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RESEARCH ARTICLE

China's Global Energy Diplomacy: Behavior Normalization Through Economic Interdependence or Resource Neo-mercantilism and Power Politics?

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Abstract The magnitude of China's energy needs and global energy acquisitions, and their recent emergence as key features of the international system, raise many sensitive questions: will China adapt to or reshape the international system as historically defined by the hegemonic West, and what is the role of its energy policy, politics, and resource nationalism in a possible new Great Game? While much of the current literature posits an either/or approach (China adapts to energy market or tries to redefine them as a part of a wider political plan), our hypothesis is that China is essentially a pragmatic actor who reacts to the forces in presence, rather than a revisionist power with a grand plan to realign the world order to suit its needs and satisfy some kind of pre-established grand vision. We posit that China goes beyond conformity with or resistance to the established energy market and the power relations they underpin: While local circumstances may be considered variables, its fixed objective is a stable international order and the pragmatic satisfaction of its energy needs in order to insure continued economic growth and general stability at home.

Keyword China · Global Energy Diplomacy · Foreign Policy · Variable Geometry Approach

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Introduction

China is a crucial global actor whose social and political stability is largely predicated on high-rate, sustained economic growth, which itself is fueled by cheap and abundant energy. The magnitude of China's energy needs and global energy acquisitions, and their recent emergence as key features of the international system, raise many sensitive questions: what are the implications of such ravenous needs for the global energy market and security, for international trade and overseas investment, for the power balance among great powers, for competition over tight natural resources, and for climate change? Behind this issue loom the bigger questions of China's emergence as a global power, its long-term intentions and relationship with the United States as the dominant hegemon, and the nature of the emerging world order. In particular, do we witness a gradual modification of China's behavior along existing market rules, a normalization of national/great power behavior through energy and economic interdependence, or does China use its clout to become an agenda- and norm-setter in energy markets and the power relations they underpin? In other words, will China adapt to or reshape the international system as historically defined by the hegemonic West, and what is the role of its energy policy, politics, and resource nationalism in a possible new Great Game?

To address these topics, first we present China's ever-growing need for massive energy imports, which stems from its internal pressures, from its economic miracle, from the distribution of natural reserves and from adverse economic features. Then we review key theories concerning China's growing energy needs. And third, we show that China follows many paths for acquiring energy globally. While much of the current literature posits an either/or approach (China adapts to energy market or tries to redefine them as a part of a wider political plan), our hypothesis is that China is essentially a pragmatic actor who reacts to the forces in presence, rather than a revisionist power with a grand plan to realign the world order to suit its needs and satisfy some kind of pre-established grand vision. We posit that China goes beyond conformity with or resistance to the established energy market and the power relations they underpin: While local circumstances may be considered variables, its fixed objective is a stable international order and the pragmatic satisfaction of its energy needs in order to insure continued economic growth and general stability at home.

The Context and Importance of China's Global Energy Diplomacy

China's "mega-economy […] is the engine of global growth" [56] and boasts a dazzling series of economic superlatives. Its growth rate hovered between 9 and 10 % annually for three decades (1980–2010) and according to the World Bank [69] since 2012 is still roaring ahead at an impressive yearly rate of 7–8 %. In another unique historical feat, in a single generation China created a middle class—defined as individuals earning between $10,000 and $60,000 annually—that is more than 300-million strong, or about one-quarter of its population [66]. This is equal to the entire U.S. population, which according to the U.S. census Bureau stood at 322 million at the end of 2015 [65]. Indeed, as Dahlman observes, "Chindia" is changing the global economy and commodities market [10].

The scarcity of domestic energy (with the exception of coal) to support its 1.37 billion people [9] and rapid economic growth is an increasingly serious problem for China. In 2005, President Hu Jintao observed that, "like many other developing countries, China is

currently actively developing its economy as this is the most urgent task for them, so the energy consumption is bound to increase." [52] As the world factory, China's hunger for energy and commodities has soared. Its *per capita* energy consumption is among the lowest in the world—on par with sub-Saharan Africa's—but its *aggregate* consumption is colossal. It is and will remain till the 2040 horizon (the limit of the International Energy Agency's projections) the largest global energy consumer, global oil importer, and coal producer and consumer. In addition, China is and will remain for at least several decades largely powered by dirty coal, which in 2014 constituted 66 % of its energy mix, with oil representing 20 %, natural gas 4 %, hydroelectricity 6 %, nuclear and renewable about 1 % each. Thus, sadly, China is also the largest global producer of CO_2 emissions; according to the World Health Organization, air pollution-related health conditions directly kill over 1.2 million Chinese every year [18]. Overall, environmental degradation costs China about 9 % of its GDP yearly (Ib., 21). Despite such dire trends, its growing appetite is reflected in its very compressed timeline of energy records: after the stern Maoist autarky decades (1949–1979) and its official economic opening in 1979 under the "two cats" policy, in 1990 it still exported five times more oil than it imported. But in rapid succession it became a net oil importer (1993), a net gas importer (2007), a net coal importer (2008) and the first global oil importer (2014) [4, 14]. Therefore, in 2014 China represented 30 % of the global oil consumption and 45 % of the global coal consumption [16, 17]. Its coal reserves are enormous but its coal quality is generally mediocre; its structures of production are below international standards and coal is a major contribution to *airpocalypse*. Its oil and natural gas reserves are marginal and its main oil basins (Tarim in the west, Daqing in the north-east) are mature or older. Its hydroelectric potential is substantial but hydroelectricity mobilizes enormous capital investment and imposes forced population relocation and loss of precious agricultural land.

Meeting the needs of its enormous population imposes an ambitious energy policy. In 2015, the Chinese population was estimated at 1.37 billion—the largest in the world (India with 1.25 billion people ranked second). The authorities must insure continuous growth to satisfy their needs in terms of employment, housing, feeding, transportation, infrastructure, education, and the countless goods and services of a modern society. To take just the example of urbanization, in the 2010s, China is organizing "to move 250 million rural residents into newly constructed towns and cities over the next dozen years." This is transforming everything. In fact, "[s]o large is the scale that the number of brand-new Chinese city dwellers will approach the total urban population of the United States—in a country already bursting with megacities." This spurs a building frenzy with cascading consequences for "[t]he ultimate goal of the government's modernization plan is to fully integrate 70 % of the country's population, or roughly 900 million people, into city living by 2025. Currently, only half that number are" [26]. This radical social engineering was decided by top leaders to boost domestic consumption and rely less on exports. China specialist Tom Miller calls *China's urban billion* "the biggest migration in human history" [44]. And the other consumption needs of this vast population are just as staggering.

