INTERNATIONAL SECURITY AND RUSSIAN ENERGY POLICY IN THE SOUTHEAST EUROPE

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ABSTRACT: Constellation of threats to international security makes more complex the further fact that the conflicts of great and regional powers itself contain the possibility of using weapons of mass destruction. In this geopolitical turmoil raises the question about the fate of small countries. Southeast Europe is for many years epicenter of events in terms of energy policy and energy security, and it is evident that these trends will continue. Russian cancellation of the South Stream, as well as the US intention to build a South corridor gas pipeline in the area of Southeast Europe, represents a new strategic challenge to the security of the Republic of Serbia, as well as the whole southeastern Europe.

KEYWORDS: international security, Russia, energy, conflicts, European Union, crisis

Introduction

Threats to international security relates to the possibility that situations and events which contribute to disruption of the peace and stability in one part of the world can also threaten other parts of the world. These include a wide jeopardizing spectrum of challenges, risks and threats, and the most dangerous form of expression of endangering is in the form of war, whether it is the classic interstate war, internal conflict, or newer form of proxy war (hybrid wars). Constellation of threats to international security makes more

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complex the further fact that the conflicts of great and regional powers itself contain the possibility of using weapons of mass destruction. Unfortinatally, the security dilemma regarding the use of this type of weapon somehow can not be overcomed. Large forces will strive in the future to avoid direct confrontation, but many parts of the world will become a testing ground for conducting proxy wars. In most cases the above conflicts are because of aspirations to dominate and establish the interest, particularly control over resources and energy, the different forms of communicationas, well as the achievement of other political interests. Sources of energy, platform for transmission, the global market, as well as the interests of the superpower will inevitably have an impact on peace, security and stability of the country. All of this mentioned is directly reflected in the form of wars, crises and other forms of instability.

The opposite interests of the superpowers and smaller regional powers often result in tragic conflicts on the territories of small and underdeveloped countries. For this reason, it is very interesting to analyze the relationship of world forces after the Second World War and the Cold War. When it comes to the security ‘contruction’ of Europe, World War II ended with final defeat of Germany and its allies, and the Cold War ended with the collapse of the USSR and Russia, which, as holder of the USSR, after the war went out with a failure. Although at the end of World War II Germany was divided and identified as the loser of the war, its geopolitical role (speaking of the then West Germany) increased, because of its borderes with the then Soviet Union. The completion of Cold War, which was symbolically marked with destruction of the Berlin Wall and the merger of two of divided Germanies, marked the period of influence weakening of defeated Russia as the successor of the USSR. At the same time, the role of the countries of Eastern Europe has become more significant, so that today the attention, at least when it comes to the US, is focused on countries such as the Czech Republic, Poland or the Baltic republics, cause now these countries border with Russia that by the United States and its partners in NATO, has been identified as main threat\(^2\). Russia has been identified as

main threat to the United States and all its allies after Russia marked the United States and its allies as the main threat\textsuperscript{3}. Is the scene milder version of Cold War relationship?

In these geopolitical turmoil raises the question about the fate of small countries that are in the middle of interest? Southeast Europe is for many years epicenter of events in terms of energy policy and energy security, and it is evident that these trends will continue. Russian cancellation of the South Stream, as well as the US intention to build a South corridor gas pipeline in the area of Southeast Europe, represents a new strategic challenge to the security of the Republic of Serbia, as well as the whole southeastern Europe. Bearing in mind that the United States projected its power to stop the construction of Russian gas pipeline in the Southeast of Europe, and gas pipeline Nord Stream 2, it is certain that the Russians will try to use all its features to stop or hinder the US energy plans in Europe.

