



Parahyangan Catholic University
Faculty of Social and Political Sciences
Department of International Relations

Accredited A

SK BAN –PT NO: 451/SK/BAN-PT/Akred/S/XI/2014

**Ireland and Great Britain Cooperation on Sustainable Energy
Electricity: Comprehending the Establishment of Greenlink
Interconnector**

Thesis

By

Ancilla Pramudita

2013 330 134

Bandung

2017



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Thesis Validation

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Electricity: Comprehending the Establishment of Greenlink

Hereby assert that this thesis is the product of my own work, and it has not been previously proposed by any other party in order to attain an academic degree. Any idea and information gained from other parties are officially cited in accordance to the valid scientific writing method.

I declare this statement with full responsibility and I am willing to take any consequences given by the prevailing rules if this statement was found to be untrue.

Bandung, 7 December 2017



Ancilla Pramudita

Abstract

Name : Ancilla Pramudita
Student ID : 2013 330 134
Title : Ireland and Great Britain Cooperation on Sustainable Energy
Electricity: Comprehending the Establishment of Greenlink
Interconnector

This particular research discusses regarding the project of Greenlink interconnector, a renewable electricity interconnector that will run between Ireland and United Kingdom. Previously, the alike agreement 'Greenwire' has been shelved due to incompatibility of policy between states but they came back stronger to its present form with policy adjustment. The basic premises of the agreement came from the unrenewable resources and climate change challenges need to be faced by both actors. Electricity is indeed crucial in every aspect of human lives set forth daily activities to economic growth. Therefore, necessary measures need to be taken to avoid unwanted consequences of running out of the energy reserve including cooperation through trade.

The author will come with a research question of what is the background explained between Ireland and United Kingdom to finally come around with this agreement. In order to respond to the research question, the author would analyze based on the concept of national interest which believes that every policy coming from the state will be derived on issues that needs to be dealt with. Theory of liberal pluralism also believes that international relations does not revolve only on state but believes in the participation of other entities aside from state that take part in international relations especially in a form of cooperation.

The findings explain that the homogeneity and common fate faced by state would better lead to cooperation. The economic interest also takes part as states' motivation, with supports from European Union and Element Power this project stands in its present form. The discovery will carry the nuance of green economy, where Greenlink provide the needs of environment, social, and economic; all treated in one system.

Keywords : Sustainable Energy Electricity, Green Economy, Energy Trade, Energy Security, European Union, Ireland, United Kingdom.

Abstrak

Nama : Ancilla Pramudita
NPM : 2013 330 134
Judul : Kerjasama Irlandia dan Inggris dalam Listrik dari Energi Berkelanjutan: Memahami Pembangunan *Greenlink Interconnector*.

Penelitian ini membicarakan tentang proyek interkonektor *Greenlink*, sebuah penghubung listrik dapat diperbaharui yang akan beroperasi antara Irlandia dan Inggris. Sebelumnya, perjanjian serupa bernama *Greenwire* pernah dibentuk, namun harus dibatalkan dikarenakan ketidakcocokan kebijakan antar negara tersebut, sehingga *Greenlink* dibentuk dengan penyesuaian. Dasar pemikiran dari perjanjian ini dimulai dari tantangan terbatasnya sumberdaya yang tidak dapat diperbaharui dan perubahan iklim. Listrik adalah energi penting yang mempengaruhi aspek kehidupan manusia dan pertumbuhan ekonomi. Sehingga, penting untuk mengambil tindakan sebelum energi tersebut tidak dapat diakses kembali, salah satunya dengan cara kerjasama perdagangan listrik.

Penulis mempunyai pertanyaan penelitian tentang latar belakang dari Irlandia dan Inggris yang kemudian memutuskan untuk menjalani perjanjian ini. Untuk menjawab pertanyaan tersebut, penulis akan menganalisa berdasarkan konsep kepentingan nasional yang beranggapan bahwa kebijakan negara datang dari isu yang harus dihadapi negara tersebut. Teori liberal pluralis juga percaya bahwa hubungan internasional juga meliputi entitas lain selain negara untuk mengambil bagian dalam perjanjian internasional.

Penemuan penelitian ini menjelaskan bahwa homogenitas dan *common fate* yang dihadapi negara tersebut akan mengacu kepada kerjasama. Kepentingan ekonomi juga mengambil bagian dalam pengambilan keputusan untuk proyek ini, dengan dukungan Uni Eropa dan *Element Power* maka proyek ini dapat berjalan hingga sekarang. Penemuan lainnya juga akan mengangkat teori ekonomi hijau, dimana *Greenlink* menjawab kebutuhan lingkungan hidup, social, dan ekonomi dalam satu sistem.

