



## BOOK REVIEW

Social Sciences, Contemporary Russia, and Other

# The Russian State and Russian Energy Companies, 1992–2018

By Ingerid M. Opdahl. *The Russian State and Russian Energy Companies, 1992–2018*. New York: Routledge, 2020, 324 pp. \$128.00. ISBN 978-0-815-35405-5

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Impressive in both the breadth and depth of its analysis, this book traces twenty-seven years of domestic relations between the state of Russia and its five energy giants during the post-Soviet era. It first outlines its theoretical basis—a mixture of (rational choice) new institutionalism and political economy—then summarizes Russia’s domestic and foreign policy in the post-Soviet space (excluding the Baltic States), and then carefully traces the nuances of how the business of RAO UES/Inter RAO, Minatom/Rosatom, Lukoil, Transneft, and Gazprom evolved, how their management engaged in voluntary and reflexive, inevitable and forced cooperation with the state of Russia. Ingerid Opdahl provides truly encyclopedic information on the five companies and their operation in the region, which was important for Moscow not only on its own accord but also as a part of its relations with the West. The book’s strength also comes from the multiple Russian- and English-language sources it relies upon.

The central argument of the book is probably not that original: the state of Russia and its energy companies adjusted to each other through a multitude of formal and informal institutions—to reinforce each other’s operations—with the state gradually and persistently gaining the upper hand. The empirical evidence the author provides reveals the details of this mutual adjustment and makes this a convincing argument. At the same time, the theoretical part of the book reveals some weaknesses, in my view. While Opdahl claims that the study relies on (rational choice) new institutionalism, no clear definition of how she understands formal and informal institutions, agents, and structures is provided (p. 2). The reader sometimes feels overwhelmed with too much empirical evidence at the expense of the main argument of the book and its theoretical rigor. Some details could easily be sacrificed for the sake of clarity (for example, details on the dividends of Transneft). Furthermore, Opdahl focuses mostly on how individual preferences shaped institutions in the analyzed period, which is indeed the essence of the rational choice new institutionalism. Yet this approach privileges a short-term perspective in the research, which does not correlate with the period under analysis. Moreover, it leads to some reductionism in how ideas, embodied in institutions, shape individuals and their decisions in the longer run. Instead, the author simplifies role of ideas in statements like “the population had begun to yearn for a more active Russian policy towards the post-Soviet region as a whole” (p. 24).

The book ends mostly in 2014 when Russia’s annexation of Crimea and Western sanctions brought in a new, more rigid relationship between the state and energy companies, depriving the latter of



much of their leeway. Opdahl argues—correctly—that the relations between the state of Russia and its energy giants did not change much between 2014 and 2018. However, the year 2022—when the book finally reached the reviewer—clearly brought new dynamics. On the one hand, Russia’s assault against Ukraine and new draconian Western sanctions against Russia affected both the state and its companies, with the latter made even more obedient at the same time they also were gradually being deprived of much of their revenues. On the other hand, the deep transformation of Russia’s oil and gas export markets, in both the EU and worldwide, will also drastically change the context of relations between the state of Russia and its energy companies, as well as the revenues they receive. These developments ideally call—however difficult it is at present—for a revision of the book to take into account recent events. *The Russian State and Russian Energy Companies* clearly has the potential to be more forward-looking if revised. Yet even in its current form it remains a gem for any researcher of Russia, of its political and economic system, as well as of its energy sector in 1992–2018.