Thane Gustafson


There are few people in the world who are more knowledgeable about the issues of oil and power in Russia than Thane Gustafson. A long-standing professor at Georgetown University and well-respected analyst and consultant on energy policy, he first gained major international scholarly recognition almost a quarter century ago with the publication of his book *Crisis Amid Plenty* (Princeton University Press, 1989), which studies the oil boom and bust in the late Soviet Union. Gustafson’s newest book, which makes major contributions to research on the politics of oil in post-Soviet Russia, is in a sense the sequel to his previous study. It offers an in-depth analysis of the dramatic changes in the oil sector as well the entire economic and political transformation in Russia in the two decades following the Soviet collapse. This book might bear a subtitle taken from perhaps the best-known sequel in world literature – *Twenty Years After* by Alexandre Dumas. This is not only because the key characters are to some extent the same, such as the oil generals and government officials (and sometimes even their sons, like in Dumas’ novels), and not just because the current problems in Russia’s oil sector are not so dissimilar from those in the late-Soviet period, but rather because the central argument of *Wheel of Fortune* is concentrated on the impact of the Soviet legacy. According to Gustafson, this legacy still plays the major role in present-day developments in Russia in terms of infrastructure, technologies, politics, culture and ideology.

The vast majority of books written on oil and policy-making (not only in the case of Russia) fall into one of two categories. The first group includes serious analyses that often extensively use professional and technical jargon and are primarily oriented toward a narrow milieu of experts and specialists. The second includes easily readable but rather thriller-like superficial journalistic accounts of bloody oil wars, the incredible revenues of magnates, and struggles between oligarchs and *siloviki*. Gustafson, however, avoids falling into either of these traps while combining the merits of both. His book includes several very colorful sketches on key personalities in the Russian energy sector (ranging from Vagit Alekperov to Igor Sechin) and at the same time provides a very solid but non-expert-oriented study of the causes, mechanisms and consequences of the decline and subsequent rise of the post-Soviet oil sector in Russia as well as the major challenges for the sector and for Russia in the foreseeable future. So impressive is the book’s clear-cut language and strong evidence that *Wheel of Fortune* belongs on the same shelf as other major contributions to the study of oil and politics around the globe, including *Paradox of Plenty* by Terry Lynn
Karl and *The Prize* by Daniel Yergin (who is also a long-time co-author of Gustafson).

In contrast to several scholars who write about the “resource curse” experienced in post-Soviet countries, Gustafson explicitly rejects this argument: he believes that this phenomenon is relevant only for less developed countries such as Nigeria and Venezuela. Instead, Gustafson identifies the major problems in the Russian oil sector to be the extensive exploitation of old Soviet reserves and the incapacity and unwillingness to significantly modernize both energy policy and governance in the oil sector and in the country as a whole. This issue is relevant not only in regard to pipelines and methods of oil extraction and refinery but also the continuity of Russia’s relative isolation from the globalized world, its increasing lagging in terms of advanced technological developments, and especially its effects on the perceptions of Russia’s leaders, who rely on Cold War stereotypes in issues of international politics, economics, and energy. Gustafson, however, does not share the view held by numerous experts that the diversification of the Russian economy means diminishing Russia’s dependency on its oil sector. He points out that this goal is unrealistic and unfeasible; instead, he suggests that the oil sector might become the most effective instrument in Russia’s advanced technological development and the key tool of comparative advantages in the changing market of the increasingly globalized world. Yet the attentive and sophisticated reader might pose a question: to what extent are Russia’s authorities (who are quite justly criticized by the author throughout the entire volume) interested (and able) to conduct such a prudent forward-looking policy? This is not the sole paradox within Gustafson’s book. While analyzing the (in)famous “Yukos affair,” the author focuses not on what motivated Mikhail Khodorkovsky’s foes or the mechanisms employed to ruin his business but instead on the behavior of the oligarch himself, arguing that the billionaire’s fatal conceit and unfounded risk-taking were crucial factors that resulted in the sad fate of Yukos. Also, Gustafson do not overestimate the impact of the “Yukos affair” on the oil sector in Russia: in his view, the statist turn in Russia’s energy and economic policies had occurred in the mid-2000s, while the potential for the speedy growth of the Russian oil industry had already been exhausted by that point.

The almost complete absence of a comparative perspective is still the most controversial aspect of Gustafson’s book. Even though many aspects of the Russian oil sector are country-specific and context-bounded, it is impossible to understand the impact on economy, politics and society without putting Russia onto the global map in the cases of these phenomena. Even the very argument for the major role played by Soviet legacy in post-Soviet Russia merits analysis through comparisons to Kazakhstan and Azerbaijan, both of which