

# PUBLIC PERCEPTION, PARTIES AND POLICY

The effect of perception on the national gas policies of  
Hungary and Estonia towards Russia

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## Abstract

This thesis contributes to the academic literature on energy relations between the EU and Russia, as it seeks to determine whether there is a relationship between member state's perceptions of, and national energy policy towards, Russia. In answering this question, this thesis follows a case study research design, employing a co-variational analysis of Hungary and Estonia. The proposition that perception determines foreign policy stems from a combination of social-constructivism, which argues that identity shapes foreign policy, and image theory, which stresses that perception determines foreign policy. This thesis finds that there is a relation between perception and national energy policy towards Russia. Hungary has a more positive image of Russia both in public opinion as in political ideology, which has led to a policy of increasingly cooperating with Russia in energy relations. Estonia, on the other hand, has a more negative perception of Russia in public opinion and expert analyses, which regards Russia as an existential threat to Estonian national security. As a consequence, it appears to be pursuing an increasingly exclusionary national energy policy towards Russia.

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Thank you,

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## List of acronyms

BCM	Billion cubic meters
CPT	Causal-process tracing approach
CP	Centre Party
CON	Congruence analysis approach
COV	Co-variational approach
EESS	European Union Energy Security
Commission	European Commission
EU	European Union
ECSC	European Coals and Steel Community
GDP	Gross Domestic Product
GIPL	Gas Interconnector of Poland-Lithuania
IEA	International Energy Agency
IS	Islamic State
IR	International Relations
IRI	International Republican Institute
IRL	Pro Patria and Res Publica Union
LNG	Liquified petrol gas
LMP	Politics can be different
MSZP	Hungarian Socialist Party
NATO	North Atlantic Treaty Organisation
NES	National Energy Strategy
RF	Reform Party
SDP	Social Democratic Party
TEU	Treaty of the European Union
TFEU	Treaty of the Functioning of the European Union
USSR	Union of Soviet Socialist Republics
WTO	World Trade Organisation

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# 1. Introduction

## 1.1 EU-energy security

Energy is an important aspect of the European Union (EU), as the EU is highly dependent on external suppliers for its energy needs. The EU, as the second largest economy in the world and responsible for one-fifth of global energy consumption, imports over half of the energy that it consumes every year. The costs of energy imports lie between €250 and €350 billion per year (European Commission, 2014). Russia is the EU's largest supplier of fossil fuels. In 2018, Russia supplied 27.3% of the EU's oil needs and 40.2% of its natural gas needs (Eurostat, 2019). Thus, one could say that there is an interdependent relationship between the EU and Russia in the field of energy, as the EU is mainly dependent on Russia for its energy needs and Russia is equally dependent on the EU as its most important purchaser (Casier, 2011; 2016). As energy is significant in maintaining daily life and standard of living, sufficient energy supply is of vital importance. Energy security is thus crucial for the EU.

According to the International Energy Agency (IEA, n.d.), energy security is “the uninterrupted availability of energy resources at an affordable price” (“Energy security”, n.d.). Although the EU does not employ a precise definition of energy security, the EU does appear to take the same aspects as the IEA into account in its approach to energy security. The first aspects that the European Commission seems to value highly in energy security are diversity, affordability and reliability (“Energy security”, n.d.). Diversity, in this sense, means both a diversified energy portfolio wherein different energy sources together contribute to a diverse energy portfolio, and diversity of suppliers in imports. Affordability means that energy should be available for a reasonable price. Reliability considers energy imports, which should be reliable and not used as a political pressure tool, for example, by disrupting gas supply.

## 1.2 EU competencies regarding energy

Energy was one of the core components in the establishment of the European Union in the 1950s, when Belgium, France, West-Germany, the Netherlands, Luxembourg and Italy founded the European Coal and Steel Community (ECSC). Initially, the EU mainly viewed energy policy as a domestic regulatory policy and larger energy producing member states blocked initiatives to make energy a shared competence. Consequently, it took over 50 years

before the EU gained legal competencies in energy policy, when it became part of the EU treaty as a result of the Lisbon negotiations in 2009 (Fisher, 2017).

Under Article 194 of the Treaty on the Functioning of the European Union (TFEU), energy policy became a shared competence between the Commission and member states (Gouarderes, 2018). Member states signed specific provisions on security of supply, nuclear energy, coal, external energy policy, energy networks and the internal energy, whereby the Commission gained influence by putting energy high on the European political agenda (Maltby, 2013). However, member states were reluctant to hand over full autonomy to the Commission. Therefore, they continued to be pivotal in determining the general structure of their energy supply and resource portfolio. Although there has been, what Wettestad et al. (2012) called “a hesitant supranational turn” (p. 67), member states continue to be decisive concerning their energy policies.

Under the Juncker Commission, energy became one of the Commission’s ten priorities in 2014. In this regard, the Commission published the Energy Union strategy in March 2015, which builds on the EU Energy Security Strategy and the 2030 policy framework for climate change and energy. Moreover, a survey on public expectations and perceptions found that 53% of EU citizens would be in favour of more intervention on the European level in energy security (Erbach et al., 2016). Because member states have been keen on maintaining pivotal decision-making powers regarding energy security at the intergovernmental level, the results of this study are remarkable. Thus, although member states remain pivotal in their energy policies, the EU has increasingly worked on means to deal with energy issues collectively and over half of EU citizens seem to be in favour of more intervention by Brussels in energy security and supply policies.

### 1.3 Types of EU energy policy

The EU developed different energy policies in order to increase its energy security. The following part will briefly discuss the most important ones.

#### 1.3.1 Third Energy Package

In order to further integrate the electricity and gas market, the EU developed the Third Energy Package in 2009. The First Energy Package of 1998 opened up the electricity and gas market,

brought gradual competition to it and introduced unbundling requirements to energy companies. The Second Energy Package of 2003 was aimed more at third-party access, unbundling requirements, called for an independent regulatory authority and set deadlines for liberalising the gas and electricity markets in 2004 and 2007. The Third Energy Package of 2009 focused on the unbundling of energy production from distribution by separating companies' generation and sale operations from their infrastructural networks, thereby increasing competition. Furthermore, the package stressed the establishment of national regulatory authorities (NRA) for each member state and the need of an Agency for Cooperation of Energy Regulators (ACER) to supervise the development of the internal energy market (Austvik, 2016; Siddi, 2016).

The Third Energy Package was, at least to some extent, directed at Gazprom, which as a state-owned company has the monopoly on both gas production and transportation through its extensive pipeline networks. With the Third Energy Package, the EU has been actively using its regulatory power through legislation to liberalise the energy market and force Gazprom to relinquish infrastructural stakes or market shares import energy into the EU. Through this the EU has attempted to strengthen its external energy position vis-à-vis Russia (Siddi, 2018a).

### 1.3.2 EU Energy Security Strategy

When Russia, the EU's leading energy supplier, halted the supply of gas to Ukraine in the summer of 2014, Europe was confronted with the third disruption of Russian gas supply in eight years. According to Gazprom, the supply disruption was due to payment arrears. However, Gazprom's action to shut off gas supply is inextricably bound up with the annexation of the Crimea by Russia and the following war in Eastern Ukraine and seems to fit within a more comprehensive Russian strategy (Szulecki, 2018; Andersen et al., 2017).

As the EU was confronted with disruptions of gas supply, the Barroso Commission had to respond quickly and decisively in order to deal with the consequences of the supply disruptions and also had to become more resilient against such developments in the future. The Barroso Commission did this by drawing up the EU Energy Security Strategy (EESS). The EESS focused both on dealing with the short-term causes of the disruption and long-term strategies to collectively make the EU more resilient against the Russian use of this energy weapon in the future. The strategy has eight interrelated elements: immediate measures increasing the EU's gas capacity to overcome disruptions during the winter of 2014-2015;

strengthening solidarity and emergency mechanisms and coordinating risk assessments, contingency plans and protecting critical infrastructure; mitigating energy demand; constructing a well-functioning integrated internal energy market; increasing the production of energy in the EU; further developing innovative energy technologies; diversifying external energy supply and infrastructure; and improving the coordination of national energy policies and speaking with one voice in external energy policy (European Commission, 2014).

### 1.3.3 EU Energy Union

When the Juncker Commission was appointed in November 2014, it included energy policy amongst its ten policy priorities. The newly appointed Commission immediately developed the plans of the EESS into a policy package which aims to create affordable, sustainable, secure and competitive energy for all European consumers. As the EESS is the foundation of the Energy Union, it can be considered an indirect response to Russian behaviour in its energy relations with Europe (Andersen et al., 2017; Godzimirski, 2019). The Energy Union consists of five interrelated, mutually-reinforcing aspects: increasing energy security, solidarity and trust; fully integrating the EU internal energy market; increasing energy efficiency and thereby mitigating demand; decarbonizing the economy; and increasing research, innovation and competitiveness (European Commission, 2015).

### 1.4 Research question

Given the tense relations between the EU and Russia regarding energy security, this thesis seeks to investigate the relationship between member states' collective perceptions and national energy policies towards Russia. Based on a case study analysis of Estonia and Hungary following a co-variational approach, it aims to determine whether a more negative perception of Russia results in an increasingly exclusionary policy towards Russian gas imports.

#### Research question:

**In light of the EU's collective aim to diversify away from Russian energy imports, does a more negative perception of Russia result in an increasingly exclusionary national energy policy towards Russian gas imports?**

#### 1.4.1 Theoretical relevance

Theoretical relevance is an important factor according to Lehnert, Miller and Wonka (2007), as it determines the scientific contribution of a research project. Research questions are theoretically relevant when they provide a considerable contribution to the academic discussion of the analysed issue. The research question then generates new insight into the phenomenon under scrutiny and contributes to the current theoretical discourse. Current literature mainly uses liberalism and geopolitical realism to explain EU-Russian energy relations (Siddi, 2018a; Andersen et al., 2017; Goldthau and Sitter 2014; 2015). The effect of perception is mostly left out of the theoretical discourse. Therefore, this thesis aims to provide new insight to the theoretical discourse as it uses a theoretical explanation based on the combination of constructivism and the neorealist image theory to explain EU-Russian energy relations. In doing so, this thesis aims to determine whether there is causality between negative perception and the will to adopt policy which increasingly excludes Russia as a result of this negative image.

#### 1.4.2 Social relevance

Lehnert, Miller and Wonka (2007) stressed the importance of social relevance of a research question, which according to the scholars, relates to the added value of the research and its findings for society as opposed to the theoretical relevance of a research question, which adds value to the scientific debate. “The social dimension thus represents a project’s outside perspective and ideally increases citizens’ political knowledge and awareness” according to Lehnert, Miller and Wonka (2007, p. 23). In sum, the scholars argue that “socially relevant research furthers the understanding of socially and politically phenomena which affect people and make a difference with regard to explicitly specified evaluative standards” (p. 27).

In light of this understanding of social relevance, the research question of this thesis strives to explain different energy policies towards Russia, as a result of different national perceptions of Russia. Furthermore, this thesis aims to explain why the EU struggles to speak with ‘one voice’ towards Russia, contrary to the EESS’ eighth pillar, by determining the underlying reasons for national energy policies towards Russia, in light of the common aim to diversify away from Russian energy imports.

## 1.5 Structure of the thesis

In order to answer the research question, this thesis is divided into eight chapters. After the introductory chapter, a literature review is conducted which primarily surveys the literature regarding EU energy relations with Russia and political viewpoints regarding energy towards Russia. The second chapter concludes with the contribution this thesis makes to the existing literature on EU-Russia energy relations, which is testing the effect of perception on national energy policy. The third chapter will elaborate on the theoretical framework. The fourth chapter will introduce the research methodology and introduces the two cases examined in this thesis: Hungary and Estonia. These two countries are selected based on their approach towards the West and Russia, in combination with their Russian gas imports, proximity and shared history with Russia. Moreover, this chapter will operationalize the research design. The fifth chapter presents the case studies and gives an overview of their shared history and relations. The sixth chapter tests the formulated hypothesis against the empirical data found the two cases under study. The concluding chapter will provide a summary of the thesis, answers the research question, discuss limitations and make suggestions for further research.

## 2. Literature review

*The preceding chapter has introduced the topic of this thesis, outlined the research question and explained the relevance and structure of this thesis. The literature review consists roughly out of two parts. The first part will review the literature on EU-Russian energy relations and how social scientists have explained these. Then it will briefly discuss literature on the EU dependency on Russian gas imports. The second part will begin by reviewing the literature on Russia's international image. Thereafter, it will briefly explain present-day relations in terms of perception on the political level of both cases under review. Finally, this chapter will outline this thesis' contribution to the literature.*

### 2.1 EU-Russia energy relations

Siddi (2018a) analysed the role of power in EU-Russian energy relations. Through periods of *détente* during the Cold War, energy trade increased significantly. Due to the oil crisis of 1973, the strategic importance of Russian oil and gas grew considerably and became pivotal after the abolition of the Soviet Union. Siddi (2018a) argues that in their energy relationship, the EU has approached the supply of external energy mostly from a liberal perspective by using the attractiveness of the single market and corresponding regulatory measurements to encourage competition. Russia, on the other hand, as a primary energy producer and mostly dependent on energy exports, has predominantly used its position to extract political objectives. This geopolitical power can be seen in the attempt to decrease Ukraine's role as a transit country by developing large infrastructural pipelines such as Nord Stream 1 and 2, South Stream and Turkish Stream.

However, both actors increasingly started to adopt each other's strategies in approaching energy security (Siddi, 2018b; Romanova, 2016). When political relations started to deteriorate due to the crisis in Ukraine, the EU adopted geopolitical measures such as import-diversifying projects from the Caspian region as part of the EESS. Russia started to adopt liberal market strategies by focusing more on Gazprom's commercial interests, going along in the EU's regulatory principles and resorting to legal mechanisms by filing a complaint against the discriminatory nature of the Third Energy Package at the World Trade Organization (WTO). On the whole, regulatory power remains pivotal for the EU, as it has proven to be more efficient, beneficial and encouraging for both sides. Although Russia is adopting more liberal

tactics, it continues to employ mostly geopolitical power, as mentioned above. Whereas Siddi (2018a) focused on the use of power over the last five years, Talseth (2017) investigated EU-Russian energy relations in the preceding period.

Talseth (2017) analysed why the Energy Dialogue, a comprehensive cooperative initiative both actors started in October 2000, had failed to define and establish a legally binding energy partnership. The scholar argues that geo-economic, political, economic and legal developments such as the enlargement of NATO and the EU, the crises in Georgia in 2008 and Ukraine in 2006, 2009 and 2014, the dramatic fall in oil prices and the continuous misinterpretation of each other's intentions all contributed. Therefore, the failure of the dialogue is not due to a single factor but rather determined through the space and time of EU-Russia relations.

Siddi (2017), on the other hand, interprets the developments mentioned above as underlying factors in a perceived paradigmatic change. Siddi (2017), describes the start of EU-Russian energy trade as liberal, based on Europe's needs and Russia's desire for continuously selling its energy. However, Russia has increasingly adopted an aggressive attitude that resulted in multiple conflicts and gas cut-offs in Georgia and Ukraine. Consequently, Russian geopolitical power politics and revived realist perspectives on energy relations challenges the liberal paradigm. Internally, projects such as Nord Stream 2 and Turkish Stream, which are opposed by Central and Eastern European countries who prefer to decrease Russian energy imports, divide (Siddi, 2017). These countries have taken legal actions against the construction of Nord Stream 2. Although this did not succeed, it does point to increasingly geopolitical considerations by member states that question the EU's liberal paradigm.

In their edited volume on the Energy Union and how EU-Russian energy relations changed after 2014, Andersen, Goldthau and Sitter (2017) argue that although the liberal paradigm best explains the European approach, the EU has increasingly adopted securitised strategies in approaching Russia. Therefore, Andersen, Goldthau and Sitter (2017) argue that liberal mercantilism adopted by the EU best characterises the Energy Union, in the sense that it is a continuation of the EU's market-focused approach to deal with energy by mostly relying on regulatory tools. Nonetheless, it is mercantilist in the sense that it targets Russia and promotes regulation as it amplifies the EU's political power concerning Russia. The best example of this is a proposal to implement an EU-wide import monopoly of gas, which is called the "joint gas purchasing vehicle" (p.241). Other strategies would mean strengthening existing



energy policy tools and using them to pursue foreign policy objectives, such as attracting alternative supply routes and increasing liquified petrol gas (LNG) and renewable energy resources.

Smidt-Felzmann (2011) aims to explain diverging EU member states' positions concerning external energy supply from Russia. Smidt-Felzmann (2011) points to geographical locations of member states relative to Russia, their different historical connections with Russia and their different level of energy dependency. Therefore, although member-states express solidarity in external energy relations, their objectives in the field of energy are quite divergent. According to Smidt-Felzmann (2011), factors that contribute to this are member states' location relative to Russia and access to alternative energy resources, their degree of gas imports and strength of this bilateral energy relationship, and their bargaining position relative to Russia as determined by their market size and strategic position in the supply chain (transit country vs. destination country). Finally, the most crucial factor determining member states' gas policy towards Russian imports is their national foreign outlook on Russia as an international actor and their assessment of the Kremlin's willingness to use gas to pursue political objectives. This approach, therefore, emphasises specific member states' image of Russia and is particularly interesting for this thesis. A corresponding method is used by Siddi (2018b) in his chapter for Szluecki's (2018) edited volume on European energy security.

Siddi (2018b) analyses European identities and vulnerabilities in the securitisation of EU-Russian gas trade after 2014. In doing this, Siddi (2018b) looks beyond liberalism as the classical explanatory model of EU-Russian energy relations. Siddi (2018b) points to the increased discourse, in recent scholarly literature and official EU documents, of framing EU-Russian gas trade as a security issue. Moreover, the EESS and Energy Union are indicative of growing mistrust towards Russia and the reframing of the EU's energy relations towards a more realist geopolitical perspective. Siddi (2018b), therefore, scrutinises whether this new frame can be better explained by realism, focusing on energy as a strategic tool in a zero-sum game or social-constructivism, which focusses on identity-based perceptions of Russia and EU member states' relations with Russia.

In doing so, Siddi (2018b) finds that the increasing securitisation of EU-Russian energy relations in scholarly analyses is somewhat exaggerated. Evidence that Russia is prepared to use gas as a political weapon is lacking. Russia is heavily dependent on revenues from the EU gas trade, whereby a halt of gas flows towards Europe would most likely do more harm to

Russia. Therefore, the use of gas as a political weapon seems more a socially constructed idea than a realistic pressure tool. Instead, perceptions of Russia as a threat are identity-based. Memories of the Soviet Union, strengthened by Russia's aggressive behaviour during the last decade, consolidated this image of Russia as a threat. In this sense, gas has been framed as a security issue for the whole EU, despite its actual significance depending largely on supply routes and therefore geography. In Central and Eastern Europe, member states increasingly want to diversify away from Russian imports, as they have fewer sources and routes of supply; in Western Europe, by contrast, the discourse on energy security is much more focused on cooperating with Moscow to increase energy security (Austvik, 2016; Siddi, 2018a).

## 2.2 EU energy dependence on Russia

The EU largely depends on external suppliers for its energy needs. Bluszcz (2016) calculated the level of energy dependency of European economies, considering member states' energy production, their different markets and energy needs in order to divide member states into clusters to be able to come up with long-term policy suited for specific groups of countries. In her study, she showed that the EU was 53.2% dependent on energy imports from outside of the EU in 2013. In the case of natural gas, the energy dependence of the EU increased from 53.6% in 2003 to 65.3% in 2013 (Bluszcz, 2016). Looking at the share of Russian gas in EU gas imports between 2006 and 2016, it appears that this stayed roughly between 30 and 40% (Eurostat, 2018).

