An attempt to remain a global power: the European Union and its energy policy

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The financial and economic crisis has challenged the European integration project recently. European Union leaders are however determined to overcome the crisis by promoting further European integration, especially in the field of energy policy. The European Union is heavily dependent on gas imports and it needs to face the effects of the American ‘shale gas revolution’ on its economic competitiveness. As a visiting researcher with the Committee on Industry, Research and Energy in the European Parliament, the author of this study interviewed a few dozen members of the Brussels-based energy policy network in late 2013. The study found that, in order to regain EU energy security and economic competitiveness, EU tends to be more responsive to the pro-shale gas discourse, despite the risks posed by shale gas extraction to the environment. Private actors, especially transnational oil and gas companies, play an important role in the generation of pro-shale gas arguments and in forcing EU officials to respond to the global energy market. The EU, or at least its political elite, is not willing to give up the EU global power status, although this might impose a shift in EU values, principles and norms.

The European Union (EU) is still undergoing a process of recovery from the economic and financial crisis of late 2000s. After five years of limited or negative growth, the EU experienced positive growth for the first time in the second quarter of 2013 (European Commission 2013). The rate of economic growth remains quite modest and continues to be challenged by resource shortages in the public and private sector, the fragmentation of the financial system, as well as by unemployment (European Commission 2013). In this context, taking measures that contribute to economic growth is a priority for the EU leaders and improving access to reliable and sensibly priced energy can constitute such a measure.

Energy was declared an EU priority area for the years to come by different EU policy documents and strategies (for instance the strategy Europe 2020, European Commission 2010). Energy remains an area of mixed competence between the EU and its Member States. However, the EU can heavily impact the energy policy of the Member States by regulating in the environmental field, for instance the carbon emissions, by promoting the trans-European networks or by making sure that energy companies comply with EU competition law (interview with former policy officer at the German Marshall Fund Brussels 2013). Energy policy experts based in Brussels point to the fact that starting the late 2000s there was an increase in energy policy-making at the EU level. Legislation in this field includes the Third
energy package (2009), the Directive on the promotion of the use of energy from renewable sources (2009), the Directive on energy efficiency (2012) and recent security of supply energy regulations. For instance, The Treaty of Lisbon of 2009 included a solidarity clause in article 100 that stipulates that ‘the Council, on a proposal from the Commission, may decide, in a spirit of solidarity between Member States, upon the measures appropriate to the economic situation, in particular if severe difficulties arise in the supply of certain products, notably in the area of energy’ (The Treaty of Lisbon 2009, article 100). Through this and other provisions, the Treaty of Lisbon turned energy policy from a national into a shared competence between the EU and its Member States (Proedrou 2012). In addition, there is a wide range of committees dealing with network codes and infrastructure packages at the EU level. All these trends indicate that the EU aims to increase its impact on the energy field.

A lot of attention has been dedicated recently especially to establishing an internal competitive gas market that would allow for the smooth flow of gas within the borders of the EU, to ensuring the diversification of gas supplies and routes reaching the European market and to creating the right legislative framework for the development of domestic gas resources. The EU faces high oil and natural gas prices, increasing energy dependency and environmental concerns triggered by the presence of fossil fuels in the EU energy mix (Biresselioglu 2011). Gas constitutes 25 per cent in the overall EU energy use and the EU is highly dependent on imported gas. More than half of the gas the EU consumes comes from foreign production (Proedrou 2012). Russian gas accounts for more than 40 per cent of the EU gas imports, certain EU Members being entirely dependent on Russian gas. Norway and Algeria are other important suppliers of gas to Europe (Ghilès 2009). It is projected that the EU gas import dependency will grow to 84 per cent in the next two decades (Bozhilova 2009). One way of coping with the EU energy shortages is increasing EU domestic gas production.