**Changing relationship or misusing of trust**

In the analysis of energy policy in South Eastern Europe, it is necessary to consider the real positions of the three countries that have a significant impact on this region: Russia, Germany and France. Certain number of authors believes that Russia aspires to on global scale to take the position of the former USSR, more precisely, the position of world superpower with global interests, not as some believed that Russia will be a regional force\textsuperscript{4}. According to available Congres report of the United States, Russia never fulfilled the conditions to qualify itself to be superpower. If the country is considered as superpower, which is economically developed and can project its culture and impact around the world, it is more than questionable whether Russia had ever had the capacity to exert an influence beyond its region. The Russian perception of the superpower was based on its nuclear arsenal and the possibility that by threat with nuclear weapon blackmail the world to pursue own interests\textsuperscript{5}. At the same time, in the

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\textsuperscript{5} Challenge Posed by Russia to United States National Security Interests, Committee on National Security, House of Representatives, US, 104 House sessions, June 13, 1996.
heart of Europe two highly developed countries, France and Germany through the form of the European Union are trying to achieve their aspirations and ambitions to dominate. Germany not only has achieved the status of the leading EU country, but has a sense of the existence of a special responsibility for the new emancipated Central Europe, which derives from the fact that Germany has imposed as a leader in Central Europe. The two countries, France and Germany consider themselves as authorized representatives of EU interest, especially in relations with Russia. Germany maintains for itself due to its geographical location, at least theoretically, the possibility of bilateral relations with Russia. In these new processes Germany recognized their chance to get raw materials and energy resources and to satisfy its need in Russia, which had to be preceded by improving the German-Russian relations in all fields, especially in the field of politics and economy. On the other hand, Russia finds this arrangement also convenient for at least two reasons: Germany has become one of the major buyers of Russian energy and Russia's given access to German technology. One of the biggest Russian-German gas pipeline project is definitely a "Nord Stream" which transports Russian gas to Western Europe. This pipeline starts near the Russian city of Vyborg and extends all the way to the German town of Greifswald. The pipeline is owned by the company Nord Stream AG, which was founded a joint venture between the Russian state company “Gazprom”, German companies “Vinterštal” (subsidiary of BASF), "E. ON", Dutch company "Gasuin" and French “GDF Suez”. Although the "Nord Stream" is officially an EU project, some central European countries, led by Poland, openly objected this project. Despite opposition from countries that are left out of this

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8 Alexandros Petersen, Katinka Barysch, Russia, China and the Geopolitics of Energy in Central Asia, Centre for European Reform, London, UK, 2011. p.9
project, "North Stream" was built. This way Germany is in a large extent satisfied need for energy, while also opening up the Russian market for export purposes. This way, market for industrial machinery and equipment, automotive industry, energy efficiency, transport and logistics, chemical industry is opened. Germany took advantage of all potential and impact that derives from its position as the leading EU country in order to improve its situation and made it comfortable, at the same time neglecting the interests of other EU member states. Truly whether it is just about to change the balance of power or the abuse of trust that had Germany? And not only trust of EU member states, but also its most important ally – United States.

Russia and changing relationship

It has become evident that Russian politicians in their strategies use energy for economic and political conditionality have new plans when it comes to Europe. Encouraged by the German role in the EU, and then the high energy prices, the Russian politicians aggressively start a hike for taking position within the EU and Europe. Gentleman's approval of the US administration regarding the "Nord Stream" is perceived as a weakness of US to control the situation in the EU and Europe. US loosening in the German requirements for energy, Russian politicians interpreted as an opportunity to start a more aggressive foreign policy, while forgetting that the US is still the only superpower in the world. Crucial year for the dramatic changes and Russia's aggressive politics focused on occupation of geopolitical territories is 2008. This year was marked by the following Russian activities:

The Russian aggression against Georgia and the secession of Abkhazia and South Ossetia as well as the ultimate Russia's recognition of Abkhazia and South Ossetia;

Russian occupation of Serbian energy sector

The Parliament of Greece, under the pressure and influence of Russia, accepts the project "South Stream" and rejects the Nabucco with two-thirds majority voting for this Act.

