



Germany and Nord Stream 2: evolution and end of an incongruous policy

Steve Wood¹

Accepted: 7 March 2023
© The Author(s) 2023

Abstract

The Nord Stream 2 pipeline project to deliver gas from Russia through the Baltic Sea to Germany, and on to other parts of Europe, was a subject of unrelenting contestation. It impelled the convergence and intensification of already highly politicised domains: economics, energy, environment, conventional security, history, and values. Russian authorities, Nord Stream 2 AG and its investor consortium, and supportive politicians were opposed by governments of Estonia, Latvia, Lithuania, Poland, Ukraine, the USA, EU institutions, and some NGOs. Germany was confronted with sharp dilemmas and remains the pivotal actor in this confluence. The responsible German ministry rescinded approval to operate the pipeline 2 days before the Russian invasion of Ukraine on 24 February 2022. The topic encourages interaction of materialist IPE with other branches of International Relations, comparative politics, history, and law to incorporate identity-based, normative, and geopolitical influences on nominally economic activity and policy.

Keywords Germany · Russia · Nord Stream 2 · Energy · Geopolitics · Normative force

Introduction

The Nord Stream 2 gas pipeline was built by a subsidiary of Russian state company Gazprom¹ and investor partners including German firms Wintershall DEA and Uniper, British/Dutch Shell, French Engie, and Austrian OMV. Finland, Sweden, and Denmark approved the laying of the pipeline in their waters, the last after extensive delays. The project incited a vehement and protracted dispute that divided the EU and assumed an obsessive character for proponents and opponents. The latter

¹ From early March 2022, neither Nord Stream 2 AG nor Gazprom had a globally accessible website.

✉ Steve Wood
Steve.Wood@mq.edu.au

¹ Politics and International Relations, School of Social Sciences, Macquarie University, Sydney, Australia



included Poland, Estonia, Latvia, Lithuania, Ukraine, the European Parliament (EP) (EP 2019, 2021), some NGOs (DUH 2022; NABU 2022; Rethink the Deal 2019), and the United States, whose Trump and Biden administrations assumed a de facto leadership of this group. As the USA and Russia collided, the ‘highly charged situation’ threatened ‘to end with at least one losing face, forcing the German government to take a political stance’ (Westphal 2021a : 1). Officially neutral regulatory and legal entities (European Commission, *Bundesnetzagentur*, courts) had oversight and decision-making capacities.

The Federal Republic of Germany (FRG) is the saga’s pivotal and most contradictory participant. This article addresses two main questions: (1) why did German federal governments led by Chancellor Angela Merkel, initially also the succeeding SPD-Green-FDP coalition, regional (*Land*) governments, other political figures, and business actors vigorously promote and defend the project? (2) why did the insistent, and for some, impassioned support end? The predominant explanation for German backing of Nord Stream 2 is rationally founded material interests (Szabo 2015; Gens 2019; Gustafson 2020; Brzozowski et al. 2021; Ost-Ausschuss 2022). If viewed through a prism prioritising an imperative of energy resource supply, combined with economic gains, apparent environmental advantages relative to coal or oil, and a presumed reduction of tension with the Russian Federation (hereafter Russia), then the project was viable, despite fervent external opposition. An alternative explanation is bilateral identity politics. In this conception, Germany and Russia shared a ‘special relationship’ with common understandings, connections, ontological needs, and felt obligations on the German side (Spanger 2012; Siddi 2016, 2017, 2018, 2020; Eberle and Handl 2020; Lough 2021; Koenen 2022; von Beyme 2016). To meet EU standards and law, the Russian government contrived through Gazprom to be economically liberal (Becker and Vasileva 2017; Babic et al. 2020) as its political behaviour became increasingly illiberal. It was assisted, directly and indirectly, by current and former German politicians, business groups, and large shares of the public/electorate. Some advocates misjudged the foreign and security policy impact, as can affect infrastructure undertakings involving multiple states and their territories. Others wilfully ignored or accepted Russian behaviour. An associated dynamic was the tension that Germany experienced with the USA in recent years.

It is argued here that both economic interests and a unique form of identity politics were sources of impetus and support for Nord Stream 2, suggesting that variation in explanatory methodology does not prevent a practical compatibility of motives. Support manifested in a policy stance that jeopardised the institutional, security, and reputational dimensions of the FRG’s admirable contributions to European integration, stability and prosperity, and transatlantic relations. Just as Europe’s energy security cannot be dissociated from its environmental or geopolitical security, Nord Stream 2 cannot be disconnected from German (or European) relations with Russian *in toto*, nor from Germany’s relations with other affected states. Policy incongruity is irradiated when scrutinised against the FRG’s constitution (Grundgesetz),² rule of law state (*Rechtsstaat*), pronouncements on upholding international law and countering autocracy, and a catalogue

² Grundgesetz für die Bundesrepublik Deutschland at www.bundestag.de/gg.



of aggressive Russian actions before and during the project's planning and construction phases. These factors made sponsorship or permission untenable.

Response to the second question also combines what scholarship has viewed as incompatible approaches. Realist perceptions *and* normative impulses, outside and within Germany, instigated Nord Stream 2's suspension, terminating a position previously held to determinedly against immense pressure. That decision was central in a shift from toleration of Vladimir Putin's regime, whose imminent and then executed invasion of Ukraine (BMWK 2022a) impressed to the FRG's political (Scholz 2022) and commercial-industrial sectors (Wintershall 2022b, c; Steitz and Waldersee 2022) that they could not sustain support for the now completed project. The expanded attack on Ukraine affirmed the error of Nord Stream 2's political endorsement and the broader failure of the FRG's Russia strategy. German 'Russia first' attitudes changed when militarised geopolitics elicited a profound shock to official German and EU values and reputational concerns. Even then, after months of war, it was speculated that the pipeline might distribute gas (Grieve et al. 2022; Ostermann 2022). Economic interests and pro-Russian identity politics were overruled, despite the 'energy crisis' affecting Germany more than most EU states.

A further argument is that claims of Nord Stream 2 being a purely commercial endeavour pursued by private enterprise, with no costs for German taxpayers, were implausible. That is attested to by Russian state involvement as the owner of Gazprom. It is also demonstrated by the public funding of German state sector engagement in related negotiations and other assistance (Hoffmann 2021), and, subsequently, bailouts and compensation for affected German companies.

Nord Stream 2 affirms the summation of Schmidt-Felzmann (2016) that such arrangements are 'never just business'. It involved energy infrastructure and trade relations between, in some respects, a model liberal-democratic state, and an authoritarian state that regressed to dictatorship and war against a neighbour. In part the article builds on the innovative analyses of Abdelal (2013, 2015). It diverges by showing that the power he attributes to firms was outweighed by that of states. Politics, a larger and more mercurial field of motives and action than economics, chaperoned a 'commercial' project, then obstructed it, and then stopped it. Nord Stream 2 has many dimensions. The topic draws attention to the relevance of identity politics, geopolitics, and normative considerations for IPE. Insight is facilitated by an approach that draws on other branches of International Relations, comparative politics, and history (cf. Higgott 2007; Sharman and Weaver 2013; Montgomerie 2017; Clift et al. 2022).

The article proceeds by outlining the institutional context. It then applies different lenses to the course and denouement of German policy: economic interests, identity politics, geopolitics, normative, environmental. The next section discusses developments from late February 2022, including revisions by Nord Stream 2 proponents, and state assistance to affected companies. A conclusion follows.



Fig. 1 Nord Stream 2 in overlapping contexts. Source: author's conception



Institutional context

Like those of other EU member states, German officials are engaged in promoting state, commercial, and public interests across the gamut of EU policy fields. Enduring German preferences to deepen and expand the EU internal market were underpinned by a low inflationary and stable rules-based environment, conditions that enabled an export-led strategy of steady growth. Vicissitudes in the configuration of Germany's party system rarely have pronounced effect on this orientation, favoured by most political and business actors. Germany is bound by EU laws, rules, and conventions, including for energy policy (Goldthau and Sitter 2015; De Jong and Van der Graaf 2021), a crucial component in the entirety of EU-Russia relations (Fig. 1). Germany's voting weight, and economic and technological influence, lend it negotiating power, which its representatives employ to maintain a largely status-quo position in EU affairs (Schimmelfennig 2021; Howarth and Rommerskirchen 2013).

The FRG is a pluralist polity with a separation of powers, independent agencies, free media, multiparty competition, and verifiable election processes. Nord Stream 2 had opponents in and outside parliament. While these formed a substantial minority, a critical mass supported the project. Most were active in Grand Coalition governments, constituted by the Christian Democratic (CDU/CSU) and Social Democratic (SPD) parties, from 2013 to 2021. Others served in regional governments. Sponsors defined Nord Stream 2 in accordance with a widespread national self-conception and forte as a *Handelsmacht* (trading power) that produced value-added industrial and consumer goods and imported raw materials to do so. This was exemplified by the portrayal of a 'purely commercial' venture. Responding to a question on how the government justified that claim, an official of the Ministry for Economics and Energy replied that 'the Nord Stream 2 pipeline project is an enterprise project that, driven by private initiative and without state subsidies, will create additional gas infrastructure' (Deutscher Bundestag 2018). This view was endorsed until February 2022 or even longer (Steinhauser 2015; Author Interview 2019a, b; Steinmeier 2021; Rinke 2022; Reuters 2022). The chief parliamentary opponents of Nord Stream 2 are the Greens, the original *Umweltschutz* (environmental protection) party. In recent years, they surpassed the Russia scepticism of some centre-right politicians. Parties of the 1998–2005 SPD-Green coalition now held contrasting positions. The new Economics and Climate Protection Minister, Robert Habeck (Greens), declared that 'all European countries, except Germany and Austria, were always against' the



project and if Russia were to invade Ukraine, there must be ‘sharp consequences’ (Die Welt 2021).