Starting with 2010, exploiting European shale gas resources became of great interest to the policy community in Brussels. The successful exploitation of shale gas in the US through fracking triggering the US energy independence has given hopes that a similar development could be replicated in the EU (interview with policy adviser to a Polish MEP in the European Parliament 2013; interview with policy adviser to the Group of the European Conservatives and Reformists, ECR in the European Parliament 2013). Shale gas is natural gas found in natural underground rock fissures and rocks need to be broken open (‘fractured’ or ‘fracked’ to release the gas). This procedure involves pumping water, sand and chemicals into the rocks
under high pressure to break the rock and facilitate gas extraction. In Europe, hydraulic fracturing has been used to a limited degree in conventional and shale gas reservoirs, usually in vertical wells (The European Commission 2014b). In addition, the high availability of cheap gas in the US raised concerns that the EU-based energy intensive industry might relocate to the US. As the European Parliament observes: ‘US spot prices have fallen to a historic low, thus widening the price gap between the US and a Europe bound by long-term contracts, and having an impact on the competitiveness of Europe's economies and industry’ (European Parliament 2012, article 3). The same document indicates that the fact that gas prices in the US keep on falling poses additional competitive challenges for the EU. This might have considerable negative consequences on the EU recovery from the economic crisis. Other European documents simply indicate the strong connection between energy prices and competitiveness (The European Commission 2014c).

The potential development of shale gas in Europe triggered a heated debate at the European level between the supporters and the opponents of shale gas exploration and exploitation. This study will concentrate especially on the debate and arguments that developed around ‘European Parliament resolution of 21 November 2012 on industrial, energy and other aspects of shale gas and oil’ (European Parliament 2012) initiated by the Committee on Industry, Research and Energy (ITRE). The European Parliament resolution benefited from a lot of attention from both industry and NGOs as it was perceived as being essential in framing the debate on shale gas at the European level:

- it set the tone and the kind of parameters of the debate that we are still having now, is the first real and political discussion on shale gas in Europe which is why it was so important for us to try and make sure that people involved in the debate had facts listed as much as possible, as much as they were interested in having facts and data or examples. As you know the resolution is not legally binding, but it sets a tone and it sets a direction (interview with representative of industry association 2014);

- it will be always quoted, highlighted by MEPs what the demands are from the resolution when it’s coming to legislative proposals […] I would assume that the European Commission has already taken into account things in the resolution and later on in the debate in the European Parliament they will refer to the resolution (interview with industry consultant 2013).

As will be shown in the next sections of this paper, the main arguments for developing shale gas in Europe are related with EU energy security and EU economic competitiveness. There is however a tension between these gains and the potential environmental impact of shale gas extraction. It seems that so far, in the shale gas debate, energy security and competitiveness arguments have made a greater policy impact than environmental considerations. This paper claims that this outcome is influenced by the EU desire to maintain its economic power, even if this might mean sidelining some of the EU previous environmental priorities. How the EU
solves this tension might impact on its values and identity. This paper relies mainly on the opinions and points of views of the actors that were involved in shaping the European Parliament ITRE resolution on shale gas and the next section presents the methodological choices made in the investigation of these views.

**Data collection for this study**

The data for this paper was collected during a six-month fieldwork in Brussels (September 2013 to February 2014), through interviews and participant observation. I conducted 44 interviews out of the 47 interviews I intended to complete. Three interviewees declined the interview or postponed the interview for so long that interviewing was not feasible anymore. The policy actors interviewed include representatives of corporations, NGOs, industry consultants, representatives of EU institutions (officials in the European Commission and the European Parliament, advisers to Members of the European Parliament) and officials in the Permanent Representations of Member States to the European Union. All these interviewees contributed in a way or another to the shale gas debate in Brussels and especially to the ‘European Parliament resolution of 21 November 2012 on industrial, energy and other aspects of shale gas and oil’ (European Parliament 2012).

Interviewing allowed me to capture the perspective of policy-making participants on the issue of shale gas and on its implications for the EU. This is relevant because ‘how the people we study actually see their position and their interests inevitably depends on their theories, which might differ significantly from our theories’ (Bevir 2003, p. 204). I used semi-structured interviews as they allowed me to maintain the research structured, while allowing for capturing developments and views that I could have not easily predicted before starting the fieldwork. Interviews were conducted face to face and were recorded with the permission of the interviewees, except in a few situations where the interviewees expressed a strong preference for the interview not to be recorded.