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9 Glenn Diesen, EU and NATO Relations with Russia: After the Collapse of the Soviet Union, Rutledge, New York, NY, 2015. p.87
Russian aggressive policy of expansion of its zone of interest in Europe and the EU was also pursued in 2009 and 2010. In the 2009, Sochi representatives of gas companies of Russia, Italy, Bulgaria, Serbia and Greece signed an agreement on the construction of South Stream. The Prime Minister of Russia Vladimir Putin and Italian Prime Minister Silvio Berlusconi were both present on signing. Also, Russia and Turkey signed an agreement on building a gas pipeline through Turkish territorial waters of the Black Sea. The agreement was signed by Russian Prime Minister Vladimir Putin, Prime Minister of Turkey Recep Erdogan, also in the presence of Italian Prime Minister Silvio Berlusconi. That same year, Slovenia and Russia signed an agreement on Slovenia's accession to the Russian pipeline. Should not be omitted personal friendship between the Prime Minister of Russia Vladimir Putin and French Prime Minister Nicolas Sarkozy, who signed a military cooperation agreement between the two countries worthed 1.3 billion Euros. According this agreement France has an obligation to the Russian side to delivery them the latest French warships Mistral. 2010. Russian Minister of Energy Sergei Shmatko and Croatian Minister of Economy, labor and entrepreneurship Djuro Popijac, in the presence of Prime Minister of Russia Vladimir Putin and Croatian Prime Minister Jadranka Kosor signed a contract on Croatian accession to the Russian South corridor.

Disregard for reality - US response

Completion of the Second World War surely marked US initiative to rebuild Western Europe countries that were destroyed. The official plan is called Marshall plan or officially - ERP. Main goals Marshall Plan for US had were to rebuild destroyed regions, remove trade barriers, modernize industry and rebuild Europe as a successful, better society.

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10 Sochi Agreements and Aftermath Deflate South Stream Hype, Eurasia Daily Monitor Volume: 6 Issue: 101, Retrieved May 3, 2016 http://www.jamestown.org/regions/russia/single/?tx_ttnews%5Bpointer%5D=343&tx_ttnews%5Btt_news%5D=35043&tx_ttnews%5BbackPid%5D=48&cHash=0ded722a683e28c8186bc919a26740eb#.VyiGT9J96Uk

11 Mistral Warship Offer Symbolizes New Franco-Russian Strategic Partnership, The Jamston Foundation, and Retriverd May 3, 2016. http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Bwords%5D=8fd5893941d69d0be3f378576261ae3e&tx_ttnews%5Byany_of_the_words%5D=mistral&tx_ttnews%5Btt_news%5D=35790&tx_ttnews%5BbackPid%5D=7&cHash=fb4d5163e4#.VzxJMTV96Uk
that will be a barrier to the spread of communism. Marshall plan was the basis for today's EU and the principles on which the EU is actually based\(^\text{12}\). American influence and credits for finishing the construction of Western Europe and activities to stop the communism are very obvious.

American influence on European countries and the EU is reflected in the presence of the military through NATO military alliance and is obviously expressed through strong political and economic presence. Russian aggressive policy of spreading its influence has disregarded the interests of the United States and in the greatest extent is directed toward the member states of NATO and the countries that can be further dams for the implementation of US energy interests; this primarily refers to the Nabucco pipeline and the pipeline "Southern Corridor ".

The American view of Europe has several dimensions. Regardless of the political parties within the United States it is about, it is hard to believe that the US can favorably watch how the two losers of two world wars - the German losers of World War II and on the other side Russia the loser of the Cold War, together in close partnership control territory from the Atlantic to the Pacific. Equally questionable is the possibility that German technology is based on the American money that is transferring into Russia. Germany, its western part, had great significance for the United States during the Cold War, due to the fact that West Germany was bordering with the USSR. As of today this is no longer the case, the gravity of American attention is directed to the countries, such as Polish, Czech Republic, Hungary and Bulgaria. What does this shift of gravity of American interest and attention mean for countries like Germany or France? The American response to Russian involvement in the zone of strict American interest was almost instantaneous and drastic. First under repression comes Greece that owed to Western creditors around 320 billion-a Euro\(^\text{13}\). Although possesses so many debts to Western creditors, Greece, energetically speaking turned to Russia and Russian