Kata kunci : Listrik dari Energi Berkelanjutan, Ekonomi Hijau, Perdagangan Energi, Keamanan Energi, Uni Eropa, Irlandia, Kerajaan Inggris.

Preface

It has always been great to have the opportunity to share a research and has it worthwhile to be found. The accomplishment to complete this research titled “Ireland and Great Britain Cooperation on Sustainable Energy Electricity: Comprehending the Establishment of Greenlink Interconnector” begins from the growing attention of global issues towards environment ‘climate change’ and how it interlinked with economy. The existence of renewable energy trade is one of the manifestation that environment supposed to be a subset in economic development.

This research come in handy for those who would like to comprehend the premise of a state in in conducting cooperation especially upon the issue sustainable energy interconnector and how it relates to energy security. You will explore both internal (political and economic) and external (regional and MNC) factor in this research. The comprehension of factors that influence state’s behavior in policy making is important to discover where does the policy will lead to and the expected outcome they produce. Hence, addressing better evaluation and inputs can be done cover up the current gap existed on the agreement.

Grateful acknowledgement is here made to the muse of this research that has helped this to come into realization. Erasmus+ for the opportunity of data gathering and exchange in *Technische Universität Dortmund*, Dr. phil. Aknolt Kristian Pakpahan as a superb supervisor for the encouragement and inputs throughout. This research would not have able to reach its present form without the indispensable support.

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List of Abbreviation

MNC	Multinational Corporations
EU	European Union
GB	Great Britain
Ofgem	Office of Gas and Electricity Markets
PCI	Project of Common Interest
EP	Element Power
SEAI	The Sustainable Energy Authority of Ireland
RED	Renewable Energy Directive
CER	Commission for Energy Regulation
IEM	Internal Energy Market
UK	United Kingdom of Great Britain and Northern Ireland
CEF	The Connecting Europe Facility

CHAPTER 1

INTRODUCTION

1.1 Background

Means for states to fulfil their necessities have come to less boundaries. Through globalization, inability of state to achieve adequacy of needs is supported through the advancement of international trade. Obstacles for a state to cope with limited resources have come to an ease in regards to their mobilization, logistics, even in a matter of political and legal realm. In its core, international trade aim to serve the interest of each actors involved, be it to create optimum allocation and utilization of resources, facilitate economic development, assistance during natural calamities, and so on.¹ The growing activities of international trade has trigger the involvement of several actors, it is not only an agreement between two or more sovereign states, but multinational corporations (MNCs), even under the umbrella of regional bodies.

In the case of regional body's involvement that aims to nurture relationship between member states, European Union (EU) has been trying to establish better trading systems, policies, and facilities. In line with rising concern upon climate change and environment problem, EU countries are on track to meet the

¹ Niraj Satnalika, (2013), *Foreign Trade is Necessary for the Growth of an Economy*, Green World Investors, 5 Feb 2013, retrieved from <http://www.greenworldinvestor.com/2013/02/05/12-reasons-why-foreign-trade-is-necessary-for-the-growth-of-an-economy/>.

2020 targets for greenhouse gas emissions reduction and renewable energy.² One of their support to embrace member countries to achieve the goal is to facilitate energy trade between Ireland and Great Britain (GB). Providing a technology based interconnector, in order to ease impediment to suffice their needs on renewable energy. This project is also a means for EU to enhance close relation of economic ties between these two prominent countries of EU.

As a member of EU, Ireland and GB took the opportunity lies ahead from this project. Seeing the history of trade between these countries, GB has been a prominent actor in economic activity of Ireland as well as Ireland for GB. Since 1998, GB has been facing a trade deficit due to a decline in manufacturing, appreciation of GB Pound that leads to hesitant buyer, and decline of oil and gas production. Meanwhile, GB still able to maintain its trade balance through surpluses that mostly come from United States, United Arab Emirates, and Ireland.³ For Ireland, EU members are its largest trading partner, which is 60% of total trade with United Kingdom as its biggest trading partner (16% of exports and 34% of imports).⁴ By the time their economic ties have become greater and intense.

Meanwhile, government of GB stated that the energy trading with Ireland could meet the demand of green power and potentially could bring down the

² European Commission, (2014), *A policy framework for climate and energy in the period from 2020 to 2030*, 22 January 2014, Brussels, Communication from The Commission to The European Parliament, The Council, The European Economic and Social Committee and The Committee of The Regions.

³ Trading Economics, (2016), *United Kingdom Balance of Trade*, October 2016, retrieved from <http://www.tradingeconomics.com/united-kingdom/balance-of-trade>.