In order to identify and interview all the policy actors working on this issue I employed the snowball technique: ‘the technique of building an exponentially increasing network of research subjects from an original subject zero’ (Gusterson 2008, p. 98). By allowing the researcher to access the sample gradually, the snowball technique also helps in defining the social network boundaries (Goodman 1961; Wasserman and Faust 1994) and in this way is very helpful in signalling to the researcher when interviewing should stop. As usually employed, the snowball technique is a convenience sampling methods that can easily
generate biases. To reduce the bias and avoid being trapped in the social preference cycle of a particular interviewee, I did not interview only the policy actors that an interviewee recommended me to interview, but all the actors that it mentioned he/she interacted with, including the ones considered policy opponents. The starting point for my snowballing was what I perceived as being a neutral starting point, the European Parliament Administrator supervising the drafting and voting process of the resolution at the Secretariat of the Committee on Industry, Research and Energy (ITRE).

Participant observation was used to reconfirm some of the general patterns I became aware of through interviews. Participant observation allows for the study of human behaviour in its natural setting in order to develop a scientific understanding of that particular behaviour or human association (Lofland and Lofland 1984). Being affiliated with the Secretariat of the Committee on Industry, Research and Energy as a visiting researcher for the duration of my fieldwork provided me with access to meetings and events for participant observation purposes. This status was also very helpful in securing interviews with key interviewees. This led to the interviewing process benefited by an over 90 per cent positive response rate. The high positive response rate increases the finding accuracy and renders more credible the claims made in this paper.

**Shale gas on the European Union agenda**

The interest for shale gas extraction in Europe intensified in 2011 and remains very high: ‘there is a large interest in the society, in the policy society’ (interview with policy adviser to a Polish, Conservative Member of the European Parliament 2014). In the summer of 2011 a group of NGOs wrote a letter to the European Parliament, the Committee on Environment, Public Health and Food Safety (ENVI) and asked for the Parliament to take a position against the extraction of shale gas through fracking in the European Union (interview with former policy officer at the World Wide Fund for Nature Europe, WWF 2013). The letter was considered by the ENVI coordinators along with a study that ENVI commissioned with the European Parliament Policy Department on the environmental impact of shale gas exploitation and the committee decided to write an own initiative report on shale gas. It was the controversial nature of shale gas extraction that made this report necessary, according to sources internal to the Parliament:

a background that was super controversial, particularly the Polish reaction since Poland is really set on developing this area and the Polish MEPs were quite vocal against the outcome of this study and the conclusions, so following this study there was a request that the
The Committee on Industry, Research and Energy (ITRE), a more pro-industry committee than ENVI, soon became aware of the ENVI intention to release a report and asked to share with ENVI the competence on the report according with the European Parliament rule of procedure 51 (interview with policy adviser to the Group of the Greens in the European Parliament 2013; interview with policy adviser to a Liberal Member of the European Parliament, MEP 2013). There was a conflict over who has the competence on this issue between ENVI and ITRE and as the negotiation between the chairs of the two committees did not resolve the dispute, the two committees decided to go for two separate reports (interview with European Parliament official 1, 2013). The two committees decided that ENVI will focus mainly on the environmental and public health aspects of shale gas extraction, while ITRE will discuss mainly its implications for the EU energy security. The two reports were finally both voted by the plenary of the European Parliament on the 21st of November 2012 and became in this way European Parliament resolutions.

The industry welcomed especially the content of the ITRE resolution claiming that it was important to address some of the misunderstandings about shale gas, about hydraulic fracturing and it was also relevant to create momentum to discuss Europe’s energy resources (interview with representative of an Italian energy company 2014). The general feeling within the Brussels policy community was that the ITRE resolution met mainly the policy interests and point of view of industry (interview with policy adviser to the Group of the Greens in the European Parliament 2013, interview with official in the European Commission, DG Energy 2013). This point of view was also shared by the industry:

I have to say I think Nikki Tzavela [Rapporteur] did a good job on that [report] on shale, the quality of what went in was pretty damn high, you looked at it with an industry specialty and you thought this is sensible stuff (interview with representative of gas association 2014).

