

Well-Oiled Diplomacy



Strategic Manipulation and
Russia's Energy Statecraft in Eurasia

ADAM N. STULBERG

SUNY series in Global Politics
James N. Rosenau, editor

*A complete listing of books in this series
can be found at the end of this volume.*

Well-Oiled Diplomacy

*Strategic Manipulation and
Russia's Energy Statecraft in Eurasia*

Adam N. Stulberg

STATE UNIVERSITY OF NEW YORK PRESS



Published by
State University of New York Press, Albany

© 2007 State University of New York

All rights reserved

Printed in the United States of America

No part of this book may be used or reproduced
in any manner whatsoever without written permission.
No part of this book may be stored in a retrieval system
or transmitted in any form or by any means including
electronic, electrostatic, magnetic tape, mechanical,
photocopying, recording, or otherwise without the prior
permission in writing of the publisher.

For information, contact State University of New York Press, Albany, NY
www.sunypress.edu

Production by Diane Ganeles
Marketing by Anne M. Valentine

Portions of chapters 5 and 7 are from *Geopolitics Journal*, 2005, 10 (1). Reproduced
by permission of Taylor & Francis, Inc., <http://www.taylorandfrancis.com>

The "Outline Maps" of Central and Southwest Asia are from the Houghton Mifflin
Education Place web site (http://www.eduplace.com/ss/maps/pdf/cent_swasia_nl.pdf).

Copyright © Houghton Mifflin Company. Reprinted by permission of
Houghton Mifflin Company.

Library of Congress Cataloging in Publication Data

Stulberg, Adam N., 1963-

Well-oiled diplomacy : strategic manipulation and Russia's energy
statecraft in Eurasia / Adam N. Stulberg.

p. cm. — (SUNY series in global politics)

Includes bibliographical references and index.

ISBN-13: 978-0-7914-7063-3 (hardcover : alk. paper)

ISBN-13: 978-0-7914-7064-0 (pbk. : alk. paper)

1. Energy policy—Russia (Federation) 2. Petroleum industry and
trade—Political aspects—Russia (Federation) 3. Gas
industry—Political aspects—Russia (Federation) 4. Nuclear
industry—Political aspects—Russia (Federation) 5. Russia
(Federation)—Foreign relations—Asia, Central. 6. Asia,
Central—Foreign relations—Russia (Federation) 7. Geopolitics—Russia
(Federation) I. Title. II. Series.

HD9502.R82S75 2007

333.790947—dc22

2006014432

107959

10 9 8 7 6 5 4 3 2 1

To Cara,
*whose love, understanding, keen wit,
and aesthetic touch simply fill my tank*

Contents

| | |
|---|------|
| List of Illustrations | ix |
| Preface | xi |
| Acknowledgments | xiii |
| Introduction | 1 |
| Part I: Statecraft and Strategic Manipulation | |
| 1. Theories of Statecraft and the Enigma of Russia's Energy Leverage | 13 |
| 2. Strategic Manipulation | 37 |
| Part II: Case Studies | |
| 3. Russia's Strategic Energy Predicament | 65 |
| 4. Russia's Gas Diplomacy: Manipulating Compliance from Turkmenistan and Kazakhstan | 93 |
| 5. Russia's Petro-Diplomacy: Floundering in the Caspian Basin | 133 |
| 6. Russia's Radioactive Diplomacy: Reconstituting Commercial Nuclear Relations with Kazakhstan and Kyrgyzstan | 177 |
| Part III: Conclusion | |
| 7. Conclusion: Theoretical and Policy Implications | 213 |
| Appendix | 229 |
| Notes | 235 |
| Selected Bibliography | 299 |
| Index | 319 |
| SUNY series in Global Politics | 335 |

Illustrations

Figures

| | | |
|-----|--|----|
| 1.1 | Russia's Regional Energy Shadow, 1991–2002 | 15 |
| 1.2 | Target Decision Tree | 31 |
| 1.3 | Framework for Analyzing Statecraft | 33 |
| 2.1 | Strategic Manipulation Matrix | 53 |