interests. Rejecting pipeline Nabucco and with accession to the Russian "South Stream" announced to be a Greece legitimate decision. However, such a decision in the situation in which Greece was as far as debt to the west is concerned, and the fact that Greece has to let the route of the American gas pipeline "South Corridor" pass through its country, led Greece into focus the US interests. The Greek financial crisis is utilized for several governments in the country. At the same time, the Greek financial crisis has seriously shaken the EU and pointed to the fact that Germany does not have the capacity to solve its own problems within the EU. Possible Greek exit from the Euro zone represented a potential risk that countries such as Italy, Spain and Portugal could act in the same way. This would be carried direct and serious impact on European project and the euro itself as a tool of payment, and would emphasize the impotence of EU leaders to resolve a crisis. The United States extensively alleviated the consequences of the Greek crisis, but at the same time trying to convince Greek politicians to leave the Russian project "South Stream". Accordingly, the United States intervened with the international lenders to enable Greece future loans

Duration of the Greek crisis was limited: it lasted exactly as much as it needed to Greek politicians to realize that they can not independently make decisions in a situation of overindebtedness of their country. From that moment, Greece is no longer appeared in the headlines of all worlds' media. However, the damaging consequences hit Serbia as reprisals for inadequate assessment for wrong geopolitical actions. Whether the handing NIS (Petroleum Industry of Serbia) to the Russian side in January 2008, actually inspired the United States and other countries after pressures by the side of United States, unilaterally accept, contrary all international laws, the so-called independence of Kosovo in February 2008? Like Greece, Serbia was negotiating with Western countries, when handed its candidacy for membership in the EU, at the same time giving away heart of its industry to the Russian side. Such actions in international relations are interpreted as a "small error state," that are expensive to pay. One of the key states that have supported the Russian "South Stream" and whose

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Prime Minister Silvio Berlusconi was in very close contact with the Prime Minister of Russia Vladimir Putin, also passed in a certain way through a major crisis\textsuperscript{15}. Italy already has a long period of problems with finances, however, the crisis culminated in 2009 and in 2010\textsuperscript{16}. After all the political and economic turbulence, the Italian government rejects Russian "Southern stream". Even the European Commission indicated that the planned gas pipeline is in contravention of European law, and urged Member States to suspend “the Southern stream”\textsuperscript{17}. Back than Prime Minister of Italy, Sylvio Berlusconi was accused of and finally convicted in numerous scandals that had shaken Italy and in 2011 left the position Prime Minister of Italy. He was forbidden to engage any public duty\textsuperscript{18}. In France, Nicolas Sarkozy Prime Minister of France was in fantastic friendly relations with Vladimir Putin. Sarkozy lost the election in 2012, and soon afterwards found himself under investigation by the French authorities regarding the electoral scandals and suspicious financial activities\textsuperscript{19}. The entire a military arrangement between France and Russia was canceled\textsuperscript{20}.

The economic crisis that began in the US in 2007 and 2008 as the domino effect affected a certain number of EU countries.

\textsuperscript{17} Aharon Klieman, Great Powers and Geopolitics: International Affairs in a Rebalancing World, Springer International Publishing, Cham, Switzerland, 2015, p.93.
\textsuperscript{18} Edmund Wright, A Dictionary of World History, Oxford University Press, Oxford, UK, 2015, p.71
countries\textsuperscript{21}. If we analyze the negative effects of the economic crisis as well as other consequences that were not only directed towards the countries, but also to individuals, it is easy to note that countries that went through the worst are those countries and individuals in and outside the EU that have adopted the Russian energy policy, ie. Russian gas pipeline "South Stream", or those which find themselves as a barrier to the realization of the American gas pipeline "South Corridor". Thus, in the territorial waters of Cyprus were found large quantities of natural gas and this state is in future plans as one of the countries alongside Israel, Syria and Lebanon from where American pipeline "Southern Corridor" will be complemented. Cyprus has also been affected by the economic crisis.

