Policy" traced the following guidelines: the reduction of prices for oil products, the development of unconventional energy and the improvement of energy infrastructure.
- In 1995 The White Charter "An Energy Policy for the European Union" presents the energy dynamics in the context of globalization and promotes the integration of national energy markets as a decisive European political element.
- In 1996 and 1997, the "Green Paper for a Community Strategy – Energy for the Future: Renewable Sources of Energy", respectively the "White Paper: Energy for the Future – Renewable sources of Energy", are documents which still sustain the present common energy policy and the European legislation.
- In 1997, The Amsterdam Treaty contained the common initiative for creating Trans-European Networks (TEN-s), a step which implied an ample development of the European energy infrastructure, and also the telecommunication and transport infrastructure.

Thus, the European energy cooperation already has solid ground to start form and the directions of development union-wise are starting to become visible, even if there still is a different approach on the matter in some Member States.

The fourth phase (2000 – present day) is characterized by pursuing the implementation of regulation plans in the energy domain, and also by the development of various policies in accordance with the latest European and geopolitical events. A new image of energy and economic security is defined for the EU Member States, the guidelines being provided by:

- The 2000 Green Charter on energy "Towards a European strategy for the security of energy supply", written by the European Commission and later adopted at the European summit defines the two major aspects of the common energy policy: the strengthening and finalization of a common external policy in the relationship with external suppliers to ensure the security of energy supplies.
- In 2002, The European Council from Barcelona decided on the total liberalization of the electric energy market (by introducing a new common directive for gas and energy) for the industrial and commercial consumers, starting from 2004, through which the rules are simplified and the single European market becomes more homogenized.
- In October 2005, the council at Hampton Court – the heads of states and the European Governments expressed their interest to revitalize Europe's energy policy.
- In December, 2005, The European Council underlined the importance of an integrated approach of the objectives linked to the climatic change-energy-competitiveness.
- 2006, The European Commission's Green Book "A safe, competitive and sustainable energy policy" traces the leading principles of the new energy policy : it should contribute in a balanced way to the security of energy supplies, the competitiveness and long-lasting development (the three pillars), to ensure transparency and lack of discrimination on the market, to agree with the laws of competition, to respect the obligations of public service, to respect the independence of the Member States in what energy resources and the choice of the energy mix is concerned.
- The creation of regional energy partnerships as an expression of the liberalization of market direction (in 2007, the signing of a "*Memorandum of Understanding"* which will connect the energy markets of France, Germany, Belgium, the Netherlands and Luxembourg in one regional area).

The fact that, even though the energy markets have functioned very well on national and even union level, they cannot face bigger crises alone is relevant in this troubled period. Therefore, without the attempt to collaborate and find common ways of proceeding in solving the problem, one can clearly see that the EU functions well only on few levels, one of the most important of which the energy level, having been only recently (for 15 years) in the attention of general coordination.

2.2 Collaboration in the European Union and the energy options

As an organization composed of many states, the EU is, from its energy resource standpoint, not nearly functional, given the fact that until now it has focused mainly on national policies. As a result, the energy networks of the Member States are capable of ensuring positive dynamics for the economic development; but in order to have a secure future, a framework on a political level is needed in order to guarantee the continuity of the energy sources on which the EU depends.

The energy agenda of the EU is, at present, defined by its attempts to ensure a coherent policy for the future in which the main components will revert around:

- Source diversity.
- The emphasis on the importance of nuclear energy, taking into consideration the opinion expressed by the states that desire it as an alternative.
- Extensive research in unconventional energy sources.
- The re-evaluation of politics with Iran, Libya.
- The accelerated signing of bilateral agreements.
- The acceleration of the reversal of the monopoly process (the complete separation of electrical distribution networks and their supplying companies, the companies choosing this policy being then able to pick an "independent system of collaborators" (separate companies that will own access and investments in the distribution networks, but which can also be suppliers).