Maps

| | |
|-------------------------|-----|
| Turkmenistan Gas Routes | 230 |
| Kazakhstan Gas Routes | 231 |
| Azerbaijan Oil Routes | 232 |
| Kazakhstan Oil Routes | 233 |

Preface

I started this project when directions in the study of international politics and Russian foreign policy were diverging. The end of the Cold War and bipolarity provoked a welter of scholarly inquiry into the significance of globalization. The common good of energy security was generally treated as both a byproduct of new intimate forms of cooperative engagement, as well as a potential panacea for the numerous regional conflicts precipitated by global transition. This coincided with focused exploration of the evolving dimensions and importance of soft power as practiced by the envied few in the West, instead of by imperial anachronisms, like Russia, that seemed doomed to clutch to crude and waning vestiges of hard military and economic power. At the same time, scholars of post-Soviet affairs remained steeped in statist approaches, emphasizing the importance of *realpolitik*, domestic institutional capacity, and/or national identity to explain the many idiosyncrasies of Russian and newly independent states (NIS) international behavior. The regional “energy boom” was seen largely as a magnet for a renewed “Great Game” in the Caspian Basin, an instrument for reasserting Moscow’s imperial hubris, and a “disease” that encouraged insatiable rent-seeking and indefinite enfeeblement of Eurasian institutions.

By completion of the manuscript, mainstream scholarly and policy landscapes had fundamentally converged. The aftermath of the September 11th terrorist attacks and the 2003 war in Iraq, coupled with the Chinese government’s bids for foreign-based oil and gas companies, punctuated a shift from infatuation with globalization to analysis of new forms of statecraft. No longer was Russia relegated to the margins of international politics, as it too seemed determined to wield soft power, with energy as a pillar of its resurgence. At home, Putin’s political ascendancy, the economy’s overreliance on swelling energy revenues, and the imprisonment on tax evasion of one of the country’s leading oil barons, Mikhail Khordokovsky, situated energy at the crux of Russia’s turn toward “managed democracy,” with attendant implications for

reconsidering state direction of the “commanding heights,” private sector behavior, civil liberties, and the trajectory of national development. With recovery of the oil and gas sectors, Russia was poised to leverage its energy superpower status to influence political transition throughout the NIS, to reintegrate the region as part of a “liberal empire,” and to punch above its weight in asserting national interests and setting the terms for cooperation with energy-dependent great powers of Asia, Europe, and North America. Global anxiety heightened with Moscow’s 2006 gas war with Ukraine and Europe’s awakening to growing dependence on Russian gas. Accordingly, debate shifted to how and to what ends, not whether, energy would provide the base for Russia’s rising global stature.

This volume contributes to “squaring the circle” in the study of international relations and Russian foreign policy by stretching our thinking about state power and interdependence. It begins by noting that soft power, like hard power, is not a sure thing, as evidenced by Russia’s often overlooked mixed success at exerting its energy dominance of Eurasia throughout the first decade of independence. The book then develops arguments to explain the persistent sources and limitations to Russia’s soft energy diplomacy that speak broadly to the literature on international security, political economy, and energy security by increasing our understanding of interfaces between strategic and domestic conditions and between statecraft and globalization. It supplements traditional analyses of statecraft, highlighting indirect market and regulatory mechanisms for altering the behavior of foreign and subnational actors, as well as demonstrates the usability of soft power and global networks, both by expanding our appreciation for how national leaderships can manipulate the risk as well as utility of compliance for targets. The conclusion suggests new directions for the study of international coercion and inducements, as well as offers practical guidelines for engaging a new Russia in the coming decades.

