Germany: Joschka Fischer takes post as Nabucco pipeline adviser

Ulrich Rippert 3 July 2009

Representatives of the Nabucco consortium in Vienna have confirmed that Joschka Fischer—former Green Party leader and foreign minister in the former Social Democratic Party (SPD)-Green government—has taken a post as adviser to the Nabucco pipeline project, in which the German RWE company is also involved. According to media reports, the "six-digit salary" consultancy contract has already been signed.

Fischer is following in the footsteps of his former coalition partner, former German chancellor Gerhard Schröder (SPD), who also has a lucrative post in the energy industry. The two men, however, are working in direct competition with one another. Just a few months after the change of government at the end of 2005, Schröder took up a lucrative position as head of the supervisory board of the NEGP pipeline consortium, which is building a pipeline under the Baltic Sea in close cooperation with the Russian energy group Gazprom.

Fischer's job now is to speed up the rival Nabucco project, which is supported by both the European Union and the American government, and seeks to transport natural gas from the Caspian region to Europe, bypassing Russia en route. The project has been at a virtual standstill for some years.

The crux of the Nabucco project lies in Turkey. The planned pipeline is to run from Ankara eastward to the Azerbaijani port of Baku on the Caspian Sea, via Georgia. The gas is then to flow westward over Bulgaria, Romania and Hungary, to Austria, the Czech Republic and Germany.

The pipeline is planned to stretch approx 3,300 kilometres and cost \notin 7.9 billion, with funding provided by a banking group including the European Investment Bank. Although the European Union terms the Nabucco pipeline one of its most important energy projects, the commencement of its construction has been pushed back several times and is currently planned for 2011. The first stage of development is due to be completed by 2014.

As the most important transit country for the pipeline,

Turkey is demanding a special price for transporting the gas. The government in Ankara increasingly regards the Nabucco project as an instrument to expedite its plans to join the EU. In January this year the Turkish Prime Minister Recep Tayyip Erdogan demanded a speeding up of EU membership negotiations and for the first time raised the Nabucco project in this regard. In the event that Turkish membership be denied, then Turkey would regard the Nabucco project as "endangered."

According to media reports, Fischer's job is to commence negotiations with the Turkish government as quickly as possible. In his role as former foreign minister he was a strong advocate of EU membership for Turkey and is therefore regarded as highly suitable for the job.

But Nabucco has a much bigger problem than Turkish demands for gas transit fees. So far it is completely unclear which countries are to supply the gas for the pipeline. Possible central Asian supplier countries such as Kazakhstan, Uzbekistan and Turkmenistan currently export their gas via Russia. Moscow then sells the gas with a price increase to Western Europe.

So far, gas from Azerbaijan was regarded as the main source for Nabucco, but in fact the country could only supply one fifth of the necessary amount. In discussions with Turkey, therefore, the main issue has been how to win the cooperation of Iran for the Nabucco project. At the "energy summit" of the European Union held at the beginning of May in Prague, Turkish President Abdullah Gül stressed that Turkey was relying on winning Iranian cooperation for the Nabucco project.

In an article published in the Austrian newspaper *Die Presse*, Professor Gerhard Mangott from the Austrian Institute for International Policy described the significance of Iranian involvement in Nabucco: "The profitability of Nabucco requires a transport quantity of 31 bcm (billions cubic meters). From the current standpoint this volume cannot be acquired without Iranian natural gas. After Russia, Iran holds the second largest global reserves of natural gas (16 percent). Up to 60 percent of this total resides in largely unexplored gas fields. Access to this gas is strategically vital for the energy security of the European Union."

Just three days before taking up his advisory post for Nabucco, Fischer wrote a detailed article in *Süddeutsche Zeitung* giving his own estimate of current developments in Iran.

Fischer's piece begins with praise for the "great speech" made recently by US President Barack Obama in Cairo to the Muslim world, which he says will have "substantial repercussions." The situation in the Middle East is on the move, Fischer writes, and asks, is this a "mere coincidence or outstanding timing?"

"Since this speech, elections in Lebanon have taken place, which resulted in a surprising advance for the pro-Western party alliance against the Hezbollah and its allies," he writes. Obama's speech also encouraged the Iranian population to take to the streets to oppose "the obvious falsification of the election in favour of the acting president." Fischer has only one explanation for the stance taken by Ahmadinejad: "The elections were stolen!"

Alongside domestic policy, the issue in the Iranian election campaign was "whether under conditions of opening up and international integration the country would develop a more rational foreign policy or not." According to Fischer, Ahmadinejad stands for a policy of confrontation and partial isolation, Mousavi for the opening up of the Islamic republic.

The West confronts a dilemma, because the regime in Teheran is "on the one hand discredited and lacks legitimacy due to electoral fraud." On the other hand, many problems cannot be solved "without the cooperation of the Iranian government." This applies not only to the Iranian nuclear programme, but also to the conflicts in Afghanistan, Pakistan, Iraq, the Persian Gulf, Lebanon, as well as Palestine. "Iran will also play a role in the Caucasus and Central Asia."

In his article Fischer did not expressly mention that the Ahmadinejad government has clearly stepped up its cooperation with China in recent years—but he is well aware of this fact. Undoubtedly one of the reasons for his support for the Mousavi camp is the fear of German and European energy groups that they could be denied access to Iranian energy reserves by the Ahmadinejad regime.

Recently the Iranian government gave the National Iranian Oil Company (NIOC) permission to conclude a contract with the China National Petroleum Corporation for the development of the South Pars gas field. In addition to this \$4.7 billion deal with the CNPC, NIOC is also cooperating with the China National Offshore Oil Corporation in the exploitation of the North Pars gas field.

According to Guido Steinberg from the Foundation of

Science and Politics, German companies threaten to be left out: "If the Iranians no longer do business with us, then they will look for other partners," he warns. Teheran is currently in the process of a disturbing "geopolitical reorientation," he writes in the recent edition of the *Eurasischen Magazins*.

An additional problem for Fischer and the Nabucco project comes from the Kremlin, and the executive floor of Gazprom, where Gerhard Schröder works. It is called "South Stream" and is a planned Russian-Italian natural gas pipeline, due to run across the bottom of the Black Sea and link the Russian port of Novorossiysk to the Bulgarian city of Varna.

From Bulgaria, South Stream is due to branch off with pipelines to Italy and Austria. In its final development stage, transit capacity is estimated at 47 billion cubic meters per year. Partners of the joint venture are Gazprom and the Italian power supplier Eni. The costs are estimated at more than €10 billion.

South Stream is to due to make the transport of Russian natural gas to Europe independent of the previous transit countries, Ukraine and Belarus. At the same time, the South Stream project could mean the end of Nabucco, because both Serbia and Hungary, as well as Bulgaria, have agreed to provide access facilities for the pipeline. This means the construction of South Stream could take place much faster than the Nabucco pipeline.

A hundred years ago the German government and Emperor Wilhelm II sought to extend German influence in the Ottoman Empire and gain access to the newly discovered oilfields in the Middle East through the construction of the Baghdad railway. This led to violent conflicts between the European great powers, which eventually contributed to the outbreak of the First World War. A similar role is being played today by the Nabucco pipeline and the associated global competition for access to energy. The Green Party and its long-time former leader Joschka Fischer are playing a key role in advancing this imperialist project.



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