The report writing and voting process made the shale gas debate central to the work of the European Parliament in 2011-2012. It was an issue that created a lot of tension at the European Parliament level (interview with policy adviser to a Polish, Conservative MEP 2014) and emotions (interview with representative of industry association 2014), especially during the plenary vote in November 2012:

I think this was one of the most emotional debates that ever was in the Parliament, that is what MEPs did say in the plenary as well, one of them said that this was the first real debate he participated to in the Parliament (interview with representative of an American energy company 2013).
At the same time, the content of the European Parliament Resolutions on this issue constraint the European Commission actions. Sources from the Commission and from the Parliament confirmed that the ‘European Parliament resolution of 21 November 2012 on industrial, energy and other aspects of shale gas and oil’ had an important impact on the European Commission decision not to regulate, at least for now, the extraction of shale gas at the European level. The EU Commission needed to decide if additional EU legislation is necessary in order to ensure the safe exploitation of shale gas through fracking. The ITRE Report stated that the existing EU legislative framework ‘adequately covers all aspects of shale gas licensing, early exploration and production’ (European Parliament 2012, p. 8) but noted that in the future ‘large-scale extraction of shale gas may require the comprehensive adaptation of all EU’s relevant existing legislation’ (European Parliament 2012, p. 8). The Commission was unlikely to propose new, shale gas specific legislation at the current shale gas development stage given the Parliament position (interview with policy adviser to the Group of the European People’s Party, EPP in the European Parliament 2013).

Mr Oettinger [EU Commissioner for Energy] knows that if he is coming now with a draft directive or a draft regulation specifically dedicated to the shale gas, this initiative will not be really welcomed because we didn’t ask for it and we considered that it’s premature (policy adviser to the Group of the European People’s Party, EPP in the European Parliament 2013).

The Commission released a Recommendation on the 22nd of January 2014 stating that for now no additional legislation is needed (European Commission 2014a). The Commission advanced a series of minimum principles applicable to shale gas as part of the energy and policy framework for up to 2030 in order to ‘help all Member States wishing to use this practice address health and environmental risks and improve transparency for citizens. It also lays the ground for a level playing field for industry and establishes a clearer framework for investors.’ (European Commission 2014b). The Commission intends to monitor the application of the recommendations and to assess their effectiveness in 18 months after the publication of the recommendations. The decision of the Commission to make only recommendations and not to introduce binding EU level legislation for shale gas exploitation was very much welcomed by industry (interview with European Affairs consultant 2014, interview with representative of a French energy company 2014).

This result seems to indicate that the industry managed to project its interests at the European level better than the Green movement did during the current first cycle of the European debate and policy-making on shale gas (2011-2014). As the next section will show this is due in great part to the argument that shale gas can boost EU energy security and EU economic
competitiveness. Such a discourse made an impact especially in a context in which economic growth is a priority for the European Union and its leadership. The concept of ‘framing’ can be particularly helpful in explaining why the industry message resonated better with EU policy-makers than the message of environmental NGOs.

The literature on framing tells us that the information that groups provide is not necessarily innocent or objective. Lobbyists are aware that the information they transmit is a source of political influence so the information sent is filtered to fit their goals and interests (Nilsson et al. 2009). Framing entails presenting an issue in a particular light (Baumgartner 2007). The process involves ‘selecting, organising, interpreting, and making sense of a complex reality to provide guideposts for knowing, analysing, persuading and acting’ (Rein and Schöner 1993, p. 146). Frames are defined as ‘schemata of interpretation’ (Goffman 1974, p. 21) that provide actors with: ‘the definition of the issue at stake, of their potential allies and opponents, with the evaluation of appropriate strategies, and a rationale for action’ (Diani 1995, p. 13). The elements of framing include defining an issue, setting its parameters as a problem and suggesting a particular solution. Consequently, frames can reshape the way policy actors consider policy problems and shape their response to them (Dudley and Richardson 1999).

Framing is undertaken by skilled policy entrepreneurs: ‘Policy entrepreneurs are skilled social actors, and have to convince others that a set of policy decisions make sense and can be construed as consistent with their basic interests or identities’ (Stone Sweet et al. 2001, p. 10). These skilled entrepreneurs are aware that policy change is triggered by changing perspectives and interpretations of reality. The next section will show that that shale gas is framed by its supporters (mainly industry, but also by representatives of EU Member States, such as Poland) as a solution to both EU energy shortages and high gas prices generated by the EU dependence on Russian gas. In the first stage of the debate, the shale gas opponents pointed to the detrimental impact of shale gas extraction on the environment and EU climate commitments. Realising that economic competitiveness is an area that is of great interest to EU policy-makers, recently environmentalist have started to argue that shale gas exploitation is not economically feasible.