⁴ Ibid.

cost for GB consumers on energy. The availability of natural sustainable resources could benefit the economics of both countries. This occasion marks the continuation of close ties between these two governments on energy trading ahead. Hence, both governments agree upon the takings in the course of the sustainable energy trade and unite the goal they envision upon advancing the use of renewable energy trading and resources. Not just a state to state involvement, EU as the umbrella to foster the members; has contributed to this project seeing that it able to strengthen the cooperation ties between the members.

Multinational corporations play a significant role in this project through its capability in technology, management, and distribution of goods; in a sense to assist government to function and fulfil its role effectively.⁵ This project involves an Anglo-Irish company named Element Power to help achieving the main purpose of the scheme. The project named 'Greenlink' would be Co-financed by the EU. Element power will lead this project, as an international developer of renewable and interconnection project they would assist all concerned parties to achieve both economic and environmental interest.

1.2 Problem Identification

Putting aside bleak history between GB and Ireland, both of these countries have established stronger bond in attempt to fix virulent past by showing gestures to open a new chapter of relations based on equality, fairness, and

⁵ Bob Sugeng Hadiwinata, (2002), *Politik Bisnis Internasional*, Yogyakarta: Kanisus, page 113.

cooperation.⁶ Pulling together under the axiom where modern economics is more important than old politics – good political relations make good business relations, they have shown willingness of both countries to make collaboration and further unite common interest of both countries.

Today, Ireland sees GB as the most important trading partner and economic relationship between them is one they must invest in and nurture. GB has potential vast market that Ireland takes into account, as well as GB believes Ireland has a comparative advantage for less expense made will be made. Currently, the ongoing trade activities between GB – Ireland are agriculture and food, construction and physical infrastructure, energy, financial and professional services, research and development and innovation, and tourism and travel. At the sector of energy, GB and Ireland has natural gas interconnection agreement as the oldest agreement signed bilaterally between them on 2004.

In the case of energy trade, there were lots of rising concern in regards to sustainable energy trade in this past decade. As one of prominent advance countries in the world GB and Ireland are in the pace to establish a renewable energy trading. It commenced with program arranged by British-Irish Council that agreed upon “All Island Approach” (AIA) to establish an electricity grid infrastructure and joint work examining renewable energy trading as well as

⁶ Daniel Hannan, (2011), *Relationship between UK and Ireland*, International Business Times, 31 October 2011, retrieved from <http://www.ibtimes.co.uk/relationship-uk-ireland-240284>.

interconnection and market integration.⁷ This program has been discussed a year before and come into a deeper realization throughout.

The issue upon renewable energy between those countries did not just cease to AIA arrangement. They were trying to advance their visions on full pursuance of sustainable energy and clean electricity through an intergovernmental agreement. They formalized another project through the signing of MoU on “Greenwire” project. This project was aimed to brings together the vision of both countries to actively encourage the use of sustainable and renewable energy resources and energy trading.⁸ Unfortunately, this project had been shelved due to the protest from different community groups who expressed concern about the investment taking place will be too close to the housings and impinge of the environment of rural areas in particular.⁹ Eventually, made the government of UK and Ireland could not agree on the final deal.

Despite all of the struggle, both of government still willing to work on the arrangement of sustainable energy trade. This leads to the reformation of the consimilar agreement, in regards to this on-going concern, EU commission together with Element Power arranged ‘Greenlink’ – a project to establish an

⁷ British Irish Council Communique, (2012), The seventeenth Summit report, Dublin, 13th January 2012.

⁸ The Rt Hon Edward Davey. (2013). *Energy trading creates opportunities for Ireland & UK*. Department of Energy and Climate Change. 24 January 2013. Retrieved from <https://www.gov.uk/government/news/energy-trading-creates-opportunities-for-ireland-uk-davey-rabbitte> on 20 September 2016.

⁹ Rónán Duffy. (2014). It's official: The Government has cancelled its Midlands wind energy export plan. *The Journal Ireland*. 13 April 2014. Retrieved from <http://www.thejournal.ie/wind-export-plan-1412546-Apr2014/>.

electricity interconnector. This project was arranged from January 2016 and hopefully will be well-functioned on 2020, Greenlink will be able to transfer 500MW and link power markets in Ireland and GB. Seeing the need of sustainable energy for both countries, Ireland believes that Ireland has the comparative advantage and opportunities in seizing the benefits of this trade, whilst provide additional much needed cross - border capacity between Ireland and GB.¹⁰

This particular project and agreement on renewable / sustainable energy trade has become a highlight on European Union (EU) trade system. Member state of EU has been assigned to achieve the target of sustainable energy development by 2020.¹¹ However, there might be several countries not able to reach its target by technology wise and resource. This trade sent a message where producing country are able to reach its target and at the same time the renewable energy produced could be counted and share with other countries, physical flow of electricity is now possible to be traded. It denotes how this particular trade shows the interest of every actor that involve in this trade arrangement. Shifting on the energy trade commodity from natural gas to renewable energy resources can be identified as a growing awareness of both countries to enhance the renewable energy trade on and on.