After the annexation of the Crimea and the last supply disruption to Ukraine, the EU imposed sanctions on Russia. Around the same time, a deal was struck between Moscow and Beijing to export gas from Russia to China. The Kremlin was very much in favour of such a deal as an alternative market for Europe. Sharples (2016) analysed Russia's planned and existing gas production and pipeline infrastructure for exporting gas to China and to what extent the Russian-Chinese gas trade would come at the expense of EU-Russian trade. He argued that the deal between Moscow and Beijing would not have a severe impact on EU gas imports from North-West Siberia due to the inability of Gazprom to charge China 'European' prices. Therefore, Russia would most likely not re-direct gas from the EU to China but instead use the deal as an additional trade.

In a scenario study of Russian gas supply to Europe, Richter and Holz (2015) found that although most member states will not be profoundly affected by Russian supply disruptions,

Eastern European countries and especially the Baltics and Finland are still particularly vulnerable, despite the fact that the EU took measurements such as diversifying energy imports, improving European pipeline infrastructure and legislation on energy security. Richter and Holz (2015) ascribe the high vulnerability of Eastern European countries to the improvements which are still to be made in the transmission network as connecting the Baltics and Finland to Poland and thereby the rest of Europe and improving connections between Southern and Northern Europe in order to increase LNG imports.

In research on future scenarios on Russian natural gas imports, Mitrova, Boersma and Galkina (2016) confirm this image by arguing that despite the often-expressed political ambition to diversify away from Russian imports, very little will change considering the EU's import mix in the foreseeable future. Mitrova, Boersma and Galkina (2016) argue that alternative supply routes such as the Southern Corridor from the Caspian basin will have a limited impact. Furthermore, their scenario analysis confirms that Russian natural gas would continue to be very competitive at least up to 2030. Another important finding is the lack of market integration in Central and Eastern Europe, which is highly dependent on Russian energy and thereby continues to compose a risk for European energy security, despite the Commission putting the issue high on the political agenda.

### 2.3 Russia's international image

In the 21<sup>st</sup> century, Russia's image has been tarnished by how it has acted in international affairs in the eyes of the West due to its increasingly aggressive attitude in the civil war in Syria, its alleged involvement in taking down Malaysian aircraft MH17, the wars in Georgia and Eastern Ukraine, the annexation of the Crimea and the attempted assassination of former Russian double spy Sergej Skripal and his daughter. This aggressive behaviour points to a flexible attitude of Russia in international relations, according to Dimitri Trenin (2018), director of the Carnegie Moscow Center. Trenin (2018) sees Russia as a swivel chair, which, with borders with Norway and North Korea, can quickly re-direct its focus.

Russia's image in the West has been a popular topic in Russian public debate for years. Feklyunina (2008) studied how Russia tries to project a positive self-image on the West after the abolition of the Soviet Union when the Western political elite had a very negative impression of Russia. Feklyunina (2008) points to the constructivist approach of the Putin administration trying to improve the Western image of Russia by portraying a positive image

of Russia through a public relations campaign under the Putin administration. Putin has emphasised projecting an image of Russia in the West as an energy superpower and its non-imperial character in the 'near abroad'. However, the Putin administration has not been very successful in its attempts in the period between 2000-2007, due to two reasons. First, the way Russia acts in the international arena reinforces Russian and even Soviet stereotypes. Second, Russia's PR campaign lacks clear strategies and is difficultly managed. Feklyunina (2008) argues that "Russian authorities often undermine their PR attempts by pursuing policies contradictory to the 'constructed' image" (p. 627). Keeping in mind that Feklyunina analysis is from 2008, it seems as if not much has changed in Russia's different attitude in its approach to international affairs. Although the West widely condemns Russian behaviour, other more unconventional politicians seem to find Russian behaviour rather attractive and see it as an example.

Keating and Kaczmarek (2017) suggest a revision of the concept of soft power by which it would become possible to attribute soft power to illiberal democracies. Keating and Kaczmarek (2017) argue that Russia does have a considerable amount of soft power. Russia distinguishes itself as a protector of conservative values and Christianity; it promotes a form of illiberal governance and emphasises nationalism and populism. As opposed to weak, bureaucratic democratic leaders, Putin is the perfect example of a strong, decisive leader, popular throughout Russia and other illiberal democracies, extorting respect of democratic leaders in the West. Moreover, Russian foreign policy is based on anti-Americanism, anti-Westernism and focused on sovereignty and pluralism. All these elements provide Russia with moral authority and legitimacy in its foreign policy and make Russia an attractive example for likeminded states.

### 2.3.1 Russian policy towards the Baltics and Estonian perceptions of Russia

Commentators were quick in predicting the Baltic states as Russia's next presumed target after the annexation of the Crimea (Fallon, 2015). Therefore, it is of added value to assess Russian behaviour towards the Baltic states. Götz (2019) developed a neoclassical realist framework to assess local great power policy towards neighbouring local states. According to Götz (2019), Russia strives to increase its influence in neighbouring states and in pursuing this, adopts military, economic and political strategies. Götz's (2019) underlying argument is that when external pressure on local great powers increases, it will pressurise small neighbouring

states with hard power policies in order to increase its grip and decrease the influence of third parties. However, if the small neighbouring state, in this case, Estonia, joined a regional security network, such as NATO, the great local power will logically relinquish the use of force. Götz (2019) argues: “instead, the local power will seek to destabilise the foreign-aligned small state through various forms of political and economic subversion” (p. 100).

From 1995 to 2003, Russian policy towards the Baltics was characterised by increasingly closer connections between the Baltics and the West, with the former entering NATO in 1994, which was highly opposed by Russia as it increased external pressure. Russia experienced multiple challenges throughout the 1990s such as corruption, organised crime and regional fragmentation. Russian policy towards the Baltics in this period was characterised by rhetorically challenging the closer ties of the Baltics with the West. However, Russia’s actual policy was far less threatening as it was incapable of acting on these threats. From 2004 to 2019, however, Russia became increasingly more threatening, imposing sanctions, cyber-attacks, and using force in other neighbouring areas to set an example (Götz, 2019). Thus, it appears that Russia’s increasingly aggressive behaviour towards the Baltics over the last fifteen years would create a threatening image of Russia in the Baltics.

Concerning energy security, Tarus and Caldwell (2012) argue that Estonia sees Russia as a threat and already has taken necessary actions to counter this. Tarus and Caldwell (2012) apply Stephen Walt’s (1985) balance of threat theory which assumes that states counterbalance perceived threats by powerful states based on four factors: proximity, accumulated power, offensive capacity and offensive intentions.

Taking a closer look at these factors regarding energy security, Estonia is close in proximity, not only geographically, but also in terms of energy infrastructure, as Estonia’s pipeline network is fully integrated into the Russian network and completely isolated from the European. In terms of accumulated power, Russia is an energy superpower, with over 30% of the world gas reserves. As Gazprom has a state monopoly on gas and Estonia is entirely dependent on Russian gas, Russia has enormous accumulated power over Estonia. Concerning offensive capacity and offensive intentions, Russia can use its vast energy resources to pursue political objectives. Moreover, Russia has shown that it has offensive intentions in the past with the use of ‘the energy weapon’ against Ukraine several times. Therefore, Tarus and Caldwell (2012) argue that Estonia can and should see Russia as a threat to their energy security and that Estonia should counterbalance this. They further argue that Estonia already

has made some significant steps in order to achieve this with large-scale energy projects such as wind parks and nuclear power plants.

### 2.3.2 Russian soft power towards Hungary

In their study on Russian soft power based on conservative values, Keating and Kaczmariska (2017) “created three categories that we believe reflects current Russian ideological soft power capabilities: moral conservatism, illiberal governance and strong leadership”, supplemented with: “foreign policy stressing anti-Americanism and sovereignty that complements these values” (p. 10).

Moral conservatism represents a set of orthodox Christian conservative values, which, for instance, encourages traditional family values and condemns liberal values such as same-sex marriages. The promotion of these values is copied throughout Europe, for instance by the leader of the ultra-nationalist Jobbik party in Hungary. The illiberal governance model of Russia, which features restricted freedom of civil society groups, excessive executive political power and populist governance intensified by nationalism, has been applied in Hungary. Viktor Orbán’s government has adopted these strategies of illiberal governance by approving a new constitution which weakened parliament, emphasising ethnic nationalism and ‘Greater Hungary’ and thwarting NGOs and other civil society groups, all following Russia’s example. Moreover, Orbán is known to be an admirer of Putin’s strong leadership style. By combining these elements, Keating and Kaczmariska (2017) demonstrate Russia’s attractiveness or soft power over Hungary’s political elite.

### 2.4 This thesis’ contribution to the existing literature

This literature review started with a general overview of the existing literature on EU-Russian energy relations. In consequence, it focused on the analytical frameworks for the development of EU-Russian energy relations and discussed the role of power in EU-Russian energy relations. Although scholars point to the increasing role of realism and geopolitical power in EU energy security, they agree on the dominant role of liberalism and regulatory power of the EU in its energy policy. However, scholars observe an increasing usage of each other’s strategies concerning energy relations with Russia adopting regulatory and the EU more geopolitical strategies. Moreover, both groups of scholars largely disregard social-

constructivism as the critical theory of behaviour in EU-Russia energy relations. Therefore, this thesis will contribute to the existing literature by examining the effect of a social-constructivist factor on national energy policy towards Russia. More specifically, it will elaborate on the relationship between perception of EU member states and the tendency to increasingly adopt an exclusionary national energy policy towards Russia.

### 3. Theoretical framework

*The previous chapter has identified the contribution this thesis aims to make to the contemporary literature by testing the effect of a social-constructivist factor on national energy policy towards Russia. The theoretical framework will provide an overview of the most prominent IR theories and how scholars have used them to explain EU-Russia energy relations, why they do not seem to fit for Central and Eastern European member states. It will propose an alternative theoretical explanation for energy policy-making.*

#### 3.1 Prominent IR paradigms in energy relations

Although many distinctive IR theories have appeared over time, the paradigms of realism, liberalism and constructivism are generally considered prevailing in the academic literature on IR. Realism, liberalism and constructivism have been predominant in the academic literature to explain state-behaviour in general (Jackson & Sørensen, 2008) and regarding the development of energy relations between the EU and Russia, realism and liberalism have been dominant (Dannreuther, 2016).

Mohapatra (2016) argued that conventional energy resources have “played an important role in shaping the nature of the global politics and is still playing a pivotal role” in it today (p. 684). Realism and liberalism have been the two most dominant IR theories to explain EU-Russian energy relations. Both, however, seem to have shortcomings. Therefore, the theoretical framework will first elaborate on realism and liberalism in EU-Russia energy relations, after which it will explain how a constructivist perspective combined with the neorealist image theory, can complement the existing theoretical explanatory capacity of EU-Russian energy relations and formulate this thesis’ hypothesis.

##### 3.1.1 Realism and energy relations

Realism has been the primary school of thought in IR throughout the 20<sup>th</sup> century. Hans Morgenthau emphasised the struggle for power among nations as a guarantee for security and survival of the nation-state. In *Politics Among Nations* (1948), Morgenthau set out some core assumptions about the abiding human nature that causes objective laws which govern politics. Realism understands states as actors, continually pursuing their interests in terms of power, both in absolute and relative terms. Interest defined as power makes it possible to



think as leaders and thereby, predict future behaviour. Realism emphasises the absence of universally shared values and moral principles and underlines that states try to secure their interest and employ policies to promote this while keeping in mind that other states do the same.

Whereas realist scholars do not unanimously share Morgenthau's core principles, his pessimistic view of human nature and the striving for power is considered an essential element which is commonly shared by scholars of classical realism (Jackson & Sørensen, 2008; Devetak, Burke & George, 2012). These fundamental propositions of classical realism are that states are the basic structures of analysis in IR. Classical realists see the world as anarchic, without the presence of an overarching authority. In this system of anarchy, states strive for survival and are considered as rationally driven actors pursuing national interest by a system of self-help.

Classical realists were soon criticised on their normative explanation of the international system. Perhaps the most prominent representative of the so-called neorealist school was Kenneth Waltz (Jackson & Sørensen, 2008; Devetak, Burke & George, 2012). In the book *Theory of International Politics* (2010), initially published in 1979, Waltz argued that the anarchic structure of power determines state-behaviour on the systemic level. Three elements are highlighted by Waltz (2010): the ordering principle also known as the deep structure which is anarchic in the international system; the differentiation of states, which is irrelevant in regard to IR, as states' primary function is to pursue their survival; and the distribution of capabilities, which is the fundamental flexible element in the international system and therefore can be bipolar, multipolar or unipolar. Waltz (2010) thinks that the balance of power is a side-effect of anarchy, whereby states with the most extensive distribution of capabilities maximise their power to such an extent that a correct balance emerges.

Waltz further explained the differences between neorealism and classical realism in his *Realist Thought and Neorealist Theory* first published in 1990. In this article, he outlined four principles that differentiate neorealism from classical realism. First, international politics can be thought of as a system with a specific structure. This system is defined by the anarchic nature and capabilities, in this sense, power, which is distributed among the system's units or states. Within this system, the desire for survival determines the states' actions. The second differentiating principle is the approach towards causality. As opposed to classical realism,

neorealism offers the possibility for bidirectional causality in which states affect international affairs and the other way around. The third element relates to the role of power. Whereas classical realists perceive maximum power as the ultimate goal in IR, Waltz (1990) believes that power is a means in order to achieve the ultimate goal, which is security. The last distinction between the two schools of realism is that Waltz (1990) focuses more on the structure of the system, which sees states as units regardless of their composition. Classical realists, on the other hand, do consider the differences between units as critical elements.

Realist scholars have extensively discussed energy resources in IR. Mohapatra (2016) discusses dominant IR paradigms in energy security. The different realist schools of thought use energy security for their geopolitical argument that controlling energy resources and transport infrastructure is a significant determinant for global politics and play a significant role in geopolitical thinking. The strategic importance of energy resources in the struggle for maximising power mainly attracts classical realists and geopolitical thinkers to explain energy security from a realist perspective.

Mohapatra (2016) points to the employment of cheap natural gas towards Ukraine, whereby the latter could obtain transit fees, in order to counterbalance the EU's and NATO's eastern enlargement, by keeping Ukraine in its sphere of influence. Using its natural gas as a carrot could not prevent the colour revolution of 2004, which overthrew the Russian-friendly regime in Kyiv. Moscow reacted by increasing gas fees for Ukraine. Similar, disputes between Kyiv and Moscow resulted in Gazprom disrupting supply towards Ukraine in 2006, 2009 and the aftermath of the annexation of the Crimea (Siddi, 2017; Mohapatra, 2016).

Geopolitical power is often related to the realist school of thought in energy politics and IR. In this regard, Siddi (2018a) defines geopolitical power "as the capability of the state to acquire control of national energy resources and transportation infrastructure and to use or adjust them in the pursuit of foreign and security policy goals" (p.1553). Thus, explaining Russian behaviour in EU-Russia energy relations from a realist perspective is widespread in the scholarly literature, in which Gazprom plays a significant role.

Gazprom, the largest natural gas company in the world, measured by production volumes and gas reserves, is a state-owned company which has the monopoly on the Russian infrastructural pipeline network (Sharples, 2016). Therefore, Russia fits Siddi's (2018a) definition of geopolitical power in energy relations and thereby, the realist school largely explains Russia's behaviour in its energy relations with the EU. Besides this argument of

geopolitical power from a realist perspective in energy relations, Siddi (2017) points to the popular realist argument of the EU's dependence on Russian energy imports as a threat to its security. Similar, Dannreuther (2016) has pointed to the return of geopolitics in EU-Russia energy relations in recent times.

Under the rule of President Putin, there has been increasingly more resource nationalism, in combination with increasing anti-Westernism (Dannreuther, 2016). These sentiments encouraged popular authoritarianism and a statist economy. Another reason for an increasing geopolitical and thereby more realist approach to energy security has been the tense relations between Russia and Central and Eastern European member states as a result of the expansion of NATO and the EU. Whereas the relatively new EU and NATO member states feel threatened by Russia in their energy security, Russia feels threatened in its national security. Dannreuther (2016) points to the more liberal approach of the EU strategy in its energy policy towards Russia with liberalisation programs and market regulations and the realist strategy with geopolitical power tools of Russia. Thus, he concludes that studies of EU-Russian energy relations should look beyond this presupposed "grand narratives" (p. 920), whereby a realist strategy for individual EU member states would be a theoretical possibility.

### 3.1.2 Liberalism and energy relations

Realism has been the significant school of thought in the period from 1939-1989, during which it provided the most potent explanatory mechanism for IR. In their influential book *Power and Interdependence*, first published in 1977, Keohane and Nye (2012), provided a framework for using international factors in order to explain regime change and world stability. The scholars pointed to the belief of neorealists that the aftermath of the Cold War would bring a struggle for power among Central European states, as had been the case in the aftermath of both World Wars. Keohane and Nye (2012) outlined that their argument on complex interdependence, institutionalised regimes and increased channels of communication could have pointed to a different political outcome than earlier on in the 20<sup>th</sup> century.

Keohane and Nye pointed out that liberalism is a school of thought which focuses on cooperation and interdependence rather than a continuous struggle for survival. Keohane (1990) further elaborated on liberalism "as an approach to the analysis of social reality" (p. 174) and emphasised the role of individualism in collective decision-making and interactions between individual actors in collective structures. In IR theory, liberalism entails the

endeavour to align “state sovereignty with the reality of strategic interdependence” (p. 174). Keohane (1990) distinguished liberalism from realism on three different grounds. First, liberalism looks beyond the state as mere actors in international affairs by taking organised groups of individuals in their analyses into account as well. Second, liberalism looks beyond the scope of military force as a tool to pursue interests. Instead, liberalists try to create collective manners to define strategies in obtaining their interests which promote economic efficiency and political freedoms. Finally, liberalism is regarded as a rather progressive movement, which emphasises development.

Liberalism was regarded more as shared rhetoric on creating peace, maximising welfare and promoting liberal values than as an IR paradigm (Zacher & Matthew, 1995; Doyle 1983; Keohane & Nye, 2012). Andrew Moravscik (1997) aimed to set out a liberal theoretical paradigm in IR, in *Taking Preferences Seriously: A Liberal Theory of International Politics*. In this article, Moravscik (1997) argues that “societal ideas, interests and institutions influence state behaviour by shaping state preferences” which he defines as “fundamental social purposes underlying the strategic calculations of governments” (p. 513). By emphasising state preferences, Moravscik (1997) set liberalism as a sub-systemic theory with three underlying assumptions. First, individuals, societal and private groups together represent a set of preferences and interests are the core actors in international politics. Second, states are representative institutions and state preferences are based on the interests of the pivotal represented group. Finally, state behaviour in the international system can be considered as a configuration of interdependent state preferences.

Scholars use liberalism regularly as an explanatory mechanism for energy security in IR. Goldthau (2009) argued that liberalism had been a well-functioning analytical framework for energy policy throughout the 1980s and 1990s when emphasis came to lie on privatisation and deregulation of large energy companies. Moreover, Goldthau and Sitter have defined the EU as a liberal actor as it mainly uses regulatory tools and institutions to secure its energy security, as the EU employs bilateral and multilateral agreements following this liberal approach.

Mohapatra (2016) emphasises that the neoliberal school of thought points to an institutional structure in energy relations to “evolve a regime to resolve persistent conflict mostly economic in nature like the issue of energy” (p. 694). In this light, the EU becomes visible as a neoliberal actor. The attempt of the Commission to increase its energy security by

becoming more influential in climate and energy policy by, for instance, finalising the internal energy market, points to a neo-liberal. Wettestad et al. (2012) argued that this attempt was only successful to a limited extent as member states remain pivotal in their energy policy, although they concluded by stating that the EU had made “a hesitant supranational turn” (p. 67).

Liberalism has been mostly used to explain the European perspective in its energy relations with Russia. Siddi (2017; 2018a), again, addresses the role of liberalism in EU-Russian energy relations extensively. The scholar argues that the EU has increasingly adopted geopolitical strategies in opposing Russia. As described above, the EESS defines these geopolitical strategies, which signify the common aim to diversify away from Russian gas imports. The EU’s liberal approach consists of regulatory measures adopted to deal with Russia in its energy relations. The EU has supplemented this liberal market approach with a geopolitical strategy by its collective objective to diversify gas imports.