Nord Stream 2 is another theme prompting questions about the character and roles of the EU. Is it a regulator, a prescriber of law, a (global) political actor, a normative power? According to Goldthau and Sitter (2015), the EU is a ‘regulatory state’. But it is not a state. It is, through the Commission’s agency, a regulatory entity with capacity to influence. Energy materials and supply are traded in the EU market as a ‘private good’ although energy is ‘not a commodity like any other’ (Goldthau and Sitter 2015: 943). It impacts on transport, industry, government machinery, health, education, and conventional, human, and cyber security. The Commission’s ‘soft power with a hard edge’ can be applied to ‘firms, operators and [other] regulators’ but not so effectively to ‘governments of producer states’. That diminishes one of the authors’ points, and reinforces another, namely that ‘In geopolitical conflicts, the EU’s regulatory power is no substitute for the hard military power held by the EU’s own member states and by NATO’. To have effect in that ‘game’, the EU must apply sanctions and other coercive measures (Goldthau and Sitter 2015: 961). Westphal (2021a,;3) appraised the interaction of EU institutions, member states, and external states, with the FRG at the turbulent centre:

Germany is in a predicament: Russia severely undermines the security situation in Europe, and US sanctions make the pipeline a matter of national sovereignty. Opposition in the EU ... masks the fact that Washington is also undermining Brussels’ powerful instrument of regulation; broader questions ... also arise The August 2020 démarche to Washington by 24 EU member states gave voice to this concern.

The reported démarche, for which unanimity is required, was a non-event. Whether the US administration acted illegally or not, most EU states did not support such a move (Hernandez 2020). Only a few states, led by Germany and Austria, protested about US sanctions on entities associated with Nord Stream 2. A little earlier, Sweden and Denmark evaluated environmental aspects of the pipeline’s construction in their territorial waters and Exclusive Economic Zones. In 2018, Denmark amended its Continental Shelf Act, now requiring the Foreign Minister to ‘assess if the project is compatible with Denmark’s foreign, security and defence policy interest’. Ostensibly legal and technical deliberations were subject to greater politicisation (Wood and Henke 2021; Author Interview 2022b, c). The Nord Stream 2 controversy was situated in these overlapping institutional and diplomatic contexts, though not only these.

Economic interests

Many scholars and other commentators underscored that both Nord Stream projects were driven by economic interests (Szabo 2015; Noël 2019; Zhiznin 2019; Gens 2019; Sziklai et al. 2020; Murdoch 2022; Boston 2022). Some emphasised the influence of firms, others’ a parity between firms and states. Abdelal (2013) contended that powerful German, French, and Italian firms were the main players



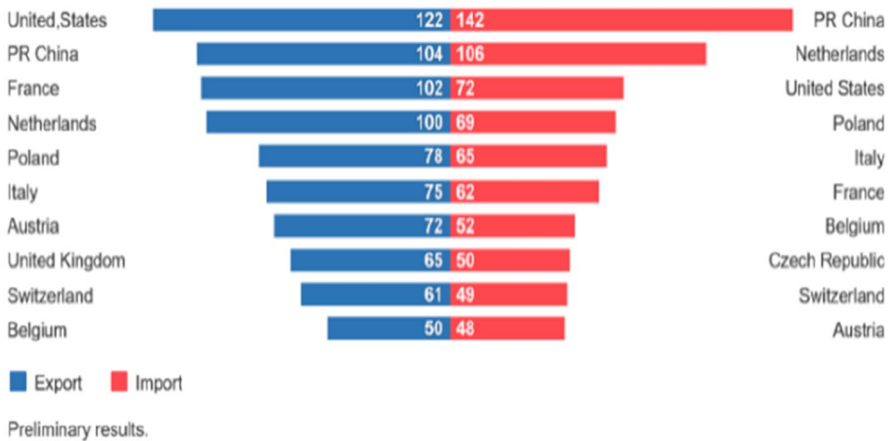


Fig. 2 FRG major trading partners 2021. Source: Statistisches Bundesamt (Destatis – Federal Statistics Office) 2022

in Europe’s energy trade. Abdelal (2015) later argued that there is both an interdependency of firms and states and an autonomy of each vis-à-vis the other. He posited that ‘Firms influence markets, governments, and policies, and some of what firms do constitutes politics directly. Such a broad understanding of politics invites scholarly inquiry into firms as inherently political actors’ (Abdelal 2015: 572). In a series of works on German–Russian relations, Szabo (2014, 2015, 2018) maintained that economic interests dominate. Nord Stream and Nord Stream 2 were manifestations. Gens (2019) also presented a ‘geo-economic’ argument. This concept defines the ‘nature of the Russo–German relationship’ and how Germany attempts to position the EU towards Russia. A feature of the German polity is ‘reciprocal manipulation between business elites and political leaders within the realm of German foreign policy’. These are plausible arguments, though a solely economic focus does not fully explain why German governments, despite some dissidents, supported Nord Stream 2 so tenaciously as international disapproval intensified, nor why that support ended.

After 2014, German trade with Russia fell as EU sanctions took effect. It rose sharply in 2021 when German imports increased by 54 per cent to €33 billion. Trade with Russia still comprised only 2.3 per cent of overall German trade (Figs. 2, 3). German imports from Russia are overwhelmingly energy raw materials. According to ICIS (Fig. 4), Germany imported 142 billion cubic metres (bcm) of gas in 2021, a reduction of 6.4% compared to the previous year. Of that total, 100 bcm was consumed domestically (Eckert and Abnett 2022). It can be surmised that 42 bcm was sold on or stored. Data suggest that Germany could only get sufficient of the gas it needed from Russia. It also suggests that Russia was at least as dependent on Germany, as a purchaser of its energy resources and a supplier of high value goods that Russia cannot manufacture. The German–Russian economic relationship is, or was, one of complementary asymmetries as much as comparative advantages.



Foreign trade between Germany and Russia
Turnover, billions of euros

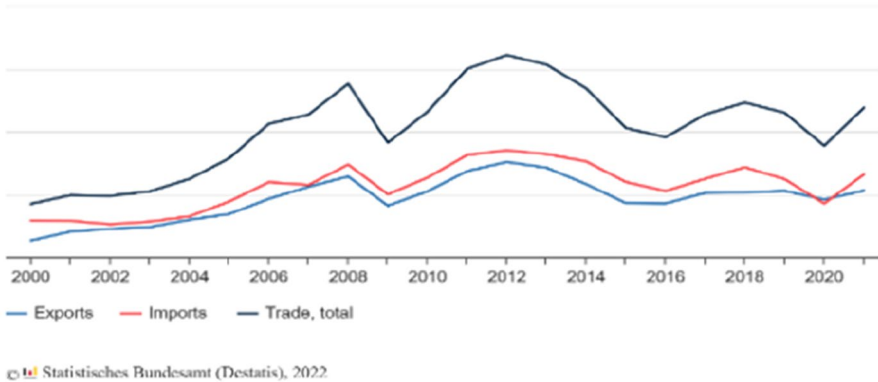


Fig. 3 FRG-Russia trade. Source: Statistisches Bundesamt (Destatis – Federal Statistics Office) 2022

Abdelal (2013: 422) argued that ‘the geopolitics of European energy have fundamentally commercial and ideational origins’. That is, firms, not states, were the principal arbiters of Nord Stream 1. Planning, investment, and construction of both Nord Stream projects, the second with investment of about \$11 billion, is consistent with the appraisal (Abdelal 2015: 556) that ‘Business power is, in these stories, ever present, and it is a direct power over politics’. But how sustainable was business power in the Nord Stream 2 case? Did business need political allies? Did business entities overcome adverse circumstances? Or did state actors decide the fate of the project?

Nord Stream 2’s German corporate participants were Wintershall DEA and Uniper.³ After the merger of Wintershall and Deutsche Erdol (DEA) in 2019, the company LetterOne Holding, owned by Mikhail Fridman and German Khan, became a major shareholder. In an interview with Gazprom’s house journal, Wintershall Dea Chief Executive, Mario Mehren, said the merged company wanted to increase gas production from a daily average of 590,000 boe in 2019 to about 800,000 boe ‘by 2023 latest’. In response to a question about the EU’s modified gas directive complicating the project, Mehren said, ‘I can counter the skepticism with facts’:

we have received almost all the permits needed ... with regard to the revised EU gas directive I see general support from the German government, who agrees on the commercial nature of the project ... Germany ... decided to exit from coal power by 2038 ... it will need more natural gas ... Nord Stream 2 is designed to resolve this issue, so yes, I am very optimistic that it will be built and put into operation (Zinovkin 2019).⁴

³ 73% of Winterhall DEA was owned by BASF and 27% by LetterOne Holdings. Finnish entities held a majority ownership of Uniper.

