

# Russian Energy Enterprises in Central and Eastern Europe (CEE) and South East Europe (SEE): Perspectives from the Region

**Lecturers:** PhDr. Tomáš Vlček, Ph.D. and Mgr. Martin Jirušek, Ph.D.

**Semester:** Fall 2017

**Date:** November 20-24, 2017

**Structure:** 14 lectures per 45 minutes

## About the Course

Energy sectors in Central and Eastern Europe (CEE) and South East Europe (SEE) are still very much influenced by its historic development and original patterns that formed its structure for many past years. Although these countries have gone through, often turbulent, transformation processes, their position in terms of supply security is still far from being ideal, with mostly non-diversified import portfolios. Also, the structure of their economies and industrial sectors bear certain characteristics that call for further examination (e.g. energy intensity, environmental issues, politicization of supplies, etc.).

Russian state-owned companies and their subsidiaries have the longest history in the region, therefore, their examination could provide a solid basis for studying changes in the region's natural gas, nuclear and oil sectors that are usually among the most important for their economies. Diversity of examined countries that include well-developed countries as well as countries undergoing economic transition, members and non-members of the EU, countries with diversified supply portfolios as well as unilaterally dependent countries enable for identifying particular factors valid for individual countries and at the same time also trends valid for the whole region.

This course will thus present and analyse the actual state and perspectives of abovementioned energy sub-sectors with regards to their historic development in CEE and SEE regions. The course also aims on providing students with the regions' view on operations and behavioural patterns of Russian state-owned companies active in respective sub-sectors. Besides these main targets, each of the individual energy sub-sectors under scrutiny will be coupled with lectures explaining the functioning in relation to global economy and trends, and their technical aspects.

The graduates of the course will thus be acquainted with functioning and respective issues of CEE and SEE energy sectors and the nexus between energy and foreign policies of respective countries. Additionally, they will be able to understand how Russian state-owned energy companies' behaviour and operations are perceived in the respective regions and the reasons for it, and will get oriented in the global trends and patterns of oil, natural gas, and nuclear markets and understand the basic mechanics and logic of the value chains.

## Structure of the Course

### Day 1: Introduction

November 20, 2017

- 1) Introduction of the Lecturers, the Course, and the Region (T.V.)
- 2) Assessment of the CEE and SEE Market and Environment I. – Specific Features & Development (M.J.)
- 3) Assessment of the CEE and SEE Market and Environment II. – Overview of Countries (M.J.)

### **Recommended literature**

- Luft, G., & Korin, A. (2009). Realism and Idealism in the Energy Security Debate. In G. Luft, & A. Korin, *Energy Security Challenges for the 21st Century: A Reference Handbook* (pp. 335-348). Santa Barbara: Praeger Security International, pp. 335 - 348.
- Jirušek, M., & Vlček, T. (2017). Global impact of energy exports from the United States: Assessment of potential consequences for targeted markets. *International Journal of Global Energy Issues*, Geneva: Inderscience Publishers, 2017, vol. 40, no. 3/4, pp. XX-XX. (accepted paper)

### Day 2: The Oil Business

November 21, 2017

- 4) The Value Chain in the Oil Market: The Conundrum of Upstream, Midstream and Downstream (T.V.)
- 5) Global Trends & Changing Patterns in the Oil Sector (M.J.)
- 6) Perspectives of Russian Companies in the Oil Sectors in SEE (T.V.)

### **Recommended literature**

- Carter, E. & Nivola, P. (2009). Making Sense of „Energy Independence”. V J. Elkind & C. Pascual (Ed.), *Energy Security: Economics, Politics, Strategies and Implications*. Washington D. C.: Brookings Institution Press, pp. 105-117.
- Simonov, K. (2006). *Russian Energy Interests in South-Eastern Europe*, Report of the International and Security Affairs Centre, Belgrade, Serbia. Available from: <http://www.isac-fund.org/download/06e-Dr.%20Konstantin%20Simonov%20-%20Russian%20Energy%20Intrests%20in%20SEE.pdf>
- Clark, D., & Foxall, A. (2014). *Russia's Role in the Balkans – Cause for Concern?* Report of The Henry Jackson Society, London, UK. Available from: <http://henryjacksonsociety.org/wp-content/uploads/2014/06/Russias-Role-in-the-Balkans.pdf>

### Day 3: The Natural Gas Market

November 22, 2017

- 7) Global Trends & Changing Patterns in the Natural Gas Sector; Shale Gas ‘Revolution’ and its Impact on the Global Scale (M.J.)
- 8) Perspectives of Russian Companies in the Natural Gas Sectors in CEE and SEE I. (M.J.)
- 9) Perspectives of Russian Companies in the Natural Gas Sectors in CEE and SEE II. (M.J.)