China's unique development model increased its demand for energy and resulted in the revisit of government policy in recent years toward a low-carbon economy and more sustained economic development. In the span of three decades, following the neoliberal doctrine of comparative advantage, China has turned itself as a global center for manufacturing assembly and the world's largest exporter of goods. In order to promote its processing trade, China needs to import enormous volumes of

commodities, raw materials, and in particular energy from the rest of the world to fuel its exports. China now is the largest global producer of steel, cement and aluminum. It now has the capacity to produce 1.14 billion tons of steel annually, more than 10 times that of the US production. In the last two decades, China also produced more cement than the US did in the entire 20th century [68]. It produces 45 % of the world's aluminum. The growth of industry has been a determining factor in China's overall energy profile by accounting for 72 % of the total energy consumption in 2011 [15]. Facing deteriorating environmental conditions, Chinese government has committed to switching its economy from a GDP-driven model to a more sustainable development model. The broad objective of the twelfth 5-year plan is to reorient growth to make it more balanced and sustainable [38]. China until today remains effectively a coal-based economy (70 % of its total energy consumption). According to Aden (2006), reducing its outsized reliance on coal becomes the policy priority of the Beijing government in the context of pursuing a sustainable development domestically and meeting its climate change pledge internationally [1]. To diversify away from coal, the current strategy is focused on the supply side, as put forth in the recently released 2014–2020 Energy Strategy Action plan [62]. In other words, China will need to significantly increase the prominence of oil and gas in its energy mix by conducting effective energy diplomacy globally, together with developing alternative non-fossil fuel energy.

Insuring a strong growth is also part of the legitimization strategy of the Communist Party in China. In order to legitimize its domination, after 1949 the Party presented itself as the defender of national unity against traitors (Chang Kaï-check's Guomindang), against those who divide the motherland (Taiwan), those who deny China's right to recover territories stolen by British imperialists (Tibet, Hong Kong) and against the imperialistic paper tiger (USA in North Korea and Vietnam). The party also insured its domination by defending its authentic Socialist revolution against the Soviets. After its opening to capitalism in 1979, it substituted a new founding compact with civil society: prosperity in exchange for maintaining its monopoly of power. The Party accepts economic pragmatism (private property and entrepreneurship, consumerism, opening of domestic market to international companies, right of Chinese citizens to travel abroad, etc.) but fiercely protects its political monopoly (persecution of opponents, media and internet censorship, etc.). Therefore it refuses the 1991 Russian scenario, which saw the end of Communist control over the USSR and the fragmentation of the Soviet Union. Today the PRC acts like other "authoritarian capitalism" states (Kazakhstan, Malaysia, Russia, Singapore, Vietnam) by mixing prosperity, technoscientific modernity, control over school, culture and politics, national values (family and traditional et sexuality in Russia, social conformism in Singapore, etc.), nationalism, military modernization and authoritarianism. Economic growth is also needed to help address the claims for independence in peripheral regions (Xinjiang and Tibet).

Theories of Energy Neomercantilism and Resource Politics

Charles E. Ziegler and Rajan Menon define neo-mercantilism as "state-directed efforts aimed at making asymmetrical economic gains at the expense of competitors" [70]. It runs contrary to "liberal assumptions and expectations" (*Ib.*) and approaches global energy transactions as relative gains, as a zero-sum game. Neo-mercantilism is realism

applied to natural resource acquisition: it expresses the desire for states' material capacity to grow, maximize national power, and reduce their resource and strategic vulnerability at the expense of other actors. Neo-mercantilist states perceive the market as insufficiently reliable to provide for their energy needs, and readily extend high politics to energy trade, development, and purchase. As such, it is disruptive of structures of cooperation for open market, of transparent transactions, and of economic accountability—since state forces inject market distorting initiatives.

First, PRC officials and analysts insist on China's right to develop, grow, and modernize. They stress that its energy policy and economic growth are benign because they are framed by its "peaceful development" agenda, its "Five Principles of Peaceful Coexistence," its growing record of participation in international organizations and peace-keeping operations, its legitimate claims over Tibet and Taiwan, and its self-restraint in contentious regions such as the East China Sea and the South China Sea despite provocations. They also insist on China's specific needs as a developing economy with a huge population and specific historical challenges, and thus reject the very notion of an "American model" of economic development for the rest of the world.

Second, mainstream (neoclassical) economists insist on the fundamental rationality and self-adjustment of markets, and the quasi-limitedness of natural resources thanks to human ingenuity, engineering, and technological efficiency. Ecological modernization theorists and Cornucopians point out that prophets of dooms (environmentalists, limits to growth advocates) were proven wrong many times in the past and that market-cum-science constitutes the best response *ever* in human history to problems of scarcity, value creation, innovation, and distribution of goods and services [55, 58, 59]. Further, liberal internationalists and theoreticians of economic interdependence trust the pacifying, integrative dynamics of international trade and see it as a win-win situation where all, or most, benefit and have a vested interest in free trade, liberal trade regimes, and stability. For instance, Utah State University professor Kai He argues from the standpoint of institutional realism that institutional balancing—the use of multilateral organizations for security purposes—and structural constraints born of economic interdependence soften China's international behavior. He sees China as engaged in a balancing strategy—not confrontation—through participation in the Asia-Pacific Economic Cooperation (APEC), the Association of Southeast Asian Nations (ASAEAN), the Regional Forum (ARF) and the East Asian Summit (EAS). This would account for "Asian exceptionalism"—the absence of realist-like confrontation in the face of a major rising power [22].