**Economic versus environmental considerations**

The opinion spectrum was quite polarised from the very beginning on the issue of shale gas. The controversial nature of the issue attracted a wide variety of actors outside the European
institutions, that formed coalitions and started to lobby pro or against shale gas. On one side, there were the NGOs: Food and Water Europe, Friends of the Earth Europe as the main NGO players (interview with policy officer at Friends of the Earth Europe 2013) and World Wide Fund for Nature Europe and Greenpeace European Unit, playing a more marginal role (interview with policy officer at Greenpeace European Unit 2013). NGOs benefited by the support of the Greens in the European Parliament, who took a position against fossil fuels such as shale gas and showed support for renewable energy (interview with policy adviser to the Group of the Greens in the European Parliament 2013). Especially French Green MEPs were strongly opposing shale gas.

Environmental NGOs warned that shale gas extraction might negatively impact the environment at different levels. NGOs pointed to negative consequences of shale gas exploitation such as water contamination, as well as the negative impact on the air quality (interview with policy officer at Food and Water Europe 2013 and interview with policy officer at Greenpeace European Unit 2013). NGOs also argued that shale gas exploitation generates ‘some massive health and climate impacts, that, we think, shouldn’t be ignored obviously and as a consequence we think that we should leave that shale gas in the ground’ (interview with policy officer at Friends of the Earth Europe 2013). According to NGOs, shale gas might distract the EU from its commitment towards renewable energy, sustainable energy solutions, energy efficiency and its emission reduction targets, because it suddenly makes possible the option of cheap shale gas versus expensive renewable energy and in times of economic crisis such an option is very attractive (interview with policy officer at Food and Water Europe 2013, interview with policy officer at Greenpeace European Unit 2013). As one interviewee mentioned:

> all of the sudden it seems as if we have an option of cheap shale gas versus expensive renewables and obviously in a time of economic crisis, that’s kind of portrait, from where I sit that seems to be the narrative (interview with policy officer at Food and Water Europe 2013).

In addition, environmental activists point to the fact that shale gas extraction itself generates greenhouse emissions and in this way contributes to climate change:

> first there is a whole range of fugitive methane that are inherent to that process and that goes directly to the atmosphere and that seriously contribute to the climate change and in that sense we do not believe that shale gas is any kind of transition fuel because it’s still a very dirty fossil fuel and the only, the only type of energy that could allow us to go towards a decarbonised economy is to us only the renewable energies and the energy efficiency policies (interview with policy officer at Friends of the Earth Europe 2013).

On the other side of the policy spectrum, trying to prevent a shale gas ban and advocating in general against specific shale gas regulation in the EU, by claiming that the existing
environmental regulation would be effective enough, was the industry: big oil and gas companies. They secured the support of the Polish, British and Czech Conservative Members in the European Parliament so the European Conservatives and Reformists Group (ECR) and the Europe of Freedom and Democracy Group (EFD) were most in favour of shale gas, with the European People’s Party (EPP) offering a more moderate support for shale gas in Europe by rejecting the idea of a ban. The position of the MEPs matched quite well the positions taken by their governments. Countries like the UK and Poland are probably the most advanced on the path to developing shale gas (interview with policy adviser to the Group of the European Conservatives and Reformists, ECR in the European Parliament 2013). Poland has a historical background of mistrust and tensioned relations with Russia, its main gas supplier and is highly interested in becoming more independent from the Russian gas (interview with policy adviser to the Group of the European Conservatives and Reformists in the European Parliament 2013).

Overall, the EU Member States were and remain quite divided on the shale gas issue. By 2012, a few countries had banned shale gas exploration and exploitation, however at that time ‘Poland was really active in developing its own resources, in providing permits for exploration to a number of companies’ (interview with European Parliament official 1, 2013). Shale gas extraction through fracking was still banned at the time when this empirical study was conducted (2013-early 2014) in France and Bulgaria.

In addition to the oil and gas industry, also the chemical industry was involved marginally in the pro-shale gas campaign working in cooperation with the oil and gas industry. The main rationale for the chemical industry to support shale gas is the hope that it will provide the chemical industry with non-expensive gas that will decrease the competition gap between the United States and Europe (interview with representative of chemical industry association 2014).

