A matter of preference:
Taking sides on the Nord Stream 2 gas pipeline project

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Over the past few years, the Nord Stream 2 gas pipeline has been one of the most divisive issues in EU politics, with some member states opposing the project, others supporting it, and a third group adopting a neutral stance. Which conditions explain these varying national positions? Our study offers the first systematic attempt to examine preference formation with regard to Nord Stream 2 across the entire EU membership. Drawing on elite surveys, we compile an original dataset to position EU member states in the Nord Stream 2 debate. We then perform a Qualitative Comparative Analysis to uncover the determinants of the differing positions taken by member states. The Nord Stream 2 controversy is employed as a testing ground for new intergovernmentalist theory, which argues that preference formation is not just shaped by material and (geo)political conditions, but also by the preferences of other member states. Our study finds that material benefits and the role of Russia are relevant conditions for position formation on Nord Stream 2. However, in this case, we did not find evidence for the importance of other member states' preferences.

Keywords: preference formation, new intergovernmentalism, European Union, energy

1. Introduction

Few issues have had such a polarizing effect on the member states of the European Union (EU) in recent years as the Nord Stream 2 gas pipeline. The 9.5 billion euros project is fully led and operated by Gazprom, though five European companies have invested in the project (Nord Stream 2 AG 2019a). The pipeline runs through the Baltic Sea, crossing the Exclusive Economic Zones of Finland, Sweden and Denmark, just like its sister pipeline, Nord Stream 1, which was fully commissioned in October 2012. Nord Stream 2 is not expected to bring *additional* gas volumes to the EU internal market, but will instead divert gas flows from other import routes, notably the Ukraine transit route. Russia has been forthright in its ambition to circumvent Ukraine as a transit country (Medvedev 2015), especially following the gas disputes between both countries that resulted in shut-offs of gas supplies in 2006, 2009 and 2014.

The Nord Stream 2 project has been a bone of contention in the EU. Poland and the Baltic States, on the one hand, have been very vocal in their objection to the project. The Polish minister of EU Affairs described the project as 'a Trojan horse capable of destabilizing the economy and poisoning political relations inside the EU' (Szymanski 2016). On the other hand, Germany and Austria have firmly supported the project. German Chancellor Merkel described Nord Stream 2 as a 'business' project (German Federal Government 2018). Extant research has focused mostly on the likely implications of the project for European energy security, regulation, and geopolitics (de Jong and Van de Graaf 2020, Goldthau 2016, Giuli 2018, Goldthau and Sitter 2020), gas flows in specific member states (Eser, Chokani, and Abhari 2019), and the relative gas bargaining positions of individual member states (Sziklai, Kóczy, and Csercsik 2020). A smaller number of studies has focused on factors that shape the debate on Nord Stream 2 in specific member states (Schmidt-Felzmann 2019, Jirušek 2020, Gens 2019, Siddi 2019). Yet, to date, there are no comprehensive studies that explain the variance in national positions across the entire EU membership.

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Therefore, our purpose here is to uncover the determinants of the position of individual EU member states in the Nord Stream 2 debate. To that end, we have compiled an original dataset based on two elite surveys that were conducted between February 2020 and March 2020 with energy policy makers, on the one hand, and energy experts, on the other. The elite surveys were intended to uncover member states' positions on Nord Stream 2 as well as to look for conditions that influence this position. We analyze the data through a Qualitative Comparative Analysis (QCA) in order to reveal the combination of conditions that lead states to either support the Nord Stream 2 project, oppose it, or take a neutral stance.

This article adds to the literature in two ways. First, it tests the new intergovernmentalist approach to preference formation, the political process 'by which social actors decide what they want and what to pursue' (Hall 2005, 129). Traditionally, scholars have assumed that preference formation is a domestic process that takes place prior to position taking, the stage at which other member states' preferences are considered (Moravcsik 1995). The classic two-level game model of international bargaining follows this logic. However, this assumption has recently been challenged by new intergovernmentalist theorists, who claim that national preferences may actually be more informed by EU-level decision-making processes than by domestic influences (Csehi and Puetter 2017, Crespy and Schmidt 2014). Our study puts this conjecture to the test, by taking into account the preferences of other member states as a possible determinant of national positions on Nord Stream 2.

