

Andrey Khayrullaev Expansion Strategy of Russia's Gazprom into European Market and European Counteraction Policy

Andrey Khayrullaev decided to choose a topic that is generally well observed in the academic papers and can just hardly be found innovative. He concentrates on the role of Gazprom in the Russian Federation, Kazakhstan, Uzbekistan and Turkmenistan as producing countries and also in the European Union as a consumer. In his paper, the author argues that the Russian strategy towards blocking of the presence of the Central Asian presence and subsequent increase of its market share in the European gas markets is caused by the defensive motives of saving its position of exclusive natural gas supplier.

The paper analyses the state of the internal Russian, Kazakh, Turkmen, Uzbek and European gas markets. This enormous scope is in sharp contrast with just limited number of pages. This, despite author's extremely economic style of writing, causes a prevalence of the description over the analysis. Most notable in this are the pages devoted to the analyses of the internal markets in the aforementioned markets. Among others, it may be cited: "The cost of fixed assets of the company at the end of 2009 was RUB9,431.4bln (314.4bln USD), with three main items as Buildings – RUB342.8bln (USD11.4bln), Structures and transfer mechanism - RUB7,903.4bln (USD263.4bln), Machinery and equipment - RUB1,177.3bln (USD39.2bln)." Moreover, it is not clear, whose perspective to follow. In the introduction, author concentrates more on the policies of Gazprom, in the conclusion, on the European ability to avoid the dominance and subsequent blackmailing of such companies as Gazprom. Therefore, there is a sort of inconsistency in it.

The work itself uses sound collection of data to support its arguments. However, most of them are based on the pre-financial crisis numbers or the data from 2009. This gives the paper degree of obsolescence, especially bearing in mind the deep changes that occurred during the last years in the energy relations between Russia, Central Asia and the European Union (page 85: "It is possible, that from 2011 onwards, the new player will appear on this market in the face of China, thanks to CAGP pipeline. In any case, Turkmenistan has satisfied its desire of gas consumers' diversification, what has filled the market with the demand for now"). It is not fully understandable for me, why is the work written in January submitted for its defense in September.

To conclude, the paper is hard to evaluate for me. From the point of view of basic description of the well known facts, it is a good paper. It gives coherent overview of the aforementioned gas markets, however, adds nothing to it. The defensive realism theory as an explanatory tool, although vigorously defended, was not fully employed. Therefore, for the mark is C.

In Rochester, New York

Karel Svoboda, Ph.D.

September 9, 2012