The Commission’s energy strategy is commonly seen as a liberal strategy in an increasing realist world (Goldthau and Sitter, 2014). Consequently, the overall objective of the EU is to establish an open, integrated energy market. The Commission has different liberal strategies in order to increase its energy security. These policy tools, such as bilateral and multilateral agreements with suppliers, push a liberal agenda in energy politics. Moreover, the Commission tries to bring about a stable and secure legal framework in its energy relations and include external energy supplying companies in the EU’s single market rules. If external suppliers are deemed a threat through unfair competition in the internal market, the Commission can adopt anti-trust cases against monopolies.

In addition to these liberal strategies, Goldthau and Sitter (2014) point to supplementing strategies that the Commission adopts in, for instance, managing external supply shocks by requiring member states to increase stocks. Furthermore, its infrastructural policy for natural gas is supplemented with realist tactics as the Commission opened talks with the Caspian region as an alternative supplier for natural gas, whereby the Commission tries to diversify away from Russian gas supplies.

Furthermore, Goldthau and Sitter (2015) elaborate on the strategies as mentioned earlier adopted by the Commission and how this external dimension of the EU’s regulatory power could be used against Russia in energy relations. The authors conclude that, first, the EU’s ‘soft power with a hard edge’ is directed against companies operating in third countries,

in this case, Gazprom, to ensure that third-country firms comply with EU rules. The EU's soft power with a hard edge is a market-oriented policy tool in the field of energy. Specific features of this are limiting the influence of third-country firms and thereby their governments, preparing for supply shocks and thus becoming more resilient, supporting diversifying policies of member states and executing regulatory rules against third-country companies. These soft power mechanisms with a hard edge, according to Goldthau and Sitter (2015) still fit into the liberal framework in which the EU is active in its energy policy towards Russia. However, as mentioned before, member states remain pivotal in deciding their specific energy policy and thereby their strategy regarding energy security towards Russia.

### 3.1.3 Constructivism and energy relations

In 1989 the foundation for a third principal paradigm in IR theory was laid by Nicolas Onuf. In his book *World of Our Making*, Onuf (2012) argued that international conflict is the result of human beings constructing a social reality rather than the consequences of human nature or the structure of international politics. Constructivist scholars argue that international politics is socially constructed, by ongoing processes of social interaction between non-state, state and individual actors. Therefore, social practices such as perception, image, norms and values are crucial in constructivism (Devetak, Burke & George, 2012; Dunne, Kurki & Smits, 2013).

In his ground-breaking article *Anarchy is what states make of it: the social construction of power politics*, Alexander Wendt (1992) argues that power politics is not an effect of anarchy, but rather states' identities and interests are diverted from the system in which they are operative. If we live in a self-help world, this follows from a process of identity rather than structure. Therefore, Wendt distances his constructivist theory from the neoliberal and neorealist assumption that identities and interests are a consequence of the structure of the state system.

Wendt (1992) underlines perception in his constructivist argument by stating that "people act towards objects, including others, based on the meanings that the objects have for them" (p. 396-397), whereby states will behave differently to other states based on their perception of themselves and others. He went further in his argument by underlining that institutions are structures of interests and identities configured in norms and rules. Wendt (1992) identifies self-help as an institution, based on interests and structures of the actors, in this case, states, who can only rely on themselves for survival. Security, therefore, depends

on how states identify themselves concerning others. In this argumentation, Wendt (1992) uses a classical constructivist principle, according to which, meanings in which action is organised, arise out of interaction. Actors' perception of their interests and identity determines their behaviour in combination with their perception of another actor in international politics. Behaviour towards states, therefore, can change over time as the perception of states will develop as a consequence of changing interaction. Thus, anarchy is what states make of it.

Constructivism is the IR paradigm, which is least commonly used in energy relations in general and particularly in EU-Russia energy relations. Mohapatra (2016) shows that constructivism in energy security has been used to explain societal conflicts in energy fertile regions, in which local forces use energy resources in their struggle to obtain power over the weak local institution. In a chapter of an edited publication on EU energy security, Siddi (2018b) has used constructivism as an alternative explanatory mechanism for Eastern and Central European energy security sentiments vis-à-vis Russia. In this innovative approach to EU energy security and energy relations with Russia, Siddi (2018b) assesses the security threat Russia posed to Central and Eastern Europe after the crisis in Ukraine, whereafter he explains the reason why Russia is deemed a threat in Central and Eastern Europe. The author argues that discourses regarding the Russian energy threat find their roots in national identities and social constructions of Russia rather than assessing if Russia is an actual threat to the EU's energy security.

Siddi (2018b) begins his chapter explaining how EU-Russia energy increasingly became securitised over the last decade. He points to the tendency among scholars to explain this development from a realist perspective, whereby European dependency on Russian gas imports is considered a strategic disadvantage. Although there are indications that this 'zero-sum-thinking' has regained prominence, the actual evidence for such reasoning is absent. Therefore, Siddi (2018b) argues that the EU-Russian gas relationship has become rather securitised as a result of increased social constructions of Russia as a perceived threat. This identity-based construction is primarily rooted in the popular discourse in Central and Eastern European member states, which are more susceptible to anti-Russian sentiments due to their history, proximity and Russia's increasingly aggressive behaviour. In this social construction, strategic security issues describe Russian gas imports without assessing its real significance for European energy security.

### 3.2 Image theory

Based on political psychology in combination with neorealism in which not power alone explains foreign policy behaviour, a movement of scholars started to emphasise perception and belief as decisive factors in determining action rather than as a consequence of the external environment. This entails that identity-based on beliefs about oneself, the other and relationships between actors at least partly affects action and in the field of IR foreign policy (Herrmann, 2013; Boulding, 1959). Image theory, therefore, is a concept in which perceptions, images and stereotypes states have of each in order to justify how they act and respond in international politics shape strategic decisions. Thoughts and ideas about other actors can be organised according to image theory scholars into schemas with clear distinctive elements, in which structural features of IR, whereby countries shape their image of other actors, plays an important role (Alexander et al., 2005). Herrmann (1986) described image theory as “the basic notion that core perceptions, like images of the opponent, affect policy choices” (p. 841). He furthermore found that “perceptions are related to policy choices in foreign policy and can be useful as independent variables” (p. 869) although, “the results are mixed, but mostly encouraging” (p. 873). Similarly, Jervis (1989) argued that states’ images of others are significant components in shaping one’s policies towards other actors, and thereby, states have good reasons to influence its image. IR scholars have identified five distinctive images as analytical points of reference based on goal compatibility or intentions, relative power and relative cultural status (Alexander et al., 2005). The enemy image has received the most attention in IR. In the enemy image, the other is conceived as an evil country opposing a threat with capable untruthful leaders who have an opportunistic and self-centred strategy. Opposite to the enemy image, similar cultural status, power capabilities and positive goal interdependence characterises the ally image. Whereas the enemy image helps to adopt a strategy of confronting the enemy, the ally image serves as a framework for cooperation. The ally image is characterised by having a positive view of the other actor with public support for political leaders and cooperation. Additionally, IR scholars distinguish between the dependent image, barbarian image, colony image and generate image (Alexander et al., 2005; Herrmann et al., 1997). According to Alexander et al. (2005), “Images, or stereotypes of other nations, stem from perceived relationships between nations and serve to justify a nation’s desired reaction or treatment toward another nation” (p. 28). In order to simplify the analysis, this



thesis will only consider the ally and enemy images for the analysis. Based on a combination of constructivism and image theory, the following section formulates this thesis' proposition.

### 3.3 This thesis' hypothesis based on constructivism and image theory

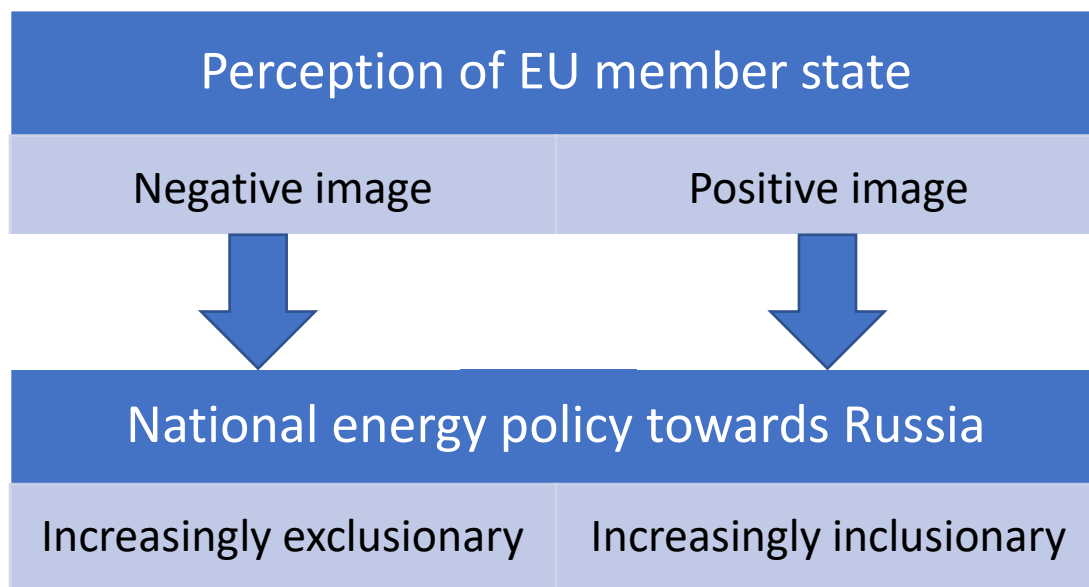
As discussed in the literature review, scholars prefer liberal and realist explanations for EU-Russian energy relations. However, both liberal and realist approaches have significant shortcomings. Liberal explanations, such as liberalisation of the energy sector in order to achieve de-securitisation of EU-Russian energy relations, fall short in their completeness to explain the EU perspective in its gas relations with Russia (Kustova, 2018). Although the European gas market has been liberalised and is slowly but surely internationalised, it is nowhere near de-securitised, as "gas is still perceived as a strategic commodity, which benchmarks the overall policies of the EU, Ukraine, and Russia" (p. 216). In other words, liberal explanations fail to explain the securitisation of EU-Russian energy relations in recent times.

Contrary to liberalism, social constructivism can explain "the securitisation of European discourses concerning gas trade with Russia", which "is due to the increasing perception of Russia as a threatening 'Other', rather than to material factors and vulnerabilities. For historical reasons, notably the long subjugation to Russian imperialism, the image of Russia as a threatening 'Other' is particularly strong in East-Central European national identities" (Siddi, 2018c, p. 253). Moreover, this explains why Western European member states look rather pragmatic to the energy relationship with Russia. Western European member states tend to focus more on the process of liberalisation and climate change rather than energy security as Eastern European member states. There are divergent positions between Western and Eastern Europe on integration, a common position regarding Russia and energy security in which the latter tends to be in favour of a supranational perspective (Austvik, 2016).

Social constructivism also appears to have more explanatory capacity than geopolitical realism as it provides a framework which can explain that "gas imports from Russia have been portrayed as a security issue, regardless of their actual significance for the EU's security of supply" (Siddi, 2018c, p. 267). There is no hard evidence that Russia has used energy as a political tool towards the EU in the recent past, and neither is likely to use it in the foreseeable future (Yafimava, 2015). Russia does not directly have realistic alternatives for its profitable EU gas trade (Sharples, 2016). As many scholars have acknowledged that EU-Russian energy

relations have increasingly become securitised in recent times, with the re-emergence of zero-sum thinking and framing energy as a strategic commodity (Siddi, 2018c; Casier, 2016; Romanova, 2016) this thesis will also consider the neorealist image theory which appears to have some considerable similarities with constructivism as both focus on identity and perceptions to explain foreign policy.

Therefore, following constructivism in combination with image theory, which perceives that perception affects foreign policy, the proposition central in this thesis is that EU member states' perception of Russia (partly) determines their energy policy towards Russia. In other words, a country with a rather negative image of Russia would be more likely to diversify away from Russian gas imports.



*Figure 1. Visualisation of the perceived effect based on a combination of constructivism and image theory.*

## 4. Research design and methods

*The previous chapter discussed the theoretical approach to energy security and relations between the EU and Russia. It argued that this thesis aims to analyse EU-Russia energy relations from a constructivist perspective based on image theory in which causality between the perception of Russia and national energy policy towards Russian gas imports is being investigated. The fourth chapter explains the specific research method and the selection of cases.*

### 4.1.1 A case study research design

Research methods can be classified into roughly two types. On the one hand, Haverland and Blatter (2012) distinguish small-N research designs and, on the other hand, large-N studies. Small-N designs have a limited quantity, whereby cases are more thoroughly analysed. Within large-N studies, researchers tend to say less about more (Gerring, 2006). Haverland and Blatter (2012) argue that “case studies are superior to large-N studies in helping the researcher to understand the perceptions and motivations of important actors and to trace the processes by which these cognitive factors form and change” (p. 6).

As this thesis investigates “the perceptions and motivations of important actors” (Blatter and Haverland, 2012, p. 6) in their energy relationship and their national policy towards Russian gas imports, a case study is selected. Another reason for selecting a case study design comes from the argumentation of Yin (2009). In his chapter on case study selection and research design, Yin (2009) expounded five principal ways of doing qualitative research. The scholar subsequently described three differences between these five research

METHOD	(1)	(2)	(3)
	Form of Research Question	Requires Control of Behavioral Events?	Focuses on Contemporary Events?
Experiment	how, why?	yes	yes
Survey	who, what, where, how many, how much?	no	yes
Archival Analysis	who, what, where, how many, how much?	no	yes/no
History	how, why?	no	no
Case Study	how, why?	no	yes

Figure 2. “Relevant situation for different research methods” (Yin, 2009, p. 8).

methods, as outlined in Figure 2. A case study is most suited when (1) the research question is to a relatively large extent an explanatory question, such as *how* or *why* (2), the research design does not require control variables

(3) and is focusing on present-day events.

These three critical conditions for a case study research design could be brought into line with the research objective of this thesis. In the first place, although this thesis' research question does not begin with *how* or *why*, it does aim to explain the empirical phenomenon of perception and the presumed effect on national energy policy. Moreover, it aims to explore a constructivist argument for EU member state energy relations and thereby has a high degree of explanatory relevance. In the second place, as this thesis sets out to investigate the causality between perception and national foreign policy, control variables seem to be necessary. However, given that the national foreign policy in the field of energy imports from Russia and measures to increase the energy security by diversifying away from Russia is past behaviour of policy-makers, it appears to be impossible to manipulate the independent variable (Blatter and Haverland, 2012). Finally, the focus of this thesis lies in exploring a present-day empirical phenomenon, namely national energy policy, as opposed to a historical occurrence.

#### 4.1.2 Different case study designs

In their book on designing case studies, Blatter and Haverland (2012) distinguished three different types of analytical studies, each with its principal objectives. The most theoretical approach is the "congruence analysis" (CON), "in which the researcher uses case studies to provide empirical evidence for the explanatory relevance or relative strength of one theoretical approach in comparison to other theoretical approaches" (p. 144). Within a CON framework, distinctive hypotheses are formulated based on a set of perceptible indicators derived from the different theories under comparison and tested on their empirical occurrence.

The second perspective outlined by Blatter and Haverland (2012), is the causal-process tracing (CPT) approach. The CPT framework focusses on identifying different complicated causes (X) of a particular outcome (Y). In doing so, it assumes that there is causality between causal factors and social outcomes, which depend on the specific context of the cases under review. Therefore, CPT is more interested in the specific process that results in a particular outcome, whereby all distinguishing factors aggregated to the exact outcome. This makes findings following this approach relatively hard to generalize, as the approach is context-dependent.

Finally, Blatter and Haverland (2012) discuss the “co-variational analysis (COV)”, whereby a researcher “presents empirical evidence of the existence of co-variation between an independent variable X and a dependent variable Y to infer causality” (p. 33). In contrast to the CPT framework, a COV thus can be labelled as an X-centred analysis and has been the most widely used small-N approach in social sciences since the 1970s.

## 4.2 Conducting a COV

In a COV, researchers determine whether there is a causal effect between a particular factor and a specific social reality. In other words, whether a particular factor “makes a difference” (Blatter and Haverland, 2012, p. 33). This thesis seeks to determine whether there is a causal effect between EU member states perception of Russia and their national energy policy towards it. It tries to determine whether the perception of Russia makes a difference in national energy policy, by comparing different cases and, as Blatter and Haverland would say, “systematically comparing the variation of these features” (p. 35).

Concerning the relevance of the perceived effect of the national perception of Russia, an explanation based on constructivism and image theory for EU-Russia energy relations has been mostly neglected by scholars. Academics seem to prefer liberal and realist explanations for EU-Russian energy relations. Nonetheless, explanations such as regulatory market-based or strategic geopolitical incentives as drivers of national energy policy seem to have significant shortcomings in their completeness to explain EU-Russia energy relations. In order to determine the causal effect between the factor that presumably ‘makes a difference’ and the social reality under scrutiny by means of a COV analysis, a researcher should have prior knowledge on the research topic and have the ability to point out a specific explanatory factor that has not been identified or proven to be of significance in the social outcome before. Therefore, in order to be able to make a stable claim, case selection is of vital importance.

## 4.3 Case selection

As a COV aims to determine whether a specific factor affects a social outcome, the possibility to be able to draw logical conclusions from a COV analysis strongly depends on the case selection (Blatter and Haverland, 2012). Therefore, Blatter and Haverland (2012) argue that a careful case selection is critical in applying a COV analysis accurately. The validity of the

argument largely rests on the case selection, as the specific characteristics of the case to a large extent determine the causal strength of the specific independent variable. Therefore, cases should meet two criteria: first, they should be as different as possible concerning the independent variable of interest – in this case, the perception of Russia. Second, the cases should be as identical as they can be concerning the variables one ought to control. Causal inference exists if co-variation between the cause (independent variable) and

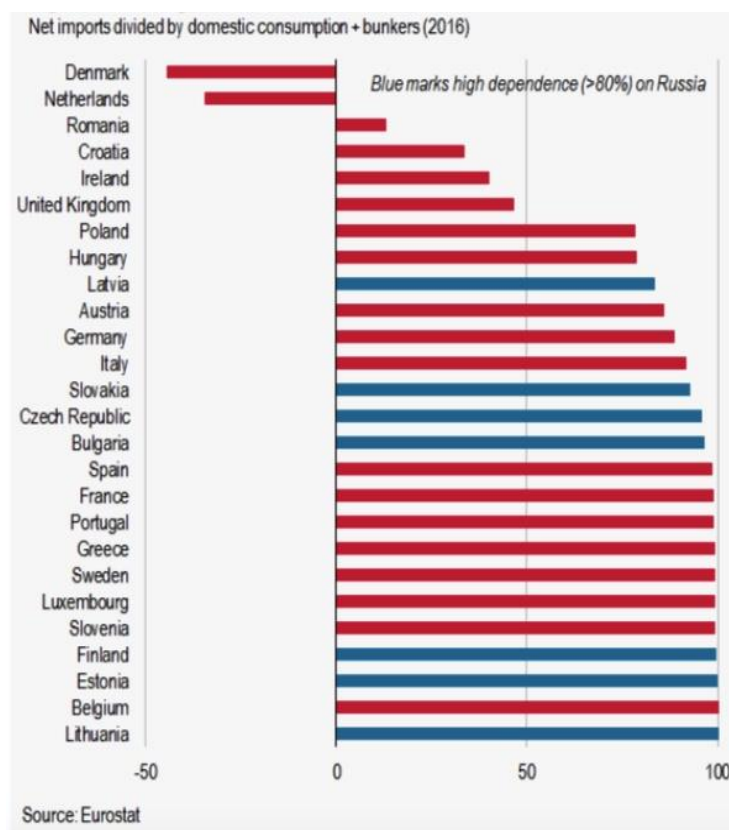


Figure 3. "Gas dependence" (Atradius, 2018, p. 2).

effect (dependent variable) is observed (Blatter and Haverland, 2012). Therefore, taking this thesis' research objective into consideration, the cases should be similar concerning their proximity to Russia and relative energy dependence on Russian gas imports. On the other hand, both cases should be different regarding the independent variable, in this case, their perception of Russia.