Second, this paper also contributes to theoretical debates on cooperation and conflict in EU-Russia energy relations. We do so by building on and expanding the scholarly work of Siddi (2019). His work addresses the importance of ideational versus material conditions in the Nord Stream 2 debate and focuses on two country case studies: Poland and Germany. While these countries are pivotal in the Nord Stream 2 debate, we will expand on his work by studying preference formation in all member states and by considering additional determinants, such as energy security and preferences of other member states.

This article proceeds as follows. First, we lay out the theoretical framework and derive detailed expectations on potential sources of preference formation. Second, we explain the research design, including the surveys, case selection, QCA method and the operationalization of the conditions. Third, we discuss the analytical results of the QCA analysis. In the fourth section, we interpret the results and discuss alternative conditions, after which the conclusions summarize the main findings.

2. Theoretical framework

2.1. Theory

The polarization on Nord Stream 2 is shaped by preferences that influence the position of EU member states. Preference formation and position taking have long been viewed as two consecutive stages for decision-making in the EU (Kassim, Saurugger, and Puetter 2019). '*Preference formation*' refers to the domestic process through which actors decide what they want and what to pursue. These preferences are traditionally framed as economic, geopolitical and ideological preferences (Moravcsik 1995, 1998), with economic preferences often seen as the most important (Miklin 2009). Once preferences are formed and states find themselves in bargaining situations at the international level, they enter the '*position taking*' stage. Position taking is informed by the state's own preferences but also takes into consideration the preferences of other states who have a seat at the negotiation table.

However, the analytical separation of these two stages has come under scrutiny. Research by Csehi and Puetter (2020) and Fontan and Saurugger (2019) found that both stages actually merged in the case of the euro crisis. Similarly, new intergovernmentalist research (Crespy and Schmidt 2014, Puetter

2016, Bickerton, Hodson, and Puetter 2015) supports this claim, as preferences of other (powerful) member states are also considered during the domestic preference formation stage, and not just after. This amalgamation of the stages, also referred to as the 'horizontal dimension' of preference formation (Fontan and Saurugger 2019), can be explained by the consensus-seeking negotiations taking place in the Council, in addition to the role of powerful member states in the preference formation process of other member states. Member states can take a sub-optimal position on a specific issue to be compensated on other issues (Wasserfallen et al. 2019), also called 'nested games' (Tsebelis 1990). These games serve a dual purpose, where member states actively process the preferences of other member states and are able to protect their own preferences (Fontan and Saurugger 2019). This development is strengthened by the fact that multiple issues are always being handled in parallel in the EU policy maelstrom . A specific issue is never dealt with in a vacuum.

This horizontal dimension can be forged through bilateral contacts, as demonstrated by Degner and Leuffen (2019) in the case of Economic and Monetary Union (EMU) reforms. Bilateral contact between member states in the formative stage of preference formation can result in a rapprochement on a specific issue (Fontan and Saurugger 2019). More specifically, it is argued that established communication channels and frequent contact contributed to French-German balancing preferences in EU proposals (Fontan and Saurugger 2019, 10, Degner and Leuffen 2019, 4-5). This influencing might also occur between other member states. Furthermore, through this contact coalitions can form. French-German balancing has in some cases been successful as both represented two sides of the north-south spectrum (Fontan and Saurugger 2019, Lehner and Wasserfallen 2019). However, other divisions are also possible. For example, eastern member states might take a different position or small and large states can be pitted against each other.

Following this, we can derive four preferences that might explain the positions of member states on the controversial mega-project of Nord Stream 2. These are (1) economic, (2) geopolitical, (3) ideological and (4) preferences of other member states (horizontal dimension).

2.2. Expectations

In order to explain the position of all 28 member states on Nord Stream 2, we derive six hypotheses based on the four preferences discussed above. In Table *1* the preferences, causal mechanisms and expectations are listed.