Acknowledgments

I am indebted to many patrons and colleagues for the scholarship and interest that fueled this project. I owe deep gratitude to my mentors, Professors Arthur Stein, Arnold Horelick, David Lake, Richard Rosecrance, and Richard Anderson at UCLA and RAND who taught me to think big and deductively about Eurasian international behavior without succumbing to artificial disciplinary divides or compromising appreciation for the region. Senator Sam Nunn and Dr. Richard Combs, with support from the Carnegie Corporation of New York, piqued my interest in Eurasian energy security and urged me to “push the limits” of conventional wisdom to explore prospective strategic and policy implications. I thank Drs. William Potter, Amy Sands, Clay Moltz, Nikolai Sokov, and Scott Parrish, as well as their colleagues Kenley Butler, Christina Chuen, and Elena Sokova at the Center for Nonproliferation Studies for sharing their vast expertise and resources, and for affording such a stimulating and fraternal postdoctoral setting to study nuclear developments in the former Soviet Union. Professors Doug Blum, Mark Katz, and Blair Ruble, as well as fellow participants at an IREX symposium dedicated to the Caspian Basin offered invaluable critiques of my initial research. I also thank Professors Scott Sagan and Chip Blacker at Stanford University, and Professor Steven Lamy at USC for their hospitality and for providing access to the extensive research facilities at their institutions. Scholars, students, and policy analysts at UCLA, RAND, the University of Michigan, International Studies Association, Association for the Study of Nationalities, and CISAC offered very constructive comments on successive drafts of the main arguments. Many officials, policy “insiders,” and business executives in Russia, Azerbaijan, Georgia, Kazakhstan, and Kyrgyzstan were extremely generous with their time and candid insights, and rendered crucial empirical correctives to my theoretical musings. My colleagues at Georgia Tech, especially Bill Long, graciously provided encouragement and indispensable relief that enabled me to cross the finish line. Christa Gray, Nadia Marinova,

Gene Germanovich, and Omer Khan were relentless in hunting down materials, and together with Marilu Suarez rescued me from my computer travails. I also thank the editors and publishers at *Geopolitics* and *The Carl Beck Papers* (University of Pittsburgh) for allowing me to reprint excerpts from previous work, as well as to Houghton Mifflin for permission to adapt their map outlines. My deep gratitude extends to the editor, reviewers, and production staff at SUNY Press for their assistance in bringing this manuscript to fruition. Of course, I alone accept responsibility for any shortcomings.

This book would not have been possible without the indefatigable support and nourishment by friends and family. Stephen McMillan lent an especially deft editorial hand at several critical junctures. As always, my parents deserve special thanks for inspiring me and for their unwavering support for all of my “academic” pursuits. Finally, my greatest thanks goes to Cara for sustaining me in more ways than she can imagine, and for her willingness to put so many things on hold for this project.

Introduction

How and under which conditions can states leverage economic interdependence for purposes of security? These questions are hotly contested, as globalization and the political liberalization unleashed at the end of the Cold War created new vulnerabilities and opportunities for great power politics. While attention to date has been on whether and how trade affects conflict, there has been a surge of interest among scholars to understand how political leaders can exploit economic interconnectivity and the attendant curbs on sovereign autonomy to advance security policy goals short of war.¹ These concerns are especially relevant for preponderant states situated at either the global or regional level that face a new paradox of power: as their relative military and economic advantages are growing, their capacity to formulate and implement foreign economic policies are increasingly circumscribed by global markets and the activities of companies and subnational agencies that are the primary producers, distributors, regulators, and consumers of strategic resources.

This book addresses the political economy of these international security concerns. It offers a new way of thinking about how national leaderships can and have used global energy markets and regulatory institutions as instruments for influence and nonmilitary intervention on vital energy security issues. I argue in these pages that much can be gained from broadening consideration of statecraft from traditional elements of coercive diplomacy to include issues of “strategic manipulation” when considering the “soft” dimensions to international security. Whereas the former entail using threats, inducements, or limited force to alter the expected utility of specific outcomes, strategic manipulation involves restructuring a target’s decision situation, alignment choices, and risks to maximize the appeal of a favorable outcome or minimize the appeal of an unfavorable one.