¹⁰ Element Power Ireland Limited. (2016). Greenlink – Interconnector. Version 2.2 published 25 July 2016. Co-financed by the European Union.

¹¹ Loc. cit., The Rt Hon Edward Davey.

1.3 Research Scope

Referring to background and problem identification above, with the interest of directing the focus of the research's outcome the author would see the background and rationale as well as the arrangement of this 'Greenlink' project with the origin aim. The constituent identified would be the premises of each country in conducting the project in terms of economic, socio-economic, environmental, and sustainability benefits. The analyses of incentive from external actor would also be in the consideration of causes finding. However, the actor involved would only be between the bilateral arrangement, corporations pertinent directly to the arrangement, and actor that has intense political influence for both parties as well as have the direct contribution to the establishment. The year chosen will start out from 2011, according to Ireland's and UK's latest white paper on energy establishment. The white paper it set out the renewable energy path starting from 2011 to 2030 for UK and 2015 to 2030 for UK, which embrace the timeline when the arrangement was planned until the project will be conducted due to the yearly report of the related parties. Thus, the limitation of the outcome would be limited up to 2017 to avoid uncertain and ambiguous information, meanwhile the analyses of background would come according to recent condition (2014 to 2015) before the project was run.

1.4 Research Question:

According to the problem identification above, thus, the research question that the author is intent to answer is: *What are the backgrounds explained within the*

'Greelink Interconnector' project between United Kingdom of Great Britain and Northern Ireland with Republic of Ireland?

1.5 Purpose of the Research

The purposes of the author to make this research are as follows:

- a. To explain and describe the background of Ireland and United Kingdom in conducting the project of Greenlink Interconnector.
- b. To explain and describe the national interest of UK and Ireland in Greenlink and external factors that contribute towards the establishment of Greenlink interconnector

1.5.1 Practical Purposes of the Research

This research could be potentially utilized as:

- a. Reference for scholar, academicians, students, and another researcher who have the interest in the realm of green economy and trade opportunities within. As well as to serve as an additional knowledge in regards to sustainable energy trade and its development between GB and Ireland.
- b. Reference for policy makers in the realm of energy, environment, economy, and foreign affairs to understand the development and opportunities of sustainable energy trade.

1.6 Literature Review

First Journal:

South-South trade in renewable energy: A trade flow analysis of selected environmental goods by United Nations Environmental Program on 2014.

This journal mainly analyzes about the growing trend of renewable energy trade between developing countries. It highlights the critical transition of south-south trade in environmental goods and services to a green economy. Even though this particular journal talks about developing countries as its major actor, the author would like to cite the core values of green economy trade as a whole. It argues that renewable energy trade might bring dynamic towards markets, provide new opportunities for participation in global value chains. Responds on complementing towards the need of technology is managed well based on comparative advantage of each countries. They believe upon the ability of renewable energy technology trade to create a better transition to green economy, improving energy security. They note upon the important aspects lie in this study, which is the government role in policy of trade contributes on the transition of green economy and to ensure the positive economic outcome, social and environmental benefits of trade.

Second Journal:

Sustainable Energy: Choosing Among Options (Sustainable Energy: The Engine of Sustainable Development page 1 – 50) by Jefferson W. Tester. Published by MIT Press second edition on 2012.

The chapter of Sustainable Energy: The Engine of Sustainable Development from this book emphasize on the need of energy as the essential parts of the functioning society. It mentioned the need to keep the accessibility of electricity among every layer of society, otherwise it might affect to the increase of level of poverty in the nation. Electricity closely interlinked with the access of some sort of income such as local businesses, to make transportation of commercial goods to market possible. It has shown how electricity security also affect the survivability of society as a whole. The growing population and development of technology have required more efficient use of electricity as well as more supply, which demand the use of renewable resources as part of the solution to the current condition. It is believed to bring out the most potential of electricity through more diverse supply and better certainty. A lot of political attempts have been made to push the shift of renewable electricity use to champion sustainable development and society

Third Journal:

Green Growth: Economic Theory and Political Discourse by Michael Jacobs. Published by Centre for Climate Change Economics and Policy Working Paper No. 108 and Grantham Research Institute on Climate Change and the Environment Working Paper No. 92 on October 2012.