Table 1: Causal mechanisms and expectations

Preferences	**Conditions**	**Expectation**
Economic	Material interest	The participation of domestic companies will increase likelihood of support for the project
	Material interest	The presence of economic benefits during the construction phase will result in support for the project
Geopolitical	Energy security	The presence of a high dependency on Russian gas will result in an unfavorable position towards the project
Ideological	Historical relation with Russia	Former members of the Warsaw Pact will have an unfavorable position to the project
	Common Russia policy	The desire to have a common Russia policy will result in an objection to the project
Horizontal dimension	Shared interests Germany	The presence of shared interest as Germany in EU matters in general will result in a favorable position towards Nord Stream 2

First, in line with economic preference, we expect that investment by domestic companies in the project contributes to a favorable position on Nord Stream 2. There are material gains for the home governments of companies that invest in Nord Stream 2, for instance through taxation during the operation of the project or through employment opportunities. As indicated by Fontan and Saurugger (2019) and Miklin (2009) material benefits can be a stimulus for supporting European integration. Large companies, like those involved in Nord Stream 2, have lobbying power and direct access to ministries. Additionally, the investment of domestic companies can generate additional benefits for the home country, such as access to gas supplies (Lang and Westphal 2017) through Nord Stream 2. This condition is operationalized by assessing the home countries of the companies involved in the project.

The second expectation also involves a material interest. The project results in short-term *economic benefits* for companies involved in its construction. Similarly to domestic companies, the involvement of these companies can also result in employment and taxation benefits and hence, its presence results in a favorable position towards the project. However, these benefits are only short-term and therefor might not have the same effect as the previous condition. Schmidt-Felzmann (2020) found economic interests motivated the local Swedish authorities in Gotland and Karlshamn to support Nord Stream 2. Also, in Germany, local and national commercial interests eclipsed environmental concerns (Schmidt-Felzmann 2019). We operationalize economic benefit using the Arthur D Little (2019) report on the economic impact of Nord Stream 2.

Third, we expect that *energy security* issues with Russia lead to an unfavorable position towards Nord Stream 2. This geopolitical preference of energy security is often mentioned in the Nord Stream 2 debate (Goldthau 2016, Siddi 2017). Russia is the largest supplier of natural gas to the EU (33.3% of imports (Eurostat 2020)). This dependency on Russian gas was considered negative by the European Commission following the gas crises of 2006, 2009 and 2014 (Austvik 2016), which resulted in supply disruptions for some member states that are fully dependent on Russian gas. Following the gas crises, member states preferred to minimize the risk of supply disruptions (Hadfield 2008) and focused on diversifying their suppliers. We therefore expect member states that have a high dependency on Russian gas to object to Nord Stream 2. We operationalize energy security through the percentage of imported Russian gas to member states.

The fourth expectation is that a *negative historical relation* with Russia, as the successor state of the Soviet Union, is expected to lead to an unfavorable position on Nord Stream 2. Moscow has used its abundant energy reserves to form close political, economic and military ties with other post-Soviet states (Marrese and Vaňous 1983, Newnham 2011). After the collapse of the Soviet Union, Russia used its gas dominance to punish and reward former members of the Warsaw Pact (Newnham 2011). Former Warsaw Pact members Poland and Lithuania fear that through Nord Stream 2 Russia could exert influence in domestic politics without affecting western member states (Goldthau 2016, Loskot-Strachota 2015) and thereby compromise their integrity. Siddi (2019) found strong evidence for the importance of an (Russian) identity-base for taking a position on Nord Stream 2. This expectation is operationalized by examining the position of former Warsaw Pact members on Nord Stream 2.

Fifth, we expect that the desire for a *common Russia policy* will result in an unfavorable stance towards the Nord Stream 2 project. The Nord Stream 2 project is viewed by some as part of Russia's aggressive foreign policy strategy to expand its influence in its near abroad (Siddi 2019). The annexation of Crimea, Russian support for the al-Assad regime and the poisoning of a former Russian spy in the UK have strengthened the call for a common Russia policy to deter Russia from expanding its power in Europe. In the past, small member states have attempted to create a common Russia policy in order to

strengthen their position vis-à-vis Russia. Larger and more powerful member states have preferred to maintain bilateral relations with Russia (Schmidt-Felzmann 2008). We operationalize this preference through reviewing the importance of a common Russia policy for individual member states.

Sixth, the horizontal dimension results in the expectation that *similarity* and frequent contact on EU issues with Germany will result in a favorable position on Nord Stream 2. The presence of established communication channels can contribute to preferences of other states to be included in national preference formation (Degner and Leuffen 2019, Fontan and Saurugger 2019). Germany is one of the most powerful member states and plays a hegemonic role in the EU's relations with Russia (Siddi 2018). Member states might take a sub-optimal position to Nord Stream 2, in order to gather support from Germany on other issues. In the case of Nord Stream 2, the formation of coalitions is likely to occur between Germany and Poland, as both have been the most vocal in their position. We have used the similarity on EU issues and frequency of contact with Germany or Poland to operationalize this condition, as it highlights established channels and cooperation on other EU issues that can foster the horizontal dimension.