A systematic inquiry into the “manipulative” dimensions to strategic energy policy is important for scholarly and practical reasons.

Students of international political economy typically regard energy as an instrument of economic power used to address matters of “low politics.” It is treated as a form of either positive or negative trade, aid, or financial inducements that supplier states brandish for specific political and economic purposes against vulnerable customers. Often overlooked, however, is how energy levers are used strategically in relations between rival supplier states. By contrast, the subfield of energy economics regards the supply of strategic goods as a national security concern, and applies market analysis to explain cooperation and efficient responses among producer states. Energy security, defined as “protection against the loss of welfare that may occur as a result of a change in price or availability of a strategic resource,” derives from the interplay of exogenous forces. National leaderships are presumed to have both little choice and marginal effect on complex energy markets, with state policies confined mostly to influencing the efficiency of domestic adjustment. Scant attention is devoted to exploring links between the nature and consequences of supply disruption, or to the relative effectiveness of foreign strategies for deterring, containing, and protecting against these shocks.² Finally, students of the dominant paradigm in security studies, realism, are generally preoccupied with how threats of using military force solve issues of “high politics.” They tend not to subject assumptions about the strategic fungibility of asymmetrical energy interdependence to critical analysis, despite acknowledging the security consequences of economic statecraft. They also typically limit the study of coercion to the military realm, treating positive inducements as a form of appeasement. Thus, this book sits at the nexus of security studies, international political economy, and energy economics, and is part of a growing body of research on the causal connections between security considerations and foreign economic policy.³

Similarly, the study lies at the intersection of debates over globalization and coercion. The former refers to dense networks of transnational interdependence and their implications for the continued relevance of nation-state centered concepts of international relations. Most current research does not presume that globalization has rendered the state obsolete; instead, debates center around whether, how, and to what extent international institutions, markets, firms, and other subnational actors bend the rules of state sovereignty and governance.⁴ At the same time, the literature on coercion explores the effectiveness of national governments at exploiting policy instruments, including threats of force, sanctions or inducements, to get adversaries to act in a certain way. While there has been long-standing empirical debate over the rela-

tionship between power and interdependence, scholars are only at the precipice of thinking critically about how and under which conditions central government actors can exploit “soft power” and extraterritorial networks—for example, manipulating alignment options, interdependent markets, outsourcing arrangements, regulatory regimes, and commercial risks—to further national security objectives.⁵ The energy sector is a prime arena for exploring these analytical links, as there is a long history of foreign oil interests and investments serving as precipitants and instruments of war, imperial expansion, and coercive diplomacy.⁶ The intertwining of national and firm policy decisions concerning production, investment, pricing, transport, subsidies, tariffs, consumption, conservation, and substitution within and across energy sectors creates situations where one state’s policies can have strategic repercussions for another. The book contributes to this research program by systematically bringing statecraft into the study of globalization, while broadening analysis of international coercion to world energy markets and distribution networks.

The significance of this study extends beyond the realm of theory. Henry Kissinger once quipped, “aside from military defense, there is no project of more central importance to national security and indeed independence as a sovereign nation than energy security.”⁷ Notwithstanding obvious market concerns, energy security is fundamentally “politicized,” as states allow foreign ambitions to alter their behavior in energy markets; employ political instruments to advance their position in energy markets; and exploit this standing to influence the strategic behavior of target states.⁸ In the post–Cold War era, these dimensions to diplomacy are assuming an even higher profile in econocentric security policies. The pivotal importance of energy to national economic growth, military power, and private consumption, combined with the intense volatility of supply and demand, contested ownership, and critical geographic chokepoints and constraints on access to energy, simultaneously raise the stakes of resource competition and vulnerability across the globe. One has only to survey foreign activism in the Persian Gulf, Europe’s growing energy business with Russia, strategic interaction between Israel and its Arab neighbors, regional stability in the Caucasus and Central Asia, and the strategic trajectory of southwest and northeast Asia to appreciate the growing significance of natural resource and pipeline politics for geopolitics and national security. Whether one state’s manipulation of another’s resource scarcity, foreign markets, equity stakes, and transit options fuels belligerence or opens windows for international cooperation, however, remains an open question.⁹