Russia and interference in American energy interests of “of the South Corridor”

The debt crisis in Greece and other circumstances have led to serious turbulence in the Cypriot economy. Russia has tried to exercise its influence in this country such as the in 2012. when approved a 2.5 billion euros worth credit at very favorable terms. It is necessary to point out the fact that the Russian oligarchs brought billions of euros to Cyprus. According to reports of the Moody's agency, which deals with credit rating and finances, it is estimated that the Russian money, about 31 billion in full from which 12 billion are from banks and 19 billion from businesses and individuals. At the same time according to the estimates from Moody's, around 40 billion euros is given in the form of loans to Russian companies in Cyprus\textsuperscript{22}. Also it is important to mention that only one Russian oligarch at some point controlled almost 10\% of Bank of Cyprus\textsuperscript{23}. Russian interest in Cyprus is not only related to the finance and energy, but also to obtain permission from Cyprus to install military bases in this country. The news of these Russian aspirations quickly spread by means of public informing and in the end the

Cyprus Foreign Minister Ioannis Kassoulides said that the country does not intend to allow the Russian side to build marine and aviation base on its territory\textsuperscript{24}.

Certainly the Russian military presence would additional provide Russian geopolitical plans related to its presence in the Mediterranean. The Russian side had no intention at any cost to take advantage of the economic crisis. Its presence in Serbia, Cyprus and Greece are associated to religion, ie. Orthodox Christianity, instrumet to further strengthen its position. However, the real intention of the Russian side was all the natural resources of Cyprus. This is logical: Russia wants what is best for Russia. Gazprom, the world's largest company for the exploitation of natural gas, has offered to financially rehabilitate the Bank of Cyprus and, in return demanded to allow authorisation for Russia to has exclusive control of gas reserves of the coast and the sea\textsuperscript{25}. For the EU and the US, situation in Cyprus has become alarming and raises the need to act urgently, so that the Eurogroup, the European Commission, European Central Bank and the International Monetary Found approved to Cyprus a 10 billion-a financial assistance and due to the improvement of relations in the Euro zone\textsuperscript{26}. In this way Russian influence is drastically reduced and with application of new financial measures are heightened controls in the financial sector. In this way, Cyprus is no longer able to be protected haven for Russian oligarchs who were over Cypriot companies and accounts avoid paying taxes and fees. The decision of the Cypriot authorities to introduce a tax of 40% on all deposits above 100 000, sparked massive demonstrations, but also the withdrawal of Russian investments from this country\textsuperscript{27}.

At the same time, Russia’s actions are focused on other European a country through which passes the American gas pipeline "South Corridor". It is a small Mediterranean country - Montenegro. Because of the traditionally good relations


\textsuperscript{26} André Broome, Issues and Actors in the Global Political Economy, Palgrave Macmillan, New York, NY, 2014. p.197

\textsuperscript{27} David M Jones, Understanding Central Banking: The New Era of Activism, Routledge, New York, NY, 2015.p.70
between Montenegro and Russia, and the fact that both
countries are Orthodox Christian, Russian centers of power
have estimated that they can control the situation in
Montenegro. In Montenegro for years a large investment
operations took place and were called "the Cyprus model".
Russian tycoons close to the Russian political circles were
the leaders of these operations. Above all this applies to
Deripaska and his En Plus Group, which had the intention to
take part by part crucial companies that financially contribute
to the budget of this country. In 2007, the Parliament of
Montenegro passed a law that prohibits the sale of thermo-
power plant "Pljevlja" which produces 1/3 of the total
electricity production in Montenegro to Russian tycoon
Deripaska. Russian tycoons in 2008. began to massively
purchase real estate in this country. They were paying
extremely high amount of money for real estate whose value
was much lower. The European Commission warned that
these and similar operations are associated with Russia, in
fact with "money laundering" and that may jeopardize the
Montenegrin process of accession to the EU. Russian
centers of power thought they will be able to reverse the
opinion of the people and the authorities in Montenegro
towards EU and NATO. When it became clear that
Montenegro is strongly committed to membership in NATO,
which is defined as vital interest of this country, a Russian
investment interest has almost disappeared. Montenegro
had to join the sanctions imposed on Russia by the EU and
the US. Also, Montenegro was invited to join the NATO
alliance. That the official government of Russia can not be
reconciled with the fact that Montenegro intensively
approaches NATO and EU, indicate numerous accusations
of the Government of Montenegro. One of more is that
Russian secret services is behind recent violent anti-
government demonstrations in which protesters, mostly pro-