3. Research design

3.1. Surveys on Nord Stream 2

From February to March 2020, two different online surveys were conducted with the main goal to determine the position of all 28 member states on Nord Stream 2, as not all member states have publicly shared their position on the project. One survey was held under energy policy elites and the other was held under energy experts. The policy elites survey had sixteen unique respondents, representing twelve different member states. The energy expert survey had 26 unique respondents. The response rate of the surveys was 8% and 32.9% respectively. The surveys included questions pertaining to the position of member states on Nord Stream 2 and to the conditions that contribute to the position of member states on Nord Stream 2. The surveys were performed using Qualtrics software. Detailed information regarding the survey design, an extensive review of the representativeness of the survey (response rate, response bias and non response bias), the questions and the results can be found in online appendices A, B and C.

3.2. Case selection

Using the survey results and the modal response method, all member states could be categorized according to their position towards Nord Stream 2 (favorable, neutral, unfavorable). The modal response method entails positioning member states based on the most frequently selected category. The modal response is considered the most suitable method for interpreting the results of surveys (Lindstädt, Proksch, and Slapin 2018). Table 2 shows the results of this interpretation. Two robustness tests validated the results: first, three different methods were used to analyze the survey data (see online appendix D for a visualization of the methods and data). These methods, percentages (78.5%), percentiles (85.7%) and median (89.3%), all showed significant overlap with the modal response method. Second, open sources (such as Euractiv, Reuters and the Financial Times) were consulted and cross-referenced with Table 2. No significant deviations were found.

Table 2: The position of member states on Nord Stream 2 in February-March 2020

Position	**Member states**
Favorable	Austria, Belgium, Germany, Netherlands
Neutral	Bulgaria, Croatia, Cyprus, Finland, France, Greece, Hungary, Ireland, Italy, Luxembourg, Malta, Portugal, Slovenia, Spain, Sweden

Unfavorable	Czech Republic, Denmark, Estonia, Latvia, Lithuania, Poland, Romania, Slovakia, United Kingdom

Source: Based on survey data

3.3. Method

The empirical analysis of member state positions towards Nord Stream 2 builds on multi-value Qualitative Comparative Analysis (mvQCA) (Cronqvist and Berg-Schlosser 2009, Ragin 1987). QCA allows to systematically compare an intermediate to large number of cases to draw conclusions on causal relations between a set of plausible causally relevant conditions and an outcome, i.e. the position of member states on Nord Stream 2. More specifically, the method can be used to identify minimally necessary disjunctions of minimally sufficient conditions, which according to regularity theories of causation contain the conditions that are causally relevant for an outcome (Baumgartner 2008). In consequence, QCA is particularly apt at capturing a complex form of causation, generally referred to as multiple conjunctural causation. Conjunctural causation implies that causally relevant conditions generally do not bring about their effects in isolation, but in combination with other conditions. Multiple causation, or equifinality, implies that there are generally several combinations of conditions that cause the same effect.

QCA constitutes an appropriate choice for examining the variation in our outcome of interest, member state positions towards Nord Stream 2, because the latter can be expected to result from a complex interplay between conditions. In line with the idea of conjunctural causation, we expect the position to be determined by complex combinations of economic and geopolitical (dis)incentives. In line with the idea of multiple causation, we expect different combinations of economic and geopolitical (dis)incentives to result in the same policy position. The study applies the multi-value version of QCA, an as yet rarely used and often poorly understood configurational comparative method (Haesebrouck 2015, Thiem 2013). mvQCA was preferred over the more widely-used crisp and fuzzy set versions of QCA because it is capable of processing multi-categorical outcomes. More specifically, our outcome can take on three qualitatively different values: favorable, neutral and unfavorable. mvQCA allows to uncover the specific combinations of conditions that result in these qualitatively different positions towards Nord-Stream 2.

3.4. Conditions and measurement

Six conditions were selected based on the theoretical framework; these are also supported by the outcome of the surveys (see Table *3*). The theoretical expectation for the conditions can be found in Table *1*. To keep the number of so-called logical remainders (cf. infra) limited, we dichotomized our conditions. A score of 1 indicates the presence of the condition and 0 the absence of the condition. The dichotomization of the conditions is discussed below, the raw data and dichotomized values for the six conditions can be found in online appendix E.

