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Dynamics of Energy Governance in Europe and Russia

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addition to an extensive consultation of the available English-language secondary sources, the book is based on vast press material and numerous personal interviews, primarily with officials. For one of the core empirical case studies—Nagorno-Karabakh—the author has managed to secure interviews with representatives of all the three sides involved in this protracted conflict—Nagorno-Karabakh Armenians, Armenian Armenians and Azerbaijanis. This is a rare feat given the persistent difficulties of obtaining interviews and sources across the communal divide in this extremely polarised environment. The book is very elegantly written, readable and accessible to a non-specialist audience. It will be of interest to scholars of ethnic conflict and conflict regulation, international security, as well as to practitioners and policy makers. The lucid style of the book will make it popular among students and tutors. Overall, the book is a welcome and much needed addition to the literature on a largely neglected subject that is not easy to research. For theoretical sophistication and new empirical material it is highly recommended.

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Anastasia Voronkova © 2013

Caroline Kuzemko, Andrei V. Belyi, Andreas Goldthau & Michael F. Keating (eds), *Dynamics of Energy Governance in Europe and Russia*. Basingstoke & New York: Palgrave Macmillan, 2012, xviii +292pp., £60.00/\$95.00 h/b.

INTERNATIONAL POLITICAL ECONOMY (IPE) CONTINUES TO SUFFER from an identity crisis that over the years has pulled the discipline in different directions across the Atlantic Ocean, often at the cost of practically minded, empirically driven research and theory development. The editors of this volume regain with great promise IPE's relevance to policymakers, namely those concerned with the intersection of energy and governance on a transnational scale, demonstrated here between Europe and Russia as the title indicates. The editors claim in the introduction that the politics of energy are changing rapidly among new technologies, new discoveries and emerging sources of demand, and that IPE can (and should) serve as the forum for making sense of this increasingly complicated picture. On this claim the contributors deliver convincingly in what overall is a tightly edited and well written volume that is as accessible to energy specialists and non-specialists as it is to the various disciplines that make up IPE's interdisciplinary community.

The 12 content chapters of this volume are divided into three parts: 'Transnational Dynamics', which covers those issues that extend beyond the control of any single state; 'Beyond Domestic Contexts', which attempts to draw out the transnational themes of seemingly domestic energy issues; and 'Contemporary Transformations', which focuses on the rapid change within the sector and its impact on regional governance.

The volume is better understood, however, by the themes that cut across each section: practically, the significance of unconventional gas and the power of efficiency initiatives among the complementary concerns for the environment and future energy demand; theoretically, the transnational nature of energy governance and the mounting challenge to neoliberal forms of governance among a growing body of emerging countries with strong state-run elements.

In the first chapter under 'Transnational Dynamics', Tatiana Romanova approaches EU-Russia relations from the perspective of legal approximation, the process of finding and promoting compatibilities within legislation among various actors. Through the successful case of clean energy and the failed case of Russian gas sector liberalisation, Romanova argues for a three level approach to legal approximation that categorises challenges as grounded in strategy, policy or implementation. In the next chapter, Daniel Behn and Vitaliy Pogoretskyy focus further on frictions with liberalisation by examining Russia's dual pricing policy (charging different rates for gas within as opposed to outside of the country), something that while upsetting to the EU, appears to be perfectly legal under WTO rules.

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Laudable for its objectivity, the authors remind us that current Russian policy is very similar to EU member country policies during their own respective periods of industrialisation. In the third chapter Anatole Boute further examines Romanova's other legal approximation case—energy efficiency—and argues convincingly that despite all the alleged tension between the EU and third party countries on traditional energy issues, on 'less strategically sensitive' sectors (p. 67) like efficiency, great progress can be (and is) made. In the final chapter of this section, Michael F. Keating brings us out of EU–Russia bilateral relations to draw larger themes on the EU's successes and failures in energy policy transfer to developing and transitional countries writ large, critically questioning what exactly is 'best' about EU-driven, so-called 'global best practices' for energy sector reform given the very personal, nuanced needs of each individual country.

Andrei V. Belyi and Ksenia Petrichenko begin the second part, 'Beyond Domestic Contexts', by analysing energy efficiency through the lens of energy intensity (energy use per GDP). Through a case study of energy efficiency in buildings in Germany, the UK and Russia, they show how structural factors (such as colder climates, energy distribution distances) and institutional factors (such as consumer interests, NGO involvement) influence energy intensity. In Chapter Six, Slawomir Raszewksi presents energy as an issue of securitisation in Lithuania and Poland, a narrative typical of the energy security literature that is then complicated by the nuclear and unconventional gas prospects for each respective country 'curtailed', potentially, by the EU's 'big states' that 'remain the drivers of policy' in a post-Fukushima, environmentally weary world (p. 145). Ekaterina Demakova and Jakub M. Godzimirski deconstruct the Russian government's relationship with Gazprom, arguing in their chapter that the challenge for the country remains finding a balance between the country's exporters of energy and domestic consumers, particularly under the dual pricing system. And in one of the more traditional contributions to energy security, in Chapter Eight, Simon Pirani details the 'gas wars' between Russia and Ukraine.

In the final section, 'Contemporary Transformations', Caroline Kuzemko argues in Chapter Nine that shocks such as the 'gas wars' described by Pirani above and the renaissance of politically ambitious leaders in oil-rich countries (for example Hugo Chavez) have shifted the paradigm of energy policy in the UK from one focused on liberalisation and competition to security and sustainability. In Chapter Ten, Andreas Goldthau makes a compelling case for why the 'shale gas revolution' (p. 210) combined with liquid natural gas (LNG) capacities are now forcing a reconsideration of traditionally oil indexed long-term contracts for gas wherein producers are overly exposed to price risks. Kim Talus continues to explore the implications of shale gas and LNG capacities in the following chapter, specifically in how they may affect energy governance in the EU. These two chapters are perhaps the most critical in the entire volume, particularly Talus' warning that EU liberalisation policies, seemingly uninformed by these momentous changes, risk 'getting it wrong' in future policymaking (p. 240). The final content chapter in the book, authored by David Elmes, examines energy multinational managers' responses to three potential energy futures. This chapter is frustratingly short given Elmes' access to managers from 44 different multinationals. After laying out a great process—taking future scenarios as assumptions and focusing in on company decisions in reaction to the scenarios—the author runs out of space in trying to capture all the undoubtedly fantastic insights drawn from his sample. This is doubly frustrating as Elmes' chapter is really the only one to wholly dedicate itself to the role of multinationals in energy governance.

Overall the volume is rich with inspiration for the IPE community—no doubt it will spur new directions in theorising on energy governance, as it explicitly aspires to do. Practically, the volume is most relevant to the natural gas sector, but in mapping out the implications of unconventional gas to the larger energy mix, the book remains a relevant read for the greater industry, and vitally, in a lexicon routinely defined throughout for broader audiences.