### **Masaryk University, Faculty of Social Studies**

Joštova 10, 602 00 Brno, Czech Republic  
T: +420 549 49 1910, E: [info@fss.muni.cz](mailto:info@fss.muni.cz), [www.fss.muni.cz](http://www.fss.muni.cz)  
Bank account: KB Brno, Ref. No.: 85636621/0100, ID: 00216224, Tax ID: CZ00216224  
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### Recommended literature:

- Jirušek, M., Vlček, T., Kodůusková, H., Robinson, R., Leshchenko, A., Lehotský, L., & Zapletalová, V. (2015). *Energy Security in Central and Eastern Europe and the Operations of Russian State-Owned Energy Enterprises*. Brno: Masaryk University, pp. 377-397. Available from: <http://energy.fss.muni.cz/energy-security-central-and-eastern-europe-and-operations-russian-state-owned-energy-enterprises>
- Pertinent chapters in the *Annual Implementation Report of the Energy Community of 2016*. Available from: [https://www.energy-community.org/portal/page/portal/ENC\\_HOME/DOCS/4332394/3D790302C9FD5024E053C92FA8C0D492.pdf](https://www.energy-community.org/portal/page/portal/ENC_HOME/DOCS/4332394/3D790302C9FD5024E053C92FA8C0D492.pdf)

### Day 4: Nuclear Energy

November 23, 2017

- 10) The Importance of a Diversified Electricity Mix: How Power Plants Work? (T.V.)
- 11) The Global Nuclear Market: The Nuclear Fuel Cycle (T.V.)
- 12) Perspectives of Russian Companies in the CEE Nuclear Sector: Strategy, Goals and Policy Perspectives (T.V.)

### Recommended literature:

- Bodansky, David (2004): *Nuclear Energy - Principles, Practices, and Prospects*, New York: Springer, pp. 193-220.
- Vlček, T., Jirušek, M., & Henderson, J. (2015). Risk Assessment in Construction Process in Nuclear Sector within the Central and Eastern Europe. *International Journal of Energy Economics and Policy*, Mersin: EconJournals, 2015, vol. 5, no. 2, pp. 482-493. ISSN 2146-4553. Available from: [www.econjournals.com/index.php/ijeep/article/download/1135/654](http://www.econjournals.com/index.php/ijeep/article/download/1135/654)
- Jirušek, M., Vlček, T., Kodůusková, H., Robinson, R., Leshchenko, A., Lehotský, L., & Zapletalová, V. (2015). *Energy Security in Central and Eastern Europe and the Operations of Russian State-Owned Energy Enterprises*. Brno: Masaryk University, pp. 338-362. Available from: <http://energy.fss.muni.cz/energy-security-central-and-eastern-europe-and-operations-russian-state-owned-energy-enterprises>

### Day 5: Summary of the Perspectives from the Region

November 24, 2017

- 13) Russian Nuclear Fuel Supplies in Europe: Market Powers vs. Politics (T.V.)
- 14) Russian Energy Enterprises in Central and South Eastern Europe: Perspectives from the Region (M.J.)

Final written test

### Recommended literature:

- Vlček, T. (2016). Critical assessment of diversification of nuclear fuel for the operating VVER reactors in the EU. *Energy Strategy Reviews*, Amsterdam: Elsevier Ltd., 2016, vol. 2016, no. 13-14, pp. 77-85. ISSN 2211-467X. doi:10.1016/j.esr.2016.08.006.

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## Course Requirements

Students are expected to read required readings for each lecture. Literature is available either as pdf files, or accessible online. Students are also expected to attend each lecture. At the end of the course, students have to pass final written test based on required readings and class presentations. The test consists of twenty test questions; for each test question, there is only one correct answer for a maximum of one point. The highest possible score is 20 points. The students are required to reach at least 12 points to pass the course.

## About the Lecturers

**Tomáš Vlček** is Assistant Professor at the Department of International Relations and European Studies in the Energy Security Studies Program. He also is a member of the Center for Energy Studies, an independent research platform, and of the Czech Nuclear Education Network academic association. In 2015 he was selected for the International Visitors Leadership Program, the prestigious professional program run by the United States Department of State, and also initiated and manages the widely respected International Summer School of Energy Security, held at the start of August every year in Telč. He has taken part in numerous government and academic projects on energy security and energy policies, has authored a number of academic papers in prestigious journals, and is undertaking regular research forays to CEE and SEE countries and other countries outside Europe. His research specialization focuses on the nuclear and crude oil sectors from a commodity perspective, and the energy security of Central and Eastern Europe from geographical perspective. Currently he focuses his research on the behavior and operations of Russian state-owned energy companies in the CEE and SEE regions.