States face similar complexities concerning the practice of coercive diplomacy across multiple issue areas. With the end of the Cold War, the United States threatened (then used) force repeatedly in the Persian Gulf, Afghanistan, Haiti, Somalia, and the Balkans. No longer consumed with countering Soviet influence, Washington also relied on economic statecraft to deter weapons proliferation, stem sensitive technology transfers and the hosting of terrorist cells, promote nation-building, and punish human rights violations, drug trafficking, and egregious forms of environmental degradation.¹⁰ Yet, the United States achieved only mixed success, notwithstanding favorable gross asymmetries of power. The relevance of specific policy instruments, as well as the credibility and effectiveness America's coercive strategy, were altered by the reaction of small states and transnational entities. Allies and adversaries alike exercised veto authority in multilateral settings, exploiting the high value that the United States placed on other dimensions of interconnectedness to soften or confound Washington's coercive diplomacy.¹¹ As illustrated by the countermeasures to American sanctions on Iran, Libya, and Cuba in 1996, failure to comprehend the dynamics and potential blowback of practicing statecraft within a dense international networks can be extremely costly.

At the same time, globalization has created opportunities for, if not rewarded, coercive diplomacy. Statistical studies show that states are effective at exploiting complex interdependence to signal and pressure foreign rivals short of military violence.¹² Notwithstanding the difficulty, Washington was able to compel and entice extraterritorial compliance by asserting control over the distribution of strategic goods in other states and altering the opportunity costs for political actors and firms of neglecting U.S. interests.¹³ Similarly, global markets often acquiesce to rather than constrain coercive diplomacy. The United States' March 2003 48-hour ultimatum for Iraq's Saddam Hussein to resign or face "severe consequences," prompted oil prices to drop and stocks to soar in the anticipation of a world economic recovery in the aftermath of Washington's successful military operations.¹⁴ Thus, a careful examination of how, when, and to what effect states can leverage power and resources in densely connected networks is clearly warranted.

Finally, a new take on statecraft is warranted to explicate the central paradox of power in post-Soviet international relations. On the one hand, Russia emerged from the Soviet breakup as the undisputed hegemon in Eurasia. The residual political and economic dependencies of the newly independent states provided Moscow with relative and "relevant" power advantages that fortified geopolitical impulses to cast a

long shadow over its immediate periphery.¹⁵ On the other hand, enfeebled state institutions and fragmented decision making, coupled with increasing levels of privatization and globalization, steadily undermined Moscow's capacity to mobilize resource advantages in support of effective statecraft. Footloose private firms, subnational agencies, and transnational forces stymied the Russian government's ability to restore imperial domination in its own backyard, and on occasion generated pressure for closer integration into global markets and institutions for NIS targets.¹⁶

Nowhere was tension between Russia's regional dominance, diffusion of interests, and domestic weakness more transparent than with its energy diplomacy. The natural gas, oil, and electricity sectors offered potentially cheap avenues of influence due to the combination of Russia's superior resource endowments, the Soviet legacy of integrated supply and distribution infrastructures, and the intense dependence on energy subsidies among transitioning NIS. Situated at the hub of regional energy networks, Moscow exited the Soviet Union poised either to threaten appropriation outright or to control prices, supply, pipelines access, and equity stakes for residual energy assets to coerce its neighbors and advance great power ambitions. Yet it was precisely in these energy sectors where the Kremlin confronted the greatest challenges to state autonomy and influence. The emergence of world-class quasi-state and private energy companies, and the *de facto* control over energy policy exerted by loosely supervised federal and regional agencies weakened the state's grip over Russia's energy strategies and statecraft. Simultaneously, global energy demand and market pressures fueled the independent ambitions of new NIS suppliers and lured multinational corporations and outside powers into the post-Soviet space as potential counterweights to Russia. These factors considerably reduced the vulnerability of the NIS and mitigated Moscow's coercive power, while creating opportunities for Russia to expand participation in international supply networks.