And fourth, many see China's power as partial, its assertiveness as remaining constrained, prudent, and within bounds, and its claim to a new international order as a normal, routine extension of its economic might, a non-disruptive adaptation of the post-1991 order. They see it as post-Cold War politics maturing to a new working equilibrium. For instance, Henry Kissinger emphasizes the continuity in Chinese statesmanship: the Middle Kingdom was always satisfied with "a compliant, divided periphery" [30] that it could manipulate for its own defense rather than offensively subjugate. And he stresses that today China merely *returns* to prominence and craves global stability in order to tackle its pressing domestic challenges. David Shambaugh describes China as a "partial power," one with a global presence *without* global influence, with many trade partners but no alliance system or significant allies (contrary to the United States), which posits an essentially peaceful rise [56]. Jonathan Fenby asks *Will China Dominate the 21st Century?* [18] and answers negatively because of its

many vulnerabilities and its lingering intermediate power status. Fareed Zakaria stresses the severity of China's domestic problems—population pressure, corruption, economic polarization, economic bubbles, environmental degradation, etc.—as a limit to its power [31]. John Ikenberry also provides an enthusiastic defense of the Western international liberal order, which is intrinsically strong, easy to join and reform, and hard to leave or replace. It brings great benefits to its members: mutuality, recognition of national sovereignty and territorial integrity, open trade, participation to rule-making. China's rise may be accommodated within the system if said system adapts to new geopolitical realities, which it can—it was able to accommodate the former fascist countries, the rise of Europe and Japan, the end of the USSR, and the rise of BRIC economies. In fact, China already participates significantly in this system and is being socialized into the rules of the game. If Washington is not too distracted by its own internal affairs, its growing ideological polarization, and the war on terror, if this American generation is as wise as their predecessors in 1945, and if the system recognizes China, confrontation with China is avoidable [25].

Others however describe China's rise in classic realist terms and identify mounting tensions and sources of conflict. John J. Mearsheimer frames this debate with his thesis of offensive realism as the iron law of rising great powers ([[41], [42], [64]]). Since survival and the "contest for power" [41] structure actors' perceptions, intentions, and behavior, since China remembers what happened when Japan was strong and it was weak, it will try first to dominate Asia, notably at the expense of its two chief regional competitors (Japan and Russia), not to conquer them directly but to "dictate the boundaries of acceptable behavior to neighboring countries." Then it "is also likely to try to push the United States out of Asia" and "to come up with its own version of the Monroe Doctrine, as Japan did in the 1930s." As the U.S. can't tolerate "peer competitors," it "can be expected to go to great length to contain China and ultimately weaken it" (Ib.). And regional, weaker Asian powers, fearful of China's ascendency, will very likely join the U.S.-led coalition. Therefore Mearsheimer calls for the U.S. to actively combat China's rise while it still has the upper hand [29]. Others also fear the friction created by international trade and see it as a cause of rivalry rather than peaceful interdependence [54].

A former member of Dick Cheney's cabinet and currently professor at Princeton University, Aaron L. Friedberg (2011) argues that China's prudence and moderation are neither solid nor permanent but merely a strategy from a weaker power bidding its time. Thanks to its long historical experience, China plans to wear down America's resolve and undermine its power and alliance system while avoiding direct confrontation. While waiting for the opportune moment, China mixes cooperation which strengthens its capacity, artificial crises to test Americans and their allies, and low-profile pressures and provocations that do not warrant America's military response. He deplores that Americans are juvenile and impatient, distracted by shorter electoral cycles, and lack the long-term view and resolve of the more stable Communist Party [19]. Michael Pillsbury, with his long experience in the establishment security since Richard Nixon and Henry Kissinger, also describes the Chinese strategy as a *Hundred Year-Long Marathon* where Chinese nationalists and hawks (*ying pai*) target 2049 (centennial of Chinese revolution) to impose their will [53]. While pessimists recognize that Chinese elite are divided and many want peace, they stress three disturbing structural features. First, nationalism, historical resentment, and a burning desire for revenge agitate many Chinese and are shared, manipulated, and made worse by the Communist Party. Second, this Party

follows its own objectives and uses the Chinese society to further its own aims. Its means are flexible but its goals inflexible, therefore the pathologies of communism and especially its unrelenting aggressiveness drive China. And third, the Chinese want to cultivate in Americans the illusion that they are not engaged in a confrontation. In fact, millennia-old Chinese doctrines of government, war, and strategic action emphasize ambiguity, ruse, surprise, manipulation—so the world should pay heed.

One last strand of pessimistic scholarship considers natural resources from a realist perspective; and their dire warnings converge with those of environmentalists, steady-state economists, neo-Malthusians, and environmental security advocates. Jared Diamond's *Collapse* frames this debate by showing how societies choose to cooperate or not when confronted by climate change and resource challenges [11]. Robert Kaplan who in 1994 forewarned us about the "coming anarchy" due to resource and environmental tensions (especially in Africa) [27], today warns us about mounting dangers and brinksmanship in the South China Sea, where a witches' brew of historical grievances, nationalism, geostrategic and resource competition simmers in *Asia's Cauldron* [28]. He sees it as ushering in *the End of a Stable Pacific*. Thomas Homer-Dixon and the Toronto School have long clarified the complex conditions connecting resource, population, and violence [23, 24]. Michael T. Klare warns us about actors pushing economic exploitation in ever-more challenging exotic locales (Arctic, deep ocean) and volatile regions, and engaging in political and military brinkmanship to secure dwindling resources [32–34]. Likewise, environmental journalist Cleo Paskal militantly denounces China's intentions and calls for an Anglosphere-led coalition against its rise [50].

In sum, scholars are deeply divided. While all agree that China's quest for energy—and more widely, resources—is a potential game-changer, its *relative* weight in the international economics of resources remains open to debate. In their solid and balanced book on this subject, Elizabeth Economy and Michael Levi explain: "[F]or nearly every contention that China's resource quest is transformational, there is a ready counterpoint on offer. Forces beyond China—scarce supplies, strong demand from other countries, nefarious speculators—are driving resource prices up" ([13], 6). And some scholars are downright confused, as they state within a few pages that China's trade is both beneficial *and* threatening, that is helps African development *and* that it locks its resource suppliers in an exploitative quasi-monopsonic relationship [46]. Therefore, we now look into China's decision-making "black box" to make sense of its energy policy.