Table 3: Frequency table of conditions that contribute to member states' position on Nord Stream 2

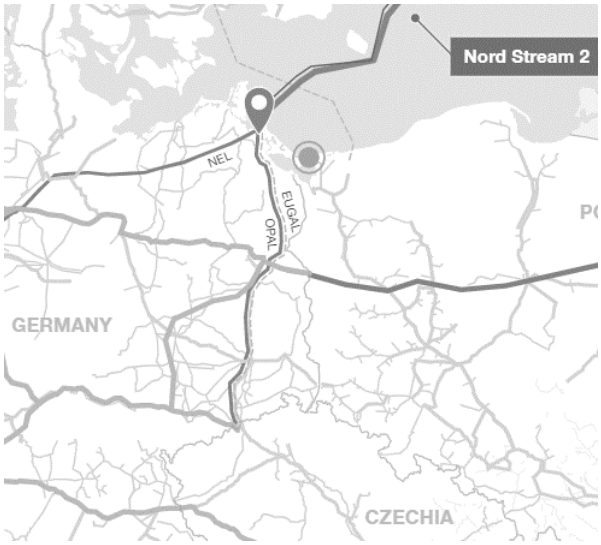
Conditions	**#**	**Conditions**	**#**
Energy security	29	Relations with Germany	10
Relations with Russia	28	Relations with Poland	7
Domestic companies' interest	25	Climate change	6
Transit revenue losses	21	Public Opinion	6
Transit revenue gains	16	Solidarity	4
National security	16	Market forces	4
Relations with United States	14	Other (Relation with Parliament)	1
Relations with Ukraine	11	Other (Economic and industrial competitiveness)	1

Source: Based on survey data

Domestic companies

The coding of the 'domestic companies' (DC) is based on the investment status of companies in the Nord Stream 2 project and shareholders in the EUGAL pipeline project. EUGAL is the pipeline connecting Nord Stream 2 to the Baumgarten gas hub in Austria (see Figure 1). It has the same capacity as Nord Stream 2, 55 bcm, and has been built with the purpose of further transporting Nord Stream 2 gas once it has made landfall in Germany. Cases where domestic companies are investors or shareholders of Nord Stream 2 or EUGAL, are assigned a score of 1. Cases without domestic companies as shareholders of these projects are assigned a score of 0. The data for this condition is retrieved from public information on both pipeline projects (Nord Stream 2 AG 2019b, Fluxys n.d.).

Figure 1: EUGAL and NEL connection to Nord Stream 2



Source: Nord Stream 2 AG (2017) – cropped version

Economic benefits

'Economic benefits' (EB) is operationalized as the committed funds in a specific member state by the Nord Stream 2 consortium for the construction of the pipeline. Cases where more than 100 million euros are spent are given a score of 1, countries where less is spent are given a score of 0. The limit of 100 million euros was chosen as it represents a substantial contribution to most member states economy and committed funds are specified up to 100 million in the Arthur D Little (2019) report used to retrieve this data. This report was commissioned by Nord Stream 2 consortium.

Energy security

The coding of 'energy security' (ES) is based on the share of Russian gas in a member states' gas imports. Member states with a 55 percent or higher share of Russian gas are scored 1 and member states with less than 55 percent dependency on Russian gas are scored 0. We chose 55 percent as this would entail that countries are dependent on Russian gas for the majority of their gas imports and also these member states would have almost double the EU average dependency on Russian gas. The data on member states' Russian gas dependency is gathered from Eurostat (2020).