Furthermore, as part of the long term strategy, the European Commission's plan form Lisbon was characterized by the following objectives:

- The coherence of the energy program, in which no major differences between the internal policy of the Member States and that of the EU should appear.
- The further application of the bilateral programs and of energy and economy agreements in accordance with the ecological elements which are strongly promoted by the EU.
- The execution of the agreement with Russia, only if there are feasible conditions set by each side.
- The cooperation with other energy actors, independent from the relationship with Russia, given the fact that the EU is directly surrounded by 80% of the world's carbohydrate reservoirs.

- Establishing a network of specialists in the energy field who will be able to analyze the general situation in the EU and also that of the Member States in any moment of crisis, in order to supply the EU with all relevant data to continue its energy strategy.

If these measures are taken, the capacity to absorb energy shocks will rise, guaranteeing the EU's energy security.

Within this background sketched by the EU's plans of action directed towards energy sector, EU's options of collaboration are divided between the desire to continue its cooperation with Russia and the possibility of reorienting itself towards other energy resource suppliers from closer, more strategic areas (Algeria, Nigeria, Norway, the Caspian states). From this point of view, one can understand the framework of collaboration that the EU has created in the past years through the agreements and proposals it has made, especially in the energy industry. Each of the energy actors, the traditional ones as well as the more recent ones, are thus the EU's economic development engine. The well-functioning of the economic ensemble represented by the EU will be accomplished through the tightening of energy relationships, a final expression of unity in collaboration.

The collaboration strategy with each of the actors involved in the energy and economy communication shall be carried out according to the new principles of cohesion in sustained development even if the relationship between the EU and its partners isn't symmetric. We have different types of states, from an energy collaboration point of view:

- **States that supply with energy**
  - Dependent: Russia, Algeria, Norway, Qatar
  - Alternative: states from the Caspian Sea, states from the Middle East
  - Possible : Nigeria
  - Optional-necessary: Iran, Libya
- **States through which the energy transits**
  - EU neighbors (Ukraine, Belarus, Turkey, Georgia)
  - Intermediaries (African states)

During the negotiations with Russia in 2005, the EU became aware of its vulnerability when faced with this partner and that moment became the turning point for establishing new strategies. The relationship between the two political structures is far more diversified than the simple status of supplier that Russia has for the EU. Russia is not only the source for 30% of the EU's energy sources, but also an important trade market for goods and services for the EU. On the other hand, Russia is far more linked to the EU, giving it 60% of its energy exports (60 billion euro yearly) and 56% of its exterior trade. Another issue is that half of Russian natural gas exports go through the EU. The synergy of their collaboration is a strong one, but geopolitical interests in order to maximize immediate advantages as soon as possible have destabilized this until successful partnership. These problems behind the dialogue between Russia and EU concerning energy matters are framed by:

- The Energy Dialogue in 2000 as a forum for discussions and cooperation on specific topics.

- The fact that the Russian State Duma did not ratify the Energy Charter Treaty. The energy policy is unidirectional, because Russia considers that adopting the Treaty would mean following "behavior orders" concerning its energy policy and would deprive it of its direct influence on the shipment of natural gases from Kazakhstan and Uzbekistan into the EU. As a result, Moscow will be forced to guarantee transit rights for the energy resources from the two mentioned states (Antonov, 2007).

- Nuclear energy is mentioned several times: negotiations for an agreement about trading radioactive materials and ending the discussion about the work group in what concerns the safety of nuclear reactors.

- The control over Gazprom and Lukoil oil and natural gases companies, by the Russian government.

- Gazprom has created numerous agreements to avoid the institutional control of the Union. As a consequence, Gazprom has managed to cumulate a high part of the market in 17 member states by taking over shares.

- The possibility of creating a natural gas cartel which would unite the most important exporting countries (Russia, Iran, Algeria, Qatar and Venezuela).

- The problem of Russian investments in the efficiency of energy production and transport will not be possible without the EU (costs are estimated around 900 billion euro). The EU will intervene only if it is allowed to act in the Russian energy industry.

- Russia's selective policy with the EU Member States in order to fulfil the energy objectives implying European projects.