Inside the Black Box: Domestic Decision-Making in Energy Diplomacy

To understand China's global energy diplomacy, it is crucial to examine its domestic politics on energy policy-making. Due to its soaring energy imports, China faces pressing challenges in dealing with energy supply, security, and investment. Numerous actors and stakeholders shape the process of formulating and implementing policy decisions. The most powerful stakeholders are the National Development and Reform Commission, national oil companies (NOCs), and to a lesser extent, the Ministry of Foreign Affairs.[1]

Since the beginning of its economic reforms, Beijing has reorganized its energy bureaucracy multiple times. Each round of reform attempted to more efficiently

[1] Interview with government officials in National Reform and Development Commission, July 2015.

manage energy demand and supply to meet economic development goals and to better coordinate energy policy among various government agencies and actors. However, by the mid-1990s the central administration of the energy sector was again performed by disparate entities in disjointed ways. This array of government actors included the State Development and Planning Commission (SDPC), the State Economic and Trade Commission (SETC), the Ministry of Petroleum Industry, the Ministry of Geology and Mineral Resources, the Ministry of Electric Power, the Ministry of Land and Natural Resources, and the Ministry of Coal Industry [8]. The urgency to address China's energy demand and secure oil supply became prominent in the late 1990s. At that time many policy scholars and think tank reports pointed out the need to strengthen the role of domestic institutions. They argued that the country's fractured energy bureaucracy was ill-equipped to manage the challenges of a rapidly growing, increasingly market-oriented, and internationalized energy sector [43]. In 1998, as part of the government restructuring, the Ministry of Coal Industry and Ministry of Electric Power Industry were abolished and the State Administration of Coal Industry was formed under the SETC. Proposals to revamp the management of the energy sector resurfaced after the 16th Party Congress, in November 2002 [60]. Energy experts urged the State Council to set up a ministerial or supra-ministerial body to oversee the energy sector [5]. A 2005 reorganization of the energy bureaucracy created a National Energy Leading Group (NELG) whose responsibility was to provide guidance in national energy planning and promote international cooperation [51]. This reorganization of the Chinese energy bureaucracy was helpful for coordinating internal interests and facilitating international cooperation so that China could implement a more coherent and consistent energy policy. In 2008, the energy bureaucracy was again reorganized. The Energy Bureau was transformed into the National Energy Administration (NEA) taking on the functions of the Bureau, the Department for Energy Efficiency, and the Commission of Science, Technology and Industry for National Defense (COSTIND). The NEA was given responsibility for international energy cooperation, approval of foreign energy investments, management of the strategic petroleum reserves, and oversight of energy industries. The National Energy Leading Group was reorganized into the National Energy Commission with responsibility for coordinating energy policy [2].

On March 10, 2013, the State Council was once again reorganized. As part of this reform, energy bureaucracies were also redesigned to improve their domestic efficiency. The National Energy Administration needs to address problems that persisted during the past three decades: change the energy mix, reduce coal consumption, increase renewal energy use, reduce oil imports which would reach 60 % of domestic oil consumption, and transform China into a low-carbon society. Therefore this latest reorganization will directly impact China's overall foreign energy policy-making. In addition, majority state ownership of key energy firms has undoubtedly made them influential in determining government's energy policy, both at home and abroad. Barry Naughton captures this phenomenon well: "These state companies are extremely rich and powerful. This middle layer of the state economy is the least transparent… in between the fully corporatized and often listed companies and the national government" [47]. State-owned energy firms enjoyed the policy support from the government and profited from its monopoly status in the Chinese market. On the other hand, they are also responsible to carry out non-economic foreign policy goal of the

government, i.e., projecting soft power by investing heavily in the developing countries with whom Beijing wants to improve political relationship.

Two main issues are hotly debated in the process of making of China's energy policy. First is the weight the government should give to develop renewable energy. This has been a constant battle marked by strong policy differences between the oil and coal industries on one side and energy reformers on the other [7]. The 'oil faction' represents the interest of large state-owned enterprises; it enjoys excessive profits by monopolizing domestic market and privileges by receiving policy support in its overseas expansions. On the other hand, the energy reformers aggressively push for policy initiatives to further develop alternative energy and try to 'lock into' this policy by lobbying the government to make ambitious pledges at international climate talks.[2]

The second policy concern is energy security. The Chinese government recognizes the grave challenges to its energy security. The country's dependence on foreign energy sources has been increasing in recent years. In particular, the percentage of imported petroleum in the total petroleum consumption has risen from 32 % at the beginning of the 21st century to 57 % in 2015. Maritime transportation of petroleum and cross-border pipeline transmission of oil and gas face ever-greater security risks. Price fluctuations in the international energy market also make it more difficult to guarantee domestic energy supply. It will not be easy for China to maintain its energy security since its energy reserves are small; its emergency response capability is weak, and its energy organizations still fragmented.

According to the OECD [48] and China energy specialist Jean Garrison [20, 21], its central political system is characterized by bureaucratic pluralism (competition and insufficient coordination among ministries and governmental agencies) and corporatism (penetration of policy-making institutions by civil society and organized lobbies), that create bureaucratic fragmentation. Agencies in charge of energy policy have a client-patron relationship with energy companies, NOCs, and the energy industry in general. They tend to exaggerate their needs (notably in terms of financing) and performances, protect them against competing agencies and ministries, and represent them before planning institutions, which help explain their relative over-financing and the persistence of status quo. For instance, thousands of polluting and under-performing coal mines remain open thanks to political protection and patronage both at the central and local levels. In addition, the public under-financing of environmental agencies helps explain their capturing of up to 20 % of the pollution fines levied on misbehaving energy companies. Given this financial reality, many environmental agencies are more interested in keeping offending companies open rather than shutting them down or altering their polluting behavior. Other forces that limit the efficiency of energy-related environmental action include: unrealistic public assessments, regulatory confusion and overlap, lack of transparency and pragmatism, information capture by public agency, tax evasion by national energy companies, influence peddling in the name of *guanxi*, and a flexible conception of law and legality, even on the part of the courts.

The policy concerns illustrated above, namely, securing energy supply, protecting the monopoly interest of NOCs, increasing energy security, and bureaucratic pluralism, are the driving forces behind China's variable geometry approach to global energy

[2] Interviews with government officials at National Development and Reform Commissions (NDRC), July 2015.

acquisition. Many observers take an either-or position and state that China is either changed by the market or changes it to suit its own energy and strategic needs. This dichotomous approach posits that China is either conforming to the existing political economy arrangements in the field of energy, or tries to bend them entirely in order to serve its economic interest and power schemes. In contrast, we find that China's energy acquisition policy is marked by a wide spectrum of behaviors, depending on regional circumstances, features and forces, on local constraints and opportunities, and on the involvement of other private (international oil companies) and national energy actors, notably the West and Russia. The PRC's energy diplomacy combines various strategies ranging from acceptance of open market procedures (especially for coal and natural gas) to state-directed capitalism (especially for oil) that at times but not always mixes with political security objectives. Its tools include cautious cost-benefit analysis, integrated trade of a novel sort (Beijing consensus), old-fashioned linkages with arms trade, convergence with other authoritarian regimes (Central Asia, Iran, and Russia) and a stern defense of what it considers its vital perimeter, its zone of safety in the East and South China Seas, where resource opportunities and traditional national ambition mix.