#### 4.2.1 EU member states' dependence on Russian gas imports

The exact level of dependency of member states on Russian gas imports varies per source due to methodological reasons. Below, different sources are compared and shortly discussed.

In 2013, before the latest disruption of gas supply to Ukraine. Finland, Lithuania, Latvia, Estonia and Slovakia were all 100% dependent on Russian gas imports. Bulgaria was 97% dependent, Hungary 83%, Slovenia 72% and Greece 66% dependent on Russian gas (Jones et al., 2015). Due to the recovering economy, the relative cleanness of gas as a fossil fuel and a decline in European gas production, demand for gas imports will increase in the following years (Atradius, 2018). Atradius (2018) outlined the gas dependency of EU member states in general and identified member states that are over 80% dependent on Russia gas

imports. They looked at the gas dependency of net imports divided by domestic consumption. Figure 3 shows the level of member states' dependency on gas imports. It is noticeable that Lithuania, Estonia and Finland are 100% dependent on Russian imports. Furthermore, Bulgaria, Czech Republic, Slovakia and Latvia also depend on Russian imports for over 80% (Atradius, 2018). Thus, it seems that Lithuania, Estonia, Finland, Bulgaria, Czech Republic, Slovakia and Latvia were not very successful in diversifying their energy portfolio.

The BP statistical review of world energy (2018) confirms this image to a large extent. According to the review, Slovakia, Finland, Hungary, Czech Republic and Austria were 100% dependent on Russian gas imports in 2017. However, these statistics do not include Bulgaria, Latvia, Estonia and Lithuania. Other sources vary in their information on the Baltic states. Eurostat states that eleven EU member states imported over 75% of their natural gas from Russia in 2018. These member states are Austria, Bulgaria, Czech Republic, Finland, Hungary, Latvia, Poland, Romania, Slovakia and Slovenia. Not surprisingly, all are located in Central or Eastern Europe and thereby close in proximity to Russia (Eurostat, 2018). Figure 4 shows the updated version of these figures. This study will focus on EU member states which are located in Central and Eastern Europe since those countries appear to have fewer alternatives for gas imports compared to Western member states (Austvik, 2016).

This thesis will look at two countries, which both are in relative proximity to Russia, and both are approximate as dependent on Russian gas. Both cases, however, should have a different perception of Russia and the West. One country will be selected with a more pro-Western or anti-Russian perception and thus is expected to have an increasingly exclusionary national energy policy towards Russia. Another country will be selected with a more anti-Western or pro-Russian perception and thus is not expected to have an increasingly exclusionary national energy policy towards Russia but most likely will further increase its energy connections with Russia. Therefore, this thesis hopes to determine the extent to which perception affects national energy policy towards Russia.

	AT	BL	CZ	EE	FI	GR	HU	LV	LT	PL	SK	SV
<b>Atradius</b>	75 <sup>1</sup>	95	95	80	100	100 <sup>1</sup>	75	80	100	75 <sup>1</sup>	90	100 <sup>1</sup>
<b>Jones</b>	62	97	63	100	100	66	83	100	100	57	100	72
<b>BP</b>	100	-	100	-	100	-	100	-	-	-	100	-
<b>Eurostat</b>	>75	>75	>75	<75	>75	>50	>75	>75	>50	>75	>75	>75

Table 1. Comparison of Eastern European gas imports per source (Atradius, 2018; Jones et al., 2015; BP, 2018; Eurostat, 2019).

#### Share of Russia in national extra-EU imports of each Member State, 2018

(share (%) of trade in value)

Country	Share (%) of Russia in national extra-EU-28 imports	
	Petroleum oils	Natural gas
Belgium	25-50	0-25
Bulgaria	75-100	75-100
Czechia	50-75	75-100
Denmark	0-25	0-25
Germany	25-50	50-75
Estonia	75-100	75-100
Ireland	0-25	0-25
Greece	0-25	50-75
Spain	0-25	0-25
France	0-25	0-25
Croatia	0-25	0-25
Italy	0-25	25-50
Cyprus	0-25	0-25
Latvia	0-25	75-100
Lithuania	50-75	50-75
Luxembourg	0-25	0-25
Hungary	50-75	75-100
Malta	0-25	0-25
Netherlands	25-50	25-50
Austria	0-25	75-100
Poland	50-75	75-100
Portugal	0-25	0-25
Romania	25-50	75-100
Slovenia	0-25	75-100
Slovakia	75-100	75-100
Finland	75-100	75-100
Sweden	25-50	0-25
United Kingdom	0-25	0-25

Figure 4. "Share of Russia in national extra-EU imports of each Member State, 2018" (Eurostat, 2019).

#### 4.2.3 Political ideology of EU member states towards Russia and the West

Political ideology is defined by Hofmann (2012) "as different ways of organizing values at abstract as well as relatively concrete levels: they present and order the political, economic and social goals and values of political actors", structuring and stimulating "political action" (p. 15) on both the domestic and international level. Widespread empirical research on the

<sup>1</sup> Dependency on general gas imports instead of Russian gas imports.



effect of political ideology on public perception has been done. As Fortunato and Stevenson (2013) point out: “there can be little doubt that voters in modern democracies can (and do) form perceptions of the policy positions of political parties on one or more abstract dimensions” or values (p. 459).

In their study to American threat perception on China and Iran, Mirilovic and Kim (2017) argue that international and domestic politics are interconnected and that “political ideology” has a significant “impact on policy preferences and outcomes” (p. 180). The interpretation of divergent domestic political leaders significantly shapes the public perception of international events (Berinsky, 2009). Partisan leaders interpret international events, whereby they take positions on them, which shapes their political ideology. People who identify themselves with the positions of these partisan leaders, adopt ideological orientation, whereby the political ideology of partisan groups influences their perception (Mirilovic and Kim, 2017). On the question of whether partisan attitudes affect broader national appeal, Shapiro and Bloch-Ekon (2008) assessed American politics from 1970 onwards. They argue that the American public has become increasingly divided among ideological lines following partisan interpretations of domestic and international matters. As American politics became significantly more polarised since 1970, the public increasingly relied on political elites on the provision of information through the media. Partisanship thereby results in more cases of biased perceptions in media, whereby broader public opinion is affected. Thus, it seems that assessing party ideologies can indicate broader public perception in international events and domestic politics.

In order to determine which EU member states are most suitable to test the perceived effect of the perception of Russia on national energy policy towards Russia, this thesis follows the study from a policy brief for the *European Council on Foreign Relations* by Gressel (2017a; 2017b). Gressel (2017a; 2017b) classified 181 national political parties from all 28 member states based on their perception of Russia and the West. It is critical to note here that Gressel (2017b) categorized these political parties based on their ideologies rather than specific governmental policies. Political ideology is used to assess member states’ attitude towards Russia and the West as “ideology and domestic communication are used to rally supporters, mobilise the electorate, and attract members and donors, ideology and domestic signalling reveals much more about the mood and attitudes of the political, social, and economic groups the parties represent in those countries” (Gressel, 2017b, 3). Therefore, the author made sure

that he got a clear image of the social atmosphere regarding the image of Russia and the West in a sense that he tried to explain which European countries were most receptive for Russian ideology and interests. Thus, by examining the degree of anti-Westernism, Gressel categorized which EU member states are, in a sense, more 'pro-Russian'. Gressel (2017b) conducted his research based on a survey in 2017. By scrutinising data on political ideology from 2017, a clear, recent view of the political, and thus public atmosphere regarding Russia and the West after 2014, with its significant developments concerning the securitisation of EU-Russian (gas) relations becomes clear. Different partisan elites interpreted the events of 2014 and used them to shape their preferences, which in their turn could have influenced public perception. Table 2 outlines the different stances of political parties on Russia and the West based on Gressel's survey.

Topic	Pro-Western political party attitude	Anti-Western political party attitude
1. “The ‘finality’ of the EU”	Argue in favour of EU integration and enlargement	Oppose a supranational EU, or argue for leaving the EU
2. “Liberalism as a European value”	Confirms this as a critical part of the EU	Renounces this, since it is “Anglo-Saxon” or even an “elitists” conspiracy
3. “Secularism as a European value”	Take this for granted in order to prevent religious fanaticism	Opposes secularism, as the “Christian roots” are vital, even calls for the possibility of an invasion by Muslims
4. “European security order”	Encourage this, as NATO and the EU assure security	Renounce this, as it is open to more authoritarian systems, and abolish NATO for a Russian alliance
5. “Transatlantic relations”	Protect this even under the anti-Western Trump	Refuses this, but would be in favour of the “Trumpian” world order
6. “Free trade and globalisation”	Encourage this in combination with international organisations	In favour of a more mercantilist economy in which labourers and industries are protected
7. “Relations with Russia”	Recognise Russia as a “revisionist power” challenging the EU order	Perceives Russia a regular actor on the international stage, possibly even a “strategic partner”
8. “Sanctions on Russia”	Encourages continuation	Objects the continuation of sanctions
9. “Support for Ukraine”	In favour of support if Ukraine is willing to commit to the West	Refuses this, as Russia’s interests in the region go ahead of “self-determination”
10. “Refugees and migration”	See it as an EU responsibility	Sees it as a security threat for Europe
11. “War in Syria”	A new legitimate government should bring stability	Are in favour of a strong authoritarian government and Russian involvement
12. “Party’s links to Russia”	Refrains from engagement with the Kremlin	Pursue good relations with the Kremlin

*Table 2. The topics of the twelve questions from Gressels (2017b) survey and the accompanying pro- and anti-Western political party attitudes (p. 2-3).*

Independent researchers and journalists evaluated the surveys in order to get more objective findings. It must be noted that according to Gressel, anti-Western parties are not necessarily pro-Russian. Furthermore, not all questions in the survey directly relate to Russia. Three questions in the survey of Gressel (2017b) can be directly related to Russia (questions on “relations with Russia”, “sanctions to Russia” and “party’s links to Russia”). Three other questions have an indirect relation to Russia, namely questions on the “European security order”, “support for Ukraine” and “the war in Syria” (p.4). Based on this, political parties that see Russia as an ally, oppose sanctions towards Russia, prefer economic mercantilism and are adverse towards the US. Furthermore, although less significant, political parties that pursue close bonds with Russia are “Euroscptical” and prefer the restoration of Bashar al Assad's regime in Syria in order to end the civil war (Gressel, 2017b, p. 5). Consequently, as Gressel (2017b) stresses that there can be found a correlation between “pro-Russian stances on individual items and anti-Western attitudes” (p. 5), this thesis considers an anti-Western attitude as a view open towards Russia.

Gressel (2017a; 2017b) determined indices for political parties based on their ideologies. More interesting in light of this thesis objective, are the national indices based on political parties’ influence in national parliament, whereby cross-country comparisons could

Country	National Index	Russian specific NI <sup>2</sup>	Attitude
1. Hungary	-9.32	-3.91	Relatively most anti-Western/pro-Russian attitude
2. Austria	-6.39	-2.99	
3. Greece	-5.74	-4.4	
4. Slovakia	-4.71	-2.62	
5. Bulgaria	-3.8	-2.69	
5. The Netherlands	9.33	1.07	Relatively most pro-Western/anti-Russian attitude
4. Portugal	11.12	0.24	
3. United Kingdom	11.84	5.19	
2. Slovenia	16.32	3.25	
1. Estonia	16.58	4.97	

*Table 3. The three countries adopting respectively the most pro- and anti-Western attitude, following Gressel (2017a; 2017b).*

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<sup>2</sup> The sum of the National Indices that directly relate to Russia.

be made (Gressel, 2017a; 2017b). Unfortunately, the results do not include Lithuania, Latvia and Cyprus as the surveys have not been evaluated sufficiently. Table 3 outlines the findings of the most anti/pro-Western and anti/pro-Russian EU member states based on Gressel (2017a; 2017b). Looking at the indicators that directly relate to Russia, it is noticeable that Estonia and Hungary are not the most anti- and pro-Russian member states. However, the differences with the most pro/anti-Russian EU member state based on the indicators that directly relate to Russia are only marginal. In the case of the most pro-Russian member state, the difference between Hungary and Greece is 0.49. The disparity between the UK as the most anti-Russian EU member state and Estonia is even smaller with 0.22.

#### 4.2.4 Case selection

As underlined by Blatter and Haverland (2012), the selection of appropriate cases is “*the crucial*” factor in conducting proper case study research (p. 41). Elements which are crucial in case selection for a COV study are, first, a variation in the phenomenon under interest, the perception of Russia. Secondly, cases must be as similar as possible concerning the variables that one wants to control, in this case, proximity and gas dependence. If these conditions are met Blatter and Haverland argue that “causal inferences can be drawn on the basis of observed co-variation between the factor of interest (independent variable) and the effects (dependent variables)” (p. 42). As both elements have been elaborated upon above, in order to overcome selection bias, this thesis sets to scrutinize cases which are as similar as possible concerning their proximity to Russia and dependence on Russian gas imports. At the same time, both cases differ concerning the phenomenon under interest, the perception towards Russia. This thesis follows Gressel (2017a; 2017b) and considers an anti-Western outlook as a perspective *open* towards Russia, whereby good energy relations are quite possible. Moreover, looking at Gressel’s indicators that directly relate to Russia, the most anti- and pro-Western EU member states also appear to be in the top two of the most pro/anti-Russian member states. Therefore, the most interesting cases to assess perception towards Russia are Hungary and Estonia. Regarding the control variable on proximity, although, contrary to Estonia, Hungary does not share borders with Russia, Hungary remains relatively proximate to Russia. Furthermore, both countries have a shared history with Russia. Estonia as part of the USSR and Hungary as a Soviet Satellite state during the Communist era. Again, although

the shared history of Estonia and Hungary with Russia is quite different, it is, at least to some extent, comparable. Consequently, this thesis will use Estonia and Hungary in order to test the perceived effect of perception on energy policy and therefore, on national gas dependency. These member states differ in their perspective towards Russia, as Estonia appears to be highly pro-Western, whereas Hungary, on the other hand, has a political ideology open to Russia and thus can be considered to have a relatively positive perception of Russia. Both countries are furthermore relatively close in proximity to Russia and highly dependent on Russian gas imports. Table 4 outlines the different variables of this thesis.

Variable	Case	Hungary	Estonia
Control variable	Proximity to Russia	Separated from Russia by Ukraine. Neighbouring Russia's near abroad	Border with Russia. Russia's near abroad
Control variable	Dependency on Russian gas	75-100% dependent on Russian gas (Eurostat, 2019)	75-100% dependent on Russian gas (Eurostat, 2019)
Control variable	Shared history	Soviet satellite state, Hungarian revolt	Part of USSR. Soviet occupation
Independent variable of interest	Perception of Russia	Relatively pro-Russian or anti-Western	Relatively anti-Russian or or-Western
Dependent variable	National energy policy towards Russia	?	?

*Table 4. Case selection with the dependent, independent and control variables following the previous section.*

### 4.3 Validity of the research

According to Kellstedt and Whitten (2009; 2013), a research design should have a certain degree of validity, by which they mean that the research should focus on what it originally intended to measure. Kellstedt and Whitten distinguish “internal validity” and “external

validity” (p. 89). Yin (2009) argues that internal validity relates to securing the causal relationship between the analysed variables, whereas external validity refers to the ability to generalise findings from a case study.

#### 4.3.1 Internal validity

In a COV, internal validity must be met to secure that X caused Y and that not Z was of critical influence. In order to achieve this causal inference, case selection is of vital importance. According to Blatter and Blume (2009), two conditions are necessary. First, other factors which could affect the outcome must be controlled for by a cautious case selection, which is often called the “most similar system” design (p. 319). A robust internal validity, therefore, can be met, if the selected cases show substantial differences in the primary independent variable of interest, the thing that is perceived to be of influence upon Y. At the same time, they are highly similar concerning the dependent variable of control. The second essential condition for drawing causal inference according to Blatter and Haverland is “that there exists no other theoretically plausible co-variation among scores of other independent variables and the dependent variable” (p. 30). A critical case selection and thoughtful data analysis secure this. In this regard, Blatter and Blume (2009) express the necessity to give “meaning by connecting the empirical observations to theory” (p. 319-320).

#### 4.3.2 External validity

In a COV, generalisation can only take place when cases under analysis are highly comparable with the cases of the initial research which in their turn need to be chosen to generalize to a broader audience based on statistics. Therefore, this “statistical co-variation” (Blatter and Blume, 2009, p. 338) commonly has high external validity in, for instance, countries within the same region with highly comparable control variables. In this thesis, this would mean that generalisation could take place within Central and Eastern Europe, in which control variables are comparable to a reasonable extent (Blatter and Blume, 2009; Blatter and Haverland, 2012).

#### 4.4 Reliability of the research

According to Yin (2009), “the goal of reliability is to minimize the errors and biases in a study”. In order to achieve this, Yin suggested “to make as many steps as operational as possible and to conduct research as if someone were always looking over the shoulder” (p. 45). Blatter and Haverland (2012) point to the high sensitivity of COV research. Therefore, they argue that “the researcher should be as transparent as possible about his/her indicators and the rationale for scoring variables in a certain case” (p. 67). This thesis’ reliability is ensured by being as transparent about data sources as possible.

#### 4.5 Data collection

In order to empirically test the different formulated hypotheses, this thesis will use a variety of sources. Yin (2009) underlined the importance of a varying data set as an essential principle for conducting a proper case study analysis. To evaluate the perceived effect, the thesis will first approach both countries relations with Russia using different sources, from academic literature to think tank reports and indicators from the World Bank, to assess economic relations. In order to determine the different energy policies that both cases under review exploit vis-à-vis Russia, data will be collected from academics in the field of energy, official reports and studies from national energy companies. To evaluate the perception of Russia, this thesis will measure public opinion with polling data from private companies, think tanks, academics and the EU. It is important to note here, that attitudes towards energy relations with Russia are not endogenous to national perceptions of Russia. Germany, for instance, has been an advocate in shaping EU relations with Russia in its *Ostpolitik*, as Russia and Germany are major trade partners, in which energy has been the main factor. This is visible in the debates on Nord Stream 1 and 2, for which Germany is the primary advocate (Siddi, 2018c; Meister, 2014). At the same time, however, German public perception on Russia is rather critical with 72% of German respondents having a negative view of Russia against 20% maintaining a positive view according to Eurobarometer polling data (2016b). Moreover, the German political elite has become quite critical on Russia since Putin regained power in 2012 (Meister, 2014). However, this has not resulted in a critical attitude or serious revision of German energy relations with Russia. In assessing the perception of Russia by political elites, this thesis will analyse individual political parties’ stance based on Gressel (2017a; 2017b),



combined with political party programs, email correspondence with representatives, media coverage and think tanks publications.