This research discuss boldly that environmental policy can be a driver for growth at a time and not only a standard assertion of green growth that would generate a long run economic benefit of environmental protection. Where this

thought has already been implemented in several countries that integrate green perspective with their economic development. The author would like to cite the theories of comparative advantage that emphasizes the importance of technological innovation in generating growth as well as how transfer of knowledge can be done through the trade. They argue upon the contribution made by environmental policies that could create significant number of new jobs in environmental industries, moreover the country which introduce strict environmental policies give their domestic environmental market a head start over other countries. They enable to meet domestic necessity and excel not only in domestic market but export markets as well.

1.7 Theoretical Framework

In order to fully comprehend the phenomenon of sustainable energy trade, first and foremost there shall be a correlation between green economy and renewable energy trade with the study of international relations. Hereinafter, there will be explanation upon the interconnectedness of actor and how the needs of trade occur. Thus, further elaboration of national interest, international political economic, energy security, as well as the perspective of green economy will come follows. The section of theoretical framework will be concluded with the linkages of green economy and renewable energy trades.

International relations itself is a study of interactions between countries, including the rest of international entities such as international organizations, MNC, non-governmental organizations, as well as the national policies of

certain government that might have an effect towards international realm.¹² That is why the study of international relations has come as a pivotal part in defining the conditions of globalized world. International relations analyze the entire populations of the world that divided to several political actions and beliefs, affecting the way people live despite of geographical constrain. Current era of globalization profoundly defines the interconnectedness and interdependence between one to other international entities. Phenomenon caused by an individual, state, or organizations might affect other international entities as well.

Within this research, the author would like to highlight the presence of state, international organization; regional body to be precise and corporations on the creation of international cooperation under the perspective of liberal pluralism as well as liberal perspective in the development of economy. The main assumption of liberal pluralism came from the basic idea of political pluralism that the distribution of power across range of institutions of actors. The state at some point becomes the catalyst of and reflection upon the interest and concerns of certain groups. State seen as an impartial and righteous in becoming a body that governs the policy for the interest of every actor they preserve.¹³ They argue that state is not the only significant actor in the international society but individuals, organizations, and corporations play an integral part as well.

¹² Robert Jackson and Georg Sorensen, (2013), *Introduction to International Relations Theories and Approaches*, Oxford: Oxford University Press, Page 4.

¹³ Jill Steans, Lloyd Pettiford (et.al), (2010), *An Introduction to International Relations Theory Perspectives and Themes Third edition*, Harlow: Pearson Education Limited, Page 36.

Diffusion of power within liberal pluralism established to make other actors such as civil society or interest groups to involve within the development of nation's prosperity. The distribution of power happens under the emphasis of different forms of power, be it social-cultural, intellectual, economic, and military, that complements one another, thus influence among range of actors.

Liberal pluralist believes the economic wealth of countries such as MNCs is explicitly a constituent in comprehending where power lies in international relations. They maintain that cooperation rather than military power is somewhat way more effective and reliable. Power is defined in the positive terms such as the ability to act collectively for common goods. MNC here act as part of state agency, given an increasingly interdependent world economy.¹⁴ MNC seen as a more flexible actor that to some extent capable in circumventing the authority of other state. It has argued to assist state and provide better security and economic condition for the system through better mobilization and flexible communication, while state is there to provide the framework.

Liberal perspective upon economy lies on the assumption that cooperation is a dominant feature of all human relations and international relations.¹⁵ Agreeing that every actor pursue their own interest but at the same time there is potential harmony of interests between one to another. Liberals does not necessarily see no role on state or government. The fact that state does not have

¹⁴ Brian Hocking and Michael Smith, (2014), *World Politics: An Introduction to International Relations* second ed., New York: Routledge, page 112

¹⁵ *ibid.* page 31.

the power to provide all necessities for the people, the need of cooperative relations between state, market and corporation is required. Liberalist like Adam Smith admitted that state is necessary within the economic system, especially upon the function of providing a regulatory framework such as legal system, implementation of contracts and ensure against unfair competition.¹⁶ Liberalists argue trade between states is encouraged as the need of inputs into production process that has to be imported. Realizing the fact that every actor possesses different power that rely on each other, thus cooperation and good intention may lead to fulfillment of goals and interests.

