

# Book Review

Oksana Bukiy (2010)

## *Russian Gas Policy and the EU's Energy Security*

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Tomas Maltby  
*University of Manchester*

In light of major gas supply disruptions of Russian gas imports to Europe in 2006 and 2009, and the subsequent rise of energy security to a become a more general security priority for the EU, this addition to the literature on EU-Russia energy relations is an extended (80 page-long) policy paper, based on data to early 2009. Arguing that a more depoliticised and economically rational energy relationship between the EU and Russia would be of benefit to both, mutually dependent, partners, the work analyses the key factors that influence the Russian energy security strategy, including a focus on the 2003 Russian energy security strategy. In exploring the actions of the Russian state, and the state controlled Gazprom (who have a monopoly on gas exports) this work highlights and explains the acute need for investment in the economically derived energy strategies, evaluating alliances with transit states, gas suppliers in the Former Soviet Union, and also analyses the Russian gas industry infrastructure and lack of investment that is a possible threat to supply security in the long term. The work then looks at the obstacles for closer cooperation between Russia and the EU, and plans by both sides to increase security of demand and security of supply respectively.

This is a useful collation of data to 2008, with an attempt to balance EU interests in the field of energy with those of Russia, a useful and explicit rejoinder to the overpoliticisation of EU-Russia energy relations, and increase in the perception of Russia as a problematic partner, with repercussions for EU energy and broader security. The work demonstrates the importance for both parties of the energy trade relationship – whilst recent work has often highlighted, in the aftermath of the 2006 gas supply disruptions – the vulnerability of the EU in this relationship, Russia is also dependent on the EU. Though lacking in depth, this extended essay provides a useful additional accompaniment to a field that includes important and authoritative work by Youngs in 2009 (*Energy Security: Europe's New Foreign Policy Challenge*) and Aalto's 2008 edited publication (*The EU-Russia Energy Dialogue*); focusing on an attempt to examine both EU energy security policy towards Russia, and vice versa.

The author provides a useful perspective and background and explanation of factors that influence Russian energy strategy, that includes, but also moves to a more nuanced explanation than a simple Russian coercion to achieve geopolitical objectives through the state dominated monopoly of Gazprom by focusing on the economic / market principle

motivations for gas price rises of neighbouring (FSU) states, and the supply disruptions that have resulted after thirty years of reliable energy relations between the EU and Russia.

Whilst the author notes the importance of the problem of mutual suspicion that exists along with the mutual dependency of the EU and Russia in energy relations; this is exacerbated by the diversity of interests of the plethora of actors within the EU. Commission DGs have objectives that are rarely coherent, and the same is true for actors with competency for national and energy security in Russia. The Russian data is heavily reliant on the 2003 Energy Security Strategy to 2030, and this could have been supplemented by additional Russian government reports (and in an update, the 2009 National Security Strategy). The work could have been further strengthened with additional reference to primary Russian and EU documents, to provide a more nuanced analysis of the interests and actions of relevant parties, as insufficient use is made throughout of the extensive collection of primary documents available from the EU. For EU gas imports (on which this work focuses) a 2003 source is used, that claims that 70% of EU gas imports came from Russia in 2000, though other Eurostat sources put this figure at closer to 40% in 2000 (and 32% in 2008 rather than the 50% by 2010 cited here). This is an important discrepancy, though the EU trend for increasing gas imports leaves Russia as a major player in gas consumption, cancelling out the decreasing market share for Russia of gas imports. Another oversight relates to the second Yamal-Europe pipeline to bring additional Russian gas to Europe through Poland, and the failure to note that this was cancelled in 2007 and the initiative has not been restarted.

This book analyses the state of the energy market, though despite being published in 2010, this work would benefit from an update to include important developments at the end of the decade, including: Progress on Nord Stream and the Southern gas Corridor; The effects of the Commission's 2008 Energy security focused 'Second Strategic Energy Review'; developments as a result of the Russian National Security Strategy to 2020 (2009); the implications of the withdrawal of Russia from the market rules based Energy Charter Treaty (2009), and the EU's third energy package (2009), and Energy 2020 strategy (2010). With reference to the utility for research is the occasional lack of full bibliographic detail for primary sources (newspaper articles and additional materials), the lack of an index, and other issues that editorial oversight would have helped to ameliorate. Though not an essential or unique contribution to the literature, this piece provides a useful summary and analysis of existing secondary literature, and limited primary data that could be further enhanced by far wider reference to primary sources and recent developments in the field of EU-Russia energy security. In focussing on the motivations and preferences of both the EU *and* Russia, the work effectively highlights the importance of existing and future interdependency in energy trade, and the necessity of moving towards a less politicised relationship that incorporates a mutually acceptable legal framework for energy trade that recognises the economic and security concerns of Russia, the EU and individual member states. Russia has withdrawn from the Energy Charter Treaty, and the current challenge for the EU and Russia is to reach such an agreement that be included in the broader New Framework Agreement between the two parties.