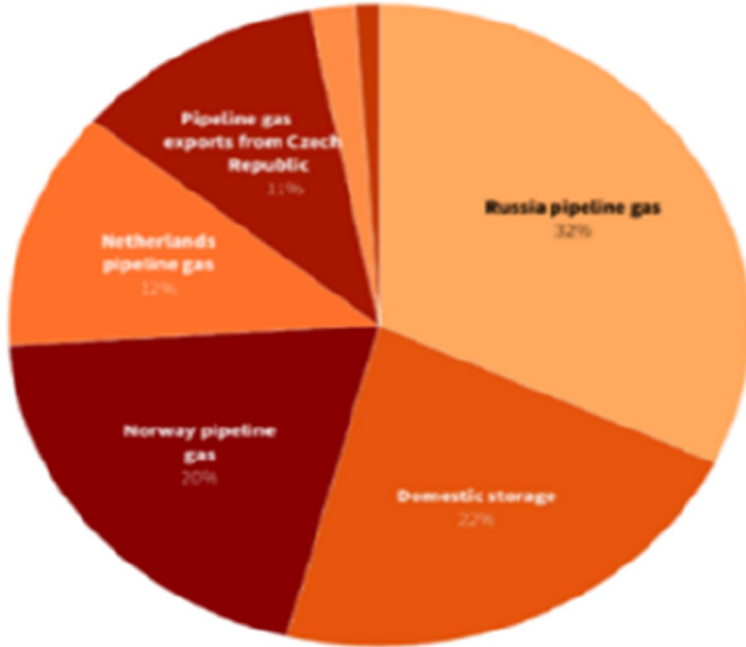
⁴ Changes to the EU gas directive required member state governments to apply EU energy market rules and tariffs to EU sections of offshore gas pipelines before 24 February 2020. There was a window for governments to grant waivers until 23 May 2020.



German gas supply by source

Russian pipeline gas was Germany's biggest supply source in Dec 2021.

● Russia pipeline gas
 ● Domestic storage
 ● Norway pipeline gas
 ● Netherlands pipeline gas
● Pipeline gas exports from Czech Republic
 ● Other
 ● Domestic production



Source: data intelligence firm ICIS

Fig. 4 German gas supply by source. <https://www.reuters.com/world/europe/how-much-does-germany-need-russian-gas-2022-01-20/>

Arguments or assumptions grounded in economic utility failed to sufficiently account for possible or transpiring political and military developments. Dealing with Gazprom (Åslund 2019) entailed costs inaccurately assessed by corporate partners and (most) German politicians. A holistic appraisal must include effects on Germany's international relations, its influence in the EU, and legal, financial, and political risks. It was dubious that Nord Stream 2 promised, on balance, major national benefits. Governments, which from 2014 joined EU sanctions against Russia, asserted that the project required no input from and presented no risk for German taxpayers. While there was internal opposition to sanctions (Deutschlandfunk 2019; Ost-Ausschuss 2022), German business did not receive top priority from the political executive and had to accept revised conditions, until a creeping return to more 'normal'



trade could occur. But Nord Stream 2's construction and the government's defence were not permanently halted. Rather, ambivalent circumstances persisted for 4 years with weekly or daily shifts in the likely outcome: completion and operation or a submarine white elephant (Ellyat 2022). As politicians insisted that it would operate (Author Interview 2019a; Der Spiegel 2020; Welle 2021a, b), Uniper admitted the project might fail, for political reasons (Bünder 2020).

Concurrently, concerns over an energy crisis grew. Bachmann et al. (2022) showed that a cessation of Russian energy imports would have 'substantial but manageable' effects: a 0.5–3.0% decline in Germany's GDP. Costs of a stop in gas imports from Russia were estimated at below 1% of GDP or 2.25% in a 'pessimistic' scenario. Related social subsidies would have to be provided. The authors proposed that 'If an embargo of Russian energy becomes politically necessary, a case can be made that actions should be taken as early as possible' (Bachmann et al. 2022: 4; Cf. McWilliams et al. 2022). As it transpired, Russian authorities stopped gas flow in Nord Stream 1 before any embargo by German counterparts.

Identity politics

Prima facie, rational economic interests and identity politics appear to have little congruence as motives. In pluralist polities, the content and meaning of collective identity is disputed and there are concerns about the concept's ambiguity and applicability (Lebow 2013). Expressions are nonetheless evident across societies. In an instructive study, Pauly and Reich (1997) illuminated the interaction of national identity and corporate practice. They argued that 'Durable national institutions and distinctive ideological traditions still seem to shape and channel crucial corporate decisions' and 'the underlying nationality of the firm remains the vitally important determinant of the nature of its adaptation' to externalities (Pauly and Reich 1997: 1). Nationality is 'given by historical experience and the institutional and ideological legacies of that experience, both of which constitute the essential structures of states' (Pauly and Reich 1997: 5). This is the source of a distinct economic culture, encompassing firms, states, and public economists (Kappeler et al. 2021).

Other scholars have elaborated on identity as a variable in German-Russian relations (Beyme 2016; Siddi 2020; Eberle and Handl 2020). Siddi (2018: 38) articulated that:

While national identity guides and constrains decision makers' choices, they can make selective and instrumental use of particular identity discourses ... decision makers who intend to strengthen economic relations with Russia will emphasise narratives portraying it as a good and reliable partner ... politicians who oppose the partnership with Russia ... will rather stress identity discourses portraying it as threatening and unreliable.

European nation-states view bilateral relations with Russia through historical and contemporary lenses, which impact, for example, on their positions on Nord Stream 2 (de Jong et al. 2020; Kaeding et al. 2022). The German case is more complicated



than most. Despite their incomparable conflicts, German politics and business saw Russia (Tsarist/Soviet/post-Soviet) as presenting great opportunities, displaying ‘paradoxical continuities’ (Spanger 2005). Governments supported German firms in ventures with Russian partners, for more than economic outcomes. Later in his Chancellorship, Gerhard Schröder emulated the personalist-clientelism of Russian politics. Andrey Zagorski (2005: 5) noted his ‘incredibly benevolent attitude towards Putin’ and that ‘practically every event in Russian-German relations, significant or insignificant, takes place under the personal patronage of both countries’ leaders’. Their vision of cooperation comprised expanded economic relations and shared aversion to Anglo-American global influence. Shortly before the 2005 election, Schröder authorised Nord Stream 1. Days after his electoral defeat he had become Chairman of Nord Stream AG and thereafter the principal lobbyist for the company’s second pipeline project.⁵ After Russia’s invasion of Ukraine, Schröder did not consider himself at fault nor see any need to condemn the Putin regime (Stern 2022).

Non-material considerations frequently intrude into or emerge from ostensibly materialist analyses. Accompanying an emphasis on economic interests, Szabo (2015: 13–34) infers a range of historical, cultural, sociological, and psychological influences on German-Russian relations. Gens (2019) combines the material-strategic focus of ‘geo-economics’ with a ‘critical discourse analysis’, integrating the ‘social practice’ of German political and business elites (cf. Pauly and Reich 1997; Maurer 2021). Identity and security variables move explanations beyond economics. It is correct that German firms engaged with Nord Stream 2 were profit-seeking and that governments envisaged jobs, corporate taxes, and cheap gas. Some firms also expressed that their relationships with Russian partners were not only financial but ‘personal’ (Eddy 2022). More importantly, a curious affinity with Russia (Beyme 2016; Wood 2021) assists comprehension of why the political class, with some notable exceptions, supported Nord Stream 2 and for so long. Powerful sentiments developed around the *Ostpolitik* practiced during Willy Brandt’s (SPD) Chancellorship from 1969 to 1974. This approach to a Soviet bloc controlled by a Russian power elite became central to the SPD’s identity. *Ostpolitik* attained a legendary status and was naturalised in the polity, including the CDU/CSU and FDP parties and voters, as the principal reason for a reduction in East–West tension and German reunification (cf. Hennecke 2009; Urban 2022). These perceptions coalesced with gratitude for Mikhail Gorbachev’s efforts in enabling a world-historical transformation. A diffuse sense of obligation extended to ‘new’ Russia, empirically demonstrated in financial assistance, technology transfer, exchange programs, and a high degree of diplomatic lenience. Feelings for Russia remained strong because of events in the period 1987–90 (Author Interview 2019c). As Siddi (2020: 558) explained, ‘the Russian Other is partly conceptualised in non-antagonistic terms based on the *Ostpolitik* tradition and long-standing economic cooperation. This conceptualisation results in a fluid boundary between the German Self and the Russian Other’. Although the content and contexts, international and domestic, of *Ostpolitik* changed over the years it retained considerable symbolic and practical meaning, most especially for the SPD. Putin benefited from the *Ostpolitik* legacy and then demeaned it.

⁵ In this period some critics of energy deals with Russia became advocates.



Länder on former GDR territory were most in favour of partnerships with Russian civilian and business entities, and the state, regardless of regime type. Among Nord Stream 2's high-profile supporters were Matthias Platzeck, Minister-President of Brandenburg for a decade and chairman of the Russian-German Forum, Michael Kretschmer, Minister-President of Saxony, and Manuela Schwesig, Minister-President of Mecklenburg-Vorpommern, Merkel's childhood home region, where the pipeline would reach landfall (Botschaft der Russischen Föderation 2018; NDR 2022). Schwesig organised 'Russia days' and started a climate and environmental foundation with financing of €200,000 from the regional government and €20,000,000 from Nord Stream 2 AG/Gazprom (Solomon 2021). Federal President Frank-Walter Steinmeier, chief of the Federal Chancellery from 1999 to 2005, following service during Schröder's Minister-Presidency of Lower Saxony, justified support for Nord Stream 2 as a gesture of compensation for Nazi Germany's destruction in the Soviet Union (Rheinische Post 2021; Moody 2021).⁶ It is unclear how increasing the revenue and strategic leverage of a present-day authoritarian Russian state could ameliorate what a previous German regime wreaked on all nations of the Soviet Union eighty years ago. Although they could not change Russia's internal politics and foreign policy, Federal and Land governments persisted with dialogue and toleration as the strategy's failure became clearer to other observers (cf. Puglierin 2021; Hauberg 2022).

