Security factor in discussion on the role of Indigenous Coal Endowment in Poland’s energy policy

Abstract

Security is one of the most important factors in Polish debate on both, energy and foreign policies. Under its influence the proposed future shape of Polish electricity system is to be continuation of the present coal-based quasiautarchic one. The paper investigates historical factors that make Polish elites so much attached to the idea of energy policy based on striving full energy independence and concludes presenting threats arising from such policy.

Keywords: coal, energy policy, energy security, energy independence, geopolitics
“Both Polish energy sector and the whole economy are based on coal. Coal is our mixed blessing”.

Piotr Naimski – Secretary of State at the Chancellery of the Prime Minister and Government Plenipotentiary for Strategic Energy Infrastructure

Introduction

Since Prawo i Sprawiedliwość (PiS – Law and Justice) won general elections in 2015 “independence” and “sovereignty” terms have been repeatedly heard in public space. Surprisingly, these terms have also been used in the context of energy security, that, at the first sight, is considered as more technological or economic than ideological in nature. However, as has already been argued, energy policy discourse in Poland is often framed in terms of national security and an existential threat (Roth 2011). This paper attempts to track why it is so by situating Polish energy debate in broader historical context.

It argues that energy-related decision-making in Poland should be interpreted within the context of the geographical position of the state. Geography is a major but indirect factor shaping energy security policy in Warsaw that operates on two levels. Geography has determined tragic history of Poland and puts security concerns at the centre of its public debates. Poland has also been endowed with extensive coal deposits. This ensures high level of energy independence and allows Polish governments to pursue somewhat autarchy oriented energy policies. While satisfactory at national level this policy creates tensions at European level. Internal energy market requires transnational coordination while coal based national markets (including Polish one) can operate standalone.

The paper proceeds as follows. Firstly, to build a proper context, it provides a brief overview of the long-lasting Polish historical continuum of tough experiences with their powerful neighbours. The secondly, it makes short analysis if history and security issues are not being abused by the current government to protect ineffective coal sector. Finally, the question of the Polish coal mining and future energy mix is presented in the context of the rising tensions between the idea of the EU internal energy market and the Polish pursuit of self-reliance.
History & security considerations in Poland

Polish traumatic history lays foundation for a specific vision of the past that informs Polish foreign and security policies to this day. The destruction of the vast kingdom of the Polish-Lithuanian Commonwealth in the late XVIIIth century was in the first place made possible because of cooperation of unfriendly international actors, namely Russian, Austrian and Prussian empires (Prazmowska 2010, p. 4). As the outcome of this process the idea of external enemies, that became key constituent of the Polish identity, emerged (Reeves 2010, p. 521).

One of its most apparent expression were words of Anna Fotyga, back then minister of foreign affairs of Poland, who described the country in 2007 as imprisoned “between our historic enemies, Moscow and Berlin”. More recently MP Witold Waszczykowski, who is now Minister of Foreign Affairs, stated in an interview in February 2015 that “Russia and Germany create a distinctive concert of powers over the head of Poland” (Balcer et al. 2016, p. 3). Polish elites’ collective memory have long emphasized Poles’ suffering and victimization by Germans¹ and Russians. Even the rebirth of independent Poland in 1918 was closely related to Germany’s defeat during the First World War and the collapse of the Russian Empire (Prazmowska 2010, p. 263). The general framework for war memories that consists of two roles: victim and resistance hero (Orla-Bukowska 2006, pp.179-180) can be, in case of Poland, expanded to the 1795-1989 period, with brief gap of 1918-1939.

The beliefs of victimization by Germans are rooted deeply in the past. They reach to the activities of the Teutonic Knights of the Middle Ages, the III subsequent XVIIIth century partitions of Poland between Prussia, Russia and Austro-Hungary, the XIXth century Bismarck’s policy of Germanization, culminating in the Nazi attempt to enslave or even eradicate Slavic societies. Finally, lands granted to Poland after the 2nd World War were not labelled as “western provinces” because the preferred term was “recovered territories” as they belonged to the Polish Piast dynasty around the year 1000. Hence, in the process of “repolonization” German “occupiers” were simply sent back to their original homeland (Langenbacher 2008, p. 62).