According to some researchers (Aliboni, 2005; Hughes, 2006; Leonard and Popescu, 2007; Haukalla, 2008; Light, 2008), the fissure that Russia promotes in order to benefit from the best agreements is the EU's main problem. The attempt to rely on the energy issue is another element, one of regaining its place as a superpower (Belkin and Morelli, 2007), despite receiving some exaggerated political statements during this time. The situation, according to the presented facts, is not that pessimistic: the two actors will continue to negotiate and also work together; it is impossible for either of them to immediately give up on their mutual benefits.

Among the other **states supplying energy** (Norway, Qatar and Algeria), the rising interest to establish tighter bonds can be observed (Norway has been signing bilateral agreements mostly). The main feasible element from this group of states is Algeria, which presently provides 10% of the EU's needed amount of natural gases, mostly due to the high possibility of doubling the shipment capacity, in this way becoming the most important gas exporter, after Russia, potentially guaranteeing 25% of the European demands. Directions of cooperation with Algeria are given by the following agreements:

- In 2001, the Spanish group Cepsa (20%) and the Algerian Sonatrach (20%) have started building a natural gas line (Medgaz) according to an agreement they signed.

- In 2002, the signing of the Euro-Mediterranean agreement and the establishment of the Association between the EU, Member States and Algeria, where both the importance of the states and the EU, as well as the role played by the energy companies is underlined.

- In 2002, Sonatrach signed the project to create a connection between Algeria and Italy.

- In 2007, Algeria and the EU discussed signing an agreement (in June 2008) on a strategy for the energy field, as a result of the partnership meeting between Algeria and the EU.

- Algeria stands out as one of the main countries exporting liquefied gas; agreements have started on a larger scale, including Egypt and Qatar. Momentarily, this alternative is only at discussion level (The EU –Egypt reunion in November 2007, for sharing and bringing their policy visions on energy closer).

Nigeria, a possible partaker in collaborations, came into the EU's plans of diversifying energy resources after the Conference for the construction of the Trans-Sahara pipeline, (4300 km Brass - Beni Saf or El Kala), relations between the sides being in their infancy.

The other energy alternatives that the European Union has do not yet seem to be feasible options, given the relationship barriers that the opposing regional and global policies have caused (with Iran and Libya). Projects such as INOGATE[1], (in which Iran is the providing state) or the Libyan President's visits to European countries suggest, however, an open attitude towards future collaboration, given the rising necessities.

The present energy dynamics would not have been so intense had the **intermediary states** not wished to get involved in the relationships between the EU and Russia. Their importance as intermediaries was neglected until Turkey increased its role on a geopolitical level, and then the political differences became visible, along with Ukraine's attitude of accepting the EU's principles and Belarus' distancing itself from the Russian ones. These three states discovered too that they were elements that Russia, as well as the EU, had to take into account in their negotiations.

The dimension of the energy collaboration becomes now even more varied. The role played by Belarus becomes more important due to the Yamal-Europe pipeline, which orients it towards the European structures and makes it a necessary partner (albeit an intermediary one) in the EU's and Russia's energy relations. Relations with Ukraine depend greatly on which side it chooses, given its dual geopolitical orientation. The collaboration is guided by the EU-Ukraine action plan, which emphasized the importance of energy as a major economic development factor in the region (2004). Turkey is important because of the Baku-Tbilisi-Ceyhan oil pipeline, built to offer an alternative to the Western dependency on the unstable Middle East and the OPEC members. In this context, the importance Turkey has for the EU rises considerably. The pipeline is a major element which can balance the power in central Asia and the bilateral trade relations, including the customs union Turkey-EU from 1995, will become stronger.

The energy cooperation can also be regarded through the Energy Community Treaty – an agreement between the EU and south-eastern European countries. Dealing with industries such as that of electricity, natural gases and oil, the Treaty makes sure that the countries involved adopt the rules in the energy field available in the single European market. Moreover, The Balkan Energy Interconnection Task Force, created due to the relations between OCEMN and the EU in order to coordinate regional energy investment initiatives, is another basis for the cohesion not only of the EU states, but of the entire European continent.