Empathy for Russia in Germany aligned with scepticism and sometimes defiance towards the USA (Decker 2021; Knappertbusch 2016; Wood 2022). A narrative of Nord Stream 2 as a 'European' project, extended to defending 'Europe' against US coercion, although most EU states and institutions opposed the project and some allied strongly with the USA. US sanctions against the purported private enterprise incited German protests against threats to German (and European) sovereignty (Vinocur 2018; Deutschlandfunk 2019; Wood 2021; Westphal 2021b; Ost-Ausschuss 2021). Triangular identity dynamics incorporated an inability, or unwillingness, within the German polity to accurately interpret the Kremlin's behaviour or likely intentions. Rather, public, media, and political indignation impressed the USA as the coercive actor, assisted by an easily derided President (Kitzmann 2021). In September 2020, after an attempt to poison Putin critic, Alexei Navalny, 67% of Germans opposed abandoning Nord Stream 2 (Appunn 2020). The Merkel government and business agreed (Brzozowski et al. 2021). The SPD-Green-FDP government, with more opponents than preceding Grand Coalitions, did not initially suspend it. Shortly before the Russian invasion, 57% favoured persevering with the project. After months of war, sizeable if variable shares of the public/electorate advocated starting operation (Statista 2022; Petersen 2022; RTL/NTV 2022; NTV 2022).

Geopolitics

The main cause of Europe's worsening energy crisis (Ostrowski 2022) is not supply issues per se, or resource type, price, or technology. It derives from energy being

⁶ Many other nations, prominently Ukraine, also suffered.



at the core of Russia's relations with major EU states, making it a geopolitical as well as commercial and socio-economic commodity. Russian belligerence amplified the challenge for an Energy Union and EU foreign and security policy. The circumstances were testing for the FRG, a country with a profound aversion to confrontation and fraught options (cf. Garton Ash 1994). Strategic inertia (cf. Puglierin 2021; Hellmann and Jacobi 2019) and 'dangerous idealism' (Raiki 2021), contributed to the attempt to depoliticise Nord Stream 2 and the suspension of disbelief on the trajectory of accumulating Russian violence.

According to Gens (2019: 320), the Crimea annexation and other Russian interventions precipitated a 'transition in the perception from geo-economic to geopolitical power projection that led to the demise of the Ostpolitik paradigm, which previously served the German foreign policy alliance of politics and businesses'. That is, geo-economics was no longer the principal explanation. However, 'Where the dominant view is that, during the Ukraine crisis, German politics has trumped economic interests and put short term economic gains aside to assume EU leadership, with Nord Stream 2 Germany is shying away from European responsibility, calling the project apolitical ... Nord Stream 2 has a covert character ...' (Gens 2019: 325). The (geo)political nature of the project was understood by German officials and prompted public relations ploys, diversions, and secrecy. A compact was elaborated between German Economics and Energy Minister, Sigmar Gabriel, and Putin in Moscow. Gabriel and the German government were embarrassed by a Kremlin account, which detailed:

most important as far as legal issues are concerned is that we strive to ensure that all this remains under the competence of the German authorities ... then opportunities for external meddling will be limited. ... most important is for German agencies to maintain authority over settling these issues. And then, we will limit the possibility of political interference in this project (Kremlin 2015).

The meeting demonstrated a lack of German solidarity with the EU, especially regarding the Energy Union.⁷ It also exhibited how Germany's dominant position enabled it to 'pursue bilateral agreements with Russia in the context of the Russian-German economic interdependence' (Gens 2019: 325). Gens (2019) lent insight into the dilemmas and contradictions. There is also an ambivalence that reflects the case itself: did geopolitics trump geo-economics or vice-versa? In Westphal's analysis of the same phenomena:

Germany's dilemma stems from political circumstances and the challenge of balancing economic and foreign policy interests ... two and a half options arise ...: (1) participation in the sanctions against Russia to stop construction; (2) active flanking of the project and search for a compromise. A passive wait-and-see approach is not really a political option, as US pressure alone forces a position. (Westphal 2021a.: 7-8).

⁷ Opponents, including signatories to the 2018 letter to Chancellor Merkel, argued that 'Germany's position on Nord Stream 2 runs counter to the goals of the European Energy Union'.



Shagina and Westphal (2021: 6) appraised 'Kyiv fears that once the construction of the pipeline is completed, Russia will be unconstrained in its ability to launch a full-scale invasion of Ukraine. This line of argumentation has not found support within Germany's current government, where it is perceived as speculation'. On 29 December 2021, Gazprom chief Alexei Miller declared that the 'first and second strings of Nord Stream 2 are under working pressure and fully ready for operation ... Dear Mr. President, the Nord Stream 2 gas pipeline is ready to go!' (Miller 2021). On 15 February 2022, Putin met with Chancellor Olaf Scholz in Moscow. He emphasised the importance of German-Russian economic relations and Russia's reliability as an energy partner (Kremlin 2022a). A week later he outlined a justification for further intervention in Ukraine. On 23 February, he announced a 'special military operation' (Kremlin 2022b, c). Revelations and warnings from Polish, Estonian, Lithuanian, Latvian, Ukrainian, USA, and some German sources about the Putin regime's activities, intentions, and threat potential were affirmed (cf. Hoell 2021).

Normative force and reputation

A bifurcation of rationalist and normative perspectives in IPE critiqued by Higgott (2007) is far from absolute. Normative positions are expressed in works on environmental policy, trade, debt relief, austerity, foreign aid, and so on. The 'question of ethics' (Braslet and Holmes 2010) incorporated in these viewpoints is commonly directed against capitalism, in whole or part. It also applies to normative clashes or 'thresholds' (Andornino 2022) in compacts between (ideal-type) liberal-democratic and authoritarian states. Nord Stream 2 is one such case, in which two indispensable participants—the territorial points of departure and arrival of the pipeline—are an aggressive autocratic state and a peaceful, with a significant pacifist element, liberal-democratic state. The EU is also engaged as a pertinent legal and regulatory entity, and as an actor with a declared normative basis and ambitions. According to Ian Manners (2002), the EU was able to shape thinking on ethically acceptable behaviour within and between its member states and beyond them. That normative agenda had some success but demonstrated limits, notably when energy resources were a factor. Hard cases have not changed much, if at all (Youngs 2004, 2008; Hyde-Price 2006; Wood 2009a, b; Balducci 2010).

Such challenges, involving values versus interests tensions (Die Zeit 2021), present German governments, under constant pressure to sustain reliable, affordable energy supply and simultaneously act as a leading human rights and democracy promoter, with dilemmas. They may have to engage conflicting states, and/or domestic forces seeking to influence foreign affairs directions and outcomes (business lobbies, political parties or factions, civil society groups, the electorate at large). They also risk falling into an ethical trap (Lebow and Frost 2019), not deliberately set by others, but a consequence of the FRG's oft-proclaimed constitutional, legal, and political ethos. As relations with Russia worsened, German diplomacy combined legalism, multilateral dialogue, and institutional mechanisms, while maintaining bilateral contacts with Moscow. Germany's role in EU sanctions against Russian entities (EU Council 2022) was underpinned by a norms and rules substratum, impressed



in textual and verbal forms. Thus, the FRG appeared to fulfil principles of EU treaties and its own *Grundgesetz*. However, the sanctions agreed to and implemented exempted both Nord Stream projects and heightened the contradictions, as protests by fellow EU and NATO members continually signalled (cf. Fix 2021: 149–162; Ashford and Rizzo 2022; Blome 2022). German influence was apparent in the European Commission’s sixth State of the Energy Union report (EC 2021), which did not mention sanctions, Nord Stream 2, or Russia.

Concurrent to these processes, energy revenues from German and other European sources funded the enrichment of Russian political and business elites, and other activities that affronted the declared value bases of purchaser states. It required a ‘tectonic shift’ (Author Interview 2022a; cf. Gordell and Volgy 2022) in the form of Russia’s intensified attack on Ukraine to activate the linkage between normative expectations and preserving reputation (Sharman 2007; Gallagher and Docherty 2022). Response to the escalated crisis extended beyond a ‘normative power Europe’. As the Russian regime’s behaviour confronted the FRG’s political identity, international pressure compelled change in government policy (cf. Adler-Nissen 2014; Haugevik and Neuman 2021). Firms were similarly affected though without the same magnitude of expectation. Wintershall DEA’s 2021 annual report, released on 24 February 2022, noted the firm’s commitment to human rights, due diligence, and other corporate governance standards (Wintershall 2022a: 106). Less than a week later, Wintershall made two other announcements, one declaring ‘We are experiencing a political turning point’ and ‘We are personally and profoundly shocked and appalled by what is happening in Ukraine (Wintershall 2022b). The second informed that the company’s Management Board ‘decided not to advance or implement any additional gas and oil production projects in Russia and to write off its financing of Nord Stream 2 totalling around 1 billion euros’. In a ‘personal statement’, Chief Executive Mehren, said that ‘the Russian President’s war of aggression against Ukraine has shaken the foundations of the company’s work in Russia to the core. The brutal attack is causing unimaginable suffering and marks a turning point’ (Wintershall 2022c). A company ‘working in Russia for over 30 years’ (Wintershall 2022b) apparently did not understand the country’s political culture nor the character and intentions of the regime in power for 22 of those years. Although it stopped funding Nord Stream 2, it remained ‘involved in the existing Yuzhno Russkoye and Achimov natural gas production projects’. Adding that one announcement was ‘not precise enough’, the company noted that ‘it remains active in the WIGA group as well as in Nord Stream AG’, which operates Nord Stream 1. The company was ‘in contact with the German Federal Government and the European Commission’ (Wintershall 2022b). In its 2021 results and outlook presentation, Uniper (2022a) delivered mainly positive news, including ‘extraordinary high cash flow’, and expected ‘another strong year’ in 2022. On the day of its release, 23 February, Uniper was reportedly ‘profoundly unsettled’ (Naschert 2022). On 7 March, Uniper condemned Russian aggression ‘in the strongest possible way’ and declared it would write off almost €1 billion of investments in Nord Stream 2 AG. It also advised ‘it is important that the German government is currently doing everything humanly possible to reduce Germany’s dependence on Russian commodity exports’ although existing



long-term contracts would be maintained (Uniper 2022b). A few months later the company sought a state bailout (Dunz and Kiesemann 2022).