One author remarked in 2010: “The reconciliation between Germany and Poland is incomplete; issues from the past continue to cause friction between Warsaw and Berlin. In the case of Poland and Russia, however, the reconciliation has barely even begun; and the past continues to poison relations between the two countries” (Reeves 2010, p.

¹ While “Germans” and “Prussians” are two distinct terms, they remain equal in Polish collective memory.
529). These words are more than true in 2016, after the 2010 Smolensk plane crash and since the 2014 Donbass crisis has begun. These events are seen as constituents of a tragic continuum in Polish perceptions of the state’s relations with Russia (Włodkowska-Bagan 2012, p. 56).

The continuum starts with XVth century wars, competition over the Ruthenian lands in XVIIth century, interventions in internal Polish affairs in XVIIIth century, tsarist Russia’s occupation of most of Poland in XIXth century after the partitions (including suppressions of the 1830 and 1863 Polish uprisings), the 1920 Soviet-Polish war, the 1940 Katyn massacre, the lack of help during the 1944 Warsaw Uprising and finally Soviet control over Poland’s domestic and foreign policies after the 2nd World War (Siddi 2012, p. 87; Zając 2016, pp. 12-13). Issues that affected mutual relations negatively since 1990 were Poland’s accession to NATO and the EU, the colour revolutions in the former Soviet Union or deployement of elements of America’s anti-missile shield on Polish territory (Zając 2016, pp. 88-91). Because of the recent activities of Russia, its bad image remains crude reality in Poland. In 2015 only 15% of Poles hold a favourable view of its big Eastern neighbour, three times less compared to 2010. Accordingly, the share of the Polish population that intensely dislike Russia was 40% last year, up from 11% in 2010 (Pew Research Center 2015).

Moreover, since the XVIIIth century partitions of Poland the biggest security threat for the Polish nation has been cooperation between Berlin and Moscow. This historical continuity is seen in the traumatic experiences of Poles during the 2nd World War, caused by the 1939 Molotov–Ribbentrop pact. The spectre of German-Russian cooperation has been an enduring fear for Polish decision-makers in the field of energy too. The Nord Stream 1 project was seen as a threat in Poland since its inception in 2005. In 2006 Radoslaw Sikorski, back then defence minister of Poland, compared the Nord Stream 1 deal to the Molotov-Ribbentrop pact, targeted on the Polish interests (Kramer 2009). Seen from the perspective of the Western Europe the pipeline increased energy security as Russian-Ukrainian and Russian-Belarusian tensions of the mid-2000s led to gas supply disruptions. In effect the pipeline built following a route that circumvented not only former Soviet republics, but also the Baltic states and Poland. Hence Poland’s gas transit status of the country has been put in danger (Siddi 2014, pp. 112-114). The 2006-7 government of Jaroslaw Kacznyski fiercely opposed the project. It argued that

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2 Which is sometimes described in Poland as the Fourth Partition.
3 The long-lasting leader of PiS, who currently (2016) holds no official government position but is considered to be the "grey eminence" behind decision-making of the party (Scislowska 2016).
energy supplies are used by Moscow to exert political influence over its former sphere of influence. The opposite side of the argument was that energy deals with so-called “old” EU member states undermine the interests of the “new” East-Central European members. In an interview Jaroslaw Kaczyński compared Russia’s energy power to military power. Poland was especially offended by the German participation in the Nord Stream project. The PiS politicians blamed Germans for total disregard of Polish interests and lack of European solidarity (Siddi 2014, pp. 132-139).

Not surprisingly, Polish elites learned by the failed alliances of the 1930s and energy-related controversies mentioned above express certain distrust in European cooperation. Disagreements in the field of energy include the Nord Stream II project, electricity loop flows and support for renewables which exploit advantages of Germany against vulnerabilities of Central European states (Dąborowski et al. 2015). Therefore, not surprisingly, Poland seeks to strengthen energy cooperation with the external actor – the US, that is supported by its government).

Polish attitude is fuelled by the position of its NATO allies against the Russian aggression on Ukraine. According to opinion polls in 2015 majority of Poles recognized Moscow as a major threat (70%) and blamed it for the violence in Ukraine (57%). While the majority of the NATO members hold a favourable opinion of the security reassurances it provides (at least 60% of each big member state), at least more than half of Germany’s, France’s and Italy’s populations were unwilling to provide military force to defend NATO allies against Russian attack (Pew Research Center 2015).