## 5. Empirical analysis

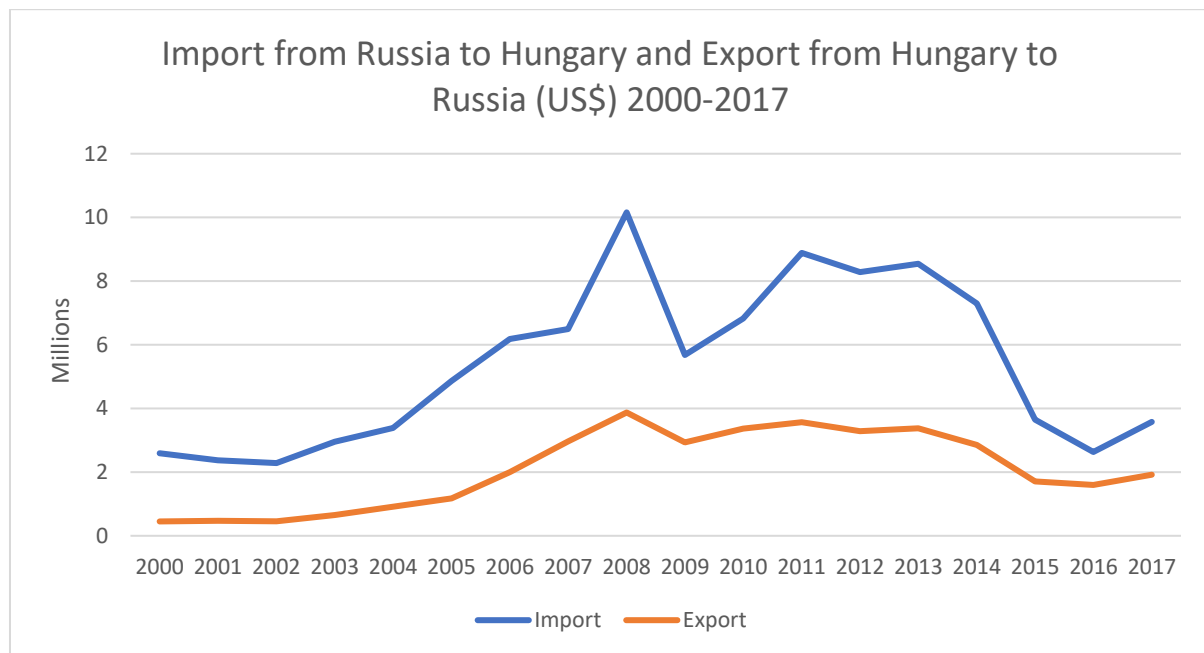
*The preceding chapter outlined that this thesis follows a case study research design in which it will conduct a COV analysis. The fifth chapter will elaborate on the relations of Hungary and Estonia with Russia and emphasise their different energy policies towards Russia, keeping in mind that following the EU Energy Security Strategy from 2014, EU member states had the objective to diversify away from Russian gas imports. The main objective of this chapter is to determine whether Hungary and Estonia have diverging energy policies towards Russia.*

### 5.1 Hungarian-Russian relations in context

Traditionally, Hungary has been somewhat critical of Russia since the end of the Second World War. Due to communist rule and the memory of the crushed Hungarian Revolt by Soviet forces in 1956, relations between both countries were not exceptionally warm (Janda et al., 2017). After the abolition of the Soviet Union, when Hungary became a democracy, most political parties from the left maintained ties with Russia, whereas parties on the right criticised these continued connections (Juhász et al., 2015). During this period, Hungarian relations with Russia focused merely on trade, especially energy, due to Hungary's dependence on Russian energy imports. Hungary was at the forefront in Eastern Europe in terms of opening to the West. It joined NATO in 1999 under the first Orbán administration (Janda et al., 2017). In 2004, Hungary further strengthened its relations with the West, when it joined the EU. Orbán criticised Hungarian-Russian political ties when Hungary's socialist government signed an agreement with Russia regarding the South Stream gas pipeline and the construction of the Paks Nuclear Power Plant in 2008. According to Orbán, Russia could become too influential in Hungary's energy policy as a result of the socialist government's agreements (Juhász et al., 2015).

When Hungary re-elected Orbán as prime minister in 2010, Hungary gradually took a perspective more open towards the East. Orbán adopted the so-called 'Eastern Opening' policy to enhance economic activities with countries such as China, Azerbaijan, Turkey, Saudi Arabia and Russia, whereby these countries would provide new markets for Hungarian products in order to boost Hungary's economy (Hegedüs, 2016). The intensified relations between Hungary and Russia at the highest political level, indicate the central position of Russia within the Eastern Opening. Between 2010 and 2013, Orbán visited Moscow four times

in order to gain Russian support to increase import from Hungary and for Hungarian companies to become active in Russia.



*Figure 5. Total Imports from Russia to Hungary and Exports from Hungary to Russia (US\$ Thousand) 2000-2017 (World Bank Group, n.d.).*

Initially, the policy was quite successful, with a 22% increase in exports to Russia (Kalan, 2014; Gyarmati, 2015). However, after the initial success, the results of the Eastern Opening soon began to disappoint. As early as 2011, Hungarian exports to Russia began to decline. After the EU imposed sanctions, Hungarian exports further decreased by almost 20% (Hegedüs, 2016). Taking a closer look at Hungarian trade with Russia furthermore shows that exports increased significantly after the accession into the EU, as can be seen in Figure 5. Furthermore, it is striking that Hungary imports substantially more from Russia than it exports. When looking closer at Russian-Hungarian economic ties at the end of the first Orbán government, it is notable that Russia is an essential economic partner when it comes to imports. In 2014, Russia was the 3<sup>rd</sup> import partner of Hungary with a share of 6.9%, whereas ‘only’ 2.5% of Hungarian exports went to Russia. Therefore, in 2014, Hungary was Russia’s 13<sup>th</sup> export partner. The fact that Russia is Hungary’s 3<sup>rd</sup> import partner is exclusively due to the latter’s energy dependence (Juhász, 2015). Sources differ on the exact level of Hungarian dependency on Russian gas imports. Whereas according to most sources, Hungary imports 57% of its natural gas from Russia, some sources argue imports are much higher (Hegedüs,

2016; Juhász, 2015). According to the IEA (2017), for instance, Hungary was 95% dependent on Russian natural gas imports in 2015.

Improved Hungarian-Russian relations also became visible during the Ukrainian crisis in 2014. When Russia occupied the Crimea, Orbán argued in a speech that Ukraine should give democratic rights and more autonomy to its minorities, of which a substantial group is of Hungarian origin. This statement can be interpreted as de facto support for Russia's demand for self-determination for the region. During the preparation of the collective EU response in the form of a sanction package, Hungary openly questioned the efficiency and motivation of the sanctions (Liik, 2018). Moreover, Hungary emphasised the importance of the continuation of economic ties with Russia concerning the South Stream pipeline, which was later cancelled, and the Paks Nuclear Power Plant (Gyarmati, 2015). Although Hungary has been critical of the effectiveness of sanctions and is in favour of lifting them as soon as possible, it never violated these sanctions (Liik, 2018).

All in all, the Eastern Opening strategy of Orbán did not have the desired economic outcome. However, it appears that Russian-Hungarian relations have considerably improved since Orbán came to power in 2010. Orbán has made Russia an example for his 'illiberal governance model' and adopted similar measurements to the Russian model by carrying through illiberal developments, such as restricting civil groups, NGO's and the opposition. In addition, Orbán has revised the constitution, weakening the rule of law and the electoral law (Keating and Kaczmarska, 2017). Moreover, Hungarian-Russian relations are for a substantial part based upon energy relations.

#### 5.1.1 Hungarian energy policy regarding Russia

With the National Energy Strategy 2030 (NES), the Hungarian government published its long-term vision on energy policy in 2012. The overall objective of the strategy is "to seek ways out of our energy dependency" (NES 2030, 2012, p. 11). In doing this, the strategy foresees increasing sustainability by investing in renewable energy resources, increasing energy efficiency and raising awareness about energy waste, among other things. However, mostly it emphasises an active role for the state as "in itself, the ensuring of the coherence of legal and economic conditions is insufficient in order to efficiently vindicate public good and national interests" (NES 2030, 2012, p. 15). Regarding natural gas, the NES argues that cooperation on the regional level and the diversification of routes of supply are essential to reduce

vulnerability. In this sense, the NES argues in favour of integrating the regional energy market, securing diverse supply sources into the region, increasing regional storage capacity. Furthermore, the NES aims at constructing regional north-south interconnections for gas supply from Poland to Italy and diversifying supply routes for importing Russian natural gas through for instance South Stream.

More specifically regarding Hungary's energy relations with Russia, the NES 2030 (2012) stressed that "Russia is Hungary's most important energy partner. Since Russia will remain the most important source of import in the long term, a balanced partnership between Russia and Hungary is an indispensable element of the security of supply" (p. 27). This appears to be in line with Hungary's overall economic approach to Russia under the Orbán administration. Furthermore, concerning security of supply, Hungary distinguishes sources of transit and supply routes. Whereas Russia is by far Hungary's principal source of natural gas supply, the transit routes of the natural gas can differ extensively. The NES (2012) argues that the "natural gas supply from diverse sources along alternative routes" needs to be met in order to create security of energy supply (p. 38). This is striking, as the government argues in favour of both different transit routes and sources of supply, which means that it is de facto suggesting to decrease Russian gas imports.

In their assessment of Hungarian national energy policy of the second Orbán administration from 2014 onwards, Járosi and Kovács (2018) argue that Hungary is pursuing a national energy policy based on national interests in the European perspective. The authors are somewhat reserved about Hungary's disadvantageous energy balance of fossil fuel imports from Russia, which, according to them, cannot be changed in the foreseeable future, as this is simply unfeasible. However, on general energy policy, they emphasise the importance of cooperation to meet EU objectives in order to decrease import dependency, increase supply security and continue to be able to provide energy for reasonable prices.

Concerning specific gas supplies, Járosi and Kovács (2018) point out the importance of strong relations with Russia in combination with sufficient storage capacity. Hungary is ensured of Russian gas until at least 2021, and negotiations over the renewal of the contract have already begun. In order to be able to provide "the primary energy source with the largest share" (p. 74), the government must support the gas market by diversifying gas sources and acquiring state ownership of energy infrastructure. As the authors underline that Hungary happily participates in developing the Turkish Stream, a pipeline from Russia via Turkey to

Central and Eastern Europe, this diversification of gas resources mainly seems to apply to supply routes.

This does not mean that the Hungarian government does not have the objective to increase its energy security. Looking at the report of the IEA (2017) on Hungarian energy policy, it appears that Hungary seeks to increase its energy security through a policy aimed at diversifying long-term sources of natural gas supply, increasing interconnections with countries within the region to re-direct gas and continuing the excellent energy relationship with Russia to obtain sufficient gas supply on the short- and medium-term. Regarding long-term diversification measures, the IEA mentions that Hungary intends to cooperate with Greece, Bulgaria and Romania to connect the Southern Gas Corridor, the long-term diversification project of the EU and the Caspian Sea region, with existing Central and Eastern

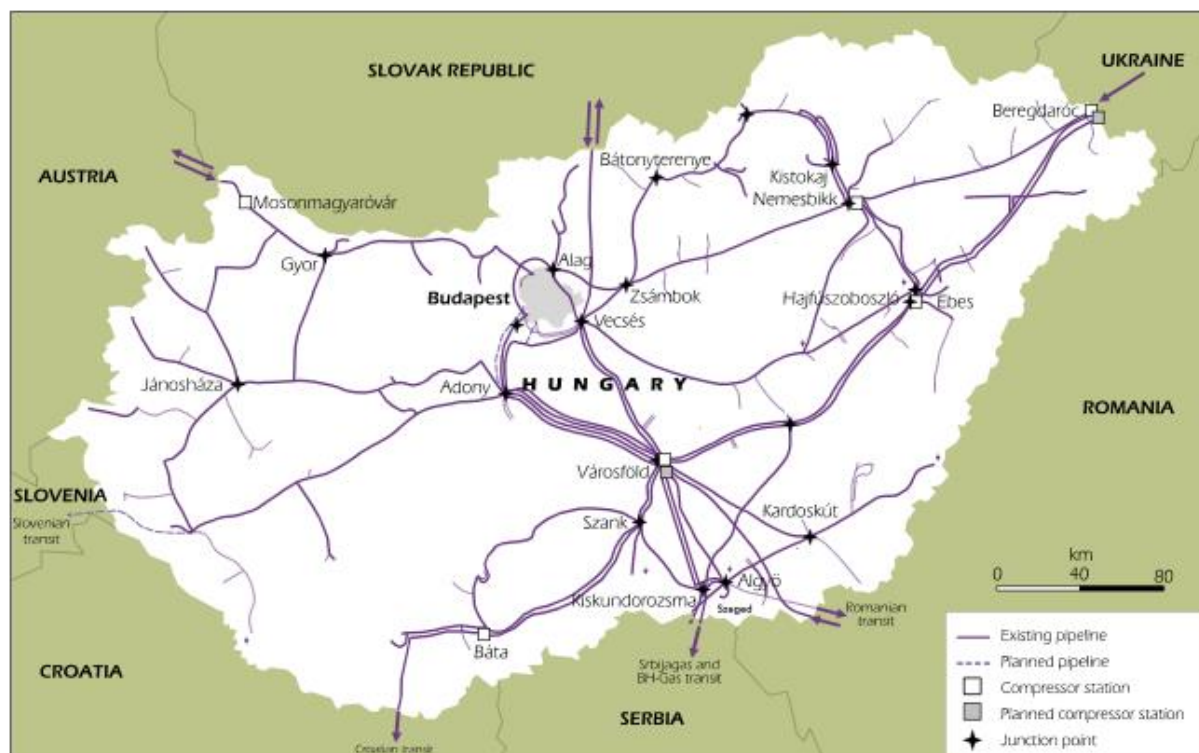


Figure 6. Hungarian gas transmission network (IEA, 2017, p. 129).

European infrastructure. The Hungarian government did, however, take measures that already increased its energy security.

The IEA (2017) also outlines developments on decreasing dependency on Russian gas imports by integrating Hungarian pipeline infrastructure with other Central and Eastern European countries' transmission networks to enable regional connections from North to South. Consequently, they make progress in connecting the Baltic region with Southern

Europe and the Black Sea region, increasing the ability to re-direct gas flows when necessary and enabling more regional gas trade to increase energy security. Examples of these infrastructural updates are interconnections between Hungary and Slovakia, Austria, Romania, Serbia and Croatia, of which only the last two do not have bi-directional capacity (IEA, 2017). Moreover, the Hungarian government has made significant progress in improving its energy security by massively increasing storage capacity, whereby Hungary could overcome a disruption of Russian gas supply for six months (Járosi and Kovács, 2018; Juhász, 2015). However, it does not appear that the Hungarian government assesses Russia as a threat to its energy security, as it still intends to increase its cooperation with Russia by expanding gas contracts and new transmission network projects.



Figure 7. Turkish Stream and potential revival of South Stream to Hungary (European Commission, 2017, p. 7).

In light of the common aim of the EU to diversify away from Russian energy imports, Hungary seems to be willing to invest in order to incorporate the Southern Gas Corridor into its regional infrastructure. The question remains whether this would result in competitive gas for the Hungarian market, as the scenario analysis of Mitrova et al. (2016) underlined the limited capacity of only 10 BCM per year through the Southern Gas Corridor from Azerbaijan for the total European market. Bearing in mind that Hungary has continued negotiating a long-term gas contract with Gazprom and its support for the planned Turkish Stream (the Economist, 2015) it is not very likely that Hungary's measures are meant to decrease Russian gas imports enormously. Moreover, the Hungarian government seems to regard Russia as a

trustworthy supplier, whereas it has less faith in supply routes through Ukraine. Therefore, all in all, it appears that Hungary adopts an energy policy favourable towards Russia as its primary source of supply, whereas it wants to diversify its supply routes and increase energy security through alternative strategies.

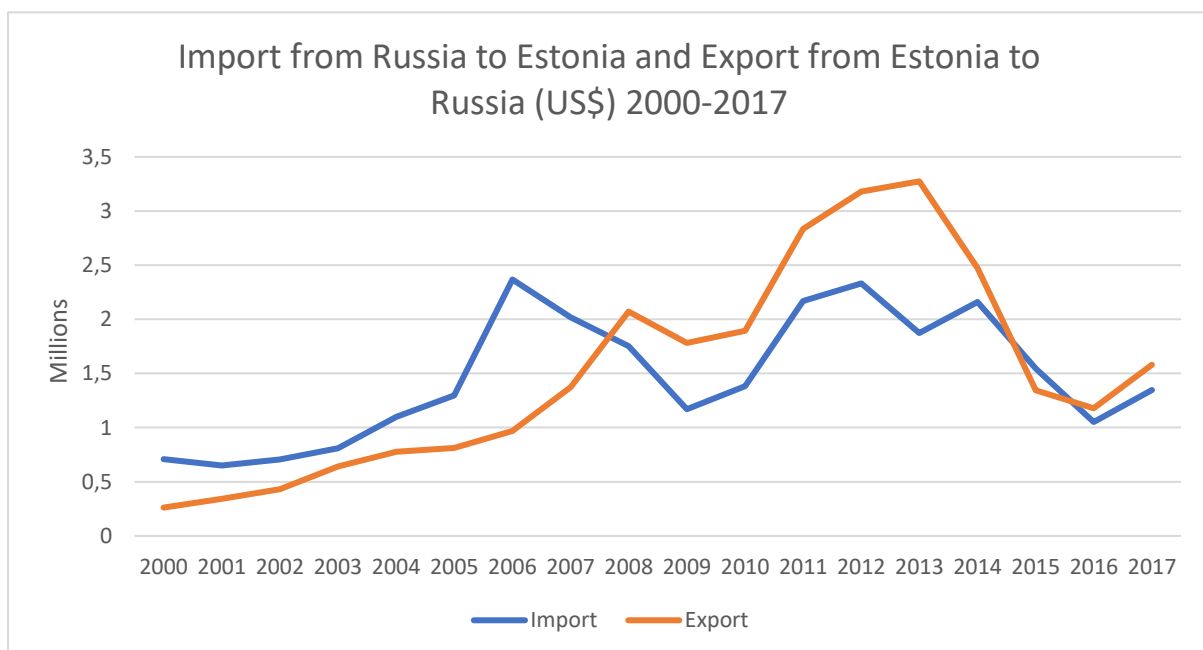
## 5.2 Estonian-Russian relations in context

After the Russian revolution in 1917, Estonian became an independent republic and remained so during the interbellum. In the build-up to the Second World War, Stalin argued that Estonian occupation by the Soviet Union was critical as a buffer to secure Leningrad against a possible German invasion. On the eve of the Second World War, threatened by both Germany and Russia, Estonia was forced to allow Soviet forces into the country, which marked the beginning of Soviet occupation. After the Second World War, the Soviet Union incorporated the Baltic states within the USSR. During this period, a staggering number of Russians settled in Estonia, with the Russian population in Estonia growing to 169.000 as opposed to 56.000 Estonians (Bieliszczuk, 2015; Janda et al., 2017).

Estonia was one of the earliest former Soviet republics that declared itself independent in 1991. Immediately after Estonia's independence, the country started to reorient itself towards the West, with the objective throughout the 1990s and early 2000s, of becoming a NATO and EU member state. Throughout this period, tensions between Estonia and Russia did not decrease. Tense relations had two causes (Lasas and Galbreath, 2013). First, the continued presence of Russian troops the first years after independence due to an unresolved border dispute. Second and interconnected to the former, the presence of a relatively sizeable Russian minority group in Estonia, which was a result of the Stalinist policy of a combination of mass deportation of Estonians and Russian migration to the Baltics. An even more profound cause of these tensions, however, is the memory of the Second World War. Whereas Russians see themselves as the liberators of Central and Eastern Europe from Nazi Germany, Estonians view it as the beginning of a 50-year-long occupation during which they were victims of communist oppression (Lasas and Galbreath, 2013; Janda et al., 2017).



For the Estonians, the Russian minority group is the inheritance and memory of this bitter period and creates a feeling of insecurity. From time to time tension due to the minority issue rises, as in 2007, when the re-elected Prime Minister Andrus Ansip decided to move a Soviet war memorial and graves of unknown Soviet soldiers from the city centre of Tallinn sooner than initially planned. The Russian minority reacted with protests, which escalated into riots, at the site of the so-called ‘bronze soldier’. The government responded by reinforcing Tallinn’s police with forces from other cities as they were suspicious, in the anarchic situation, of disloyal Russian police officers. The Russian government, for their turn, reacted by condemning the act of violence against the Russian minority and imposed sanctions on Estonia. At the same time, a cyber-attack occurred against Estonian government and private websites. Although conclusive evidence is lacking, there are some clear indications that Russia or at least Russian hackers are behind the well-organised cyber-attack (Lasas and Galbreath, 2013; Janda et al., 2017).



