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Is Europe Having Another 1973 Moment?

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The EU's only path to lasting prosperity and security on the long run is to break its dependence on fossil fuel imports by electrifying its economy, scaling up homegrown clean energy, and building the industrial capacity to sustain both. A united European energy and climate strategy that combines crisis resilience with long-term decarbonisation is no longer a policy choice but an existential necessity.

When the 1973 oil crisis hit, it exposed Europe's dangerous dependence on imported oil. The shock forced a rethink, which in a few places sparked transformation. Denmark, for example, bet on wind energy, backing a nascent turbine industry and setting the stage for one of the world's most successful clean technology ecosystems. Vestas released its first commercial wind turbine in 1979, the same year Jimmy Carter installed solar panels on the White House roof. Ronald Reagan had them quietly removed in 1986. Denmark stayed the course. Today, wind generates nearly 60 percent of Danish electricity, and two of the world's five largest turbine manufacturers having a key part of their operations there. Energy crises can be turning points, but only if leaders choose transformation over retreat. Yet even Denmark, for all its success in wind energy, remains heavily reliant on fossil fuel imports for transport and heating. If Europe's clean energy pioneer still has so far to go, the scale of the challenge ahead for the continent as a whole is immense.

The EU has reached a critical juncture moment again. Brent crude has surpassed 100 USD/barrel on March 9. TTF gas prices have climbed past 60 EUR/MWh, sending shockwaves through an industrial base that has not yet recovered from the 2022 crisis. The EU is in a better position than it was then – LNG infrastructure has expanded and Russian gas has been largely replaced. But the structural vulnerability remains. Europe still imports over 90% of its oil and gas, paying roughly three times what American industry pays for natural gas. This is not a temporary disadvantage. It is a systemic weakness.

The EU's response to Russia's weaponisation of gas was remarkable. Russian gas fell from 45% of EU imports in 2021 to around 13% by 2025. Oil imports dropped below 3%. Simultaneously, European gas consumption declined by 20% between 2021 and 2024. By January 2026, the EU adopted a regulation banning Russian gas through a stepwise phase-out. The bloc proved it could act decisively, despite some internal resistance. But the cheap Russian gas has been replaced by continued dependence on volatile commodity markets and suppliers whose political trajectories are uncertain at best.

This moment need not be another lost opportunity. REPowerEU proved the EU can combine short-term crisis management with long-term reorientation, securing emergency fossil fuel

supplies while accelerating alternatives. Unlike the 1970s, when EU countries negotiated individually with oil exporters and created the International Energy Agency, the current crisis demands a leap in European integration and a genuinely common energy strategy.

First, Europe must decouple from fossil fuel imports as aggressively as possible. Second, it needs to deepen partnerships with reliable neighbours like Norway and the United Kingdom, while exploiting domestic hydrocarbon resources smartly - Romania's Neptun Deep offshore gas for example can help replace Russian supplies in South-East Europe, including in the Western Balkans. But diversification alone is not a strategy. It just buys time.

The real transformation lies in electrification. The EU already generates over 70% of its electricity from low-carbon, domestic-grown sources. Pushing the electrification rate of industry, heating and transport can reduce import dependence and offer industries more predictable energy prices. This requires massive investment in grids, storage, and flexibility, and reforms to energy taxation that currently penalises electricity relative to gas. Europe must become an electro-state, running on homegrown electrons rather than imported molecules.

To do this at scale, the EU should learn from China's playbook. In the 1990s, Beijing required foreign companies to form joint ventures with domestic firms, ensuring technology transfer. Europe may need similar mechanisms. If Chinese clean tech companies want access to the European market (especially publicly procured goods), they should produce locally, transfer know-how, and integrate into European value chains. The proposed Industrial Accelerator Act already puts forward some key measures in this regard that should be further strengthened. Strategic autonomy in clean technologies is not protectionism, but economic survival. This does not mean sealing Europe off from the rest of the world. Mutually beneficial partnerships remain essential, not least as a vehicle for projecting EU influence and standards abroad.

Crucially, Europe's climate architecture must be strengthened, not weakened. The temptation during energy price spikes is to roll back environmental regulation. This would be the wrong response. The EU Emissions Trading System should be reformed to manage short-term price volatility, just as it was once reformed to fix excessively low carbon prices. Carbon leakage mechanisms that reward incumbency should become genuine investment instruments channelling resources toward industrial transformation rather than subsidising the status quo.

Europe's ability to thrive on the global stage will depend on staying united in its goal to wean off fossil fuels, electrify its economy, and build climate policy that is resilient in the long term yet responsive to short-term shocks. This is becoming almost as important as strengthening its defence capacity. A military buildup without addressing the strategic economic vulnerabilities that have periodically shaken the EU since the 1970s will be, ultimately, in vain.

The lesson of the past half-century is clear: those who transform in the wake of a crisis thrive, while those who retreat remain captive to the next one.

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