28 Janusz Bugajski, Expanding Eurasia: Russia's European Ambitions,
29 Ibid.
30 Montenegro supports Russia sanctions in order to hasten EU
accession, Russia Today, Retrieved May 7, 2016
31 Alliance invites Montenegro to start accession talks to become
member of NATO, NATO, Retrieved May 7, 20016
e=en
Russian oriented, requested the government of this country not to join the NATO alliance\textsuperscript{32}.

**South Stream, South Corridor, Russia and Turkey**

Giving up the gas pipeline "South Stream", aimed at mitigating the effects of apparent failure, Russia announced that it intends to, along with Turkey, built the pipeline using the seabed of the Black Sea to Turkey, the so-called "Turkish Stream"\textsuperscript{33}. However, Turkey is crucial country of NATO alliance and that can not be ignored, at least when it comes to the Middle East and Central Asia. Russia often, how it is already mentioned, benefits energy dependency as a weapon in international relations and as such is not a reliable source of energy by itself. Turkey half of its Natural gas demand with imports from Russia fulfills. On the other side half of its needs Turkey fulfill with the import from Russia. Besides Russia, the gas into this country is imported from Iran, Nigeria, Azerbaijan and Qatar. The "Turkish Stream" was stopped by Russia, because Turkish troops shot down a Russian warplane on 24th of November 2015, at the border between Turkey and Syria\textsuperscript{34}. Russian energy plans after "South Stream", "Nord Stream II" and "Turkish stream" cancellation are seriously brought into question, and it involve Russia to face a major challenge: to look for customers for its energy on the other side of the world. Turkey, thanks to its geo-strategic position, remains one of the major energy hubs, never mind if it is America or Russia. Turkey is one of the crucial countries in the NATO alliance, and for expectation is that this country will fulfill their needs for energy comply with the US energy plans. At the same time, Turkey's role in the war being conducted in Syria is of great importance for the US. This new and also the largest deposits of natural gas in Europe, which is located in the Mediterranean, represent invaluable importance for Turkey. Based on available transmission energy plans the Turkish port city of Ceyhan is a key hub according to which will be

\textsuperscript{32} Kremlin dismisses claims of Russia's role in Montenegro protests as groundless, TASS, Retrived May 7, 2016 http://tass.ru/en/politics/832349


\textsuperscript{34} Russia suspends Turkish gas pipeline project over downed warplane, CNN, Retrived May 8, 2016. http://money.cnn.com/2015/12/03/news/russia-turkey-gas-pipeline/
directed Mediterranean gas pipes. In this port city are located oil installations and here is the end of two very important oil pipes: one that connects this city with the Iraqi city of Kirkuk, and other towards the Azerbaijani city of Baku.\textsuperscript{35}

