Geo-economic Conflict between Russia and the EU over the Gas Market Regime

What are the causes of the conflict?

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• Geo-economics (many definitions): (Luttwak, Gilpin, Huntington...)
  – Contradictions between the logic of economy & logic of politics + unequal development → dynamism

• Sources of geo-economic conflict
  1. Distribution of relative gains
  2. Asymmetry of interdependence
  3. Perspective of future cooperation
  4. Regulation of the market

Resource rent → Vertical & horizontal integration: forward vs. backward
  Proprietary
  Regulatory
→ Vertical disintegration

Groningen model (favored by Gazprom)
  • Long-term supply contracts
  • Oil indexation

Gas Target Model (favored by the Commission)
  • Spot market

Conflict – EU vs. Gazprom
  control of pipelines, current supply & delivery contracts + delivery points