Environmental politics

Germany's *Energiewende* strategy was introduced at the turn of the millennium to shift the country away from fossil fuels and towards renewable energy sources. It was an instigator, contributor, and response to EU policy, that developed into an attempt to steer that policy. Quitzow and Thielges (2022) informed that 'partnerships have been deliberately designed as instruments for mobilizing the *Energiewende* narrative as soft power'. This discursive public relations strategy strives 'to boost the attractiveness of German policy solutions and persuade partners to consider their adoption' (Quitzow and Thielges 2022). The *Energiewende* strategy's success or otherwise could be measured in longitudinal studies of CO2 numbers, energy mixes, costs, and so on. A comprehensive evaluation must also account for other effects and outcomes. It was plausible years ago that Germany could find itself in a sharpened foreign and energy policy dilemma if it exited from nuclear power and continued to reduce in coal and oil (Wood 2010). Germany gambled on renewables having acquired a greater share of the energy mix, and providing greater reliability of power generation, than they did in early 2022. In the third decade of the twenty-first century, competing imperatives constrain political choices. Implementing one results in undesired impact in other areas of society, economy, or security.

Gas was determined to be the least bad available option until renewables assumed reliable power generation at or near full capacity. That meant primarily Russian gas. A related plan, also intended to soften the harsh focus on Nord Stream 2, was to assist Ukraine's environmental goals (set by the FRG) with flanking funding through the EU Green Deal, underwritten by the FRG's state bank for reconstruction (KfW). In contrast to the Russian gas option, preferred by government, business, and most of the public, Holz und Kemfert (2021: 18) argued:

a short-term advantage of natural gas deliveries via Nord Stream 2 compared to other sources (e.g. LNG) cannot be proven due to unclear data on supply chain emissions. Every additional natural gas project increases the risk of a fossil "lock-in" and a delay in the implementation of the energy transition. Natural gas infrastructure projects contradict the climate goals of the German Federal Government and the European Union.

The Green Party has its own dilemma within the larger German dilemma as it has been the strongest advocate of renewables and the exits from nuclear power and coal *and* is also the main opponent of the Putin regime and its appeasement within the German party system. The Greens had also rejected a 'dirty deal' offered to the USA by the previous government, involving a *quid pro quo* of LNG purchases in return for ending sanctions on persons and companies associated with Nord Stream 2 (Deutsche Welle 2021a, b). Having filled the Foreign and the Economics and Climate Protection Ministries with prominent personalities, the Green party was forced



to rethink how it would square the circles as a poly-crisis sharpened (Emundts 2022; Haerder et al. 2022).

Regrets and state rescue

In late February 2022, Germany experienced what Chancellor Scholz called a *Zeitenwende*. Thereafter expressions of regret or admissions of failure were offered by various proponents of Nord Stream 2, some deeply involved in the political intrigue. Federal President Steinmeier conceded that it was a mistake (Gehrke 2022; Walsh 2022; McGuinness 2022). One of the main organisers, Gabriel (2022), said that German governments were wrong not to listen to the states who had constantly warned against it. The Mecklenburg-Vorpommern environment and climate foundation was dissolved, and Minister-President Schwesig pronounced that it and Nord Stream 2 were errors of political, if not ethical, judgement (Schuster 2022; Wintour 2022; Hock and Müller 2022; Die Welt 2022). Nord Stream AG differentiated itself from Nord Stream 2 AG (Nord Stream AG: 2022) although the two ventures were financed, with one exception, by the same consortia, which built the same infrastructure, to transport the same raw material, from the same source state to the same destination state, along virtually the same route. Not all politicians, firms, or public, wanted to change their attitudes or policy. Answering an inquiry from the pro-Kremlin AfD on the ‘concrete effects’ of rescinding approval for Nord Stream 2, the State Secretary of the BMWK replied that ‘From the Federal Government’s perspective there are no concrete effects on the German economy and energy provision to fear, as the Nord Stream 2 pipeline is not in commercial operation’ (BMWK 2022b). That statement contrasted with the energy security imperative and foreseen economic benefits intoned by previous governments. A few months later, the FRG faced an enormous ‘stress test’ before the impending winter (Vetter 2022; Cf. BMWK 2022c).

The other response to economic and financial effects was more traditional. German sources had impressed that no taxpayer funds would be used for Nord Stream 2 (Deutscher Bundestag 2018). It was definitely ‘no project of the federal government’, rather, a private investment to provide ‘cheaper energy’. It would also assist the exit from coal and nuclear power (Author Interview 2019b; 112 Ukraine 2018). Those claims did not account for costs of political assistance or the apportionment of public money in ‘flanking measures’. The second CDU/CSU-SPD government also pursued legal and legislative means to assist the Nord Stream 2 consortium (Deutscher Bundestag 2019: 15,735–15,744). This was thwarted by the German regulator (Bundesnetzagentur 2019, 2020).

Uniper experienced a massive deterioration in its financial position. The share price fell from €42 in late December to €30 on 24 February 2022, and €8.50 by 22 July 2022. Uniper was too big to fail. The *Bund* (federal state) first acquired 30 per cent of the company for €267 million. That sum is only a small part of the financial picture. The state would also provide €7.7 billion through a conditional loan, the KfW increased an existing line of credit from €2 billion to €9 billion, and the federal government was prepared to give further support if Uniper losses surpassed €7



billion (Dunz and Niesmann 2022). The bailout later became a full nationalisation (Tagesschau 2022), at a cost of about €500 million, one result of a failed infrastructure project with an allegedly reliable authoritarian state.

Wintershall (2022a) also outlined that in the ‘improbable case that the project cannot begin operation’ or repay its loans, there were contractual agreements in place to ‘limit financial risks’. In the event of ‘political intervention hindering Nord Stream 2’, it was expected that the Nord Stream 2 AG could claim compensation (Wintershall 2022a: 106). Government support for ‘enterprises affected by war’ or by sanctions against Russia and Belarus enabled further sources of state credit and guarantees (BMWK/BMF 2022). The end of Nord Stream 2 as a distribution channel for Russian gas incited another dispute about what companies could and should receive publicly funded reimbursement for losses (Toben 2022).

Conclusion

The Nord Stream 2 controversy was more visceral than mere economic contestation. It divided Germany from other EU states and institutions and the USA. A majority of the FRG’s political class had made tolerance of Russia an orthodoxy, which persisted despite repeated Russian attempts to undermine neighbouring states and the FRG itself. Hostile Russia behaviour since Nord Stream made construction of a second similar project perplexing. Although it was not then declared as such by a German Chancellor, a *Zeitenwende* had already occurred in 2014 with the Crimea annexation and irregular war in eastern Ukraine (cf. Vihma and Wigell 2016).

Former Polish Prime Minister and European Council President Donald Tusk called Nord Stream 2 the biggest mistake of Angela Merkel’s career. That may be correct, though her alleged helplessness against the pressure of business lobbying underrates the capacity of a German Chancellor, especially one of Merkel’s experience (Kaczyński 2021). She defended the project for more than its promised delivery of cheap gas and departed office about 10 weeks before war began having misread Putin (Meetschen 2022; Amann 2022). German firms engaged in lobbying for Nord Stream 2 now condemned Kremlin policy and notified that they would reduce or end business with Russia, an exceptional delayed instance of ‘organizational learning’ (Abdelal 2015: 558).

It is implausible to claim that Russia/Soviet Union had been a reliable energy resource supplier to Germany and other parts of Europe for decades and therefore it was an unforeseeable shock when Putin intensified his war against Ukraine in 2022. A close inspection of his foreign, including foreign economic, and domestic policy record, reveals not merely signals but many examples of realised aggression, threat, blackmail, and duplicity. The German political class (and for some time the French, Austrian, and Italian) minimised these disturbing circumstances. They did not want to accept an unpleasant truth (AI 2022d). Eastern Baltic states, Poland, to lesser extent the Nordics, and the USA, had warned about the strategic consequences of dependency on Russian energy supplies since the overt use of energy as a political weapon in the mid-2000s (Baran 2007; AI 2022a). Bundeswehr situation reports and the intelligence services of NATO states had identified an increasing probability



of a Russia attack for months before 24 February (AI 2022e). Other sources pointed in the same direction (Wood and Henke 2021: 11). This is an indication of the relative influence over policy of economic elites vis-a-vis security elites in Germany.⁸ Highly placed political operatives later admitted their own myopia or ignorance as shock about events in Ukraine reverberated. The same people were aware that economic cooperation with Russia, especially in the energy sector, contradicted Germany's liberal democratic norms, thereby testing its constitutional basis. After years of tension, Putin wrecked compacts between firms and governments, compelling Germany to suspend Nord Stream 2, and radically revise its relationship with Russia. War and normative pressure changed the settings of a domestic political system fixated on economic issues, impressing the credulity, and in some instances, complicity of previous German support (Süddeutsche Zeitung 2022). The rancorous saga ended with irony. Nord Stream 2 never delivered gas, supply through Nord Stream 1 stopped, and both pipelines were sabotaged. Germany was left with substantial redress to undertake in substituting energy supply and recalibrating foreign and security policy.

Funding Open Access funding enabled and organized by CAUL and its Member Institutions. Research for this article was supported by the Alexander von Humboldt Foundation. The author thanks the Foundation for valuable assistance.