Sovereignty and energy policy in Poland

The anti-German and anti-Russian perceptions of history reverberated in official discourse when PiS was in rule between 2005 and 2007. Significant part of its leadership considered the international environment as an insecure, where Poland is threatened by its historical Others. Since then geopolitical situation in the region has worsened and become even more complicated. The 2008 financial crisis and the 2015 migration crisis exemplified Germany’s domination in the EU while the 2014 Ukrainian crisis proved aggressive policy of Russia. These events only strengthened inward-looking tendencies in Poland and led PiS to the second victory in general elections.

4 “The Foreign Commercial Service (FCS) in Poland is partnering with Gaz-System, Polish state-controlled operator of the LNG terminal and the country’s gas pipeline grid, to offer U.S. companies a chance to seize these opportunities”(International Trade Administration 2016).
Official view of the party is that a fully-fledged nation is featured by sovereignty and empowerment (Balcer et al. 2016, p. 3). Not surprisingly, this is reflected in energy policy. The concept of “Polish energy sovereignty”, has been introduced into debate by Piotr Naimski, an energy expert who holds the position of Secretary of State at the Chancellery of the Prime Minister and Government Plenipotentiary for Strategic Energy Infrastructure. In 2013 he said that “sovereignty nowadays can be measured, among else, by the state’s ability to practice independently its national energy policy and to unable influence from other states, organizations or international corporations which act for their own business, not necessarily the same as ours” (Naimski 2013). What is worth to mention is that similar argument was articulated in 2013 by Donald Tusk, then Prime Minister of Poland and leader of Civic Platform (Platforma Obywatelska – PO, PiS main competitor), who also expressed need for “energy independence of Poland” (Euractiv 2013).

Naimski’s position has not changed position in time. Recently, in June 2016, the argument was repeated in front of a parliamentary commission. During the hearing Naimski stated that governments have wide variety of energy strategies to choose from. One of them is an “open energy frontiers” strategy. However, as he clearly argues, this is not a Polish strategy. Current government wants to achieve energy independence. What is surprising is that he admits that complete independence is impossible. The desired outcome is to escape political pressure that can be put on Poland any time by dominating supplier. In his perspective the German Energiewende revolution is not driven by ecological concerns. Naimski argues that this is an attempt to supply German population with energy that is generated solely on the German soil (Gadowski et al. 2016). These Polish voices, that refer to geopolitical narrative, are in stark contrast with what is usually told about Germany’s (and the EU as a whole) energy policies, which have traditionally treated energy as primarily economic considerations, not strategic ones (Umbach 2010).

Abuse of the past?

Certainly, what must be taken into consideration is the question if security issues are not being abused as instrument to protect the unprofitable and declining coal mining sector and gain votes of miners. This section argues that this is not the case as Polish fears against Russia’s abuse of energy as political instrument are long-standing, reaching times before PiS arrived in power in 2005 (Reeves 2010, p. 531).
Firstly, since joining the European Union in 2004, Poland has presented few political initiatives, which aimed on increasing energy issues in hierarchy of European external relations. While its effort to create of an “energy NATO” in the EU\(^5\) was unsuccessful Polish activities led to the introduction of “energy solidarity” into the Lisbon Treaty (Roth 2011). In 2014 Donald Tusk envisaged the original idea of an Energy Union, as a response to the crisis in Ukraine and Europe’s dependence on Russia’s gas supplies (Euractiv 2014).

Secondly, Poland has been trying to cut its gas dependence on Russia for almost two decades already, which proves political consensus among Polish elites on this topic. This is done by diversification and development of indigenous resources.

For a few years already Poland has been taking steps towards creating a gas trading and transit hub on its territory. The idea of Polish-Norwegian gas connection (of which critical part is so-called “Baltic Pipe”\(^6\)), that gained attention in 2016, is nothing new, as it dates back to 1999 (Radio Free Europe 1999).

If established the hub will “threaten Gazprom’s position in Central and Eastern Europe” (Lang 2016). Also Polish policy makers have been among the most fervent proponents of shale gas development. As remarked by researchers in 2012, when PO was in rule, “all policy makers in Warsaw we talked to are highly in favor of developing Polish shale gas reserves as soon as possible” (Johnson, Boersma 2013).