Historical relations

The coding of 'negative historical relations' (HR) with Russia takes historical experiences into account, but also if these experiences negatively impacted their current relationship with Russia. Because of their historical experience, former members of the Warsaw Pact are expected to have a negative historical relationship with Russia. However, as shown during the implementation and renewal of EU sanctions against Russia, not all countries with negative historical experiences have a negative attitude towards Russia. The Baltic States (Moret et al. 2016), Poland (Jirušek 2020) and Romania (Emmott, Irish, and Rinke 2019) have been among the hard-liners that supported sanctions against Russia. Slovakia and the Czech Republic have taken a more ambiguous approach towards Russia (Moret et al. 2016). Slovakia's position towards Russia can at times be considered positive, especially when including energy relations (Jirušek 2020), yet Slovakia has supported sanctions against Russia (Moret et al. 2016) and seems to find Russia a negative influence in the region. In contrast, two former Warsaw Pact members, Bulgaria and Hungary, consistently opposed sanctions and, more generally, maintained good relations with Russia (Moret et al. 2016, Jirušek 2020). Bulgaria and Russia have a unique relationship, as they share historical and cultural ties that seem difficult to break (Smilov 2018). Hungary, under the leadership of President Orbán, has strengthened its relationship with Russia (Rech 2018). Since 2016, five summits between the leaders of the two countries have taken place (Hopkins, Peel, and Foy 2019). Both member states also have close energy relations, Bulgaria through gas pipelines, for example the (cancelled) South Stream and (commissioned) Turk Stream pipelines, and Hungary through the Paks II nuclear power plant (Than and Soldatkin 2019). In contrast to the other former Warsaw Pact member states, Bulgaria and Hungary are therefore assigned a score of 0 on 'negative historical relations'.

Common Russia policy

The coding of 'common Russia policy' (RP) is based on the data from the ECFR (2018)'s EU Coalition Explorer. The report questioned '877 professionals who work on European policy in governments, politics, think tanks, academia, and the media'. These professionals were asked to rank the importance of different policy fields. For this condition, cases that have a common Russia policy as their first or second priority are scored 1 and cases that have a common Russia policy as a third or lower priority are scored 0.

Shared interests Germany

Shared interest with Germany (SG) is coded using the data from the ECFR (2018)'s EU Coalition Explorer. Professionals were asked to indicate which member states generally share many longer standing interests on EU policy and the member states most frequently contacted. For this condition, the ranking of member states is compared between Germany and Poland. Member states that ranked Germany higher score a 1.

4. Analytical results

The mvQCA-procedure proceeds in two steps, which were carried out the with the QCA 3.3 package for R (Duşa 2018).[3] The first step involves the construction of a truth table, which contains a row for every logically possible combination of conditions and assigns the cases to them. Rows without cases correspond to logical remainders, logically possible combinations of conditions that do not correspond to empirical instances. The truth table is presented in Table 4**Error! Reference source not found.**. The first three rows of the truth table consistently result in a favorable position, row 4 to 10 in a neutral position and row 11 to 16 in a unfavorable position.

[3] The R script is provided in "Rscript_Anon.R", replication data in "data.csv"

Table 4: Truth table

	HR	DC	EB	RP	SG	ES	OUT	Cases
1	0	1	1	0	0	0	2	Germany
2	0	1	1	0	1	0	2	Belgium, Netherlands
3	0	1	1	0	1	1	2	Austria
4	0	0	0	0	0	0	1	Malta
5	0	0	0	0	1	0	1	Cyprus, Ireland, Luxembourg, Portugal, Slovenia, S pain
6	0	0	0	0	1	1	1	Croatia, Greece, Bulgaria
7	0	0	1	0	1	0	1	Italy, Sweden
8	0	0	1	0	1	1	1	Finland
9	0	1	0	0	1	0	1	France
10	0	0	0	0	0	1	1	Hungary
11	1	0	0	1	0	1	0	Lithuania
12	1	0	0	1	1	1	0	Estonia, Latvia, Poland
13	0	0	1	1	1	0	0	Denmark
14	0	1	1	1	1	0	0	UK
15	1	0	0	0	0	1	0	Romania, Slovakia
16	1	0	0	0	1	1	0	Czech Republic

HR: Negative Historical Relation, DC: Domestic Companies; EB: Economic Benefits; RP: Common Russia Policy; SG: Shared Interest Germany ES: Energy Security; cases marked in italic correspond to contradictory cases

Subsequently, the truth table is minimized. Depending on the remainders included in the process, minimization results in different solution types. This study focuses on the parsimonious solution, which results if all remainders that lead to a less complex solution are included in the process. This solution types was preferred over alternative solutions because it is the only formula that can identify the conditions that meet the regularity theoretical definition of causal relevance (Baumgartner 2015, 854). Table 5 presents the paths that consistently resulted in the three policy positions.[4]

Table 5: QCA solutions

[4] Multiple models fared equally well in explaining the neutral position (Baumgartner and Thiem 2017). The presented model is consistent with the models for a favourable and unfavourable position.