China's Variable Geometry Approach to Global Energy Acquisition

Overall China follows differentiated energy and political strategies depending on regional situations, constraints and opportunities, and power balance. Four broad scenarios can be identified, which form an ad hoc juxtaposition or a de facto constellation, rather than a continuum of policies. We present China's variable geometry approach starting with the approach that most conforms to the dominant, rule-based, open energy system, and proceed in ascending order of complexity and volatility. In other words, we identify multiple graded, and occasionally overlapping, schemes from traditional neoliberal market transactions to energy neo-mercantilism and power politics.

Market Compliance and Routine Transactions

First, one observes numerous market-compliant energy transactions that are essentially free of energy neo-mercantilism and political-military implications. They include China's massive yet routine deals with Australia (coal), Canada (oil), Indonesia (coal and oil), Malaysia (natural gas), Oman (oil), and Saudi Arabia (oil). China acquires the bulk of its coal and natural gas on a "strictly business" basis: in 2012, it imported 34 % of its LNG purchases from Qatar, 24 % from Australia (two staunch allies of the United States), 16 % from Indonesia, 13 % from Malaysia (two countries friendly to both the US and the PRC, but in no way aligned with Beijing). In the early-mid 2010s, its main coal suppliers are Australia (54 %), Indonesia (31 %), Russia (17 %), Mongolia (11 %) and South Africa (6 %). In this list, only Russia is a problematic country for the West. Such routine deals fit the "conform-to-market" template. Crude oil imports present a more contrasted picture, which confirms that oil is intrinsically a political commodity. In 2013, China imported massively on open market terms from staunch U.S. allies (Iraq, Kuwait, Saudi Arabia, UAE), from nations friendly with both Washington and Beijing (Kazakhstan, Oman) and from problematic countries such as Angola, Iran,

Russia, Sudan, and Venezuela—where varying degrees of Chinese political and/or military involvement are noticeable.

While the market generally frames these policies, one difference is that China never hesitates to fill up the vacuum in global oil and gas market by investing in countries considered rogue states, violators of human rights, and in countries where oil majors and NOCs are not allowed to invest in, because of their pariah status and high investment risks. BRICS cooperation provides the best opportunity for China to pursue oil and gas diplomacy. BRICS have in common that they are emerging economies rapidly consuming the world's hydrocarbons and in unsustainable ways. The OECD worries that the largest of the BRICS, China and India, will "account for 95 % of energy demand growth to 2035" [49]. This new South-South cooperation signals a realignment of the international political economy, and the common desire among BRICS to escape the domination of Northern corporations and Western political pressure. A key factor for Chinese success in securing oil resources overseas is to exclude competitors' interference in access to those resources [63]. The most effective way to do so would be to bring neighboring countries' resources within a Sino-centric order. The recent policy initiatives of "One Belt, One Road" and "New Silk Road" serve this policy purpose by creating a new order with Central Asia and the Middle East.

Africa and Latin America: Strings Attached

Africa provides a partial case of energy neo-mercantilism, combined with surprisingly contradictory stances—arms transfer *and* peace-keeping operations sometimes in the same region, as in the case of South Sudan. The Chinese penetration in African energy—and more largely, commodities—market provides rich fodder for both optimists and pessimists. "China threat" critics offer many arguments to back up their accusations of energy neo-mercantilism and politicking.

A- The 'Beijing trade consensus' consists in China's integrated packages of trade, infrastructure construction and long-term loans below international lenders' terms, sole focus on business and the exclusion of political consideration and involvement. Such packages are provided without ESG (environmental, social and governance) buffers or political conditionality (human rights notably). Therefore critics accuse China of resorting to unfair economic practices and preventing or slowing down democratic evolution of African nations. China stands accused of helping bad regimes hang on to power in order to serve its mercantile interests.

B- Critics target China's control of equity oil in several regions, and "loan-for-oil" bartering mechanisms that avoid the mediation of the global oil market. Generally, "equity oil" means the proportion of production that a concession operator has the legal and contractual right to retain. As applied to Chinese NOCs, the phrase implies that they lock-in African providers in an exclusive, long-term, bilateral relationship and prevent their opening up oil concessions to other actors on the global oil market. Critics also target the Chinese loan programs tied to oil delivery that are shipped directly to the home country, and not directed toward open international market. They point out that Chinese NOCs enjoy the full weight of the Chinese state apparatus, including free (no-interest) credit from Chinese public banks, and that they try to "lock in" African energy partners.

C- Jack Straw and Hillary Rodham-Clinton have accused China of resource-related neo-colonialism in Africa; others denounce Beijing's political support for questionable regimes, arms transfers to Sudan, and military advising programs to Angola and Mozambique.

However, "Chinas-as-normal-operator" advocates counter with the following arguments:

A- Far from creating corruption, *quid pro quo*, opaque bidding procedures, graft and clientelism in energy deals, China only resorts to the same questionable business practices long practiced by Western companies and countries. It has to deal with the environment that others (the West and local governments) created. As a late comer, China has to use underdog's weapons, but their practices extend, rather than break away with, opaque practices initiated by Western interests in Africa. This "business-as-usual" attitude is sad and reprehensible but the argument that China created exploitative business practices or that it is a singularly egregious commodities actor in Africa is unsubstantiated. Leopold's ghosts and local evil spirits already haunt this continent.

B- In Africa, Chinese NOCs compete among themselves and with private Chinese energy entrepreneurs, who are often responsible for some of the egregious behavior attributed to NOCs. Beijing authorities have no control over myriads of Chinese individuals and entrepreneurs who play by their own rules in the rough-and-tumble, frontier, under-governed regions of Africa.

C- In Africa and elsewhere, NOCs align more and more their profit-seeking philosophy on Western standards, thereby ignoring bureaucratic pressures and political injunctions from their home country. Besides, Chinese governmental supervisory agencies are understaffed, overworked, overstretched and can't really manage NOCs world-wide, let alone micro-manage their operations in Africa, so far away from home. Thus Chinese NOCs in Africa enjoy free rein from central bureaucratic supervision and relish it.

D- Chinese loans open possibilities for African players and loan/infrastructure package represent a win-win for Africa: it is the *Dragon's Gift* to Africa [3]. Zambian economist Dambisa Moyo also argues that Chinese trade confers dignity and empowers African economic actors, contrary to Western and international organizations' aid, which perpetuates clientelism, dependency, and corruption [45].