Aside from the state and MNC, regional body also play an important role in international relations according to liberal pluralism. It is believed to prevent conflict through set of interdependence it is caused and encourage mutual trust. Regional bodies count as an institution that able to influence state by creating strong incentives for cooperation, by bridging the gap between states by applying same policy on certain issue, and aids in their pursuit of linkage strategies.¹⁷ The theory of regionalization has defined that the member states share common intentional political process, typically led by governments with similar goals and values in pursuit of the overall development within a region. The role of regional body itself is to protect their geopolitical interest and the economic concern of their constituencies through policy-making.¹⁸ Regional

¹⁶ *ibid.* page 28.

¹⁷ Joseph S. Nye and Robert O. Keohane, (1989), *Power and Interdependence*. New York: Harper Collins Publishers, page 36.

¹⁸ Stanley Hoffmann, (1982), *Reflections on the Nation-State in Western Europe Today*, *Journal of Common Market Studies* 20 (1-2), page 21.

body like EU have the power to do more force on its member to comply on certain policy through its supranational feature that ablist the body to influence national boundaries. This will lead the member states to achieve their goal in a more effective and efficient way (e.g. through timeline or certain set of rules), they believed to have the capacity to redefine the behavior of states. Hence, it is believed to further integrate the domestic actors such as trade unions, business associations, and member states to promote their economic or political interest

As explained above, international relations at current era is defined by the phenomenon of globalization. The emergence of complex issues and interconnectedness shaped our life by the events that occur and decision that are made by actors regardless of great distance¹⁹. What goes on within and between international actors impact one another to a greater degree than before, this has made the emergence of global issues. The growing number of international cooperation reflects how states are confronted by collective dilemma, a problem that arises from the interdependence of state meaning that the solution has to involve international cooperation rather than the action of a single state.²⁰ Circumstances where states might have the same concern and interests upon important aspects of human life such as trade, environment, religion, migration, and so on might lead to cooperation in order to find a problem-solving.²¹

¹⁹ Andrew Heywood, (2011), *Global Politics*, New York: Palgrave Macmillan, page 3.

²⁰ *ibid.* page 9.

²¹ Richard J. Payne, (2012), *Global issues*. Harlow: Pearson. page 9.

According to Immanuel Kant, he agreed that we have experienced the structural change of international relations that it is work under the behavior of cooperation more than the competition does; and aimed to channel their political interest. It has four main variables that will lead to cooperation; first, interdependence when the outcome of an interaction for each depends on the choices of the others. Second, common fate Actors face a common fate when their individual survival, fitness, or welfare depends on what happens to the group as a whole. Third, Homogeneity or likeness, isomorphic with respect to basic institutional form, function, and causal powers and in how their political authority is organized domestically, in their regime type as well as the value they embrace. Forth, Self-restraint where the state has to give up on offensive behavior for the sake of collective goods which enable other people to step forward.²²

Globalization or global issues can no longer ignore economic factors. Some of the important issues like military and environment have an economic dimension to them. Combating environmental problem calls for international political cooperation also changes in socio-economic principal of world's industrial and trade system.²³ The changes of technology made it able for business to be conducted globally with MNC conduct production process outside the origin countries, trading goods and services across the globe. The

²² Alexander Wendt, (1999), *Social Theory of International Politics*, Cambridge: Cambridge University Press, page 359.

²³ R. Falkner, (2005), *International Political Economy*, London: University of London, page 10.

study of international relations takes into account the need of political economic nexus with the establishment of international political economic study.

Theories in international political economic involves the tradition of liberal perspective supported by globalization. It has optimistic point of view on peace through trade. David Ricardo offered the concept of comparative advantage as a response towards Adam Smith's theory on absolute advantage of trade. According to Ricardo, all countries can profit through international trade, including those who are not more efficient than other nations in any economic sector. As long as they are willing to specialize on the sector where they have relative or comparative advantage, improvement on welfare is able to be achieved. Hence, countries with abundance of manpower but lack on capital could specialize on labor-intensive goods, while countries with abundance of capital but lack of manpower would better specialize in manufactured goods, even though they could be productive in both manufacturing and labor-intensive sector.²⁴ Given reasons for both countries to mutual gains by trade, trade can be more enhanced with an agreement, be it regional, multilateral, or bilateral.