Outcome	Sufficient combination		Cases
Favorable	1	DC*EB*~RP	Austria, Belgium, Germany and the Netherlands
Neutral	1	~HR*~EB	Malta, Hungary, Cyprus, Ireland, Luxembourg, Portugal, Slovenia, Spain, Bulgaria, Croatia, Greece, France
	2	~RP*~HR*~DC	Malta, Hungary, Cyprus, Ireland, Luxembourg, Portugal, Slovenia, Spain, Bulgaria, Croatia, Greece, Italy, Sweden and Finland
Unfavorable	1	HR	Romania, Slovakia, Czech Republic, Estonia, Lithuania; Latvia, Poland
	2	RP	Denmark, UK, Estonia, Lithuania, Latvia and Poland

HR: Negative Historical Relation, DC: Domestic Companies; EB: Economic Benefits; RP: Common Russia Policy

The results suggest that the involvement of domestic companies in combination with the presence of economic benefits and the absence of a common Russia policy consistently results in a favorable position towards Nord Stream 2. Two combinations of conditions consistently result in a neutral position. First of all, countries have a neutral position if they do not have a negative historical relationship and do not benefit economically from Nord Stream 2. Second, countries without a negative historical relationship are also neutral if they are not strongly in favor of a common Russia policy and domestic companies are not involved in the construction of Nord Stream 2. Lastly, two conditions are sufficient for an unfavorable position: a negative historical relationship with Russia and a strong preference for a common EU position towards Russia. Interestingly, there is no empirical evidence found for the conditions of energy security and shared interest with Germany.

5. Interpretation

5.1 Findings on conditions

The results indicate that the presence of material interest and the absence of a common Russia policy are fundamental for a favorable position on Nord Stream 2. This confirms the theoretical expectations that material interests are vital for position taking. Material interests are not sufficient to reach a favorable position on Nord Stream 2, as case-based evidence shows in the case of United Kingdom (UK). From a material benefit perspective, the UK is expected to be favorable towards the Nord Stream 2 project, because of the participation of domestic companies and the presence of economic benefits (Arthur D Little 2019). However, its desire for a (tough) common Russian policy ensured its rejection of the project. The importance of a common Russia policy in the UK is linked to Russia's alleged meddling in the Brexit-referendum and its alleged role in the poisoning of a former Soviet spy in Salisbury in 2018. Russian aggression in eastern Ukraine since 2014 also contributed to the UK's strong desire for a common Russia policy. British public opinion of Russia dropped from 50% in 2011 to 26% in 2019 (PEW Research Center 2019), making support for Nord Stream 2 a difficult sell to the UK public.

Our analysis supports the thesis that the absence of material benefits through domestic companies and the absence of negative motivators (historical relations, common Russia policy) are necessary conditions to reach a neutral position on Nord Stream 2. This outcome is supported by previous research by Morin and Paquin (2018) and Thomson et al. (2012) which found that unaffected member states often take a neutral stance. This especially applies to smaller member states. The cases that fulfill these conditions are largely unaffected by the project and geographically more distant. Two notable exceptions are Finland and Sweden, which are in close geographic proximity to Russia.

However, their position can be explained based on their historical and trade relations. Sweden has a long history of neutrality and only recently adopted a more negative towards Russia (Simons, Manoylo, and Trunov 2019). Finland has maintained pragmatic bilateral relations with Russia, because of the importance of trade and a shared border. Foreign policy actions by Russia have not had the same effect on Finland as on other countries (Etzold and Haukkala 2011).

For an unfavorable position, the presence of historical relations is a sufficient condition. This condition supports the research finding of Siddi (2019) that identity can have a significant impact on national positions on Nord Stream 2. Siddi found that the Polish perspective of national identity and 'Other' played an important role in its preference formation on the project and relations with Russia. This can also be said of the Czech Republic, Estonia, Latvia, Lithuania, Romania and Slovakia.

Our analysis did not find an important role for energy security or shared interest with Germany. The absence of the former is interesting, as many arguments used in the debate on Nord Stream 2 refer to energy security. Energy security was also highlighted as an important determinant in the surveys. This absence might be explained by the subjective nature of energy security threats (Winzer 2012). A fifty-five percent dependency might not be considered insecure by all countries. A high dependency on Russian gas might only be an issue when gas represents a high share of total energy consumption.

