

**Agnia Grigas.** *The New Geopolitics of Natural Gas*. Cambridge: Harvard University Press, 2017. 416 pp. \$35.00, cloth, ISBN 978-0-674-97183-7.

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Energy resources and geopolitics are intertwined in our modern economies. *The New Geopolitics of Gas* by Agnia Grigas exposes the shift from continental geopolitics to the emerging global market in natural gas. Grigas provides a thorough accounting of the politics, economics, and events marking the rise of gas as a key element in a low-carbon energy system. The book provides detailed discussions on issues like the shale gas revolution in North America and geopolitics in central eastern Europe. It also addresses lesser known stories behind developments like the rising imports to China, Russia's take-over of Crimea, and the export and trading hub of Qatar. *The New Geopolitics of Gas* is a valuable account of the new geopolitical order in gas, serving as a foundation to understand daily events and provoking thoughts for further research. The timeliness of the book, as populist political tendencies rise, serves as a reminder of the benefits of international trade in a commodity.

The order of the book is along regional divisions, which spreads analysis of technical developments and international relations throughout the reading. This serves as a good order to understand why gas is entering a new global phase of geopolitics. Between 2005 and 2015 there were significant developments in the United States: the development of hydraulic fracturing technology,

the boom in shale oil and gas, and the construction of liquefied natural gas (LNG) export terminals. These events are now upending the regional division of gas markets. The production of copious amounts of shale gas is keeping US domestic prices low while allowing for gas exports. This gives the United States sufficient quantities to enter the global LNG trade dominated by traditional allies and foes. Deliveries to Asian countries, such as Japan, represent strengthening commercial and political ties, while deliveries to Poland offer up geopolitical conflicts with Russia.

There are three key themes running through the book: 1) US shale gas output; 2) LNG technology; and 3) Russia and Gazprom. Between 2005 and 2015, the extraction of shale gas in the United States underpinned shifts in the global gas trade. As chapter 1 covers, there are price differentials in regional markets, such as between Asian and European markets, which emerge as opportunities for US LNG exports to enter. These markets, such as in the Asian LNG market between Australia and China, are dominated by regional LNG deliveries, or pipeline gas from Central Asia. At the same time, as noted above, politically significant deliveries can occur, like US LNG shipments to Poland, a traditional dependent of Russian gas. While US volumes are small in terms of the global

LNG trade, there is high political and economic significance to these deliveries.

Developments in LNG technology enabled the US shale gas revolution, facilitating US entry into the global gas trade. Grigas provides a detailed description of this technology and how it is inserted into existing gas infrastructure and markets. The transport and financial aspects of LNG make it a game-changer for countries formerly reliant on domestic or regional supplies. Whether gas is used for heating homes (as in eastern Europe) or power generation (such as in western Europe and Japan), the technological and economic fit with an existing system is well explained throughout the book.

The role Russia and Gazprom play in representing pipeline gas is explained in detail in chapter 3. Russia's involvement and building of its LNG export capacity is described in detail, but it is the descriptions of European pipeline projects like North Stream I and South Stream that provide the balanced perspective of how gas is used as a political tool by Russia. Grigas avoids explicit political summations of Russia's use of its "energy weapon" to exercise political domination. Arguments exist on the side of Russia and Gazprom for their economic activities and protection and involvement in markets, which can be construed as protecting economic interests, rather than just politics. She provides a fair assessment and discussion of these arguments. Nonetheless, interwoven in the text is the joint strength of the state-backed Gazprom to conduct business with political overtones. This is more explicit in relation to Belarus and Ukraine, but also acknowledged in relation to events involving Poland, Hungary, and Slovakia. The world of shady political-gas barons and allies in Russia, Ukraine, and Germany is well documented and described, as is the indignation of eastern Europeans at the continued engagement of western European countries and politicians with Russia. The chapters flow through an order of importance and change. The first chapter

provides an overview of Grigas's argument, and chapter 2 dives right into the influential role the United States is now playing in regional and global gas markets. Central Asia and China are addressed towards the latter half of the book.

Chapter 3, concerning the power and politics of Russia and Gazprom, provides a resonance for more historical and deeper geopolitical threats. The build-out of the Soviet gas system to eastern and western Europe during the Cold War sets the continent up for political-economic tensions over gas deliveries. This tension plays out both between Russia and Europe, and among European Union member states, who adopt diverging strategies of engagement with Russia. This geopolitical tension is more deeply addressed in chapter 4, which provides a well-grounded and deep analysis of the problems and politics at the heart of eastern European dependence on Russia. Grigas goes on to provide well-explained summaries of the politics in gas-rich countries of the Caucasus and Central Asia. She finishes the book with the emerging role of China as both a global player seeking to secure lines of supply into the country and as a large domestic producer with robust deposits of shale gas. Within the chapters the author expertly walks the reader through the technology of LNG, gas extraction, transit, and how international gas markets operate.

The regional divisions within the chapters obscure some of the more important thematic dimensions of the book. This also results in the dilution of its long-term contribution to the topic of gas geopolitics and economics. Buried within chapter 5 is one of the most important assertions of the book: the loss of Crimea to Russian military invasion was facilitated by Ukraine's gas debt to Russia. The loss occurred because of the "huge, mismanaged energy debts" of Ukraine resulted in the country agreeing to Russian demands for a "debt-for-fleet" lease agreement in 1997 (p. 187). In exchange for Russia writing off \$762 million owed by Ukraine to Russia's Gazprom, Russia

would be permitted to station its “Black Sea Fleet, together with ground forces and aircraft, in the Crimean city of Sevastopol until 2017” (p. 187). These forces, combined with the Russian media outlets in Sevastopol, played instrumental roles in the 2014 take-over of Crimea by Russia. Ukraine also lost most of its offshore gas reserves in the Black Sea and the Sea of Azov. Gas geopolitics are not only about effervescent economic markets, trading platforms, and LNG tankers. Russia’s land-grab demonstrates that the new geopolitics of gas is also about territorial sovereignty and war. Territorial disputes across the globe, particularly in relation to undersea deposits, might spark other military conflicts in the Middle East and Asia. The new geopolitics of gas has the potential to foster instability in the post-Cold War order.

This book provides a well-researched account of the new geopolitics of gas in Europe and globally. Notably, it joins important books on the geopolitics of gas in Europe. These include *Red Gas* by Per Högselius (2013), which provides a deep account of the activities of Gazprom and the Russian state using energy as an influential weapon in Europe. Previously, *Crisis amid Plenty* by Thane Gustafson (1989) served as an influential account of the building and expansion of gas pipelines westward into Europe. Additionally, Grigas provides a good, updated summary on the politics of gas in the former Soviet Union. Previously, Margarita Balmaceda provided this perspective in her book *Energy Dependency, Politics and Corruption in the Former Soviet Union* (2007). *The New Geopolitics of Gas* serves as a strong place-marker and makes a significant contribution to understanding the new energy geopolitics in the twenty-first century.

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