Despite of the same objective to meet the supply and demand as well as maximize the use of comparative advantage of each actor involved, every transnational trade derived from each side national interest without having to inflict war. Ricardo support the idea of *laissez-faire* see the relations of market and the state as positive-sum game where exchanges of goods and services can

²⁴ *ibid.* Page 31.

be advantageous and complement different interest of each state.²⁵ In the field of international trade it has embodied vivid national interest, it is to gain conformable action to reach national security that is profitable for all also equitable.²⁶ Economic and political interest also stand to cope with diverse issue based on the intensity ranging from survival to peripheral. Survival issue occur then the existence of the state is in jeopardy, such military attack. Next is vital issue when serious harm might happen if conventional military forces are not deployed to counter or deter other state. Major issue occurs where the political, economic and ideological well-being of the state may be adversely affected by events and trends in the international environment and thus requires corrective action in order to prevent them from becoming serious threats. Last is peripheral issue where the well-being of the state is not adversely affected by events or trends abroad, but where the interests of private citizens and companies operating in other countries might be endangered.²⁷

The concept of national interest might strongly relate to the theory of realism that cynically sees cooperation to achieve what is best for the country. However, liberalism judge national interest in a different perspective, national interest and cooperation goes well in international relations as liberals believe. It simply explains that cooperation is necessary because it addresses problem

²⁵ David N. Balaam, (2014), *Introduction to International Political Economic*, New Jersey: Pearson Education, Page 33.

²⁶ W. T. Stone, (1954), Foreign trade and the national interest, *Editorial research reports 1954* (Vol. II). Washington, DC: CQ Press. Retrieved from <http://library.cqpress.com/cqresearcher/cqresrre1954072800>.

²⁷ Donald E. Nuechterlein, (1976), National Interests and Foreign Policy: A Conceptual Framework for Analysis and Decision-Making. *British Journal of International Studies* Vol 2 No 3, page 248-250.

that could not be solved by the nation per se. the liberals believe that the preferences of the state that is embodied in national interest cannot be reduce to some simple preference ordering. Today's, the state compromise to achieve better and greater ends which include cooperation with another state. Not all state put power as its priority and many would rather do expense for better trading system and fulfil the people's necessity than rifles.

The term of security has changed through decades and vary from every country. The theory of securitization believes that it is no longer only deals with strategic studies and military. Security has widened vertically and horizontally.²⁸ Barry Buzan stated that horizontal aspect has expended to political, economic and environmental issues. Vertical expansion has to involve other referent objects other than state, which are things that are seen to be existentially threatened and that have a legitimate claim to survival, like individual, social groups, and humanity as a whole.²⁹ In a nutshell, international trade aim for a better self-realization of a state. They will create policies that can avoid impediment to the process of fulfilling national interest.

Aside from global issues on international political economic there is growing concerns upon global environmental issues or green politics. In a sense, green politics backlash the interest of industrial society until 1960s and

²⁸ Vladimir Šulović, (2010), *Meaning of Security and Theory of Securitization*, Belgrade Center for Security Policy, retrieved from [http://www.bezbednost.org/upload/document/sulovic_\(2010\)_meaning_of_secu.pdf](http://www.bezbednost.org/upload/document/sulovic_(2010)_meaning_of_secu.pdf).

²⁹ Barry Buzan, Weaver, O. and de Wilde, J, (1998), *Security – A New Framework for Analysis*, Colorado: Lynne Rinner Publishers, Inc., Boulder, page 36.

1970s. However, the environmental movement occurred to highlight the cost of environmental that kept put aside and needed to be taken into account as an integral part of human development. The environmental movement address general problem on resources, that attempts to conserve natural materials by reducing the use of non-renewable resources (i.e. fossil fuel), increasing the use of renewable resources (i.e. wind, wave, tidal power). Attempt to reduce the damage done by the waste products of economic activity, through development of greener technology in an instance has become an important agenda. Green politics admit upon the issue of resources security, in terms of access to energy and other resources are sufficient to meet state's economic needs.³⁰ Thus, resources security and climate change has become a counter balance priority for state.

In the case of climate change force states to reduce their use on fossil fuel and its limited reserve, the quest for resource security would encourage state to find another alternative as a reserve in renewable resources as a 'green' way to resource security; since there will be better certainty on the availability. Environmentalist hence believes upon the technology development to synchronize the same energy levels as fossil fuel. The intertwining problem of economy and environment raise the ideology of green economy. The main idea of green economy is that we have to move towards the idea of ecological development: the economy shall be seen as a subset of the ecosystem.³¹ They

³⁰Andrew Heywood. op. cit. page 407.