E- If bartering constitutes a form of neo-mercantilism, China does not so much trade loans for oil as it tries to secure collateral (in the form of energy supplies) for its risky loans to African entrepreneurs and industrialists. China accepts geological, political, and commercial risks far greater than those underwritten by Western companies, which have already carved out the most lucrative energy market and secure energy concessions.

F- Chinese oil production in Africa is generally directed toward global markets as NOCs seeks to maximize profit. In doing so, Chinese NOCs allow for more oil to flow in global markets and help bring prices down and boost energy diversification for all.

G- According to SIPRI, most foreign weapons deliveries to Sudan are Russian, with China providing mostly small arms—but undeterred critics retort that most deaths come from small arms, low end, and low technology weapons [67]. For its

advocates, China is an increasingly responsible stakeholder in Africa as shown by its participation in UN's peace-keeping presence, its mediation between Sudan and South Sudan, etc. In 2011, Beijing recognized Juba (South Sudan) and the CNPC has been active in capacity-building in this isolated, land-locked, and unstable region. In addition, the PRC joined the UN peace keeping mission in South Sudan—1, 400 Chinese troops in 2013, and another 700 in March 2015—and provides major financial aid to this oil-rich country. With respect to arms transfers, China is doing the same thing as Western nations but at a much lower scale; while Western nations (notably the U.S., the UK, and France) are the largest arms dealers in the world! China also sells weapons to all sorts of countries: some shunned by the West but also many stalwart American allies, notably Egypt and Saudi Arabia.

In Latin America, China has to cope with institutionally more mature nations than in sub-Sahara Africa but its resource quest there replicates its African approach with "strings attached" [36], for instance importing workers, engineers, and companies to do the work that locals would gladly have done; ignoring social and environmental standards; and imposing steep interest rates for loans—which, in truth, countries like Ecuador can't secure on international markets. In a reverse move, China has started to outsource some of its polluting activities to some of its African and Latin America clients; and to use local water resources for the crops it needs (virtual water as imports to China in the form of food). Petro- and gas politics thus does shape China's involvement in Africa and Latin America, and even more so with its continental neighbors (Central Asia and Russia) and Iran.

Central Asia, Iran, and Russia: A Mixed Great Game

The PRC's energy deals with Russia reveals a mix of standard—read: hard—bargaining, where Russia plays tough with China against its regional competitors, Japan and South Korea, and common views concerning government and the world order. On the "pull together" side, China and Russia have complementary needs: Russia is a major export of energy in need of cash, and China a major importer with deep pockets. Politically, they both resent and fear Western calls for democratization and human rights, and U.S. hegemony, its claims to unipolarity and calls for democratization. This allows for a broad 'meeting of minds' on such issues as the American military presence in the Greater Middle East, especially the AfPak region, its global war on terror, and American policy toward Iran. They solved their territorial differences in the 1990s after the collapse of the USSR and instituted cooperation through the "Shanghai Five," which matured into the Shanghai Cooperation Organization (SCO). Both happily trade with Iran and lend it support in the Security Council.

Yet mutual economic interest, political-diplomatic views and joint resistance to the American unipolar views and democratic zeal coexist with lingering concerns. China remembers the unequal treaties that Czarist Russia imposed in the XIXth-century—reminiscent of the Port treaties imposed by Western powers—and Czarist expansion in eastern Siberia. Beijing remembers its historical rivalry with the Soviet Union from the 1960s to 1991, Soviet maneuvers in Xinjiang, and the Soviets cutting off their energy supplies and military assistance to China, after their period of strategic alliance in the 1950s. In 2001–2013, China struggled hard to secure the giant pipeline ESPO 1 (Eastern Siberia-Pacific

Ocean) that over 4900 kms brings Siberian oil toward Daqing. Russians played hardball with the Chinese, who had to pay top dollars to secure this north-east route (a branch of this pipeline known as ESPO 2 also connects Vladivostok with Japan and South Korea). The Kremlin is also wary of massive Chinese migrations, workers and entrepreneurs to eastern Siberia and the role of this new Chinese diaspora in regional politics.

They also compete for influence over Central Asia. China is wary of Russia's historical linkages with and claims on Central Asia, while Russia fears China's growing economic presence in this region. The Shanghai Cooperation Organization channels their rivalry: Russia tries to politicize this organization toward an anti-American block, but China refuses this political drift and advocates for more open trade within the SCO, which Russia fears because it is less competitive. But both use the SCO to limit Western influence in Central Asia and to reaffirm the primacy of bilateral diplomacy over international law. All members of the SCO also lean on one another to resist Western calls for democratization and a more open society. Yet this new Holy Alliance of authoritarian states falls short of constituting a coherent strategic block. There is no systematic China-Russia alignment at the UN Security Council and even their most advanced political cooperation in SCO and Central Asia retains a strong national flavor. Their energy complementarity has not led to convergence of action beyond calculated economic transactions and opportunistic collaboration in matters relating to the defense of authoritarian capitalism and national autonomy. For instance, the SCO has no projection of forces or NATO-like Article V (mutual assistance), and does not constitute a mutual defense organization or an integrated military scheme.

Central Asia and the Caspian Sea region represent about 18.8 % of the world's total proven reserves of oil and 45 % of its gas reserves. Analysts call it "Eurasia's Balkans" where a "post-Soviet New Great Game" unfolds [40]. Two recent giant accomplishments symbolize China's economic deployment in this region: the gas pipeline Turkmenistan-China, and the Atasu-Alashankou pipeline, a joint project between the CNPC and KazMunayGas. In Central Asia, a high stake game in an energy-rich region at the crossroads of civilizations and great power politics is unfolding. Central Asia's vast oil and gas reserves are indispensable for China because they are abundant, closer than other major sources (Africa, Middle East, and Latin America), can be integrated into a new Silk Road, and are not subject to the maritime surveillance by the U.S. Navy that dominates the Arabian Sea, the Indian Ocean and the Strait of Malacca. China also seeks to develop its access to the Iranian and Indian market, and use Central Asian and Pakistan, all Muslim nations, as good-will ambassadors for its dealing with Indonesia and Malaysia, two other large Muslim energy suppliers.

Energy cooperation also reinforces the ties among these authoritarian governments, and is backed by defense cooperation. In its political collaboration with Central Asian nations, especially Kazakhstan, Kyrgyzstan and Tajikistan, with whom it shares long borders, China seeks to stop the "three scourges" of extremism, terrorism and separatism. China wants to combat both the contagion of Islamic extremism from Central Asian republics and the Uyghur separatist movement, and reject any claim for an Eastern Turkistan. Much of the Chinese military equipment to Central Asian countries is essentially police and surveillance, low-end equipment (patrol car, night goggles, communication technology, etc.) meant against Islamic militants and citizens' claim for freedom. It falls short of a strategic cooperation of a NATO-type organization. For instance, China doesn't have military basis in this region, contrary to Russia (and the U.S. until 2011).