[1]An international energy co-operation programme between the EU, the littoral states of the Black and Caspian seas and their neighbouring countries.

2.3 The Caspian Sea States

The central direction of the short term European energy policy, the Caspian region and its states, do not represent a significant resource of energy for the EU, but more of an alternative to the Russian resources. The geopolitical difficulties in the area (conflicts, instability, low economic development, Russia's influence) are problems that limit the EU's action span, and involvement in the area is syncopated. Also, the INOGATE agreement was abandoned for a certain period of time, its importance being re-evaluated after the year 2005. The started programs have not been sustained enough. Only in the past years has the EU take over the process of settling agreements and partnerships with those states, talks involving only general policies.

Another major element in the energy cooperation is the Baku Initiative signed in 2004 and the Astana Declaration, policy discussions between the EU and the neighboring states of the Black and Caspian Sea. They seek to create a predictable and transparent energy market, while supporting investments in the area and energy supplies. The collaboration strategy in the area is undermined by the large number of shares that Russian companies own in the targeted states and by the fact that the region has only lately been considered important for the EU; the Caspian states initially turned to Asia to export their energy resources.

In what the bilateral partnership between the EU and the Caspian states is concerned, this is drawn by very few agreements, in incipient stages:

- two agreements with **Kazakhstan** on energy cooperation, one of which will be regarding the nuclear field (consolidating cooperation for the security of energy supplies and an agreement on using nuclear energy for peaceful purposes);
- negotiations regarding energy cooperation with **Turkmenistan**.

Overall, the extended Caspian region was re-evaluated. The new direction focuses on the European Neighborhood Policy in which only the western Caspian states are involved. Even so, this direction faced criticism on the level of commitment of different actors (Herdina, 2007), economic asymmetries (Longhurst, 2008), geopolitical and geo-economic transformations (Gebhard, 2007).

3. The diagnosis of the present energy dynamics

Is collaboration on a European level a step towards economic development? This question may be answered by presenting the third step of our analysis, tracing the advantages and the disadvantages:

3.1 Challenges of energy collaboration in the EU

The hardship of the collaboration is best underlined by the difficult approach of "national interest" or economic patriotism, which seems to have stepped in front of the common European interest. The desire to integrate and the benefits which stem from taking part in the EU structures cannot be visible when a nationalistic approach in energy negotiations

has replaced a common interest one. A dominant position is created for some national producers which blocks the functioning principles of the inner market (Bolocan, 2013).

European energy safety unifies all those national and regional differences, the idea of cooperation at EU level being the final result of the Member States' policy of cohesion. That is why the problem of **creating a common external market** in the energy industry appears, the causes being: the lack of coordination, the diversity of resources used and the various quantities of resources in each of the Member States. France, Belgium and the northern states emphasize the importance of nuclear energy, while that industry is absent in Spain and Italy. Austria and Portugal use hydroelectric power, while Denmark is the only net producer of energy. Given the situation, the choice for quantities of each type of energy resource is left to the Member States (until now, no common solutions have been found). If the mentioned states follow their own energy policy, other Member States (Poland, Romania, Baltic countries) will consider themselves not as favored as the rest by the process of integration and energy cooperation, energy routes going past them, because Russia prefers to act on preferences when it comes to bilateral agreements.

The projects that the EU wants to implement together with its partners meet yet another obstacle in **the duration of the projects**, the time it would take to finalize them (almost 5 years are needed to build and use a pipeline) and the conflicts in the transit areas.

A last aspect of the cooperation issues is the **technological implementation of alternative sources** of energy and the high prices which the less evolved states of the Union cannot face. Even though they appear to be a key element in the eco-energy development, alternative sources are far too dependent on technological costs and, as such, inaccessible in creating the desired energy mix.

Finally, the major drawback of cooperation is the postmodernism logic of the EU. This originates from EU's attempt to secure "its own role in the field of external policy" (Bosse, 2011, pg 519). It puts too much pressure on the last accepted members and on the states from the European Neighborhood Policy framework to adapt to the European energy market regulations without offering a special support, given their level of development.