\textbf{Germany}

Although its development and economic power Germany owes to the United States, this country since 2003 has begun to distance its foreign policy from the US and its other allies. Germany has not supported the American aggression on Iraq and overthrow of Saddam Hussein’s regime\textsuperscript{36}. In addition, Germany has begun to block US and other of NATO initiatives such was the case when Germany, Belgium and France blocked of NATO preliminary defensive support to Turkey in case of Iraq attack at the time of the attack of the alliance on that country\textsuperscript{37}. German Chancellor Gerhard Schroeder has invested maximum efforts to restore relations with Russia. He became a personal friend of the then Russian Prime Minister Vladimir Putin and for years improved Russian-German relations despite opposition and criticism that came from the United States. The criticisms were arriving from Germany itself. Gerhard Schroeder was in front of the question: whether to turn on democracy and the position in the EU or will he bows to current, highly lucrative economic benefits emerging from its special relationship with Putin?\textsuperscript{38} After his departure from the political scene he was offered the position of chairman in board of directors in the Russian-German gas pipeline Gazprom, which Schroeder accepted\textsuperscript{39}. Rapprochement of

\begin{itemize}
\item \textsuperscript{35} M. S. Vassiliou, The A to Z of the Petroleum Industry, Scarecrow Press, Plymouth UK, 2009.p.125
\item \textsuperscript{36} Craig Parsons,Nicolas Jabko, With US Or Against US?: European Trends in American Perspective, Oxford University Press, New York, NY, 2005, p.67
\item \textsuperscript{38} Moscow Mon Amour: Gerhard Schroeder’s Dangerous Liaison, Spiegel, Retrived, May 9, 2016. http://www.spiegel.de/international/moscow-mon-amour-gerhard-schroeder-s-dangerous-liaison-a-330461.html
\end{itemize}
Russia and Germany has always been a reason for concern in US. Germany, along with Russia initiated the formation of a new Committee on Security Policy in European Union in 2010. This proposal is understood by the US administration as a direct threat and an attack to NATO alliance. If Germany and the EU have that kind of security relationship that requires prior consultation and cooperation with Russia, then Russia directly has positions in the NATO. In other words, if Germany has begun any kind of cooperation in the field of security with Russia, in which way Germany could cooperate with the US as the leading countries of NATO, and only if we, for example, take the crisis in Ukraine or Georgia?

As already noted, the Russian-German "marriage" in America has seen as the German betrayal of the United States. After the biggest scandals of intelligence services by Wikileaks, it became evident that the US intelligence monitors high representatives including German Chancellor Angela Merkel and most of the ministers in the Government of Germany. Confidence among the closest allies has been heavily undermined with good reason. Germany continued its pro-Russian policy after the departure of Gerhard Schroeder. Thus, despite a minor criticism which Angela Merkel referred to the Russian account in order to create illusion of objectivity, it was Germany who initiated the entry of Russia into the group G 7. Since then the group obtained a new name - G 8. At the same time Germany has continued to provide its full support to the Russian gas pipeline "Nord Stream". Relation to Russia and concerns about Russian interests was expressed during the NATO meeting in Bucharest in 2008. when Germany, together with France, openly opposed to American plans for Ukrijina and Georgia to get MAP (Membersh Action Plan) for NATO. Russia encouraged by the partition in NATO caused by the German attitudes, committed aggression against Ukraine.

40 Germany and Russia call for new EU security committee, EU Observer, Retrieved, May 11, 2016
https://euobserver.com/foreign/30223

http://www.theguardian.com/media/2015/jul/02/wikileaks-us-spied-on-angela-merkels-ministers-too-says-german-newspaper

42 Maxine David, Jackie Gower, Hiski Haukkala, National Perspectives on Russia: European Foreign Policy in the Making? Routledge, New York, NY, 2013, p.21
and annexed the Crimea with the aim to get the territory of Ukraine where predominantly Russian population lives and to establish a state territory – Novorussiya. Previously Russian troops have seceded sovereign parts of Georgia, Abkhazia and Ossetia. In Moldova, the Russian troops totally control the eastern part called Transnistria. German and Russian positions faded from 2008 till today. Several crucial events contributed to weakening especially German position:

Greek debt crisis has shaken the foundations of the EU and Germany itself. United States had a completely different point of view on crisis in Greece from Germany. Differences went far from security, economic or strategic view. The Greek crisis before all Germany put on a difficult exam as the leading country of the EU and its capacity to solve the crisis. Attention of German politicians is directed to this problem, and therefore the question of Russian-German cooperation was challenged.