The industry used the EU energy security argument in conjunction with the argument of EU economic competitiveness to advocate for the shale gas development in Europe. As the policy adviser to the ITRE Rapporteur recalls, the energy security argument in relation to shale gas was used by big companies, companies with good reputation, not only in extraction, but also in the dialogue with communities and stakeholders (interview with policy adviser to an ITRE MEP, ITRE Rapporteur on shale gas 2013). The industry encouraged such a discourse as it fitted very well with the hopes and expectations of the EU institutions and part of the governments and politicians across Europe: ‘energy security is definitely a very important
argument, one of the main arguments in favour of developing these resources’ (interview with a policy adviser to the Group of the European Conservatives and Reformists in the European Parliament 2013).

The industry argued that the contribution of shale gas to the EU energy mix is even more welcome given the declining internal gas production at the level of the European Union in recent years. As one industry consultant points out:

production is declining on the conventional gas fields and so the EU dependence on imported gas is increasing and so from our perspective it makes sense that at least we explore any potential new reserves of gas in Europe and see if they are commercially viable, maybe produced in a sustainable, environmentally protective way. So from our point of view is important that Europe at least analyses what it has and then makes a decision politically [...] we think it make sense to also exploit domestic resources, especially for Central and Eastern European Countries (interview with representative of industry association 2014);

we don’t yet know the exact number of resources in the EU, but even if they are not as large as in the US, they can definitely contribute to the energy mix in particular, for example, Germany, you have at the moment 15% of the energy need in Germany from conventional sources, but those ones are going down quite rapidly and that could easily be balanced out by shale gas (interview with industry consultant 2013).

The energy security argument brought an emotional dimension to the shale gas debate, matching up the emotional dimension of the environmental, climate and public health arguments against shale gas brought by NGOs:

it adds an emotional dimension, the industry often criticises the citizen movement and the NGOs for being too emotional and, you know, for not sticking to the facts, you know, these are the kind of accusations. I think talking about it in terms of energy security is a very emotional kind of argument because you make it sound as if everyone is going to be insecure. I think it is an emotional kind of connotation with the word ['security'], because security is really fundamental (interview with policy adviser to the Group of the Greens in the European Parliament 2013).

Most industry representatives admit these days that it is highly unlikely that the EU will be able to reproduce the US shale gas boom that would allow it to become completely gas independent from Russia or a gas exporter in the foreseeable future (interview with representative of a Norwegian energy company 2014, interview with representative of an Italian energy company 2014). However, the industry does point to the fact that increasing the amount of domestically produced gas can help the European Union reduce its dependence on external suppliers and gain more flexibility when negotiating prices and gas contracts with external suppliers, particularly Russia:

in Europe shale gas is a home grown resource so it’s indigenous resource and from this point of view it helps you when you have something produced at home, it helps you in your negotiation with other suppliers because you have an alternative which is some indigenous gas production (interview with representative of a Dutch energy company 2014);
it gives also an important signal to the external suppliers that this resource is available and could have an impact on competitiveness because you then have more leverage to negotiate better contracts with those third party suppliers. Some people in the market say that this is already happening so it gives you more leverage to make a case especially with the one Eastern supplier (interview with representative of an American energy company 2013).

The point of view that shale gas can help the European Union gain more leverage in the negotiations with Russia is also supported by the European Commission’s Directorate General, DG Energy. It seems that an opinion shared by DG Energy is that ‘shale gas is good because it makes the Russians nervous’ (interview with official in the European Commission, DG Energy 2013):

even if we would not produce shale gas in large amounts, the sheer potential that we could do it has influence on prices because it limits the ability to raise prices, cause if the Norwegians, Algerians or our Eastern neighbours raise prices too much than more shale gas resources will become economic (interview with official in the European Commission, DG Energy 2013).

The industry played an important role in bringing the economic argument in the debate and linking energy security with economic competitiveness. Energy security is redefined in this context as access to cheap gas that can contribute to economic development and job creation. This is a discourse that fits very well in a time of recession and declining industrial activity. Shale gas developments are therefore presented as being able to meet a triple interest:

this [shale gas] is important for Europe, this is important for security of energy supply, this is important for the competitiveness of Europe, this is important also for the climate and the environment. This is important for security of energy supply, conventional natural gas is declining. Currently, our import dependency is 60% that would rise to 80%. Second, competitiveness, you have energy intensive industry who is crying wolf right now because of the shale gas revolution in the US, and there I am not saying that we are going to have the same shale gas revolution as in the US, but still it could help competitiveness. Thirdly, you see that in the US there is a decrease of greenhouse gas emissions because of the shift from coal firepower generation to gas firepower generation so if you would do the same in Europe you can have a decrease of greenhouse gas emissions (interview with representative of an American energy company 2013).