³¹ Molly Scott Cato, (2009), *Green Economics an Introduction to Theory Policy and Practice*, London: Earthscan, page 2.

named themselves as economic for people and the planet. Green economy aims to improve human well-being and social equity while significantly reducing environmental risk and ecological scarcities. Correlating with the theory of securitization and energy, security has grown to broader issues like energy as a part of nation's stability and survivability. The definition of energy security falls under the condition where energy should be physically available and its price should be reasonable.³² The theory of energy security emerged from the anxiety of oil shortage which encourage the development of technology in finding the alternatives through sustainable resources and the attempt to share the resources through trade. The energy has become intricate system of trade, indicated through growing diversity in energy technology, sustainable energy deregulation, cooperation, foreign investment, interdependency on the sector.

Green economy recognizes three important pillars of sustainable development – social, economic, and environmental development – with the aim of fostering those situations. Admitting that trade-offs are inevitable; however social justice as well as perseverance of environment for the next generation and fulfilling the needs of human being has to go in line. The green economy measures the well-being of society by factoring population's access to basic resources, education, health and social security.³³ They wish to fulfill the necessities of current condition without compromising the ability of future

³² Sanam S. Haghighi, (2006), *The legal dimension of the EU energy policy*, RCSAS: Florence, page 11.

³³ International Institute for Sustainable Development & United Nations Environment Programme. (2014), *Trade and Green Economy: A Handbook*. Geneva: the International Institute for Sustainable Development, page 5.

generation to do so. Green economy acknowledges multitude approaches that a country could move towards green economy, for example, investment on research and development of green innovation, green subsidies, green taxes, green trade and so on. Thus, one country to another might address green economy differently based on its own priorities and natural assets or advantage. Trade itself is inextricably linked with the attainment of green economy. Opening new export market for environmental goods and services and sustainable energy trade can be a form to achieve sustainable development of one country to another. Green economy trade shall be accompanied by appropriate regulation as well, by effectively seize the benefits of interstate synergies, international trade can play a key role in the transition to a green economy. Supported by the International Chamber of Commerce (ICC) has established 10 conditions which help business to conduct as a transition to green economy; Open and competitive markets; Metrics, accounting, and reporting; Finance and investment, Awareness, Life cycle approach, Resource efficiency and decoupling, Employment, Education and skills, Governance and partnership, Integrated policy and decision-making.³⁴

1.8 Research Methodology

In order to carry out this research, the author would apply qualitative research methodology with explanatory and descriptive manner. Qualitative

³⁴ International Chamber of Commerce, (2012), Green Economy Roadmap: a Guide for Business, Policymakers, and Society, Documents No 213-18/8 June, page 13.

research method seeks to explore phenomena; collects evidence, and produce inference that is not yet determined in advance. Qualitative method is also able to identify intangible factors, such as, social norms, socioeconomic, and perspective from the local population it involves. It expected to produce an in-depth analysis and understanding for relevant actors within this case study. Thus, produced inference can be applicable beyond particular studies.³⁵

According to explanation above, this particular research with the title of “Ireland and Great Britain Cooperation on Sustainable Energy Electricity: Comprehending the Establishment of Greenlink Interconnector” will be further elaborated through specific data obtained. Qualitative research method possesses several common forms of data collection procedures, which are participant observation, in-depth interviews, focus group discussion and documents or literature.³⁶ However, the author will only use several methods in the process of collecting data. In order to comprehend data available, literature study will assist to produce systematic explanation, factual, and accurate findings. Study of journal, official and actual reports, news, press release, statistics, and reliable research will be the focus of empirical source for this research. Contribution from historical documents, official statement, and international documents will support the validity of produced inference as well.

³⁵ Natasha Mack (et. al.), (2005), *Qualitative Research Methods: A Data Collector’s Field Guide*, North Carolina: U.S. Agency for International Development and Family Health International, page 1.

³⁶ John W Creswell, Vicki L. Plano Clark, (2007), *Designing and Conducting Mixed Methods Research*, Thousand Oaks: SAGE Publications, page 11.

1.9 Thesis Organization

Structure of this research will be as follows:

i. Chapter 1 – Introduction:

This chapter would present the brief introduction and glimpse of main issue of the research background.

ii. Chapter II – Each state standing on sustainable energy policy and actors involved in the project

In instance, this chapter would coherently analyze of both GB and Ireland towards the development and usage of sustainable resources and energy through its current policy in sustainable energy. This chapter will also elaborate each actor involved in the arrangement.

iii. Chapter III – Greenlink Interconnector: Motives and Background Discovery

Then, this chapter would elaborate the motives behind both countries decision by analyzing the national interest to make Greenlink come to establishment. Set forth, internal factors in political background and economic background, then the identification of external factors will be derived from the role of regional body and MNC.

iv. Chapter IV – Conclusion

In this chapter, the author would like to provide a conclusion upon the discovery of opportunity of trade on sustainable energy in the green economy realm between GB and Ireland.