Declarations

Conflict of interest The author declares no conflict of interest. The author thanks Professor Dr. Ursula Schröder, Dr. habil. Patricia Schneider, other staff of the Institute for Peace Research and Security Policy (IFSH) at the University of Hamburg, and Dr Otto Henke for valuable assistance.

Open Access This article is licensed under a Creative Commons Attribution 4.0 International License, which permits use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons licence, and indicate if changes were made. The images or other third party material in this article are included in the article's Creative Commons licence, unless indicated otherwise in a credit line to the material. If material is not included in the article's Creative Commons licence and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder. To view a copy of this licence, visit <http://creativecommons.org/licenses/by/4.0/>.

References

- Abdelal, R. 2013. The profits of power: Commerce and realpolitik in Eurasia. *Review of International Political Economy* 20 (3): 421–456.
- Abdelal, R. 2015. The multinational firm and geopolitics: Europe, Russian energy, and power. *Business and Politics* 17 (3): 553–576.
- Adler-Nissen, R. 2014. Stigma management in international relations: Transgressive identities, norms, and order in international society. *International Organization* 68 (1): 143–176.

⁸ The author thanks a reviewer for this concise point.



- Amann, M. 2022. 'Ein Wohlfühltermin voller Widersprüche' *Der Spiegel* 8 June. <https://www.spiegel.de/politik/angela-merkel-im-gespraech-mit-spiegel-autor-alexander-osang-alkanzlerin-spricht-ueber-russland-a-997e295b-6987-4987-9c45-e681b9d87ff4>.
- Andornino, G. 2022. 'China's Pursuit of international status through negotiated deference: An empirical analysis of Italy's parliamentary attitude'. *Italian Political Science Review* (online first).
- Appunn, K. 2020. 'Majority of Germans oppose halt to Nord Stream 2' *Clean energy Wire* 18 September. <https://www.cleanenergywire.org/news/majority-germans-oppose-halt-nord-stream-2>.
- Ashford, E. and R. Rizzo. 2022. Will Germany hobble western sanctions against Russia. *Foreign Policy*.
- Åslund, A. 2019. *Russia's crony capitalism: The path from market economy to kleptocracy*. New Haven: Yale University Press.
- Babic, M., J. Garcia-Bernardo, and E. Heemskerk. 2020. The rise of transnational state capital: State-led foreign investment in the 21st century. *Review of International Political Economy* 27 (3): 433–475.
- Bachmann, R., et al. 2022. *What if? The Economic Effects for Germany of a Stop of Energy Imports from Russia* econPol Policy Report 36 March.
- Balducci, G. 2010. The limits of normative power Europe in Asia: The case of human rights in China. *East Asia* 27 (1): 35–55.
- Baran, Z. 2007. EU energy security: Time to end Russian leverage. *Washington Quarterly* 30 (4): 131–144.
- Becker, U., and A. Vasileva. 2017. Russia's political economy re-conceptualized: A changing hybrid of liberalism, statism and patrimonialism. *Journal of Eurasian Studies* 8 (1): 83–96.
- Blome, N. 2022. Drehen wir den Spieß doch um – und öffnen Nord Stream. *Der Spiegel* 15 August.
- Boston, W. 2022. With big Russian interests, German firms look to Putin for Ukraine De-Escalation. *Wall Street Journal* 9 February.
- Botschaft der Russischen Föderation in Deutschland. 2018. 'Manuela Schwesig: "Ich bekomme viel Zustimmung für meinen Russland-Kurs"' 5 July.
- Brassett, J., and C. Holmes. 2010. International political economy and the question of ethics. *Review of International Political Economy* 17 (3): 425–453.
- Brzozowski, A., Pistorius, M., and Grüll, P. 2021. [German government, businesses come forward in support of Nord Stream 2](https://www.euractiv.com/section/energy/news/german-government-businesses-come-forward-in-support-of-nord-stream-2/). Euractiv. <https://www.euractiv.com/section/energy/news/german-government-businesses-come-forward-in-support-of-nord-stream-2/>
- Bundesministerium für Wirtschaft und Klimaschutz/Bundesministerium der Finanzen (BMWK/BMF). 2022. Massnahmenpaket der Bundesregierung für vom Krieg betroffenen Unternehmen.
- Bundesministerium für Wirtschaft und Klimaschutz (BMWK). 2022a. Habeck zur Lage in der Ostukraine und Stopp des Zertifizierungsverfahrens für Nord Stream 2, 22 February.
- BMWK. 2022b. 'Schriftliche Frage an die Bundesregierung im Monat Februar 2022a Frage Nr. 374, 28 February.
- BMWK. 2022c. Minister Habeck on Russian counter-sanctions and Gazprom Germania, 12 May. <https://www.bmwk.de/Redaktion/EN/Pressemitteilungen/2022/05/20220512-minister-habeck-on-russian-counter-sanctions-and-gazprom-germania.html>
- Bünder, H. 2020. Uniper hält Scheitern von Nord Stream 2 für möglich. *Frankfurter Allgemeine Zeitung* 11 August.
- Bundesnetzagentur. 2019. Antrag der Nord Stream AG zur Freistellung von der Regulierung gemäß § 28b EnWG, 23 December at. https://www.bundesnetzagentur.de/DE/Service-Funktionen/Beschlusskammern/1_GZ/BK7-GZ/2019/BK7-19-0108/BK7-19-0108_VerfEinleit.html?nn=926986
- Bundesnetzagentur. 2020. Beschluss: BK7-20-004-B1, 17 March at. https://www.bundesnetzagentur.de/DE/Service-Funktionen/Beschlusskammern/1_GZ/BK7-GZ/2020/BK7-20-0004/BK7-20-0004_Verfahren.html
- Clift, B., P. Kristensen, and B. Rosamond. 2022. Remembering and forgetting IPE: Disciplinary history as boundary work. *Review of International Political Economy* 29 (2): 339–370.
- Decker, M. 2021. Forsa-Umfrage: Ostdeutsche fühlen sich Russland deutlich näher, Westdeutsche den USA. *Redaktions Netzwerk Deutschland (RDN)* 16 July.
- de Jong, M., and T. Van de Graaf. 2021. Lost in regulation: Nord stream 2 and the limits of the European commission's geo-economic power. *Journal of European Integration* 43 (4): 495–510.
- de Jong, M., T. Van de Graaf, and T. Haesebrouck. 2020. A matter of preference: Taking sides on the Nord Stream 2 gas pipeline project. *Journal of Contemporary European Studies* 30 (2): 331–344.
- Der Spiegel. 2020. Kanzlerin Angela Merkel hält an Fertigstellung von Nord Stream 2 fest. 1 September
- Deutsche Umwelthilfe (DUH). 2022. <https://www.duh.de/projekte/nord-stream-2/>. Accessed 11 Jan 2022.
- Deutsche Welle. 2021a. Germany insists Nord Stream 2 will not threaten EU gas supply, 26 October.



- Deutsche Welle. 2021b. Germany offered US 'dirty deal' to drop Nord Stream 2 sanctions, 10 February. <https://www.dw.com/en/germany-offered-us-dirty-deal-to-drop-nord-stream>.
- Deutscher Bundestag. 2018. Antwort des Parlamentarischen Staatssekretärs Uwe Beckmeyer, 5 January Drucksache 19/370, 29.
- Deutscher Bundestag. 2019. Zweite und dritte Beratung des von der Bundesregierung eingebrachten Entwurfs eines Gesetzes zur Änderung des Energiewirtschaftsgesetzes zur Umsetzung der Richtlinie (EU) 2019/692 des Europäischen Parlamentes und des Rates über gemeinsame Vorschriften für den Erdgasbinnenmarkt. Plenarprotokoll 19/126, 13 November.
- Deutschlandfunk. 2019. Interview with Bernd Westphal US-Sanktionen gegen Nord Stream 2 "Erpresserisch und nicht zu tolerieren". <https://www.deutschlandfunk.de/us-sanktionen-gegen-nord-stream-2-erpresserisch-und-nicht-100.html>. Accessed 21 December.
- Die Welt. 2021. Robert Habeck droht im Konfliktfall mit Stopp von Nord Stream 2, 18 December.
- Die Welt. 2022. "Tief enttäuscht und entsetzt"—Schwesig will Nord-Stream Stiftung auflösen, 28 February.
- Die Zeit. 2021. "Werte und Interessen sind kein Gegensatz". Interview mit Annalena Baerbock, 21 December.
- Dunz, K. and A. Niesmann. 2022. Das teure Versprechen des Kanzlers, *Kieler Nachrichten* 23 July.
- Eberle, J., and V. Handl. 2020. Ontological security, civilian power, and German foreign policy toward Russia. *Foreign Policy Analysis* 16 (1): 41–58.
- Eckert, V. and K. Abnett. 2022. Factbox: How dependent is Germany on Russian gas?, *Reuters* 25 February.
- Eddy, M. 2022. For German firms, ties to Russia are personal, not just financial. *New York Times* 6 March. <https://www.nytimes.com/2022/03/06/business/germany-russia-companies.html>.
- Ellyat, H. 2022. Nord Stream 2 cost \$11 billion to build. Now, the Russia-Europe gas pipeline is unused and abandoned. CNBC, 31 March. <https://www.cnbc.com/2022/03/31/the-nord-stream-2-pipeline-lies-abandoned-after-Russias-invasion>.
- Emundts, C. 2022. Habeck unter Druck: Charismatiker im Verteidigungsmodus. 8 September tagesschau.de. <https://www.tagesschau.de/inland/innenpolitik/analyse-habeck-101.html>.
- EU Council. 2022. COUNCIL REGULATION (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine (Amended 21 July 2022). <https://eur-lex.europa.eu/eli/reg/2014/269/oj/eng>.
- European Commission (EC). 2021. *Sixth State of the Energy Union report* (Brussels).
- European Parliament. 2019. *Resolution of 12 March 2019 on the state of EU-Russia political relations*. https://www.europarl.europa.eu/doceo/document/TA-8-2019-0157_EN.html.
- European Parliament. 2021. *Resolution of 21 January 2021 on the arrest of Aleksei Navalny (2021/2513(RSP))*. https://www.europarl.europa.eu/doceo/document/TA-9-2021-0018_EN.html.
- Fix, L. 2021. *Germany's role in European Russia policy: A new German power?* Cham: Palgrave.
- Gabriel, S. 2022. "Nord Stream 2 was a mistake. We simply didn't listen to the Eastern Europeans." (no date) <https://www.atlantik-bruecke.org/en/nord-stream-2-was-a-mistake/>.
- Gallagher, A., and B. Docherty. 2022. What role[s] do expectations play in norm dynamics? *International Politics* 59 (2): 227–243.
- Garton Ash, T. 1994. *In Europe's name*. London: Vintage.
- Gens, B. 2019. Germany's Russia policy and geo-economics: Nord Stream 2, sanctions and the question of EU leadership towards Russia. *Global Affairs* 5 (4–5): 315–334.
- Gehrke, L. 2022. "Mistake" not to object to Nord Stream 2, says German president. *Politico*, 4 April.
- Goldthau, A., and N. Sitter. 2015. Soft power with a hard edge: EU policy tools and energy security. *Review of International Political Economy* 22 (5): 941–965.
- Gordell, K., and T. Volgy. 2022. Political shocks in foreign policy and international politics: An alternative approach. *Canadian Foreign Policy Journal* 28 (2): 109–126.
- Grieve, M., J. Hildebrand, M. Koch, and J. Olk. 2022. Wladimir Putins vergiftete Angebot: Letzter Ausweg Nord Stream 2?. *Handelsblatt*.
- Gustafson, S. 2020. *The bridge—Natural gas in a redivided Europe*. Cambridge: Harvard University Press.
- Haerder, M., C. Tutt and F. Güßgen. 2022. Robert Habeck unter Druck: Die Kernschmelze. *Wirtschaftswoche*.
- Hauberg, S. 2022. EU-Parlamentsvize Beer: "Wir waren naiv gegenüber Putin, das darf uns in Taiwan nicht passieren". *Merkur*.