The economic competitiveness argument was able to bridge the interest of Eastern European and Western European Member States. The access to enough energy argument responds very well to the interests of Eastern European Member States, such as Poland, and the MEPs from there, but is less of interest to MEPs from Western Europe, such as the UK. While access to enough energy is mainly a concern for Eastern Europeans, Western Europe is mainly concerned about the level of gas prices:

you see much more push in Romania because their driver is so much security of energy supply, is much more an issue than in this part of Europe [Western Europe] because here we never had this issue because when you plug in, we always get electricity, of this part of the world I think, energy price, competitiveness is becoming more important, more of an issue than security of energy supply (interview with representative of an American energy company 2013).
This competitiveness argument fits also better with the interests of the business community in general: ‘security of supply as such is not so much of interest for the business community, for them is more price competitiveness’ (interview with official in the European Commission, DG Energy 2013). The argument that shale gas is important for EU competitiveness was promoted not only by the energy industry, but also by the chemical industry, who is highly dependent on access to cheap energy to remain globally competitive, especially in relation to the chemical industry in the US which benefits by cheaper energy ‘for sure we need energy security, but we are not too worried about that because we see that there is a lot of gas coming into Europe, but we are more interested in the cost, you know’ (interview with representative of chemical industry association 2014).

The economic competitiveness became increasingly dominant in the shale gas debate at the EU level, in a context in which the need to maintain the EU competitiveness has shaped the policy debates in many areas:

> at the moment the energy pricing aspect is dominating the debate and that’s across all issues, that’s across, you know, the 2030 file that we are working on at the moment, that is all about short term electricity prices, it’s not about energy cost, not about system cost, it’s not about long term, it’s a bit about investments, it’s a bit about energy security, but really it’s about, you know, the economics of what impact it’s gonna have on European competitiveness, what impact it’s gonna have on jobs and of course energy security impacts on competitiveness as well, you need a safe, secure supply of energy as the backbone of any economy’ (interview with policy officer at Greenpeace European Unit 2013).

The economic competitiveness argument appeared so effective that even environmental NGOs started to work on the economic implications of shale gas extraction in an attempt to counterbalance the point of view of the industry on this issue. Organisations such Food and Water Europe and Friends of the Earth Europe attempted to deconstruct the argument that shale gas will contribute to lower energy prices for Europe.

> the debate is shifting more towards competitiveness, constantly comparing EU gas prices to US gas price. I think the whole competitive argument, that the US has these cheap resources, they have cheap shale gas, the story that is told is that it’s going to last forever which I don’t agree with, that’s the narrative more and more [...] we are at constant competitive disadvantage because of our high energy costs and it’s an economic crisis and we have to choose between expensive renewables and cheap shale gas, that’s the narrative. I totally reject that.’ (interview with policy officer at Food and Water Europe 2013).

The debate is beyond doubt still ongoing and chances are that in the future it will take place mainly around economic competitiveness, with the industry pointing how shale gas can generate small gas prices and the NGOs showing that shale gas will not positively impact the EU economy on the long term. So far, when it comes to the European institutions, they do
seem to adopt the position that indeed shale gas can contribute to both EU energy security and EU competitiveness. The European Parliament 2012 resolution stated that it:

recognises, therefore, the important role of worldwide shale gas production in ensuring energy security and diversity of energy sources and suppliers in the medium to long term; is aware that domestic production of shale gas could offer an opportunity for some Member States to further diversify their natural gas supply sources, bearing in mind Member States’ dependence on natural gas imports from third countries (European Parliament 2012, article 10).