**Martin Jirušek** is a lecturer at the Energy Security Studies Program at the Department of International Relations and European Studies, Faculty of Social Studies, Masaryk University. He also works as a specialist at the International Institute of Political Sciences of Masaryk University. He focuses on energy security in Central and Eastern Europe (CEE) and South-Eastern Europe (SEE) as well as the transatlantic dimension of energy security. He is widely published and gives regular presentations on conceptual foundations of energy policies and energy sector of CEE and SEE countries. Martin oversaw several research projects and led the team that conducted an extensive research focused on the CEE region. He also focuses on transatlantic dimension of energy security, and energy policy of the United States and its impact on the global scale.

## List of Recent Publications of the Lecturers

JIRUŠEK, Martin, VLČEK, Tomáš and James HENDERSON. Russia's Energy Relations in South-Eastern Europe: an Analysis of Motives in Bulgaria and Greece. *Post-Soviet Affairs*, Abingdon: Taylor & Francis, 2017, Vol. 2017, No. XX, p. XX-XX. ISSN 1060-586X.

*Accepted paper*

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MININ, Nikita and Tomáš VLČEK. Determinants and Considerations of Rosatom's External Strategy. *Energy Strategy Reviews*, Amsterdam: Elsevier Ltd., 2017, Vol. 2017, No. XX, p. XX-XX. ISSN 2211-467X.  
*Accepted paper*

JIRUŠEK, Martin and Tomáš VLČEK. Global impact of energy exports from the United States: Assessment of potential consequences for targeted markets. *International Journal of Global Energy Issues*, Geneva: Inderscience Publishers, 2017, Vol. 40, No. 3/4, p. XX-XX. ISSN 1741-5128.  
*Accepted paper*

VLČEK, Tomáš. Critical assessment of diversification of nuclear fuel for the operating VVER reactors in the EU. *Energy Strategy Reviews*, Amsterdam: Elsevier Ltd., 2016, Vol. 2016, No. 13-14, p. 77-85. ISSN 2211-467X. doi:10.1016/j.esr.2016.08.006.

DRÁB, Tomáš and Tomáš VLČEK. Způsoby financování výstavby jaderných elektráren a jejich rizika [Ways of Financing the Construction of New Nuclear Power Plants and the Threats Associated with Them]. *Středoevropské politické studie (Central European Political Studies Review)*, Brno: Masarykova univerzita, 2016, vol. 18, no. 4, pp. 291-318. ISSN 1212-7817. doi:10.5817/CEPSR.2016.4.291

KOĐOUSKOVÁ, Hedvika and Martin JIRUŠEK. Is Gazprom Pushing East? Exploring Gazprom's Behavioural Patterns in the Asian Market. *The Central European Journal of International and Security Studies (CEJISS)*, 2016, Vol. 10, No. 1, p. 110-133. ISSN 1802-548X.

VLČEK, Tomáš and Martin JIRUŠEK. Behavioral Determinants of Russian Nuclear State-Owned Enterprises in Central and Eastern European Region. *International Journal of Energy Economics and Policy*, Mersin: EconJournals, 2015, Vol. 5, No. 4, p. 910-917. ISSN 2146-4553.

VLČEK, Tomáš and Martin JIRUŠEK. Key factors that drive the Czech Republic coal industry. *Coal International*, Tuxford: Tradelink Publications Ltd., 2015, Vol. 263, No. 3, p. 28-36. ISSN 1357-6941.

VLČEK, Tomáš, Martin JIRUŠEK and James HENDERSON. Risk Assessment in Construction Process in Nuclear Sector within the Central and Eastern Europe. *International Journal of Energy Economics and Policy*, Mersin: EconJournals, 2015, Vol. 5, No. 2, p. 482-493. ISSN 2146-4553.

VLČEK, Tomáš. *Alternative Oil Supply Infrastructures for the Czech Republic and Slovak Republic*. 1th edition. Brno: Masarykova univerzita, 2015. 203 p. Monographs Series Vol. 61. ISBN 978-80-210-8035-5.

JIRUŠEK, Martin, Tomáš VLČEK, Hedvika KOĐOUSKOVÁ, Roger W. ROBINSON, Anna LESHCHENKO, Filip ČERNOCH, Lukáš LEHOTSKÝ and Veronika ZAPLETALOVÁ. *Energy Security in Central and Eastern Europe and the Operations of Russian State-Owned Energy Enterprises*. Brno: Masarykova univerzita, 2015. 696 p. ISBN 978-80-210-8048-5. doi:10.5817/CZ.MUNI.M210-8048-2015.

JIRUŠEK, Martin, Anna LESHCHENKO and Filip ČERNOCH. Russian Energy Interests in the Ukrainian Gas Sector: Strategically Motivated Conduct? *Geopolitics of Energy*, Calgary, Alberta, Canada: Canadian Energy Research Institute, 2015, Vol. 37, No. 4, p. 9-20. ISSN 0273-1371.

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