Despite strengthened energy cooperation, China's ambitions for Central Asia and Caspian Sea region also run into strong counter-forces. The dominant Central Asian power, Kazakhstan, refuses to fall into the orbit of any of the Great Three (China, Russia, U.S.) and is determined to maintain good economic and political relations with all. This triangular balancing ("multi-vector" policy) helps insure macro-stability, while its policy regarding Caspian Sea countries remains plagued by divergences with both Iran and Russia over energy issues. Kazakhstan seeks to limit Iranian influence and penetration (Iran is too anti-Western and anti-U.S. and is a competitor for Caspian Sea governance) and will follow the United Nations on Iran. Kazakhstan sees Iran and Russia as a hindrance to its freedom of maneuver in the Caspian Sea as these two countries insist on the 1921 treaty that stipulates that Caspian Sea development projects should be vetted by all costal countries. Kazakhstan wants to avoid the SCO drifting toward an anti-American club and refuses or seeks to contain Iranian participation. Russia also seeks to regain its footing in the region, to reassert its great power status, boost its role as an energy giant, limit U.S., Indian, and Turkish influence, slow down China's economic dominance, promote a multipolar world, and limit Iranian influence in off-shore oil/gas sites in the Caspian Sea.

China also seeks to engage with and limit Russian influence, and dilute Russia's historical presence, linkages and energy competition in this region. Central Asian lands were conquered by Czarist Russia in the 1800s and incorporated in the Soviet Union. China wants to avoid Central Asia falling (again) in Russian influence through the Collective Security Treaty Organization (CSTO) which Moscow created and dominates. It also wants to limit Indian and Japanese energy competition in the region, and lure oil-rich Kazakhstan and gas-rich Turkmenistan away from European markets and from U.S. oil interests and political influence, and to limit Indian penetration. The Baku-Tbilisi-Ceyhan pipeline (South Caucasus pipeline) and the trans-Caspian pipeline that connects Turkmenistan and Azerbaijan are two such examples of Western orientation that worries Beijing. As added bonus, all five Central Asian countries are authoritarian regimes that don't subscribe to the Western liberal agenda and reject Western pressures for democratization, free press, open and fair elections, etc. Chine remembers the Tiananmien protests of 1989; Central Asian autocrats remember the Rose Revolution in Georgia (2003), the Orange Revolution in Ukraine (2004), the Tulip Revolution in Kyrgyzstan (2005); and all see the evil hand of the West in these events. And finally, energy and political cooperation with Central Asia helps preserve China's northern 'arc of stability' against the 'southern arc of instability,' that is to say the region that includes the eastern Mediterranean, Syria, Iraq, Afghanistan, Pakistan, and the north-west of India.

With respect to Iran, China combines energy pragmatism with a pariah supplier, trade relations, resistance to U.S. hegemony, and military ties without systematic strategic cooperation or political alignment. Both countries are free of historical colonial baggage toward one another and have millennia-old cultural and trade relations. They share a common pride in their respective ancient civilizations and in resisting U.S. hegemony. Their relationship is asymmetrical: Iran is isolated, China is not; Iran weight little in the United Nations, China is one of the P5; Iran can't borrow from international banks but China has cash aplenty—therefore Tehran needs China a lot more than the reverse. Their relationship is highly pragmatic: all China needs is Iranian energy and trade and for that integrates Iran in its new Silk Road. Today 80 % of Chinese imports from Iran consist of oil and gas [12, 39], and China finances and

helps Tehran with the badly-needed modernization of its oil and gas infrastructure. Chinese NOCs invest both in upstream (extraction) and downstream (transformation, refining, distribution) activities and today China is Iran's first trade partner. China's arms sales to Iran are wide-ranging and touch on sensitive technology (e.g. cruise missiles, ballistic missiles, naval technology), which for Beijing presents a triple advantage: keep the Americans worried about Iran's military capability, keep American allies in the Gulf region on their toes with respect to Iran, and remain a player in western Asia and the Gulf region [37]. This convergence of interest between Beijing and Tehran has limits though: China's pragmatism doesn't challenge the U.S. on its core interests ("red-line" policy) and enjoys excellent relations with Israel. The U.S. also plays a difficult game: they granted China partial exception (to U.N. international sanctions) for Iranian exports. And the fall 2015 nuclear agreement between the U.S.-led international community and Iran concerning their nuclear program greatly benefits China: energy exports have ramped up in anticipation, which helps undermine Saudi Arabia's petro-power and frees China a little more from Russia's resources [61].

East China Sea and South China Sea: Resource and Geostrategic Competition

With its volatile mix of competing territorial and natural resource claims, historical grievances and conflicting nationalisms, and grand strategic maneuvering, this disputed region is the ideal type of energy-related power politics.

In addition to its idiosyncratic interpretation of its EEZ under UNCLOS, China claims the ECS and SCS for many reasons:

- Beijing puts forth historical claims that precede Japanese expansionism in the XIXth- and XXth-centuries, which are aggravated by the unresolved emotional and territorial legacy of Japanese imperialism from the 1870s to 1945. Nationalism in many Asian countries is both sincere and cultivated for political gains. In China it is tied to bitter memories of the "century of humiliation" and a deep sense of historical grievances and revanchism against the West and Japan (Opium wars, Port Treaties, the Boxers' Rebellion, European concessions, and Japanese expansionism against China from the 1890s to the 1940s). Japanese officials keep stoking this fire by regularly visiting the Yasukuni War memorial. Chinese nationalism is also connected to conceptions of their national self, to a sense of cultural centrality/superiority, to the Communist Party's identity as the country's liberator and modernizer, and to its quest for political legitimacy.
- There is evidence of underwater energy sources—though their exact amount remains speculative—in the East China Sea; they are largely concentrated around the Okinawa Through (Okinawa Torafu for Japan, China-Ryukyu border through for China) and the Senkaku (Japan) / Diaoyu (PRC) / Tiayutai (Taiwan) islands and islets (EIA, Sept. 2014, 1–2). On this eastern maritime border, China is pitted against Japan. To its south, China claims the entirety of the South China Sea ("cow tongue" theory) and is pitted against all its neighbors, with the most active being Vietnam and the Philippines. There is evidence of more significant energy sources in the South China Sea, where the conflict focuses around the Paracel and Spratly islands and islets, and the feverish creation and militarization of new islets on high maritime banks. Fishing rights also stoke competing resource claims. China insists

it is in good faith as it did resolve other territorial claims with its neighbors: in the 1990s with Russia and Kazakhstan through the Shanghai Five, and with Vietnam in the Gulf of Tonkin. However it lets fester other territorial disputes with India and in the East and South China Sea, and treats these two vast bodies of water as strictly as the Taiwan, Tibet, and Xinjiang issues, as part of its non-negotiable national interest.