*Figure 8. Import from Russia to Estonia and Export from Estonia to Russia (US\$) 2000-2017 (World Bank Group, n.d.).*

The accession of Estonia both to the EU and NATO in 2004, marked the realisation of its central foreign policy objective since independence. Not surprisingly, Russia did not welcome with open arms the presence of the EU and NATO at its borders, in a region which it considers its sphere of influence (Grigas, 2013). Estonian-Russian relations, therefore, are somewhat strained. Despite all these disputes and tense relations, trade links between Russia and Estonia have only increased after EU accession, as can be seen in Figure 8. Russia is an

important trade partner of Estonia. In terms of Estonian exports, Russia was its principal trade partner in 2014. In terms of imports, Russia was Estonia's second-largest trade partner in 2014, just after Sweden (World Bank Group, n.d.).

This economic interconnectedness did not prevent the Estonian government from criticising Russian activity in Ukraine. In 2014, Prime Minister Ansip condemned Russia's behaviour and called for collective EU and NATO action in the form of sanctions, even though these would harm the Estonian economy (Maigre, 2015). The government issued such a sharp response because it feared that the Baltic region could become a victim of Russian aggressive behaviour as well. This fear was based on the memory of Russian occupation in combination with an ideology-based foreign policy which highly regards democratic values, the rule of law, liberal economy and sovereignty (Maigre, 2015).

In terms of energy relations with Russia, Estonia inherited its complete energy infrastructure, from gas pipelines to electricity grids and power plants, from the Soviet period (Arunas Molis et al., 2018). Therefore, it is not surprising that in terms of energy, the Baltic states are highly dependent on Russia for their energy supply. In contrast to Lithuania and Latvia, Estonia has been relatively successful in diversifying its energy portfolio (Lasas and Galbreath, 2013). Due to the presence of large quantities of oil shale, a fossil fuel which is used to generate electricity, Estonia has managed to decrease its dependence on Russian natural gas imports (Lehtveer et al., 2015). However, Tarus and Crandall (2012) point to the still significant amount of natural gas Estonia has to import from Russia, not at least because burning oil shale is highly polluting. Gas imports provide an easy, relatively clean and cheap alternative. Thus, it appears that despite tensions over Russian minorities, diplomatic conflicts and historical friction, Russia remains a rather important trade partner for Estonia.

### 5.2.1 Estonian energy policy regarding Russia

As a result of 50 years of Soviet occupation, the Estonian economy was fully integrated into the Soviet economic system. Concerning energy, this meant, among other things, that Estonia's gas infrastructure was wholly integrated into the Soviet pipeline network (Arunas Molis et al., 2018). Therefore, the country upon independence was 100% dependent on Russian natural gas and completely isolated from European infrastructure. Estonia and the other Baltic states were also linked to the Soviet electrical grid, making them dependent on Russia for their electricity needs. Although there has been progression in overcoming Estonia's

isolation in terms of infrastructure by, for instance, connecting it with the Finnish electricity network and slowly but surely integrating the Baltic gas transmission system into the European network, there is still a long way to go.

As mentioned above, Estonia's energy sector largely depends on burning oil shale through the Navara Power Plants, which makes the overall Estonian level of energy dependence quite low at 20% in 2012. Although the renewable energy sector in Estonia is growing significantly, the dependence on fossil fuels still dominates the market with almost 80%. The dependence on oil shale has severe effects for the environment, as the fossil fuel has massive emissions of greenhouse gasses. Natural gas still composes a significant part of the energy portfolio, as over half of Estonian boilers used for centralised heat runs on gas (Lehtveer et al., 2015). Therefore, in 2012, around 15% of Estonia's energy portfolio consisted of natural gas, of which 100% got imported from Russia (Tarus and Crandall, 2012; IEA, 2013).



Figure 9. Regional gas transmission network and planned expansion (Elering, 2018, p. 10).

Nowadays, Estonia does not have to import all its natural gas from Russia due to the presence of an LNG terminal in Lithuania and a natural gas reserve and storage facility in Latvia. However, Russia remains Estonia's sole source of gas supply (IEA, 2013). The main issue in Estonian pipeline policy is that it is only connected with Russia and Latvia and therefore completely isolated from the European gas transmission network, as can be seen in figure 9 ("Gas market", n.d.; Elering, 2018). Elering (2018), the company responsible for operating

the gas transmission system, published a report on its developments. The company stresses that "the main influence on the gas network developments in the coming ten years is the plan to exit the one-supplier situation" (p. 1). Therefore, it appears that Estonia, in line with the common aim of the EU, is committing itself to diversify away from Russia as its sole supplier of natural gas.

Although Estonian gas consumption has declined in the last ten years, due to increasing efficiency measures, it is unlikely that this trend will continue according to an analysis by the Tallinn University of Technology (Elering, 2018). Moreover, gas will likely become an

increasingly valuable energy resource as it is more sustainable in comparison with oil shale (Lehtveer et al., 2015). Taking a closer look at the planned updates to the Estonian transmission network from Elering (2018), the Estonian government wants to increase its security of gas supply as soon as possible, by heavily investing in new infrastructure and updating the existing network.

In order to integrate the Baltics into the European gas transmission system, first, the Balticconnector, a pipeline between Finland and Estonia, will be finalised, which will connect the Finnish and Estonian gas transmission network. Second, the Estonian government is planning to enhance the Estonian-Latvia interconnection to strengthen the regional gas market. Finally, the Gas Interconnection of Poland-Lithuania (GIPL) will ensure the integration of the regional Baltic gas market into the European transmission network (Elering, 2018; IEA, 2013). If these plans are realised, “the higher regional market volume will create the preconditions for additional delivery chains in the form of a regional LNG terminal, which will also ensure the Russian influence on gas supply will decrease” (Elering, 2018, p. 22).

Although these projects only to a limited extent directly diversify gas sources, they will increase security of supply by creating additional supply channels and sources such as an LNG terminal. Furthermore, they assure integration of the regional gas market into the European transmission network whereby for instance Norwegian gas will become available, create more competition whereby Estonian gas prices will level with lower Finnish prices, open the Latvian natural gas reserve to the Finnish market and enable the use of Latvian underground gas reserves as storage capacity (Elering, 2018; IEA, 2013). The Balticconnector is expected to be delivered by the end of 2019, whereas the GIPL is expected to be ready in 2021 (“Project purpose and objectives”, n.d.; “Gas Interconnector Poland-Lithuania (GIPL)”, n.d.). On the whole, these projects show an overall policy which is focused on decreasing the Russian share of gas in the Estonian energy portfolio over the short-term. Figure 10 shows planned projects to increase regional energy security.

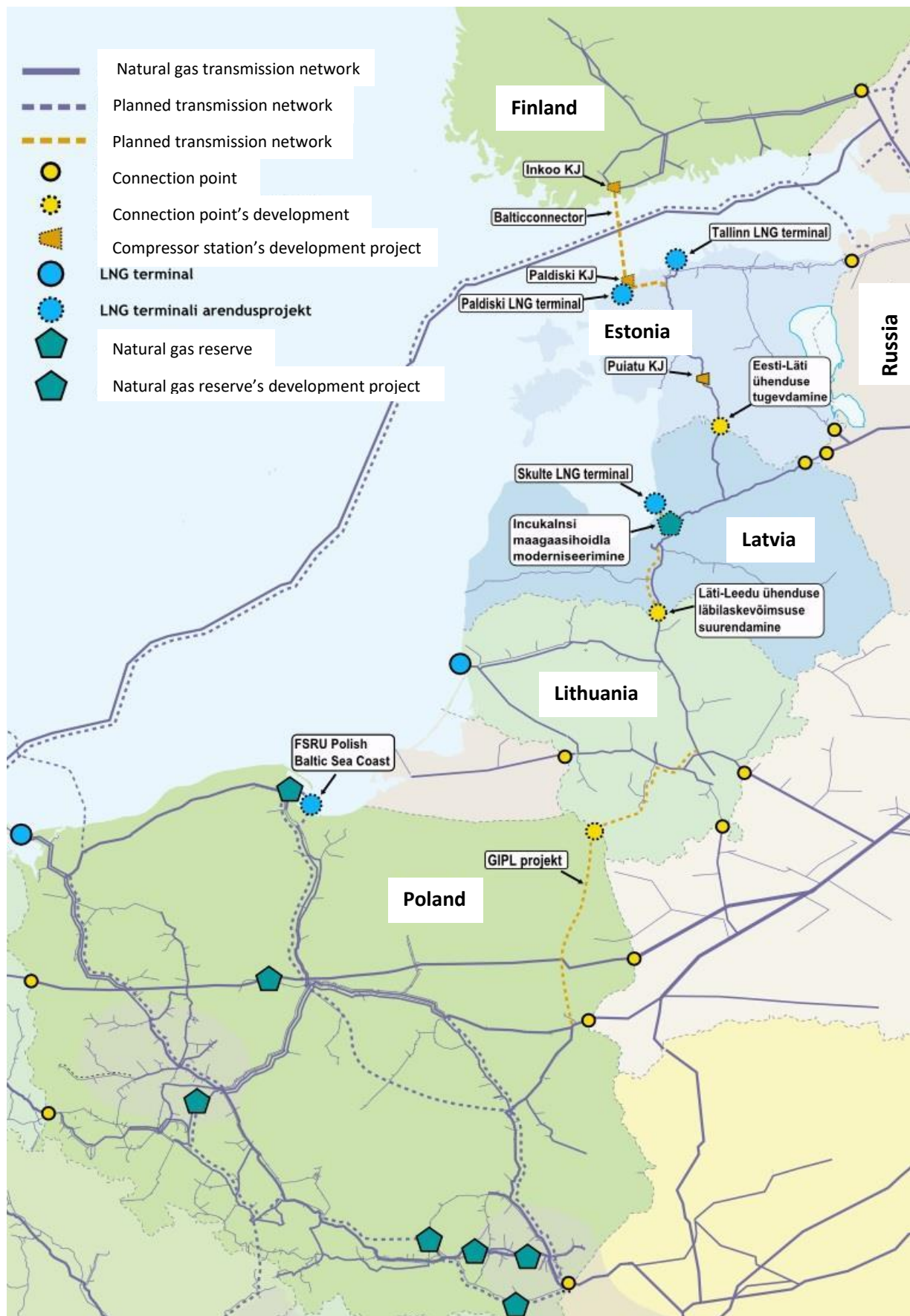


Figure 10. Regional large-scale energy projects. (Elering, 2018, p.37).




## 6. Empirical analysis – testing perception

*The preceding chapter assessed both countries' relations with Russia and the different positions of Hungary and Estonia towards Russia concerning energy policy. The sixth chapter tests the apparent effect of the perception of Russia on Hungarian and Estonian energy policy. The main objective here is to determine whether there is a causal relationship between the perception of Russia and national energy policy towards Russian gas imports.*

### 6.1 Aspects of perception to be tested

Based on the social-constructivist approach and image theory in IR, a proposition has been formulated in order to test the presumed effect of perception upon national energy policy. In this proposition, the energy policies of the two cases under review concerning Russia are central as they are presumed to be affected by the common perception of Russia in both countries. In order to come to a thorough understanding of 'perception' in public opinion, government perception and political ideology towards Russia of both Hungary and Estonia will be determined and tested to see whether they affect national energy policy towards Russia. In order to test public opinion, public polling data will be derived from survey studies, think tank reports and academic studies on public opinion on Russia. Since the cases are selected partly based on the national index of Gressel (2017a; 2017b), his study will be used to further analyse political parties' ideology in order to determine their perception of Russia and the West.

In order to focus on aspects interesting for determining policy regarding Russia and to explain the political attitude towards Russia, topics that Gressel (2017a; 2017b) argued to have a direct relation with Russia – relations with Russia, sanctions and party ties – and indirect – security order and support for Ukraine – will be assessed. Furthermore, as Gressel explained that topics on European integration and transatlantic relations correlated with other questions related to Russia, these are also included in the analysis. Questions regarding the war in Syria and free trade and globalisation, which also correlate with questions on Russia however, are left out of the analysis, as this thesis focuses on (political) identity rather than economic interests. Moreover, the war in Syria does not directly relate to either of the two cases under review, while the situation in Ukraine does. For each of the seven focal points, the "item values" determined by Gressel (2017b, p.4) will be used for both countries and several political parties within it.

- 
1. "The 'finality' of the EU"
  2. "Views on the European security order"
  3. "Views on transatlantic relations"
  4. "Relations with Russia"
  5. "Sanctions on Russia"
  6. "Support for Ukraine"
  7. "The party's links to Russia"

*Figure 11. The seven focal points under review in assessing political ideology towards Russia as derived from Gressel (2017b, p. 2-3)*

## 6.2 Case study I: Hungary

### 6.2.1 Public opinion on Russia

Because Hungary's two largest political parties, Orbán's Christian-democratic conservative Fidesz and the far-right Jobbik, are both known for their rather critical attitudes towards the EU and open perspective towards Russia (Gressel, 2017a; 2017b), one could expect that Hungarian public opinion on Russia would be rather positive. However, looking at public polling data from various sources, the perception of Russia appears to be quite divergent. A worldwide polling study of Pew Research Center (2017) on the image of Vladimir Putin and the perceived power of Russia found that 57% of the Hungarian respondents have "no confidence" in "Putin to do the right thing regarding world affairs", against 34% who do have confidence in Putin (Vice, 2017). Compared to other European countries, however, only Greeks indicate more trust in Putin (50%). Moreover, 28% of the Hungarians view Russia as a security threat, which is also the second-lowest percentage of European countries in the survey, right after Greece (24%). Asked to whether one has a favourable view of Russia, 48% of the Hungarians in the survey expressed an unfavourable view of Russia in the world against 39% who has a favourable image. Looking at polling data from Eurobarometer, Hungarians seem to have a rather negative view of Russia as can be seen in Table 5 and 6.



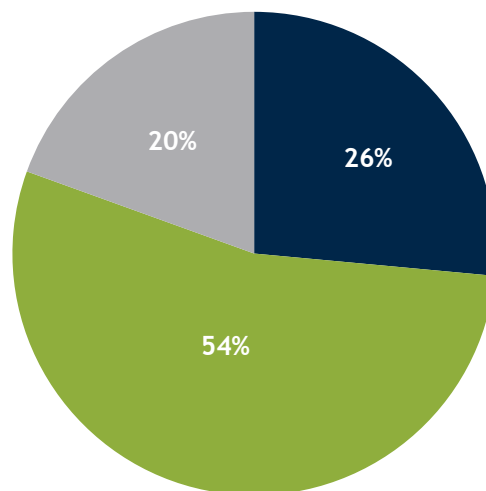
	“Very positive view”	“Somewhat positive view”	“Somewhat negative view”	“Very negative view”	“Don’t know”	“Total positive”	“Total negative”
Hungary	4	33	43	12	8	37	55

Table 5. “As regards each of the following countries or group of countries, do you have a positive or negative view about it? Russia (%)” (Eurobarometer, 2016b, p. 38).

	“Very positive view”	“Somewhat positive view”	“Somewhat negative view”	“Very negative view”	“Don’t know”	“Total positive”	“Total negative”
Hungary	6	32	39	13	10	38	52

Table 6. “As regards to which of the following countries or groups of countries, do you have a positive or negative view about it? Russia (%)” (Eurobarometer, 2017, p. 24).

### Opinions of Russia’s role in Europe: Which statement is closest to your opinion?



- Russia is a continuous external threat to Europe, and must be countered by a strong security alliance.
- Russia should be considered a partner in European security, and brought into European security structures; keeping Russia out makes us less secure.
- Don't know

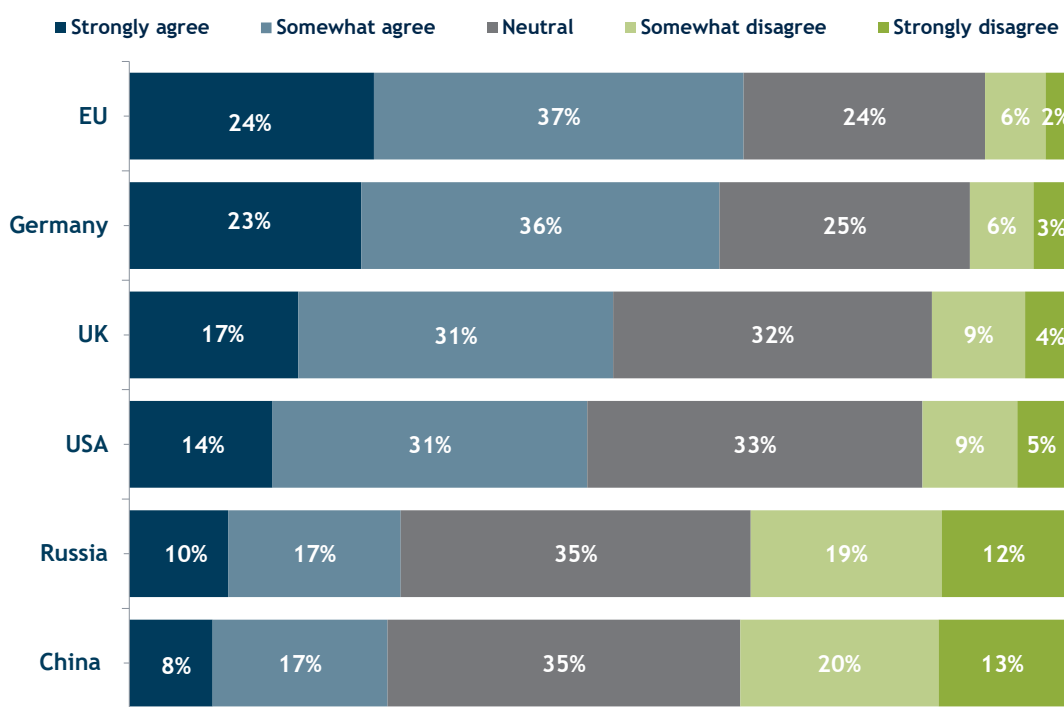
35

Figure 12. Hungarian opinion on Russia’s role in Europe (IRI, 2017, p. 35).

Taking a closer look at Hungarian polling data could provide better understanding of the Hungarian perception of Russia and the EU. In a survey study, the International Republican Institute (IRI) (2017) found that Hungarian public opinion on Russia is somewhat divided.

Hungarians seem to favour an inclusive policy towards Russia regarding security issues, as can be seen in Figure 12. However, when asked, “Hungarian interests are best served by maintaining strong relations with...” (IRI, 2017, p. 29), Russia comes in fifth place, which is remarkable for a country in which the two largest parties have pursued stronger relations with Russia during the last ten years and appear to have strong party links with (Gressel, 2017a; 2017b).

