
RUSSIA'S ENERGY DIPLOMACY: THE RESOURCES OF ITS ENERGY STATECRAFT IN EURASIA

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Adam N. Stulberg. *Well-Oiled Diplomacy: Strategic Manipulation and Russia's Energy Statecraft in Eurasia*. Albany: State University of New York Press, 2007. 337 pages. ISBN 978-0-7914-7063-3

Unlike its title's figurative claim, this book is about Russia's energy diplomacy in oil, gas and nuclear energy sectors. Adam Stulberg, a scholar at the Sam Nunn School of International Affairs, explores Russia's successes and failures in influencing security policies in the post-Soviet region of Eurasia¹ from 1992-2002. He explains when and how Russia converts its natural resources into successful political levers.

While traditional studies of statecraft focus on hard diplomacy, Stulberg suggests a new concept of strategic manipulation. Contrary to coercive diplomacy, soft diplomacy involves altering the political choices of other countries by manipulating their decision-making process. Indeed, one state can affect another by changing a number of losses and gains for the manipulated state. The manipulated countries (so-called *targets*) are given a few options — either comply, oppose or cooperate with Russia. A manipulator (so-called *initiator*) can affect a target through either means of violence and persuasion as mechanisms of coercive diplomacy or means of soft power; namely, strategic manipulation.

Stulberg's concept of strategic manipulation is based on several assumptions (pp. 42-46).² First, foreign leaders practice statecraft to advance their relative influence. Many objective circumstances can turn the pursuit

1 Azerbaijan, Kazakhstan, Kyrgyzstan and Turkmenistan.

of power by security-seeking states into an intense and destabilizing security dilemma. State leaders are likely to want more rather than less external influence. Accordingly, facing a set of unfavorable options, they may care less about maximizing potential gains but more about limiting damages.

The second assumption is that a state's international influence policy trade-offs must uphold international commitments. To engage in energy diplomacy, leaders devise a strategy and secure the cooperation of domestic actors, both public and private, that possess critical expertise and control over policy resources.

Third, the formal authority to oversee the formulation and implementation of foreign policy is hierarchical. Foreign policy decisions result from interaction between principals — central executives empowered to devise the policy, and agents — which is then given to administrative actors who are tasked to carry out the policy.

Fourth, policy makers in both initiator and target states are presumed to adhere to the “principle of situation rationality” which connects the theory's finding of loss aversion and broad interpretations of rational decision-making. This implies that policy makers can be treated as wholly rational while they maintain their choices under the specific conditions — so-called situational frames. Within each situational frame, a decision maker maintains a hierarchy of preferences in making their cost-benefit calculations. Stulberg argues that such frames clarify whether a situation is generally characterized as a gain or loss. Furthermore, an explanation of common patterns of strategic manipulation need not depend on knowing how the options are precisely interpreted; once the circumstances are clear in a specific issue, predictions of the framing effects and riskiness of compliance become possible, irrespective of the cognitive makeup of a target state (pp. 44-45).

From these assumptions, the theory of strategic manipulation attributes success to an initiator's capacity to control the value and chances of compliance for a target. Insights from the prospect theory suggest that this requires leverage over both the ‘editing’ and ‘evaluating’ dimensions of target's decision-making. The editing consists of the procedural power to affect the framing of a given choice problem for a target, shaping trade-offs between risks and losses and values of different options. By prescribing a range and order of choices, an initiator can push policy inclination in its favored directions. The evaluating dimension involves shaping the content for specific policy options considered by a target to affect the risk of compliance.

Stulberg concludes that energy statecraft is effective when an initiator can affect the domain and value that a target assigns to the exchange of a strategic good. Effective statecraft depends less on the raw power to coerce or enforce compliance than on the indirect power to define issues, initiate and order options. The key to manipulating compliance is the ability of an initiator to reframe the choice set available to a target so that expected losses from compliance are either pitted favorably against other risky choices or redefined as forsaken gains (pp. 45-46).