The same document also ‘recognises, therefore, the wider role that technology and innovation in the gas sector can contribute to the EU’s skills base and competitiveness’ (European Parliament 2012, article 25). The European Commission released its recommendation in early 2014 with the aim to support Member States in making sure that ‘the environment is safeguarded, resources are used efficiently and the public is informed, while enabling potential energy security and competitiveness benefits to be reaped in those Member States who wish so’ (The European Commission 2014c, p. 11). Many environmental groups opposing shale gas or arguing that tight, shale gas dedicated EU legislation should be developed would not agree that by just making recommendations the Commission is safeguarding the environment. The next section will discuss the broader conclusions that we can draw about the EU, its priorities and its global actoriness based on the position that the EU institutions and policy-makers have taken on shale gas.

Discussion and conclusion

The EU has a reputation of being a normative power internationally (Manners 2006). According to Manners, the normative power is exercised through the projection of values (peace, liberty, democracy, the rule of law and the respect for human rights, etc.) and the promotion of norms governing international behaviour. Some go as far as to associate the EU with the idea of ethical power (Aggestam 2008). According to this discourse, the EU is contributing to a better world by strengthening justice and order. Its external role is articulated in a discourse of universal ethics defining EU as a ‘power for good’ and a ‘peace builder’ (Aggestam 2008). The EU has built an international reputation for itself especially given its high environmental norms and its involvement as a leader in the climate change regime (Vogler 2009).

The EU is often criticised by industry of going so far with its environmental standards that it makes any enterprise especially in the extractive industries very difficult in Europe. The industry argues that it is well worth taking environmental risks as they can be mitigated and that being risk adverse will negatively impact the long term EU economic prospects: ‘US is
much more a risk management based approach, ok, where Europe is a hazard based approach, if there is a hazard and we cannot exclude 100% the risk that the hazard would proceed, we exclude the activity’ (interview with representative of an American energy company 2013).

This paper does not aim to judge if being risk-averse is beneficial or detrimental to the EU, but it does agree that the EU is more risk-averse than its global competitors. It also agrees that the high environmental standards that the EU upholds might sometimes clash with the economic enterprise, even in the case when these only imply the additional certification and clearance procedures that businesses needs to go through. The question is: can the EU remain risk-averse, regulate in great detail different enterprise areas, continue prioritising environmental considerations and in the same time remain globally competitive? The need to recover fast from the economic and financial crisis puts even more pressure on the EU policy-makers to make sure that the EU maintains its competitiveness.

When it comes to the development of shale gas in Europe it seems that there will be inevitably some sort of trade off between access to enough/ cheap energy and environmental principles. The shale gas debate is probably the best field in which one can study the tension between these two dimensions, presented with such passion in the public debate around the European Parliament Resolution. Implementing properly the EU legislation on mining waste, groundwater or the use of chemicals in industrial operations will reduce the chances of ecological disaster, but it is beyond doubt that the environment will suffer transformations through fracking. The outcome of the shale gas debate would seem to indicate that economic interests are prioritised these days in Brussels as the EU is passing on the opportunity to closely regulate shale gas extraction, at least for now. It is especially through the environmental regulation that the EU could have impacted the most the EU shale gas developments.

The successful framing process the pro shale gas private sector engaged in played beyond doubt an important role in the European Parliament and the European Commission position on shale gas. When approaching policy-makers in the European Parliament and in the European Commission, industry representatives spoke about the energy security and economic competitiveness implications of shale gas extraction in Europe, being aware of the fact that these arguments are going to resonate well with most policy-makers. Energy security and cheap energy are public goods, goods that the governments and the MEPs planning to run for re-election are highly interested in generating for their constituents. The success of the campaign developed by industry along the lines of economic competitiveness and the limited
success that resorting to environmental arguments brought to the shale gas opposition has determined the latter to engage also in the competitiveness debate, by claiming that shale gas cannot massively contribute to EU competitiveness. This constitutes a further indication that economic concerns are benefiting by a lot of attention at the EU level and that they get prioritised when in clash with other EU objectives that are traditionally regarded to be more altruistic, like environmental values. Such values, along with its human rights and democracy promotion efforts, peacekeeping and state-building missions, as well as its economic might (the biggest player on the global trading scene) were definite characteristics of the EU way of living, power and global engagement. The position that the EU took on shale gas under the pressure to sustain a fast economic recovery from the financial and economic crisis might be an indication that, at least for a while, the EU might stop prioritising value-based goods in an attempt to remain a global economic power.
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