Russia's post-Soviet energy security dilemma raises a crucial question: What is the scope of its strategic leverage in Eurasia? Scholars of realist and liberal theories of power politics advance contending propositions about the success of statecraft, generating expectations that Russia's energy leverage in Eurasia would be either awesome or ineffectual, respectively. In repeated confrontations with Eurasian suppliers over the terms of reintegration and reclamation of residual assets, however, Russia's record of coercion was both more effective than expected by integrationists and less potent than predicted by realists. Counter to

integrationist expectations, Russia adroitly seized on the trade of natural gas to wrangle concessions from potential competitors, Turkmenistan and Kazakhstan, concerning regional energy ownership, control, and reintegration. Yet Moscow flaunted realist predictions by failing miserably to capitalize on its power advantages and petroleum pipeline politics to coerce similar concessions from both Azerbaijan and Kazakhstan, as well as from its own oil companies operating in the region.

The Argument

Why and under which conditions have Russian policy-makers succeeded at exploiting relative advantages to secure postimperial energy security initiatives in Eurasia on some issues and not others? Addressing these questions as a window into understanding the analytical links between globalization and statecraft, I present an argument for “strategic manipulation” that challenges the conventional wisdom on coercion and inducements. Traditional accounts best understand statecraft in relational terms, described as the ability of one state to get another to do something that it would not do otherwise. Success rests on a state’s ability *ex ante* to threaten credibly to punish, reverse, or reward a target state’s behavior *ex post*. Coercion obtains when the anticipated costs of defying a threat or limited application of direct pressure outweigh the expected gains from defiance. Positive inducements work by increasing the payoffs of compliance via concessions. In these pages, I take a different tact, arguing that a state can influence a target’s policy choices by altering its decision-making situation. Whereas success of direct forms of statecraft turns on issuing credible and explicit threats/promises during dramatic showdowns, states can manipulate a target indirectly by altering the opportunity costs and risks of compliance without precipitating a crisis.

The logic of strategic manipulation derives directly from the empirical observation that decision makers must contend with risk as well as with uncertainty. Policy choices are based on the prospects for achieving gains and avoiding losses, as opposed to simply maximizing expected utility. Drawing on insights from prospect theory that policy makers are generally risk-acceptant when facing sure losses and risk averse in choosing among gains, I argue that the key to strategic manipulation rests with a state’s power to set the decision-making agenda for targets. This is accomplished by affecting the baselines used by target states to

assess their domain and to make trade-offs between compliance and noncompliance. A state that can determine the value of an exchange, including the difference between potential positive and negative outcomes, is in position to shape a target's decision frame and risk-taking propensity. To the extent that a state like Russia can make compliance attractive either as a safe bet relative to other options, or as a potentially high-value outcome among other losing prospects, it can be expected to realize preferred energy security initiatives without having to threaten, punish, or reverse a target's behavior.

A state's capacity to manipulate energy security decisions rests on two basic conditions. The first relates to the state's power in a global energy market. Absent third party alternatives or domestic options for adjustment, the more vulnerable a target is to unilateral decisions by the state concerning the scope, sequence, and opportunity costs of available policy choices. Vulnerability alone does not guarantee compliance, however, as targets can lash out in different directions—gambling on compliance or defiance—in response to waning prospects. A manipulator also must ensure that domestic actors with direct responsibility for controlling energy resources and extraterritorial activities line up behind its statecraft. This requires that a national leadership possesses discrete regulatory authority to mobilize national resources so that domestic energy firms pursue policies that align the substantive appeal of compliance with a target's risk-taking propensity. This does not necessitate the political capacity to impose or enforce compliance at home, as much as the authority to shape the commercial and political incentives for domestic agents and firms in ways that make upholding national interests more rewarding.