- Haugevik, K., and C. Neumann. 2021. Reputation crisis management and the state: Theorising containment as diplomatic mode. *European Journal of International Relations* 27 (3): 708–729.
- Hellmann, G., and D. Jacobi, eds. 2019. *The German White Paper 2016 and the Challenge of Crafting Security Strategies*. Berlin/Frankfurt: Aspen.
- Hennecke, H. 2009. Das Doppelgesicht der sozial-demokratischen Ostpolitik. In *Dreissig These zur deutschen Einheit*, ed. D. Schipanski and B. Vogel, 64–72. Freiburg: Herder.
- Hernandez, A. 2020. EU sanctions message gets muddled over pipeline politics, 26 August. <https://www.politico.eu/article/eu-countries-spar-over-significance-of-complaints-on-us-sanctions/>.
- Higgott, R. 2007. International political economy. In *A companion to contemporary political economy*, ed. R. Goodin, R. Higgott, and T. Pogge, 153–182. Oxford: Blackwell.
- Hock, A. and U. Müller. 2022. Schwerin als Filiale der Nord Stream 2 AG. *Die Welt*.
- Hoell, M. 2021. It's high time Berlin pulled the plug on Nord Stream 2. <https://www.europeanleadershipnetwork.org/commentary/its-high-time-berlin-pulled-the-plug-on-nord-stream2>. Accessed 21 July.
- Hoffmann, C. 2021. Merkels Triumph. *Der Spiegel*.
- Holz, F., and C. Kempf. 2021. Die kurz- und langfristige Bedarfsentwicklung im deutschen und europäischen Erdgasmarkt: Stellungnahme zur Fertigstellung und Inbetriebnahme des Nord Stream 2 Pipeline-Projekts. *Politikberatung kompakt* 162, Deutsche Institut für Wirtschaft.
- Howarth, D., and C. Rommelskirchen. 2013. A panacea for all times? The German stability culture as strategic political resource. *West European Politics* 36 (4): 750–770.
- Hyde-Price, Adrian. 2006. "Normative" power Europe: A realist critique. *Journal of European Public Policy* 13 (2): 217–234.
- Kaczyński, P. 2021. Tusk names Nord Stream 2 as Merkel's "biggest mistake". *Euractiv* 30 November. <https://www.euractiv.com/section/global-europe/news/tusk-names-nord-stream-2-as-merkels-biggest-mistake/>.
- Kaeding, M., J. Pollak, and P. Schmidt, eds. 2022. *Russia and the future of Europe: Views from the capitals*. Cham: Springer.
- Kapeller, J., S. Puehringer, and C. Grimm. 2021. Paradigms and policies: The state of economics in the German-speaking countries. *Review of International Political Economy* 29 (4): 1183–1210.
- Kitzmann, J. 2021. Deutsche sehen in USA größere Bedrohung als in China oder Russland. *Der Spiegel*.
- Knappertbusch, F. 2016. *Anti-Amerikanismus in Deutschland*. Bielefeld: Transcript.
- Koenen, G. 2022. Gerade wir als Deutsche *Der Spiegel*.
- Kremlin. 2015. Meeting with vice-chancellor and minister of economic affairs and energy of Germany Sigmar Gabriel, 28 October. <https://en.kremlin.ru/events/president/news/50582>.
- Kremlin. 2022a. Talks with Federal chancellor of Germany Olaf Scholz, 15 February. <https://en.kremlin.ru/events/president/news/67772>.
- Kremlin. 2022b. Address by the President of the Russian Federation, 21 February. <https://en.kremlin.ru/d/67828>.
- Kremlin. 2022c. Address by the President of the Russian Federation, 24 February <https://en.kremlin.ru/d/67843>.
- Lebow, R. (2013) Internal Borders: Identity and Ethics. *Global Society* 27(3), 299–318.
- Lebow, R., and M. Frost. 2019. Ethical traps in international relations. *International Relations* 33 (1): 3–22.
- Lough, J. 2021. *Germany's Russia problem: The struggle for balance in Europe*. Manchester: Manchester University Press.
- Manners, I. 2002. Normative power Europe: A contradiction in Terms? *Journal of Common Market Studies* 40 (2): 235–258.
- Maurer, A. 2021. Economic sociology. In *Soziologie—Sociology in the German-speaking world*, ed. B. Hollstein, et al., 39–52. Berlin: De Gruyter.
- McGuinness, D. 2022. Ukraine war: Germany's conundrum over its ties with Russia, 18 April. <https://www.bbc.com/news/world-europe-61118706>.
- McWilliams, B., G. Sgavaranti, S. Tagliapietra, and G. Zachmann. 2022. Preparing for the first winter without Russian gas. *Bruegel*.
- Meetschen, S. 2022. Merkel ahnte nicht, dass Putin zum "Geisterfahrer" wird. *Tagespost*.
- Miller, A. 2021. Report by Alexey Miller at Russian President Vladimir Putin's meeting on performance in autumn/winter heating season, 29 December. <https://www.gazprom.com/press/news/miller-journal/2021/590586/>.
- Montgomerie, J., ed. 2017. *Critical methods in political and cultural economy*. Abingdon: Routledge.