Ukrainian crisis physically cut off power in Central Europe and Germany itself, despite the "Nord Stream". Russia was faced with the fact that Ukraine normally aspires to EU and NATO membership. For Russia it would mean the loss of their positions on the Black Sea. Despite the German-French opposition to joining NATO, Ukraine's integration process is unstoppable. Russia has reacted and committed aggression against this country. Without Ukraine which opted the EU, Putin's plan to create a Eurasian Union does not make sense. In this way the Russian-German relations are further tightened. Russian aggression against Ukraine was in contradiction with the Helsinki Final Act from 1975. EU had to take a unified position, and therefore Germany as well. EU introduced restrictive measures and a whole range of sanctions against Russia over Ukraine.

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Migrant-refugee crisis not really begun in the Middle East that it represents. Migrant-refugee crisis started in Kosovo and Metohija in 2015 when tens of thousands of Kosovar Albanians went to the Germany. Images of long lines of migrants from Kosovo and Metohija, in order smoothly cross European borders, have appeared on social networks and have served as a kind of invitation to all the other migrants around the world to move towards the EU. Migrant-refugee crisis again in the forefront put Germany as leading EU country. Large part migrants-refugees wanted to go just in this country. Germany has received more than a million migrants and refugees which resulted in a large internal public discontent and desire of more than 40% of the citizens that Angela Merkel, the German chancellor to resign.

The scandal of falsifying exhaust emissions of two leading German car companies (Audi and Volkswagen). The German economy is burdened with enormous administering for preserving the Eurozone and refugee crisis has hit with an unprecedented scandal. Leading German car companies have presented untrue data on the amount of exhaust gases that their vehicles produced discharged into the atmosphere. Volkswagen suffers damage this year greater than 6.5 billion Euro. Volkswagen scandal as the leading auto manufacturer in Germany represents the greater economic crisis than it is Greek economic crisis. Specifically, the automakers car employs 270 000 workers and annually produces more than 9.5 million vehicles. Because of the deception of consumers, VW faces wasting larger than the current 21 billion (more than the company has in cash).


49 Volkswagen is a bigger threat to the German economy than the Greek debt crisis, Bussines Insider Reuters, Retrieved May 14, 2016
This scandal caused great fear of job loss for thousands of employees in Germany. The seriousness of this situation contributes to the fact that in this country a large number of migrants and refugees who are also unemployed and that further burden the budget of this country.

Conclusion

The current geopolitical situation is not convenient for Russia in Europe. NATO has installed rocket defensive system in Romania and plans to construct an additional system in the Czech Republic and Poland. For Russia, the loss of the Cold War meant loss of territory, especially those in Europe. All the countries of Eastern Europe that were within the former USSR, the disappearance of this military alliance and cessation of Russian influence, economically helped to recover and are on the way to improve their political, security and economic positions. However, Russia still has a strong impact on certain countries of the former Soviet Union, EU and to the countries that are European but non-EU countries such as Serbia, Montenegro and Bosnia-Hercegovina. Taking as a fact that the US and its EU partners marked Russia as the biggest i.e. the most dangerous threat to national security, with reason can be expected that Russia will be in the mission of distractions the US and EU interest, to use all available means to protect themselves and their interests. In this light, Russia could take the following measures:

Provoking the political and security instability, given the distribution of "Russian agents of interest" in Southeast Europe nations (Serbia, Montenegro, Croatia, Bosnia and Herzegovina, etc). The vulnerability of institutions in these countries is at the highest level since 'transition' comes with a high degree of corruption.


Russian capacities to lead asymmetrical wars (the possibility that Russia may initiate both local and regional conflicts) until provoking international conflicts.

**Economic conditionality.**

Taking into account that the majority of countries in Eastern Europe have perceived Russia as a security threat, it can easily happen that the countries of Southeast Europe do the same because they are already countries that are NATO members or are those that want to become members.

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