**On a scale of 1 to 5, how strongly do you agree or disagree with the following statement?  
“Hungarian interests are best served by maintaining strong relations with...”**



29

**Survey: “In your opinion, with which country should Hungary maintain better relations?” (by party preference)**

	Pro-US	Pro-Russia	Don't know
<b>Fidesz</b>	40 %	39 %	21 %
<b>Jobbik</b>	48 %	27 %	25 %
<b>Democratic Opposition</b>	72 %	18 %	10 %
<b>Undecided Voters</b>	54 %	16 %	30 %

*Figure 14. Hungarian public opinion on Russia and the US by party preference (Hegedüs, 2016, p. 3)*

*Figure 13. Actors who are considered essential for Hungarian interests (IRI, 2017p. 29).*

Multiple Hungarian researchers, however, point to the rather critical view of Hungarians towards Russia. Hegedüs (2016) emphasises historical sentiments of discomfort about Russian and Soviet military oppression in the 19<sup>th</sup> and 20<sup>th</sup> century and Soviet support of the Hungarian communist

regime. The author points to polling data of Median, a Hungarian opinion research company, which shows that in 2015, more voters were in favour of an alliance with the US than with Russia. A resounding majority of people who voted for the democratic opposition and undecided voters, as well as moderate majorities of Fidesz and Jobbik voters, preferred an alliance with the US over Russia, as can be seen in Figure 14. In light of these findings, Hegedüs (2016) suggests that around 39% of Fidesz voters are likely to be influenced by government-controlled media, and concerning Jobbik, “only 29 percent of its voters back the party’s foreign policy orientation” (Hegedüs, 2016, p. 3). Moreover, Juhász et al. (2015), show similar findings based on polling data in which Hungarians appear to prefer a Western orientation and are critical towards Russia. Interestingly, in light of Hungary’s energy dependence on Russia, Juhász et al. (2015), argue that based on an Ipsos study “79% of Hungarian respondents believed it was a rather serious problem” (p. 19).

The view Hungarians have of Russia is quite divergent, depending on the formulation of survey questions and specific topics (Krekó, 2018). Since 2014, the perception of Russia as a threat to Hungary’s security has declined despite the unfavourable memories Hungarians have of Russia. Consequently, Krekó argues “based on the experiences of Hungary, where government has a dominant role in the public space” ... “political rhetoric can overwrite the impact of historical experiences” (p. 358). Krekó provides an overview of recent studies on Hungarian public opinion regarding Russia. In doing this, he found that “the more general the phrasing, the more likely the Hungarian electorate are to choose the West” (p. 359). According to Globsec (2018), 47% of the Hungarians consider themselves in between the East and the West, 45% favour a more Western orientation, and only 3% think that Hungary should focus more towards the East.

Ten most frequently mentioned countries	Ratio of mentions among first three countries (%)
Germany	44
Austria	28
Russia	16
United Kingdom	13
United States	13
Poland	13
Slovakia	8
France	8
Romania	6
Czech Republic	5

Figure 15. “With which country do you think Hungary should maintain its closest relationship. Name at least three countries” (Krekó, 2018, p. 363).

However, when survey questions are phrased in more detail, Hungarians are more likely to prefer Russia (Krekó, 2018). Another study of Globsec (2016) found

that Russia is the third-most named country with which Hungarians think they should maintain close relations. Moreover, looking at the level of sympathy Hungarians have for Russia compared to the US, their sympathy for Russia has increased by 33%, whereas the sympathy level for the US has decreased by 25% (Krekó, 2018). Furthermore, a recent poll by the Böll Stiftung and Political Capital (2018) showed that Fidesz supporters are relatively susceptible to pro-Russian and anti-Western conspiracy theories, which are commonly spread as propaganda tools by the Kremlin.

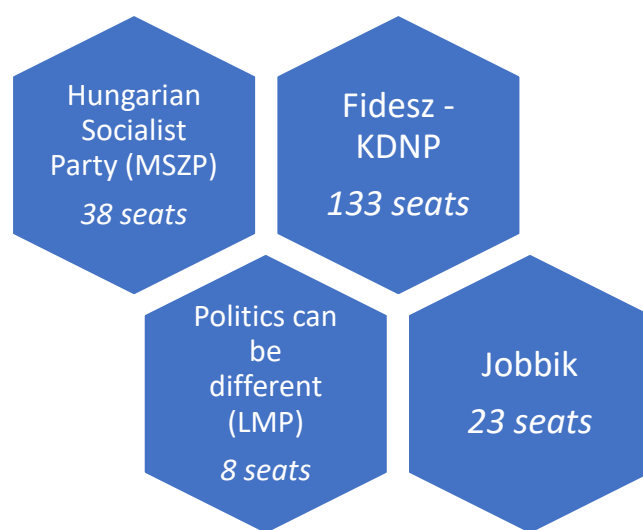
Based on the assessment of various polling studies, Krekó (2018) draws six conclusions. First, he characterises Hungary as a country with a robust Western orientation, especially compared to other Eastern European countries. Secondly however, he outlines that a substantial part of Hungarians view their country somewhere between the East and West. He underlines here that this position suggests a perspective which is open to the East. Third, Krekó identifies a development in which society obtains a generally more favourable view of Russia since Hungary's independence, and especially from 2010 onwards. Therefore, Krekó determines that political discourse shapes public opinion. Fourth, Hungarians appear to have a particular interest in Russia's economic potential and especially its strong leadership under Putin, who is the second most popular international leader after Pope Francis.

Interestingly, historical memories of Russian and Soviet repression do not seem to affect the Hungarian perception of Russia. Political preferences seem to partly determine a positive view of Russia. However, as described above, other studies contradict this finding. Krekó (2018) concludes his assessment with a fascinating argument in light of the objective of this thesis. "Public opinion is rarely the cause of foreign policy; rather, it tends to be the *consequence*." The development in Hungarian perceptions towards Russia in recent times, after a period of distancing before 2010, seems to be initiated foremost by the government, which seems to be in line with literature on political ideology affecting public perception discussed in the Research Design Chapter.

### 6.2.2 Political ideology of Hungarian parties

Since a controversial electoral law in 2011, the Hungarian National Assembly, which is charged with monitoring the government and producing legislation, consists out of 199 members. The people directly elect members of parliament every four years. The government operates with the confidence of a majority of the National Assembly ("Electing members of the National

Assembly”, n.d.). Members of parliament can be elected if they are on ‘national lists’ of candidates or by individual constituencies. A national list can be either a party list or a nationality list, which represents minority groups in parliament as well. After having received 44.9% of the votes during the parliamentary elections of 2014 (see figure 16), the joint list of Fidesz and the Christian Democratic People’s Party (KDNP), formed the government with an absolute majority of 133 seats in the National Assembly. The outcome of the 2018 elections was roughly the same as with the previous national elections in 2014, in the sense that the joint list of Fidesz-KDNP received an absolute majority of 133 seats as well and together formed the government (“Electing members of the National Assembly”, n.d.). The national index of Gressel (2017a; 2017b) is based on the composition of national parliaments in the period January 2017-March 2017. Therefore, the analysis of Hungarian perception focuses on the political ideology of Fidesz following the elections of 2014. In doing this, special attention is given to President Orbán, as he is of significant influence in determining Fidesz’ political ideology.



*Figure 16. The division of Hungary’s National Assembly based on the 2014 national elections (“Electing members of the National Assembly”, n.d.).*

#### 6.2.2.1 the political ideology of Fidesz regarding Russia

Originally the Alliance of Young Democrats was founded as a liberal youth party in 1988 by a group of young lawyers, among them Viktor Orbán. In 1994, the political right-wing in Hungary was barely alive. Orbán calculated that his liberal political party could gain in elections if it would become open for conservative values and right-wing politics, which paid off. Ultimately, this resulted in Orbán becoming president in 1998 (Rajcsányi, 2018). In 2002, Fidesz suffered

a devastating defeat, whereby Orbán started to transform Fidesz into a centralised national public movement positioned at the conservative centre in the political spectrum.

The reinvention of Fidesz led Orbán to become the central figure in Hungarian politics. Rajcsányi (2018) argues that fundamental elements of Orbán's politics are a stable central government focused on strengthening sovereignty and supporting the working middle class, which is considered the backbone of society, with tax benefits and family support programs. Furthermore, strict economic policies aimed at stability and providing sovereignty and above all, "patriotic politics which are based on Hungarian interests" (p. 130) in order to protect Hungarians including minorities, living in neighbouring countries.

In 2014, Orbán pronounced that the Western liberal model was dying and took a public stance against liberal values in his infamous speech on "illiberal democracy". The Hungarian president praised authoritarian regimes in Singapore, China, Turkey and Russia, as examples for Hungary to follow both ideologically and economically (Buzogány, 2017). The speech received considerable attention, and many commentators pointed to the worrying course that Orbán advocated. Zakaria (2014), author of much-cited works on illiberal democracy, stressed that Orbán pursued a new form of "Putinism" based on strong nationalist rhetoric, a firm grip on the media, Christian-conservative values and increasing control of the judicial apparatus. Orenstein and Kelemen (2017) labelled Hungary among other states, as "Putin's Trojan Horse" inside the EU and NATO, "praising him and cultivating closer ties with his regime" (p. 87). Buzogány (2017) countered this 'authoritarian diffusion' by arguing that Hungary has a rather pragmatic stance in its relations with Russia based on economic interests, such as low energy prices instead of ideological motivations.

Returning to Gressel's focal points, Fidesz' is known for its dramatic change concerning the first focal point on EU integration. Whereas during the 2006 and 2010 elections, Fidesz was an advocate of further EU integration, the elections of 2014 marked a turning point whereby Fidesz became an acknowledged opponent (Debus and Gross, 2018). Although Orbán is often critical towards the West, Fidesz is a strong supporter of the Western security order under the flag of NATO. After the crisis in Ukraine emerged, Orbán confirmed this by stating that "we will be loyal to our NATO allies even if we do not share even 50 percent of what they say and think" (Gyarmati, 2015, p. 24). On the second and third focal points regarding the EU security order and transatlantic relations, one would expect that Orbán, a conservative politician with populist features, would be in alignment with President Trump's

view of the transatlantic order. Fidesz has also been quite unpredictable regarding the sixth focal point on support for Ukraine. On several occasions, Orbán defended and explained Russian behaviour on the Crimea, and moreover, at the request of Gazprom, Orbán cut off gas transits to Ukraine in 2015 (Gyarmati, 2015; Janda et al., 2017).

Regarding the fourth, fifth and seventh focal points on relations with, sanction on and party ties with Russia, the assessment of Fidesz is rather complicated. The governing party of Hungary is known to be a severe critic of the collective sanctions. It openly questioned the effectiveness of sanctions and advocated for their immediate reduction (Janda et al., 2017; Wickett, 2018; Liik, 2018). Despite its criticism of the sanctions on Russia, Fidesz did not object the package, nor to its renewal in 2016. However, Fidesz argues that besides a lack of effectiveness, sanctions harm Ukraine as well. Fidesz opposes the sanctions because it wants to increase business ties with Russia as part of Orbán's broader economic strategy (Wickett, 2018). Hegedüs (2016) studied links between Hungarian political parties and Russia. He argued that there had been some severe cases of corrupt deals between high-level Hungarian politicians and Russia in deals between the Hungarian state and Russia, such as the Paks Nuclear Power Plant, an off-shore energy company and the modernisation of a Budapest metro-line. Hegedüs stresses that "each of these examples of large-scale, highly opaque business projects illustrates Fidesz's strong ties to various political and business actors in mainstream Russian politics" (p. 6). In order to thoroughly assess Fidesz' stance on the focal points, an interview request has been made through email with several representatives of Fidesz. Unfortunately, however, this has been neglected.

Gressel (2017a; 2017b) classified Fidesz as a party maintaining a severe anti-Western perspective. He placed the Hungarian governing party in 21<sup>st</sup> place out of 181 national parties. Table 7 shows Fidesz's item values based on the seven focal points. The party's political ideology suggests it is open to further cooperation with Russia. Moreover, as noted in the previous section, the Hungarian government's positive perception of Russia seems to influence Hungarian public opinion towards the country as well.

	“The finality of the EU”	“Views on the European security order”	“Vies on transatlantic relations”	“Relations with Russia”	“Sanctions on Russia”	“Support for Ukraine”	“The party’s links to Russia”	Party index
<b>Fidesz</b>	-1.5	-1	-1.67	-1	-1.5	1	-2.33	-14.27

Table 7. Fidesz’ item values derived from Gressel (2017b, p. 2-3).

	“The finality of the EU”	“Views on the European security order”	“Vies on transatlantic relations”	“Relations with Russia”	“Sanctions on Russia”	“Support for Ukraine”	“The party’s links to Russia”	National index
<b>Hungary</b>	-0.8	-0.3	-1.11	-0.98	-0.97	0.88	-1.96	-9.3

Table 8. Hungary’s item values derived from Gressel (2017b, p. 2-3).

## 6.3 Case study II: Estonia

### 6.3.1 Public opinion on Russia

When scrutinising Estonian public opinion on Russia, one must take the Russian minority living in Estonia into account. Although this group prefers to live in the EU rather than Russia, history has shown that the situation between Estonians and the Russian speaking population can get tense. Eurobarometer (2016a; 2016b) surveys suggest that Estonians have a far more critical view of Russia, as shown in Table 9 and 10 (the annex contains a comparison between the findings on Hungary and Estonia).

	“Very positive view”	“Somewhat positive view”	“Somewhat negative view”	“Very negative view”	“Don’t know”	“Total positive”	“Total negative”
<b>Estonia</b>	7	25	36	24	8	32	60

Table 9. “As regards each of the following countries or group of countries, do you have a positive or negative view about it? Russia (%)” (Eurobarometer, 2016b, p. 38).



	“Very positive view”	“Somewhat positive view”	“Somewhat negative view”	“Very negative view”	“Don’t know”	“Total positive”	“Total negative”
<b>Estonia</b>	8	26	38	20	8	34	58

*Table 10. "As regards to which of the following countries or groups of countries, do you have a positive or negative view about it? Russia (%)" (Eurobarometer, 2017, p. 24).*

In total, 60% of the respondents had a negative view of Russia compared to 32% with a positive view in 2016. Concerning the political influence of the EU versus Russia, Estonians are more favourable. 33% of the respondents consider the EU to be weaker, whereas 50% thinks the EU is stronger than Russia. The expectations of political influence in 2030 somewhat converge as well, as 25% thinks the EU will be weaker than Russia in 2030 against 45% who think the EU will be stronger (Eurobarometer, 2016b).

The Estonian Ministry of Defence conducted an extensive public opinion survey on national security and threat perception in 2017. The study found that Russia, in 2017, is considered far less a threat to world security than during the previous decade. The researchers stressed that “Russia’s activities to restore its authority in neighbouring countries have fallen to the very back of the ranking—only 29% of the respondents perceive it to be a certain threat (only in March 2005, Russia’s activities were at the top of threat factors with 46%)” (Kivirähk, 2017, p. 20). Although this decline is quite substantial and issues such as Islamic State (IS), North Korea, the refugee crisis and the war in Syria are considered more significant threats to world security, 29% is still significant. Interestingly, only 6% of non-Estonian minorities, consider “Russian activity in restoring its authority” (Kivirähk, 2017, p. 22) as a threat to world security, against 39% of ethnic Estonians.

Estonians appear to perceive two scenarios in which Russia has proved to be involved with in the past, as the most realistic security threat (Kivirähk, 2017). First, “organised attacks (cyber-attacks) against the Estonian state information systems” are conceived as most probable. Russia has a history of large-scale cyber-attacks against Estonian state systems. “Foreign states interfering into Estonia’s policy or economy” (p. 24) is perceived as the second most probable threat to Estonian security. In this, Russia has a history as well, imposing for instance sanctions on Estonia after the bronze soldier crisis in 2007 and using its vast energy

resources as a political tool, which was deployed against Estonia during the winter of 1992-1993 (Lasas and Galbreath, 2013; Tarus and Crandall, 2012).

Other polling sources also point to a decline in the perception of Russia as the primary threat to Estonian security. A survey of the Estonian Institute for Social Research showed that in 2016, refugees were viewed as the most significant threat to Estonian security, even though the number of refugees in Estonia at that time was close to zero. This polling data shows vast differences in threat perception between the Russian- and Estonian-speaking population. Of the former group, 90% conceive of Russia as a threat to Estonian security, whereas only around 30% of the latter group saw Russia as such (Mathissen et al., 2017).

In contrast to the findings of most public polling studies, a substantial amount of academic, think tank and governmental studies on Estonian national security perceive Russia as the most significant threat. Liik (2018) argues that “Estonia is highly critical of Russia, perceiving the threat from Moscow as its main security priority” (p. 25). Mattiisen et al. (2017) stress that “Russia was described as the main security threat to Estonian existence in the recent report by Estonian Information Board, an intelligence service” (p. 17). The Estonian Intelligence Service wrote in the introduction of its annual report on international security regarding Estonia that “the main external threat for Estonia arises from Russia’s behaviour, which undermines the international order. Russia conducts its foreign policy by demonstrating its military force, by using its dependence of other states on Russia’s energy carriers, and by conducting cyber[-]attacks and influence operations using false information and other ‘soft’ tools” (p. 2).

Thus, it appears that although public opinion of Russia as the primary security threat has decreased over the last years, (Estonian) experts in the field of security still consider Russia to be the most realistic threat to Estonian national security. Moreover, most Estonians still appear to perceive Russia in a ‘negative’ way, despite, or because of, the presence of a significant Russian ethnic minority living in Estonia. Therefore, Estonia’s overall perception of Russia appears to be rather negative and focusses on Russia being, although not as significant as it used to be, an external threat to the country’s national security.

### 6.3.2 Political ideology of Estonian parties

The Riigikogu is the national representative and legislative institution of Estonia. It consists of 101 individuals who are elected by the people every four years. Almost all members of the

Riigikogu serve on behalf of a political party. When there is not one political party with at least 51 seats, a coalition is formed out of different factions in order to get the required majority to govern adequately. The different factions consist of people who are members of the same political parties (“What is Riigikogu”, 2019; “Factions”, 2019). The former XIII Riigikogu, which was in session during the study of Gressel (2017a; 2017b), was composed out of six different factions and had two individuals who did not participate in any of the factions (“Factions”, 2019; “Elections”, 2019) as can be seen in Figure 17. The XIII Riigikogu was elected during the parliamentary elections of 2015 (“13<sup>th</sup> Riigikogu”, 2019).

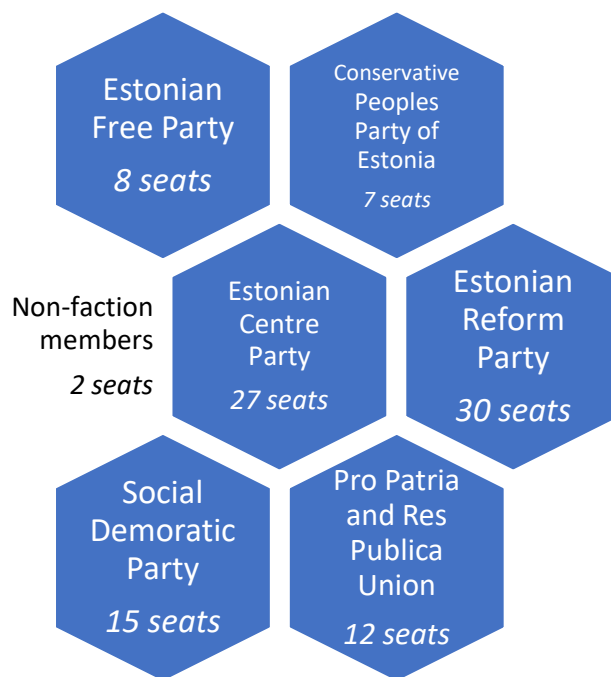


Figure 17. Division of seats in the XIIIth Riigikogu (“Factions”, 2019).

After the elections of 2015, a coalition was formed between the Estonian Reform Party (RP), the Social Democratic Party (SDP) and Pro Patria and Res Publica Union (IRL), which is nowadays known as Isamaa. However, the government did not last long as it collapsed in November 2016. The coalition fell as they mainly did not agree on economic policy (“Estonia’s government collapses as PM loses confidence vote”, 2016). Under the leadership of Jüri Ratas, the Centre Party (CP), the largest opposition party, took the lead in forming a new coalition with the SDP and the IRL. As the CP has traditionally been an advocate for the Russian-speaking minority, some concerns were raised about the ties of the new leading party in government. However, Ratas, who has a more critical view of Moscow compared to other party members (Cooper, 2016), soon reaffirmed Estonia’s alliance with the West, stating that NATO and the EU provide essential welfare and security (“Estonia swears in new government”,

2016). The Russian minority living in Estonia encompassed around 25% of the total population in 2017 ("Population by ethnic nationality", 2019). As the Russian speaking minority commonly supports the CP, the new government experienced some pressure to become more focused on intensifying relations with Russia. In order to evaluate the perception of the Estonian government under Ratas, the positions of the IRL, SDP and CP regarding Russia and the West will be assessed, as well as the government's unified approach towards Russia, based on the seven focal points based on Gressel (2017a; 2017b).