The absence of shared interest with Germany poses an interesting outcome for preference formation and the role of Germany in the EU. However, case-based evidence in the Netherlands contradicts this outcome. The Dutch minister of Economics admitted that on the amendments to the Gas Directive, a topic directly related to Nord Stream 2, the Netherlands sided with Germany as a compensation for Germany accepting decreasing export of Dutch Groningen gas (Tweede Kamer 2019). This appears to support the presence of 'nested games'. Furthermore, a survey response suggested that the Czech position might have been influenced by the position of other Visegrád countries. Poland is the most public and vocal opponent of the project in the EU and it is possible that Poland influenced the Czech position. The question remains when this influencing happened, during the domestic process or when member states were discussing the amended Gas Directive. Besides the case-based evidence, the absence of the horizontal condition might have been influenced by the operationalization of this condition into two coalitions, instead of three: a northern-favorable, an eastern-unfavorable and a southern-neutral coalition. This southern coalition, possibly led by France, might have played an important role in the horizontal preference formation in the case of Nord Stream 2.

5.2 Alternative explanations

Besides the six conditions included in this research, we also considered two additional conditions. First, we analyzed the impact of public opinion on the position of the member states. Public opinion can influence policy-makers, as they will need the public support for their reelection (Târlea et al. 2019) and they derive their legitimacy from this. This condition connects to ideological preference and we expected that a high negative public opinion on Russia would result in a unfavorable position on Nord Stream 2. We used the data from the Eurobarometer (2016) and scored member states that have more than 50 percent negative public opinion 1. The analysis, which is presented in the online appendix F, does not provide evidence that this condition was relevant for explaining positions towards Nord Stream 2. This limited role of public opinion is also found in the survey results in Table *3*.

Second, the importance of transit revenue for the position of some member states was considered as a condition. In our survey, transit losses or transit gains were indicated 37 times as having played a role in preference formation. It is difficult to operationalize transit revenue changes, as it depends on different factors, such as the respective utilization rates of Nord Stream 2 and EUGAL in accordance with EU law and the continued use of the Ukraine transit route. We have drawn on a study by Sziklai,

Kóczy, and Csercsik (2020) to operationalize this condition, as they have done research on the relative gains when Nord Stream 2 is fully utilized and the Ukraine is no longer used. Member states that are negatively impacted are coded 0, as they would have an economic incentive to have an unfavorable position on Nord Stream 2. The coding and the analysis for this condition can also be found on the online appendix F. Our analysis does not provide evidence that this condition is relevant, despite its importance according to the survey results and case-based evidence by Jirušek (2020), who found that transit revenue did play a role in Slovak and the Czech position on Nord Stream 2.

6. Conclusions

In this article, we have analyzed the conditions that determine a member state's position on the controversial Nord Stream 2 project. Our analysis lends support to the thesis that preference formation is shaped by the interplay between material and geopolitical conditions (Moravcsik 1998, Miklin 2009). Additionally, our work confirms Siddi (2019)'s finding on the importance of identity in position taking on Nord Stream 2. The presence of historical ties and/or a desire for common Russia policy is a strong motivator for an unfavorable position. In the case of the UK, the desire for a common Russia policy is stronger than material considerations.

The new intergovernmental emphasis on the importance of other member states' preferences was not confirmed in our analysis, but does not mean that horizontal influencing did not take place. Anecdotal evidence suggests that Germany has influenced the Netherlands on issues related to Nord Stream 2. We suggest further research into this horizontal dimension, through for example process-tracing.

The QCA method allows for a systemic and reproducible research for a larger N. Despite this, there are limitations involved. The number of conditions that can be included in a QCA analysis is limited. Some conditions might prove relevant, but were not included. An example is the Nord Stream 2's effect on climate policy. In March 2020, the European Commission tabled a proposal for a binding objective of climate neutrality by 2050. Newly built, long-distance gas pipelines such as Nord Stream 2, but also EastMed and TurkStream, may "lock-in" gas supply and consumption in the EU and run counter to the decarbonization efforts. This consideration might have influenced the domestic debate in some EU member states, yet it was not included because it is not a salient argument in the debate and because it is difficult to operationalize. This opens opportunities for new research into this topic using different methods (e.g., qualitative case studies and process-tracing) and including different determinants (e.g., decarbonization impacts of large-scale gas projects).

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