Together market and domestic institutional conditions are crucial for determining the Russian government's capacity to set decision frames and recast the value and riskiness of compliance for both NIS target states and domestic energy lobbies. In those sectors where Moscow can use its market power and domestic regulatory authority to manipulate the substantive appeal of alternative policy options for risk-averse and risk-acceptant NIS targets, it should be poised to discourage defection and guide targets toward favored energy security outcomes. Conversely, Russia's attempts at securing foreign energy security policies should fall short precisely on those issues where the smaller NIS targets are less commercially vulnerable and the Kremlin lacks authority to offset the opportunity costs of domestic compliance. Finally, in those sectors where Russia enjoys *either* market power *or* clearly specified regulatory authority (not both), the best that Moscow can hope for is to

wrangle minimally acceptable regional energy security policies from foreign targets that are overwhelmingly commercial not political in nature. Given Russia's status during the first post-Cold War decade as a supplicant in the global political economy and protracted internal weakness, these findings should be especially poignant and readily applicable to other states that enjoy greater market and institutional stature both at home and abroad.

Plan of the Book

Part I situates Russia's diplomacy in the context of the debate over energy supply. Chapter 1 discusses the puzzle of Russia's energy statecraft in light of gaps in the extant theoretical literature. In addition to reviewing the empirical challenges to rival explanations of energy diplomacy, I critique the "hard power" myopia of mainstream scholarship on statecraft. The chapter also reviews common analytical flaws that impede progress toward thinking systematically about statecraft practiced among highly interdependent states.

Chapter 2 introduces an alternative understanding of statecraft rooted in "strategic manipulation." I argue that states can influence rivals other than by persuading or altering their expected utility via direct threats or rewards. Instead, states can manipulate foreign target choices by structuring the opportunity costs and risks of compliance. The chapter begins by assessing the role of risk in statecraft. Drawing on prospect theory, soft power, and neo-institutionalism, I then posit a theoretical framework to grasp the international and domestic conditions under which a state can manipulate a target's decision-making domain and the relative riskiness of compliance. In addition to generating propositions about the success of statecraft, the chapter outlines specific techniques of strategic manipulation and a method for operationalizing and testing the argument.

Part II consists of case studies that explore the variable success of Russia's energy diplomacy at securing compliance on bilateral, regional, and strategic energy security policies over time, across different sectors, and vis-à-vis rival Eurasian supplier states in the decade following the Soviet collapse. Chapter 3 specifies the core explanatory variables: Russia's international market standing and domestic regulatory institutions in the natural gas, oil, and commercial nuclear energy sectors. The ensuing chapters analyze the strategic effects on four states. Each begins with a brief description of Russia's approach to leveraging advantages

in the respective energy sector and then reviews the central puzzles related to the cases at hand. Next is an in-depth narrative that describes the sequence of events and the relevant causal connections between Russia's diplomacy and shifts in the decisional domains, relative riskiness of options, and strategic decisions made by Eurasian targets. Chapter 4 illustrates Russia's uniform success at manipulating compliance from Turkmenistan and Kazakhstan on strategic natural gas issues. In contrast, chapter 5 examines how deficiencies in market power and institutional authority in the oil sector undermined Moscow's efforts at prescribing the terms of ownership, development, and pipeline politics with Azerbaijan and Kazakhstan. Chapter 6 traces the argument for strategic manipulation against the record of Russia's mixed success at securing commercial but non-imperial arrangements in the nuclear energy sector with Kyrgyzstan and Kazakhstan. The concluding chapter summarizes the findings and the implications of Russia's strategic manipulation for stretching theories of statecraft, as well as illuminates practical opportunities and challenges to engaging Moscow in future energy security cooperation.