Finally, coal was broadly supported (with minor exceptions) across the Polish political class in recent elections. These include the 2014 elections to the European Parliament, the 2015 Presidential elections and the 2015 general elections (Książępolński 2015, pp. 281-287, 297-306, 307-315). These examples illustrate consensus that exists among the Polish elites with regard to the need for energy independence.

The coal question in Poland

If seen from energy dependence perspective the position of the current Polish government is fully legitimate as “Poland has an overall low import dependency, although increasing, mostly due to the presence of national sources of solid fuels” (European Comission 2015). Electricity prices are still relatively low what help some companies to be more competitive and provide a certain standard of living for poor classes of society.

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\(^5\) Based on the “Musketeer” principle arguing that energy supply threats to one member state constitute a threat to every member of the union.

\(^6\) The Baltic Pipe is a proposed, 250 kilometre, bi-directional, sub-surface pipeline that would link the gas lines near Kovenhavn on Denmark’s eastern coast, with those in Świnoujście.
Many Polish citizens (including miners who work in the Upper Silesia region and employees of related industries as machinery production or railway freight) also believe that coal-based industry is an enabler of their and the state’s well-being. However, a number of economic factors will constrain coal mining sector. These include low coal prices that make Polish coal mines even more unprofitable, low dependence of the Polish industry on low energy prices and rising dependency on Russian coal (Hacaga, Dzieciolowski 2015). Furthermore, availability of coal reserves was assessed in between nearly 18 to 39 years and sudden collapse of coal mining sector is projected in the next 10 to 15 years (Wilczynski 2015).

Despite grim future for the industry Poland will certainly not give up using coal. Geopolitical situation is already strengthening inward-looking tendencies within the country. However, the most crucial question – regarding future energy mix of Poland – remains unanswered. The strategic document Polityka Energetyczna Polski do roku 2050 (Polish Energy Policy 2050) has already been in inconclusive discussion for few years (Ministerstwo Gospodarki RP 2015).

This is not surprising as Poland does not have too many options at its disposal to choose from. It cannot switch electricity generation to gas, as the main supplier – Russia is known for abuse of energy issues for political reasons. Meanwhile, Polish attempt to replicate American “shale gas revolution” and gain gas independence failed (Reuters 2016). While nuclear is an option, high initial costs and lack of technological experience raise justified doubts whether the state is ready to bear the full burden of its introduction. At the same time, Poland exhibits limited trust in collective security mechanisms and European solidarity for the reasons that have already been mentioned.

Making attempts to solve this truly Gordian knot, the PiS government is already looking at how to increase domestic energy production. According to recently proposed Strategy for Responsible Growth new generation capacities based not only on coal but also on nuclear and renewables will be supported. This step suggests that the government takes decline of coal mining in Poland into account and tries to adapt its nation-centered energy strategy to other energy sources.

**Conclusion**

As one historian noted “Polish history has been affected, in equal measure, by these two debates, in which economic and social progress was advocated as a means of both

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7 A comprehensive strategic paper that was presented few months after the victory of PiS in general election.
overcoming backwardness and defending the interests of the nation as a whole” (Prazmowska 2010, p.261). This is precisely how the coal issue is interpreted by the currently ruling PiS party. It believes that “black gold” is an enabler of the state’s well-being and independence. In this perspective Warsaw’s unwillingness to introduce radical changes in the energy sector and quit coal is fully justified.

This is because – until commercially viable technology of energy storage is not fully developed to store energy generated from locally based renewables - all other sources will decrease Poland’s energy independence. Both, gas and nuclear require foreign technology and/or energy carriers. For historical reasons, rooted in geography, this is highly undesired in the current internal and international political environment of Poland. In other words, one way to see Polish coal is to interpret it as the answer to geopolitical challenges. The risk is that if the country continues to rely on it, it risks falling into trap of conflicting tendencies between declining coal sector, the pursuit of self-reliance, environmental policies and attempts to create EU energy internal market.

Once the Polish coal-history narrative will be broken positive synergy between new renewables-based Polish energy policy and European policies may be achieved. However, until Polish–Russian security issues remain unsettled, Poland will not resign from pursuing self-reliance energy policies.

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