- Moody, O. 2021. We owe Russia the Nord Stream pipeline over Nazi atrocities, says German president. *The Times*.
- Murdoch, A. 2022. German companies keep cards close to chest on Russia. *Capital Monitor*.
- NABU. 2022. <https://www.nabu.de/natur-und-landschaft/meere/lebensraum-meer/gefahren/23740.html>. Accessed 11 January 2022.
- Naschert, C. 2022. Nord Stream 2 financier Uniper “profoundly unsettled” over Russia-Ukraine crisis. *S&P Global Market Intelligence*, 23 February.
- NDR (Norddeutscher Rundfunk). 2022. Verschleiert Schwesig ihre Kontakt zur russischen Gas-Lobby?, 17 June. <https://www.ndr.de/nachrichten/mecklenburg-vorpommern/Verschleiert-Swesig-ihre-Kontakte-zur-russischen-Gas-Lobby.klimastiftungmv128.html>.
- Noël, P. 2019. Nord stream II and Europe’s strategic autonomy. *Survival* 61 (9): 89–95.
- Nord Stream AG. 2022. Press Statement, 4 March.
- NTV. 2022. Mehrheit ist gegen Öffnung von Nord Stream 2, 19 August.
- Ost-Ausschuss der Deutschen Wirtschaft. 2021. Klare Mehrheit für Fertigstellung von Nord Stream 2, 20 May.
- Ost-Ausschuss der Deutschen Wirtschaft. 2022. Fulminanter Start ins Jubiläumsjahr, 21 January. <https://www.ost-ausschuss.de/de/%23NJE2022>.
- Ostermann, D. 2022. Umfallen bei Nord Stream 2 ist keine Lösung. *Badische Zeitung*, 16 August.
- Ostrowski, W. 2022. ‘The twenty years’ crisis of European energy security: central and eastern Europe and the US. *Geopolitics* 27 (3): 875–897.
- Pauly, L., and S. Reich. 1997. National structures and multinational corporate behavior: Enduring differences in the age of globalization. *International Organization* 51 (1): 1–30.
- Petersen, T. (2022) Deutsche wollen nicht frieren für die Freiheit. *Frankfurter Allgemeine Zeitung*, 13 April
- Puglierin, J. 2021. After Merkel: Why Germany must end its inertia on defence and security. European Council on Foreign Relations.
- Quitow, R., and S. Thielges. 2022. The German energy transition as soft power. *Review of International Political Economy* 29 (2): 598–623.
- Raike, K. 2021. New world order: Germany’s dangerous idealism vis-à-vis Russia. *Internationale Politik*, 24 June.
- Reuters. 2022. German SPD official calls for end to Nord Stream 2 dispute, 11 January. <https://www.reuters.com/business/energy/german-spd-official-calls-end-to-Nord-Stream-Dispute>.
- Rethink the Deal. 2019. <https://rethinkthedeal.eu/> 1 October. Accessed 20 January 2022.
- Rinke, A. 2022. German SPD official defends pro-Nord Stream 2 policy. *Reuters*, 9 January.
- RTL/NTV. 2022. Trendbarometer: Mehrheit der Deutschen will, dass Schröder in der Gas-Krise und Ukraine-Krieg vermittelt, 5 August. <https://www.rtl.de/cms/rtl-ntv-trendbarometer-nach-schroeder-interview-sollte-der-alkanzler-in-der-gaskrise-vermitteln-5000185.html>.
- Schimmelfenning, F. 2021. Deutschland in der Europäischen Union: Hegemonie, Intergouvernementalismus, Status-quo-Macht. In *Handbuch zur deutschen Europapolitik*, ed. K. Böttger and M. Jopp, 563–577. Baden-Baden: Nomos.
- Schmidt-Felmann, A. 2016. Its never “just business.” *Global Affairs* 2 (2): 115–118.
- Scholz, O. 2022. Regierungserklärung durch den Bundeskanzler zur aktuellen Lage. Plenarprotokoll 20/19, Deutscher Bundestag, 27 February.
- Schuster, J. 2022. “Ich lag falsch, wir alle lagen falsch”. *Die Welt*, 26 March.
- Shagina, M. and Westphal, K. (2021). Nord Stream 2 and the energy security dilemma: opportunities, options and obstacles for a grand bargain. *SWP Comment* 46 July.
- Sharman, J.C. 2007. Rationalist and constructivist perspectives on reputation. *Political Studies* 55 (1): 20–37.
- Sharman, J.C., and C. Weaver. 2013. *RIPE*, the American School and diversity in global IPE. *Review of International Political Economy* 20 (5): 1082–1100.
- Siddi, M. 2016. German foreign policy towards Russia in the aftermath of the Ukraine crisis: A new Ostpolitik? *Europe-Asia Studies* 68 (4): 665–677.
- Siddi, M. 2017. *National identities and foreign policy in the European Union. The Russia policy of Germany, Poland and Finland*. Colchester: ECPR Press.
- Siddi, M. 2018. An evolving Other: German national identity and constructions of Russia. *Politics* 38 (1): 35–50.
- Siddi, M. 2020. Theorising conflict and cooperation in EU-Russia energy relations: Ideas, identities and material factors in the Nord Stream 2 debate. *East European Politics* 36 (4): 544–563.



- Solomon, E. 2021. German Green Foundation joins efforts to complete Nord Stream 2. *Financial Times*, 21 January.
- Spanger, H.-J. 2005. *Paradoxe Continuität*. Frankfurt: HSFK.
- Spanger, H.-J. 2012. German-Russia relations: A Pan-European mission as national interests. *Studia Diplomatica* 65 (1): 33–44.
- Statista. 2022. *Umfrage zur Inbetriebnahme der Erdgaspipeline Nord Stream 2 nach Parteipräferenz* 2022, 3 March. <https://de.statista.com/statistik/daten/studie/1282647/umfrage/festhalten-am-projekt-nord-stream2/#professional>.
- Steinhauser, G. 2015. Germany's merkel defends Russian gas pipeline plan. *Wall Street Journal*, 18 December.
- Steinmeier, F-W. 2021. Interview (Kerstin Münstermann and Moritz Döbler). *Rheinische Post*, 6 February.
- Steitz, C. and V. Waldersee. 2022. Germany's Uniper joins peers in writing down loan to Nord Stream 2. *Reuters*, 8 March.
- Stern. 2022. Warum soll ich mich entschuldigen?, 3 August.
- Süddeutsche Zeitung. 2022. Schröder und Gabriel durchkreuzen SPD-Linie in Ukraine-Krise, 30 January.
- Szabo, S. 2014. Germany's commercial realism and the Russia problem. *Survival* 56 (5): 117–128.
- Szabo, S. 2015. *Germany, Russia and the rise of geo-economics*. London: Bloomsbury.
- Szabo, S. 2018. Different approaches to Russia: The German–American–Russian strategic triangle. *German Politics* 27 (2): 230–243.
- Sziklai, B., L. Kóczy, and D. Csercsik. 2020. The impact of Nord Stream 2 on the European gas market bargaining positions. *Energy Policy* 144: 111692.
- Tagesschau. 2022. Uniper wird verstaatlicht, 21 September. <https://www.tagesschau.de/wirtschaft/uniper-verstaatlicht-101.html>.
- Toben, H. 2022. Gasumlage: Habeck und die Trittbrettfahrer. *Kieler Nachrichten*, 27 August.
- Uniper. 2022a. Results and outlook presentation, 23 February. <https://www.uniper.energy/investors/uniper-investment/business-and-key-financials>.
- Uniper. 2022b. Update on Uniper's Russian activities and way forward. Press Release, 7 March.
- Urban, T. 2022. *Verstellter Blick: Die Deutsche Ostpolitik*. Berlin: FotoTapeta.
- Vetter, P. 2022. Stresstest fürs Stromnetz. *Die Welt*, 21 July.
- Vihma, A., and M. Wigell. 2016. Unclear and present danger: Russia's geoeconomics and the Nord Stream II pipeline. *Global Affairs* 2 (4): 377–388.
- Vinocur, J. 2018. Ist Deutschland noch Westen?. *Die Welt*, 24 April.
- von Beyme, K. 2016. *Die Russland Kontroverse*. Wiesbaden: Springer.
- Walsh, J. 2022. German President calls support for Nord Stream 2 “Clearly a Mistake”, 4 April. <https://www.forbes.com/sites/joewalsh/2022/04/04/german-president-says-he-was-wrong-to-seek-closer-ties-with-russia/?sh=2481bf402823>.
- Westphal, K. 2021a. 'Nord Stream 2 – Germanys Dilemma' *SWP Comment* 32, April. Berlin: SWP.
- Westphal, K. 2021b. 'Strategic sovereignty in energy affairs: Reflections on Germany and the EU's ability to act' *SWP Comment* 7, January. Berlin: SWP.
- Wintershall, A.G. 2022a. *2021 Jahresbericht*. Kassel: Wintershall DEA.
- Wintershall, A. G. 2022b. Wintershall Dea demands to end the war in Ukraine, 2 March. <https://wintershalldea.com/en/newsroom/wintershall-dea-demands-end-war-in-Ukraine>.
- Wintershall, A. G. 2022c. Wintershall writes off financing of Nord Stream 2, 2 March. <https://wintershalldea.com/en/newsroom/wintershall-dea-writes-off-financing-of-Nord-Stream-2>.
- Wintour, P. 2022. “We were all wrong”: How Germany got hooked on Russian energy. *Guardian*, 2 June.
- Wood, S. 2009a. The European Union: A normative or normal power? *European Foreign Affairs Review* 14 (1): 113–128.
- Wood, S. 2009b. Energy security, normative dilemmas, and institutional camouflage: Europe's pragmatism. *Politics & Policy* 37 (3): 611–635.
- Wood, S. 2010. Europe's energy politics. *Journal of Contemporary European Studies* 18 (3): 307–322.
- Wood, S. 2021. “Understanding” for Russia in Germany: International triangle meets domestic politics. *Cambridge Journal of International Affairs* 34 (6): 771–794.
- Wood, S. 2022. Status and the Federal Republic of Germany: An international exception? *European Politics and Society*. <https://doi.org/10.1080/23745118.2022.2068788>.
- Wood, S. and O. Henke. 2021. Denmark and Nord Stream 2: A small state's role in global energy politics, 148.



-
- Youngs, R. 2004. Normative dynamics and strategic interests in the EU's external identity. *Journal of Common Market Studies* 42 (2): 415–435.
- Youngs, R. 2008. *Energy: A Reinforced Obstacle to Democracy?* FRIDE Working Paper 65.
- Zagorski, A. 2005. *Russia and Germany: Continuity and changes Russie Cei Visions 6*. Paris: IFRI.
- Zhiznin, S. 2019. Economic and geopolitical aspects of the Nord Stream 2 gas pipeline. *Baltic Region* 11 (3): 25–42.
- Zinovkin, A. 2019. Interview with Mario Mehren. *Газпром (Gazprom Journal)* 6: 32–34.
- 112 Ukraine. 2018. Nord Stream 2 is private initiative – Steinmeier, 6 June. <https://112.international/politics/nord-stream-2-is-private-initiative-steinmeier>.

Interviews

- Author Interview. 2019a. Dirk Wiese, Berlin, June.
- Author Interview. 2019b. German Foreign Ministry, Berlin, June.
- Author interview. 2019c. Horst Teltschik, Tegernesee, June.
- Author interview. 2022a. Polish Foreign Ministry, Warsaw, August.
- Author Interview. 2022b. Swedish Foreign Ministry, Stockholm, September.
- Author Interview. 2022c. Danish Foreign Ministry, Copenhagen, September.
- Author Interview. 2022d. German Foreign Ministry, Berlin, December.
- Author Interview. 2022e. Bundeswehr official, December.

Publisher's Note Springer Nature remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