### 6.3.3 Political ideology of the CP

The CP was established in 1991. The political party emerged out of the Estonian Popular Front right after Estonia regained independence ("Our history", 2019). Traditionally, the CP has been a party with values from diverging political movements, such as social-democratic, conservative and liberals. The party stresses especially standing up for the interests of minorities and the less fortunate parts of society ("Estonian Centre Party Faction", 2019). The CP emphasises the democratic development of a European welfare state for all Estonians by developing a social market economy, with an equal and just tax system and due care for the environment ("Party Platform", 2019). Concerning the CP's stance on the first focal point on further EU integration, the CP supports enlargement if the EU follows the Copenhagen Criteria. On the second and third focal points regarding European security order and transatlantic relations, the CP acknowledges that Estonian membership in the EU and especially NATO is crucial for its security interests, and therefore is fully prepared to spend the 2% of the GDP on military expenses in line with NATO agreements ("Party Platform", 2019). The CP's views on relations with the US however, appear to be absent in the party's foreign and security policy outlook. Regarding the fourth focal point on relations with Russia, the CP's Party Platform (2019) states that collaboration in the field of environment, culture and economy, considering principal human and European values, will accomplish stronger democracy and improved international relations. On the fifth and sixth focal point regarding support for Ukraine and sanctions, the CP has not formulated a clear policy in the Party Platform (2019). However, the CP does stress the importance of equal development and strong relations with countries within the European region, which can be related to Ukraine. Finally, concerning the seventh focal point on party links to Russia, the CP does not mention

relations with Russian politics in the foreign and security policy framework in their Party Platform (2019).

It is important to note, however, that the CP, which is known to be strongly supported by Russian-speaking Estonians has had official ties with Putin's United Russia in the past. Moreover, CP's former leader, Edgar Savisaar, was reluctant to criticise the Russian annexation of the Crimea and openly supported Ukrainian separatists (Milne, 2015). Under Savisaar, CP signed an agreement with United Russia in 2004, in order to increase cooperation on organisational matters and in areas of shared interests such as international relations (Cooper, 2016; Cavegn, 2016). After Russia's intervention in Ukraine, the 2004 agreement cast a shadow over the CP in Estonian politics, with the Reform Party and the SDP ruling out the possibility of a coalition with the CP due to Savisaar's position. (Milne, 2015; Cooper, 2016). After Ratas succeeded Savisaar, however, SDP and IRL became willing to start negotiating a new government, maintaining that the new CP leadership had successfully distanced itself from Russia. Ratas immediately stated that the partnership has not been executed and that his party was only willing to cooperate with Russia if it would respect international law (Martyn-Hemphill, 2016).

Partly for this reason, Gressel (2017a) has designated CP as a "Moderate pro-Western" party (p. 4) supporting most aspects of the West, although being critical on some. Therefore, Gressel has ranked the CP as 64<sup>th</sup> of the 181 political parties. Table 11 shows the different item values appointed by Gressel (2017b).

	"The finality of the EU"	"Views on the European security order"	"Vies on transatlantic relations"	"Relations with Russia"	"Sanctions on Russia"	"Support for Ukraine"	"The party's links to Russia"	Party index
CP	1	-	1	-	0	1	-2	1

Table 11. Item values of CP derived from Gressel (2017b, p. 2-3).

#### 6.3.4 Political ideology of the SDP

The SDP was formally founded when four different political parties fused in 1990 just before Estonia regained independence ("History", n.d.). The party has a moderate left-wing outlook

and emphasises social-democratic values such as solidarity, compassion, individual freedoms, civil rights and justice. SDP maintains a position in which the state has a significantly more substantial role in increasing welfare for its people and developing Estonia. It views the principal objectives of the state to be improving education, constructing a smart economy, and increasing social security and equality (“Social Democratic Party Faction”, 2019). In order to assess the seven focal points on the political ideology of the SDP towards Russia, data has been collected through email correspondence with the International Secretary of the SDP, Madis Roodla. Regarding the first focal points on further integration of the EU, SDP holds a positive view as Estonia’s export-oriented market will benefit from further integration, whereby economic security is provided. The SDP is somewhat more critical on the second focal point on European security order, as it is an adversary of a European army, but in favour of more cooperation to fight terrorism. Concerning the third focal point on transatlantic relations, SDP emphasises its importance for security reasons and to protect liberal democracy and free trade. NATO is seen as a guarantee of Estonian security (“Social Democratic Party Faction”, 2019). On focal points three and seven, regarding relations with Russia and party links, Roodla states that relations have to be coordinated through the EU, emphasising on a powerful voice and he underlines that there are no party links with Russia. Concerning focal point five and six on sanctions and support for Ukraine SDP explicitly states that they are a firm supporter of the continuation of sanctions as long as necessary to ensure that Russia will respect international law and that they will continue to support Ukraine through development and humanitarian aid on a multilateral and bilateral basis.

Gressel (2017a;2017b) positioned the party in the 171<sup>st</sup> place, whereby the SDP can be considered a pro-Western party. Thus, it appears that the SDP has a positive view of the West and a rather critical perception of Russia. Table 12 shows the item values Gressel calculated for the SDP.

	“The finality of the EU”	“Views on the European security order”	“Vies on transatlantic relations”	“Relations with Russia”	“Sanctions on Russia”	“Support for Ukraine”	“The party’s links to Russia”	Party index
SDP	2	3	2	2	2	2	2	22

Table 12. Item values of SDP derived from Gressel (2017b, p. 2-3).

### 6.3.5 Political ideology of the IRL regarding Russia and the

In 2006 two centre-right parties fused and thereby established Pro Patria Union and Res Publica (“History”, 2018). The party maintains a right-conservative outlook and emphasises Estonian interests and national security. Additionally, the IRL advocates the development of Estonian education, an individual entrepreneurial society in an open-market economy, and the preservation of Christian roots of Estonian culture (“Our policies”, 2018; Ismaa Faction, 2019). Regarding their perspective on Russia and the West, keeping in mind the focal points, data has been collected through email exchange with the party’s International Secretary, Veiko Lukmann. Concerning focal point one on the enlargement of the EU, IRL expects Ukraine to take measures and eventually apply for EU membership, which the EU should seriously consider granting. On the second focal point regarding the European security order, IRL states that they are an advocate of NATO and expect other European countries to pay their fair share as well. Furthermore, IRL is in favour of European cooperation in order to ensure a secure Europe through initiatives such as PESCO to develop European military cooperation and FRONTEX to increase information sharing to secure the EU’s borders. As for the third focal point on transatlantic relations, IRL sees these as essential to ensure peace in Europe and, equally important, to deter Russia. Regarding the fourth focal point on relations with Russia, Lukmann states that as its neighbour, IRL would like to maintain good relations with Russia but that they cannot change Russia’s attitude towards the West, Estonia and the other Baltic states. On the fifth and sixth focal points, concerning support for Ukraine and sanctions, the IRL emphasises that it supports both for as long as Russia continues to behave illegally by continuing military activity in Ukraine. Finally, regarding the seventh focal point on party ties with Russia, the IRL states that it has no direct links.

	“The finality of the EU”	“Views on the European security order”	“Vies on transatlantic relations”	“Relations with Russia”	“Sanctions on Russia”	“Support for Ukraine”	“The party’s links to Russia”
IRL	0	3	3	3	3	3	3

Table 13. Item values of IRL derived from Gressel (2017b, p. 2-3).

The IRL has been assessed by Gressel (2017a; 2017b) as a pro-Western party and put on the 172<sup>nd</sup> place of the party index, right after the SDP. Table 13 shows the item values and party index of the seven focal points.

### 6.3.5 Collective approach of the 2016-2019 Estonian government towards Russia

The three coalition parties' collective approach towards Russia and the West will be assessed based on the coalition agreement, drawn up in *Basic Principles of the Government Coalition* (2016) for the period 2016-2019. Regarding the first focal point, the coalition agreement does not explicitly mention EU integration. Concerning their collective view on the European security order (second focal point) and transatlantic relations (third focal point), the coalition sees them both as absolutely critical for Estonian security and is willing to meet the 2% of GDP criteria for defence purposes in line with NATO requirements. Moreover, the coalition fully supports the presence of NATO forces to deter Russia. Although the agreement does not explicitly mention relations with Russia (fourth focal point), the coalition does intend to pursue stable and good relations with neighbouring countries in order to foster regional security. Regarding support for Ukraine (sixth focal point), the government fully supports the attempt of NATO and the EU to assist Ukraine in restoring sovereignty and regain territorial integrity. The coalition, therefore argues it only favours lifting the sanctions (fifth focal point) if Russia respects Ukraine's rights and international law. Moreover, on energy security, the coalition agrees and promises to integrate the Estonian energy network within the European transmission system, advocate the construction of the Balticconnector and gives priority to the construction of an LNG terminal in Estonia. Although Russia is not explicitly mentioned in this context, the government objectives do indicate a desire to reduce dependency on Russia. Moreover, on the whole, the Estonian government appears to be Western-oriented and critical towards Russia. Table 14 shows the item values appointed by Gressel (2017b).

	"The finality of the EU"	"Views on the European security order"	"Vies on transatlantic relations"	"Relations with Russia"	"Sanctions on Russia"	"Support for Ukraine"	"The party's links to Russia"	National index
<b>Estonia</b>	1.02	2.2	1.82	2.05	1.84	2.32	1.08	16.58

Table 14. Estonia's item values as derived from Gressel (2017b, p. 2-3).



## 6.4 Preliminary conclusion

### 6.4.1 Hungary

The ideological beliefs of political leaders rather than public opinion seemed to matter most in the shaping of foreign energy policy. Public perception of Russia by Hungarians appeared to be somewhat divergent and not as negative as expected based on their historical relations. Moreover, Hungarian public opinion on Russia seems to have become increasingly more positive since Orbán regained power in 2010. Therefore, it appears that public opinion on Russia follows political discourse and partisan ideology. The Orbán administration, which has found strong ideological affinity with Putin's Russia and distinguishes itself as an adversary of Western liberalism, appears unconcerned by Hungary's dependence on Russian energy and has shaped its long-term energy policy accordingly. On the short-term however, the Orbán administration appears to take some measures to increase energy security by investing in storage capacity and regional bi-directional infrastructure. On the medium- and long-term however, Hungary seems to have put its trust in Gazprom and Russia by negotiating a new long-term gas contract and investigating participation in the development of the revived South Stream through Turkey, Turkish Stream project.

Keeping in mind social-constructivism and image theory, it appears that Hungary seems to, at least partly, follow their perspective of an attitude *open* towards Russia with public support for Putin and closer cooperation shared cultural aspects and beneficial goal interdependence especially regarding gas trade. Therefore, it appears that in the Hungarian case, there is a relationship between perception and national energy policy towards Russia, although it remains unclear whether this is a causal effect.

### 6.4.2 Estonia

By contrast, the leading party in Estonia, despite drawing support from the country's Russian minority, has made diversification a priority. Large infrastructural projects, as the Balticconnector and the GIPL, must ensure that the Baltic gas transmission network will become connected with the European network. Although public opinion in Estonia has been traditionally quite negative, this has become slightly more moderate in the last couple of years. Estonian public perception of Russia being a security threat is still overall present, especially in think tank and expert analyses. Contrary to the Hungarian case, Estonian public

perception does not seem to follow political discourse. Estonian politicians still see Russia as a significant threat for world security, whereas Estonian public opinion nowadays seems to regard terrorism, North Korea and the refugee crisis a more significant threat for international security. Nonetheless, Estonians regard cyber-attacks and domestic interference of a foreign state as the most significant threat for national security. Both of these threat perceptions are based on Russian behaviour in the past. The Estonian government appeared to be firmly focussed on its ties with the West, emphasising transatlantic relations, European security order and the presence of NATO to deter Russian military activities. Also, in contrast to Hungarian political parties, Estonian parties do not appear to have any connections with their Russian peers nowadays. Thus, it seems that the political ideology of Estonian politics is rather negative on Russia.

Besides the perspective focused on the West, the government parties indicate a policy to decrease Russian gas imports with several large transmission projects mentioned above. Although the agreement does not explicitly mention Russia in the section on energy policy, it clearly indicates an increasingly exclusionary policy of Russian gas imports and is referred to in the official development report of the company responsible for maintaining the gas transmission network. Therefore, bearing in mind social-constructivism, which stresses that identity largely determines foreign policy and image theory, which states that countries base their foreign policy towards another actor on the image which they have of that actor. It appears that Estonia regards Russia as an enemy rather than as an ally. Thus, it appears that there is a strong relation between Estonian perception of Russia and its national energy policy towards Russia.

## 7. Conclusion

*This thesis has the central objective to determine the effect the perception of Russia has on national energy policy towards Russia. The conclusion will elaborate somewhat more on the findings, discuss limitations and make recommendations for further research.*

### 7.1 Final concluding remarks

Based on two case studies, this thesis argues that there is a relation between perception and national energy policy towards Russia. In the Hungarian case, it appeared that political discourses of President Orbán and his party Fidesz shape the overall increasingly positive public opinion of Russia. Following image theory and social-constructivism, this thesis argues that Hungarian perception of Russia can best be labelled an ally image in which there are shared cultural aspects such as strong leadership with authoritarian aspects based on Christian values. Moreover, although the power capabilities between the two countries are somewhat unbalanced, in this regard that does not matter, as the Hungarian-Russian energy relationship appears to be compatible in a sense that Hungary wants more energy imports from Russia, which it conceives as a reliable energy partner, and Russia wants to export energy towards Hungary, which is also reflected by cooperation in the construction of Turkish Stream. Concerning the Estonian case, the tense history, threatening capabilities of Russia, both military and in energy relations and the urge to adopt and maintain a Western perspective have resulted in Estonia having, to a limited extent, an enemy image of Russia. Estonian public opinion on Russia is rather negative. Expert analyses on Russia imposing a threat for Estonian national security and the political ideology of Estonian parties all have pointed to a perspective more open towards the West rather than towards Russia. Therefore, keeping in mind the research question:

**In light of the EU's collective aim to diversify away from Russian energy imports, does a more negative perception of Russia result in an increasingly exclusionary national energy policy towards Russian gas imports?**

This thesis argues in the affirmative. Based on the two cases under analysis, it appears that a more negative perception of Russia results in an increasingly exclusionary national energy policy of Russian gas imports. However, the following section will discuss some limitations of this thesis and outline some recommendations for further research.

## 7.2 Limitations and recommendations for further research

Although this thesis has shown that there is a relationship between perception and national energy policy towards Russia, it is hard to determine whether this is an actual causal relationship. For instance, the political ideology of opposition parties has been largely left out of the analysis. These parties represent a substantial part of society, which perhaps has an entirely different perception of Russia. Finally, this study is limited in that it is hard to generalise the findings, as both cases have been picked meticulously. Therefore, these findings can only be generalised if the correct preconditions are present in other countries, whereby no argument can be made about the broader EU. Thus, the generalisation of the findings is relatively hard.

Therefore, further research is recommended, which also takes into analysis the political ideology of the opposition parties, other countries in the EU and to determine a genuine causal relationship. This could be done in the form of a comprehensive quantitative analysis in which all 28 member states' public opinion on Russia would be analysed along with the political ideology of all European political parties and national energy policies towards Russia in order to determine true causality.

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## 9. Annex

### 9.1 Hungarian political party ideologies based on Gressel (2017b)

	“The finality of the EU”	“Views on the European security order”	“Vies on transatlantic relations”	“Relations with Russia”	“Sanctions on Russia”	“Support for Ukraine”	“The party’s links to Russia”	Total Party Index	Index based on seven focal points
<b>Fidesz</b>	-1.5	-1	-1.67	-1	-1.5	1	-2.33	-14.27	-3,66
<b>Jobbik</b>	-1.5	-1.33	-3	-2.33	-2.5	-1.67	-3.33	-27.64	-15,66
<b>MSZP<sup>3</sup></b>	1.67	2.5	2	-0.5	1.5	2	-0.33	15.25	8,84
<b>LMP<sup>4</sup></b>	1.5	2	0	-	0.5	1.5	0.5	8.25	6
<b>KDNP<sup>5</sup></b>	-1.5	-1	-1.67	-1	-1.5	1	-2.33	-13.43	-8
<b>NI<sup>6</sup></b>	-0.8	-0.3	-1.11	-0.98	-0.97	0.88	-1.96	-9.3	

*Table 15. Item Values of the Hungarian political parties derived from Gressel (2017b).*

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<sup>3</sup> Hungarian Socialist Party

<sup>4</sup> Politics Can be Different

<sup>5</sup> Christian Democratic People’s Party

<sup>6</sup> National index

## 9.2 Estonian political party ideologies based on Gressel (2017b)

	“The finality of the EU”	“Views on the European security order”	“Vies on transatlantic relations”	“Relations with Russia”	“Sanctions on Russia”	“Support for Ukraine”	“The party’s links to Russia”	Party index	Index based on seven focal points
<b>RP<sup>7</sup></b>	0	3	3	3	3	3	1.33	28	16,33
<b>CP</b>	1	-	1	-	0	1	-2	1	1
<b>SDP</b>	2	3	2	2	2	2	2	22	15
<b>IRL</b>	0	3	3	3	3	3	3	22	18
<b>FP<sup>8</sup></b>	0	3	2	3	3	3	3	23	17
<b>CPP<sup>9</sup></b>	-2	3	-3	3	-	3	1	-2	5
<b>NI<sup>10</sup></b>	1.02	2.2	1.82	2.05	1.84	2.32	1.08	16.58	

Table 16. Item Values of the Estonian political parties derived from Gressel (2017b).

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<sup>7</sup> Estonian Reform Party

<sup>8</sup> Estonian Free Party

<sup>9</sup> Conservative People’s Party of Estonia

<sup>10</sup> National index

### 9.3 Public opinion polls of Eurobarometer (2016b; 2017)

	“Much stronger”	“Somewhat stronger”	“Somewhat weaker”	“Definitely weaker”	“The same”	“Don’t know”	“Total stronger”	“Total weaker”
<b>Estonia</b>	16	34	20	13	5	12	50	33
<b>Hungary</b>	7	32	29	22	3	7	39	51

Table 16. “Would you say that the political influence of the EU is currently stronger or weaker than that of...? Russia (%)” (Eurobarometer, 2016b, p. 19).

	“Much stronger”	“Somewhat stronger”	“Somewhat weaker”	“Definitely weaker”	“The same”	“Don’t know”	“Total stronger”	“Total weaker”
<b>Estonia</b>	16	28	15	11	5	25	45	26
<b>Hungary</b>	9	30	24	17	5	15	39	41

Table 17. “In your opinion, in 2030, the political influence of the EU will be stronger or weaker than that of...? Russia (%)” (Eurobarometer, 2016b, p. 25).

	“Very positive view”	“Somewhat positive view”	“Somewhat negative view”	“Very negative view”	“Don’t know”	“Total positive”	“Total negative”
<b>Estonia</b>	7	25	36	24	8	32	60
<b>Hungary</b>	4	33	43	12	8	37	55

Table 18. “As regards each of the following countries or group of countries, do you have a positive or negative view about it? Russia (%)” (Eurobarometer, 2016b, p. 38).

	“Very positive view”	“Somewhat positive view”	“Somewhat negative view”	“Very negative view”	“Don’t know”	“Total positive”	“Total negative”
<b>Estonia</b>	8	26	38	20	8	34	58
<b>Hungary</b>	6	32	39	13	10	38	52

Table 19. As regards to which of the following countries or groups of countries, do you have a positive or negative view about it? Russia (%)” (Eurobarometer, 2017, p. 24).