Finally, according to Stulberg, the capacity of a state's manipulative energy diplomacy rests on two conditions. First, the manipulator should have market power in the global energy market. This condition is entirely applicable to Russia's gas situation as Russia is the world's largest gas exporter and owner of gas pipeline networks and other energy assets abroad. A state benefiting from a dominant position in global energy markets has more chances to impose “its wills on targets which lack third party alternatives or domestic options for adjustment” (p. 7). However, this condition does not provide a full success of manipulation. For instance, vulnerability of a target does not inevitably lead to compliance with the initiator since the target can always increase the costs of the manipulator's policy.

The second condition is related to domestic factors. The target's vulnerability alone does not guarantee its compliance to the interests of the manipulator. An initiator needs the loyalty of the natural gas firms in implementing providing its foreign policy. The initiator must also ensure that domestic actors who control natural resources line up behind its statecraft (p. 7). Therefore, a state should be confident that domestic energy companies, which have control over natural resources and/or infrastructure, act in accordance with the main policy to maximize the statecraft. These two factors — market and domestic institutional conditions — determine the Russian government's capacity to set decision frames and recast the value and riskiness of compliance for target states in the Eurasian region.

Stulberg concludes that to convince its energy partners to comply with its interests, Russia must make compliance attractive by either 1) highlighting the positive results of such action compared to other alternatives or 2) increasing the gaining prospects of compliance *vis-à-vis* the risks (the losing prospects) of non-compliance (p. 7). Thus, through such strategic manipulation, Russia could reach its goals without explicitly threatening, punishing or profoundly altering the behavior of its targets.

Nevertheless, Russia succeeds in its manipulating strategy only in the gas sector by achieving strategic and commercial concessions from Kazakhstan and Turkmenistan. In the oil sector, Kazakhstan and Azerbaijan rejected Russian ambitions. In the nuclear power sector, Russia's market power was relatively small. However, its control over the sector was coherent, so it could secure commercial, but not strategic, concessions from Kazakhstan and Kyrgyzstan. Therefore, the title of the book, *Well-Oiled Diplomacy* seems ironic since it is gas diplomacy, not oil, that makes Russia's energy statecraft.

The main strength of the book is its conceptual framework which successfully explains the mechanism of altering the energy policies of other countries. The author is scrupulous in methodology and concepts he uses to develop the idea of strategic manipulation. However, while the book elucidates how Russia intervenes in the energy policies of Eurasian states, it does not explain why Russia needs to manipulate within the region. The manipulation concept does not identify whether such political behavior of Russia is a part of its grand strategy or not.

Well-Oiled Diplomacy is a book about decision-making in politics. However, the author neither discusses the roles of political leaders nor explains how and by whom particular political decisions were made. Adding information on the decision-making process of governments and the nature of personal ties between political leaders would bolster the author's argument. These, however, are mostly ideas for further research and theory testing on the issue. This book is already an excellent factual and conceptual work that stands out in the literature on Russia's energy politics. **PEAR**

THE ART OF MARITIME WAR: A "HEADS-UP" FROM SUN TZU ON SINO-AMERICAN MARITIME RELATIONS

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Sun-Tzu. *The Art of War*. Trans. Samuel B. Griffith. Oxford: Oxford University Press, 1963. 197 pages. ISBN 978-0195014761

Robert Kaplan, "The Geography of Chinese Power," *Foreign Affairs* 89, no. 3 (2010): 22-41.

Master Sun said:

The art of warfare is this:

Analyze the enemy's battle plan to understand its merits and its weaknesses; provoke him to find out the pattern of his movements; make him show himself to discover the viability of his battle position; skirmish with him to find out where he is strong and where he is vulnerable [...] If your position is formless, the most carefully concealed spies will not be able to get a look at it, and the wisest counselors will not be able to lay plans against it (p. 197).

This classical proverb proffered by one of China's most renowned military generals, Sun Tzu, describes with formidable accuracy the underlying strategy many outside observers believe that China is implementing against its American hegemonic counterpart. Questions concerning China's long-term intentions as it strives for great-power status have increasingly surfaced among US foreign policy makers, who seek to answer the simple yet indelible question: "What to do about rising China?" Indeed, strategists in Washington toss around this question as regularly as Qin warlords did the decapitated heads of inept military generals. In many ways these American counselors are striving to secure their own heads with their China policies just as general Sun Tzu sought