

[Caudill on Balmaceda, 'Russian Energy Chains: The Remaking of Technopolitics from Siberia to Ukraine to the European Union'](#)

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Margarita M. Balmaceda. *Russian Energy Chains: The Remaking of Technopolitics from Siberia to Ukraine to the European Union*. Woodrow Wilson Center Series. New York: Columbia University Press, 2021. xiv + 421 pp. \$35.00 (paper), ISBN 978-0-231-55219-6; \$105.00 (cloth), ISBN 978-0-231-19748-9.

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Russian Energy Chains: The Remaking of Technopolitics from Siberia to Ukraine to the European Union

Dr. Margarita M. Balmaceda is a professor of diplomacy and international relations at Seton Hall University and an associate at Harvard University's Davis Center for Russian and Eurasian Studies at the Harvard Ukrainian Research Institute. For more than twenty years, she has researched and written on energy issues in the countries of the former Soviet Union (FSU), including three years of field research in Russia, Ukraine, Belarus, Lithuania, Moldova, and Hungary. She has often revisited the question of how energy-poor countries of the FSU and central Europe have dealt with their Russian-dependent status. In particular, she asks: can the *threat* that Russian energy represents be understood without also understanding the opportunity, even the *temptation*, represented by Russian energy? Balmaceda found the research in this area to be lacking, as it focused on Russia's "power over" energy-dependent states. The author sought to explore the other side of the coin: the "power to," meaning the activities that domestic political groups, firms, cartels, and other actors are empowered to undertake in their role as an energy transit state and consumer.

In *Russian Energy Chains*, Balmaceda explores the risk and opportunity presented by FSU states' participation in the value and supply chains associated with exporting Russia's energy riches. The rewards come not only from sales to consumers at the end of the line in the EU, but from transit and other midstream activities that offer access to profits, subsidies, and rents. These countries' role in Russian oil and gas exports—for example refining oil into diesel fuel—is a way to maintain leverage over Russia and to acquire spillover profits from Russian exports. The author asserts, "It is impossible to understand Russia's energy power—and the constraints to it—without understanding these value chains and how they deeply permeate local politics and business in each state through which the chain goes" (p. 40).

The book is elegantly structured, with the first three chapters (part 1) providing an overall framework and relevant background on the fossil fuels discussed: natural gas, oil, and coal. Part 1 includes a description of the fuels' physical characteristics and how they affect the features of their respective

markets, as well as the power relations along their value chains. Part 2 moves from the theoretical to the empirical by following the three fuels and the actors related to their value chain, from production and export through end use. The selected case studies all follow the same basic path: extraction in Russia, transit/processing in Ukraine and other states, and final use in Germany. It would not be feasible for the author to cover all existing value chains for each of the three fossil fuels, but she has selected fascinating case studies, all with a similar geographic path. The book closes with part 3, in which Balmaceda reviews new types of energy and new political chains, including changes in the energy threat/opportunity balance in recent years.

Balmaceda helpfully provides "A Note on How to Read This Book," which suggests that the casual reader might skip some of the early theoretical chapters and jump ahead to the real-life story of how natural gas, oil, and coal get to market. Conversely, university students should read all the chapters and make use of appendices A (key technical terms), B (key actors), and C (chronology) for class assignments. Despite the author's soft sell, the theoretical chapters are indispensable to understanding the critical differences between oil (the default fuel in typical discussions of global energy powers) and other fossil fuels. One example of a critical detail is the fact that natural gas is processed to its final form near the source of extraction, whereas oil can be transported and processed far along its transit route, resulting in many other differences in terms of the actors involved along the way.

The focus period of the book is the "calm before the storm": between 2011 and Russia's annexation of Crimea in 2014. For context, Balmaceda also looks back to Soviet times to describe how the fossil fuel value chains first developed and evolved. She then details the changes that came after 1992, when the various newly independent states negotiated their new roles. The reader will learn how certain well-placed individuals along the energy transit routes took advantage of the post-Soviet restructuring phase, becoming the powerful oligarchs that we know today. In the process, these actors virtually eliminated Ukraine's role in refining Russian oil. They also damaged the long-term viability of the coal sector by weaponizing miners' grievances and appealing to populism, but failing to invest in modernizing the industry and making it safer for workers.

This book is very well timed, now that the Nord Stream 2 pipeline is nearing completion and Russia will be able to circumvent Ukraine and bring natural gas straight to the EU. Balmaceda informs us that this is nothing new and that Russia has endeavored to bypass FSU countries for many years. The author references critics who point out that there is not a sound economic reason for the Nord Stream 2 pipeline. It is perplexing why the project is moving forward, when it contradicts two important regulatory trends in the EU: market reforms to promote competition and requirements to use more renewable fuels. The interests of certain actors in Russia and Germany may well outweigh these forces.

The reader may ask: why waste time talking about fossil fuels, now that climate change is causing historic wildfires in Siberia and central Europe is being hit with heat waves and floods? The simple answer is that Balmaceda's book provides us with a template for understanding any type of energy value chain. Her approach to an energy system based on the combustion engine can also be applied to an electricity-based one, including nuclear plants and renewables like wind and solar. Instead of following the path of a gas molecule, we can follow the watt across its value chain. This book offers a blueprint to understanding the interplay of the materiality of a fuel type, the actors involved in the

value chain, and the regulatory framework that will dictate how countries make the transition to cleaner fuels. We should look forward to Balmaceda, and researchers who will likely emulate her methods, documenting these energy chains in the future.

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