3.2 The advantages of energy cooperation

Multilateral cooperation at an organization as well as a state level represents the only way to eliminate energy problems and react efficiently to energy crises, fact expressed in the statements of:

- Angela Merkel: *"If we look back at the history of the European Union, we note that the European Union began in the area of energy. At that time energy meant coal and steel, clearly what the European Coal and Steel Community was all about. Nowadays the importance of coal and steel in our European endeavours has declined somewhat. Yet in the same way as energy was once one of the reasons for establishing the European Community, so it is now again right at the top of our agenda."*

- Miguel Arias Cañete*: "The project of an Energy Union will be crucial for achieving the sustainable, competitive and secure energy system Europe's citizens and businesses need. In order to succeed, the Energy Union will have to be a collective exercise, bringing together all strands of EU energy policy, and stakeholders at every level of society."*

- Neelie Kroes: *"Energy is crucial to the EU's competitiveness, sustainable jobs and the prosperity of all European citizens"*. (European Commission, 2005)

Energy cooperation in the aforementioned ways also has advantages which may lead to the decrease of energy costs for consumers by renouncing the state monopoly, the privatization of the distribution industry and the appearance of several agents with viable alternatives for the European solutions. It lies at the centre of the development policy, being perhaps the only one that ensures and improves the degree of security through the cohesion of the Member States (thus, if a state has energy problems, the others would assist it according to the member status), despite this objective being but an utopia at a practical level at the present time.

The diversification of commercial partners involving suppliers as well as distributors also results from the indirect policies the EU imposes and which offer protection from energy crises. The European and regional energy market should also become more flexible, given the fact that the viewpoints drafted in the Union Cooperation policies being those that would ensure durable economic development.

Another advantage is the creation of mechanisms that allow the common use of disputed areas and the elimination of political barriers that continue to stop the multilateral economic dynamics (Iran, Libya, the Baltic states). At the same time, the challenge of merging the directions of economic development with environmental policies (the Kyoto agreement) is facilitated by national projects that are afterwards chosen for carrying out at union level. Thus, the environmental impact is decreased through higher efficiency and the introduction of viable technologies. All of these elements warrant the economic strategy of the Union's and Member States. The conclusion of economic agreements for medium and long periods encourages European sustainable development, this being the optimal context for economic development not just for EU states, but for its partners as well.

Overall, we can say that the strength of the EU energy cooperation is the inclination of its socio-cultural position towards energy and the diffusion of its norms. Moreover, the EU sustainable development strategy is also incorporated into regulations, in accordance with the growing requirements of the society (Olaru et al., 2010). With each energy treaty or instrument, the EU has come closer to strengthening its economic development. It happens without conceding a member position to the interested countries or weakening its position on the geopolitical scene. Unlike the US, that had success through hard cooperation, the EU has preferred to define its position as the best actor when it comes to develop through soft energy cooperation.

Conclusions

This paper summarizes the history of energy cooperation in EU and emphasizes the new challenges for future development. In the general framework of Community policy, the issue of energy has always been a presence more imminent than real. This happens not because it was overlooked or underestimated, but rather because it was considered so important by the single nations. In fact, the states have always been reluctant to commit the decisions to external bodies, even supranational ones.

It's not a coincidence that the energy is not a separate chapter of the European fundamental treaties that, however, in their forms include broadly all the economic and productive

activities of the Community. The results is that the same bodies dedicated to energy ~~that~~ can, at most, indirectly influence the energy policy of the single country, but lack in legal mandates to a direct action of guidance and coordination of the sector.

As regard to the cooperation in the field of energy, multilateral actions and large scale efforts are increasingly necessary. The ever-closer relationship with Eastern Europe and the Mediterranean will lead to the construction of an integrated system of enormous dimensions that would ensure the security of energy supply and an upturn of industrial development for Europe. This will be the path towards a sustainable development of Europe.

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