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Energy Politics

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Review

Brenda Shaffer, *Energy Politics*. Philadelphia, PA: University of Pennsylvania Press, 2009, viii + 190pp., £19.50 h/b.

DUE TO ITS INDISPENSABLE ROLE IN MODERN ECONOMIES, ENERGY remains a state's national security concern and an increasingly politicised issue in world politics. Guaranteed access to unequally allocated energy resources, the 'energy dictate' of producers, and the militarisation of resources are just a few issues which constitute consumers' national agendas. Therefore, it is timely, but also provocative, to admit that energy is an essential part of foreign policy, and states use it in order to reach their goals. In her book, Brenda Shaffer encourages us to accept the fact that the vitality of energy makes it an inherently political 'standard and legitimate tool of foreign policy', which can be employed both by producers and consumers (p. 1). She centres her discussion around the argument that energy and politics are inter-connected: developments in the energy market change the structure of the international system, and political decisions lead to changes in the energy markets. At the same time, the author is very cautious about these causal mechanisms or, at least, about the direction of these relations; rather, she opts for an *ad hoc* analysis of a certain number of issues. However, the book's strength is its awareness of the differences in the oil and natural gas markets and their political implications, as well as the careful assessment of the potential bias of data offered by different organisations—issues not often taken into account in other publications on this topic.

The book is divided into 12 chapters, organised into two main parts. The first deals with the role of energy in international relations, which includes the influence of energy on states' foreign policies, regime types, the likelihood of the emergence of inter- and intra-state conflicts, and climate change. The second offers six cases of three large exporters (Iran, Russia and Saudi Arabia) and importers (China, Europe and the USA).

Shaffer starts with discussion of the correlation between a high share of energy resources in a state's exports, and that state's economic development and regime type. She demonstrates that export revenues inhibit domestic economic reforms and empower the state to reallocate income to less competitive sectors of its economy and to preserve inefficiency of energy consumption. These observations lead her to two conclusions. First, she questions the effectiveness of the economic development of the poorest countries through the stimulation of the export of their energy resources—a thesis advertised by many international organisations, such as the World Bank (p. 22). Second, she supports the correlation between regime type and energy abundance: the state 'instead of extracting revenue from the population through taxation, and thus having to earn legitimacy from the public, acts as a distributor of the earning from exports' (p. 23).

Shaffer is very cautious about the prospects of the emergence of intra-state and inter-state conflicts due to the competition for energy resources. While she admits that border-delimitation disputes are emerging in the regions that were previously neglected due to the lack of extractive technologies (such as the Arctic Circle and the Caspian Region), she does not consider the competition for resources as a potential source of inter-state conflict. While the ownership of the field is important, effective and safe energy transportation is at the core of energy security, and it is still guaranteed by the USA. The author also doubts whether there is a link between energy abundance and an outbreak of intra-state conflict: on the contrary, she attributes the emergence of conflict to the 'diminished institutional capability of the state', which is influenced, however, by oil and gas exports (p. 75).

The book significantly contributes to the debate over the concept of energy as a weapon, which claims that the state can deny 'energy supplies to a state or group of states to achieve political goals or weaken an opponent' (p. 33). First, the author usefully questions the effectiveness of energy as a weapon, differentiating its applicability for the oil and gas markets. Cuts of oil supplies increase oil prices but do not limit access to the global oil market, and despite the famous 1970s oil shock, are mainly used by consumers in the form of an oil embargo. On the contrary, it is the states through which the oil transits, not the oil producers, that tend to stop gas deliveries. Second, as pipelines create a high level of interdependence between the supplier and consumer, the author doubts the efficiency of energy as a weapon in EU–Russian relations. Yet such interdependence, stable in the long-term, can be damaged by 'personal short-term interests within a state' (p. 46).

The author also takes a tough stance on the recent liberalisation of energy markets in the EU and the USA. In her opinion, the states' retreat from energy market regulation is 'shortsighted' (p. 92): the market *per se* does not provide energy security and 'is not capable of dealing with the two major challenges defined by Europe: security of supply and environmental policy' (p. 129).

Six thorough case studies of the main players in the energy market discuss their domestic development and international roles. All three exporters (Russia, Iran and Saudi Arabia) have common problems, such as limited production capacity and dependence of their economies on energy revenues. In the case of importers, Shaffer reasonably underlines the weaknesses of EU energy policy, which is even more undermined by the bilateral policies of its member states; the significant role of domestic factors in US foreign policy decision making, and the US use of the oil energy weapon against producers; and China's rising demand and its prospective competition for Russian resources with Europe.

The book offers a detailed analysis of the situation in the energy markets and up-to-date case studies. Shaffer demonstrates the divergent and often contradictory processes which are taking place in the energy market. At the same time, the work seems to be a bit atheoretical and more descriptive; it definitely could have benefitted from an elaboration of the theoretical framework.

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