- China sees itself as boxed in to the east by South Kora, Japan, Taiwan and the Philippines. It feels it needs the protection provided by the control of the First Island Chain, as it feels encircled by the U.S. and their allies. Beijing wants to reclaim its maritime strategic depth as part of its A2/AD (anti-access and area-denial) strategy against potential maritime foes. This also explains its projection of power in the Indian Ocean (Burma, Bangladesh, Sri Lanka) and the Arabian Sea (Gwadar naval base in Pakistan) through the "string of pearls," the regularly-spaced port facilities that dot this region.
- The SCS also includes vital shipping lanes for import of energy, raw material, and exports. All Chinese and north-east Asia maritime freight goes through the East and South China Sea. Beijing feels blocked to the south: Vietnam stands watch south of Hainan Island, the United States and Singapore control the strait of Malacca (between Malaysia and Sumatra-Indonesia), Indonesia and the U.S. control the strait of Sunda (between Sumatra and Java), Indonesia, Australia and the U.S can interdict the strait of Lombok (between Bali and Lombok) and all Java-Indonesian passages.
- The nature of naval competition helps also explain this strategy. In *Asia's Cauldron,* Robert Kaplan draws a distinction between land-based and sea-based conflicts and makes a distinction between XXth-century type conflicts in south-east Asia which were land-based (for national consolidation and definition, and are over now as conflicts are no longer about *land* borders), and XXIth-century conflicts for other objectives: regional supremacy, strategic depth trade, and resource control, and are now sea-based. The nature of naval warfare can also influence the decision-making that characterizes maritime disputes: naval disputes happen far away from cameras, with highly specialized participants, liquid frontiers seem moveable and less tangible than mountains and rivers on land, etc. Things are more fluid at sea… This is "the starting power of water" [57].

Therefore, China's push in its eastern and southern seas owes something to resource politics and a lot to traditional forms of politics.

Implications for Policy

Our 'sequential' framework accounts for China's relation with the external world when it comes to energy. We find that Chinese energy policy combines cooperation and competition, observation of the rules of the game and attempts at carving a place for itself in a system that was defined long ago by Western companies and governments, and that they still vastly dominate. Table 1 sums up the "what, where, with whom, how and why?" of these varied energy scenarios, which we now compare and discuss in light of the theories presented above in this paper.

There is no evidence of neo-mercantilism in China's energy relations with *politically and institutionally mature energy-producing countries*, either democratic (Australia, Canada, Indonesia), authoritarian (Saudi Arabia) or members of the Asian conservative

model (Malaysia). Strong democratic and market institutions and practices among energy suppliers tend to exclude energy neo-mercantilism, and in parallel, mature conservative institutions with deep societal roots also seem to inoculate against such a risk. In this instance, the hopes of liberal internationalists regarding the pacifying implications of global trade seem confirmed. In terms of developmental theories, China here seems to accept the historically dominant pathway toward development, by adhering to traditional market rules. But China does resort to energy neo-mercantilism with *politically and institutionally deficient countries and regions*, such as Angola, Mozambique, Sudan and South Sudan. This sheds light on another aspect of the *resource curse* that plagues such institutionally weak energy-rich exporters. This negative situation justifies the pessimism of resource realists, who see the unequal distribution of natural resources as a chief cause of inter-state and human insecurity.

In addition, China can also extend its 'special energy relationship' with such regions to low-level military supplies (Sudan) and advising (Angola), but without full-fledged defense or military assistance agreements, which would clearly encroach on the big countries' sphere of influence, alter the strategic balance of power in Africa, and probably elicit strong Western reactions. They would also run contrary to China's tradition of avoiding military bases far away from home. This situation vindicates the interpretation presented by culturalist historians and analysts, who insist on China's specific approach to international relations. Culturalist analysts believe that China always sought, and still seeks strength not to dominate and conquer but to protect itself from the vagaries of international order. In millennia of history, China always eschewed grand strategic alliances, and mostly sought a stable environment to conduct its own domestic business in peace. Modern China merely continues this old tradition through other means: capitalistic development and energy security. Its realism is essentially defensive. China's energy policy toward these regions and countries also seem to justify the views of "China-as-partial-power" analysts: China can provide only so much military and political support to its energy and commodities suppliers, and has to act where the West is not or not sufficiently engaged. In this view, China does not so much undermine the Western order as it tries to fit into its cracks and occupy its neglected corners.

The string of pearls is an exception to this tradition, and may be explained by the needs of modern trade vessels and national navies. In this instance, analysts of thalassocracy seem justified in their warnings regarding the prompting power of water: as nations seek to dominate vast bodies of water and sea lines, they engage in rivalry and brinksmanship (or even open conflict) with other ocean-oriented powers. The U.S. dominates the global oceans, China seeks to emancipate itself from its control of the East and South China Sea, and so their maritime rivalry is a form of traditional offensive realism, where the rising power China challenges the U.S.-dominated status quo. According to this pessimistic view, the Great Game is on, and can only be a zero-sum game.

In its energy relations with *institutionally mature authoritarian countries* with vast oil and gas reserves (Iran, Russia, and to a lesser extend Central Asia), the PRC pushes its multipolar agenda against U.S. hegemony and reaps both economic and diplomatic benefits. But what seems like traditional offensive realism and a distinct development path on the part of China-as-rising-power has limits. Indeed, this opportunistic convergence of interest is more "against" than "for": it is against the U.S. hegemony and unipolar stance and against political reform at home, but it does not build an alternative

Table 1 China's varied scenarios for energy acquisition: what, where, with whom, how and why?

	Market compliance and routine transactions	Strings attached	A mixed great game	Resource and geostrategic competition
Energy suppliers involved	Coal: Australia, Indonesia, Mongolia, South Africa Oil: Canada, Indonesia, Iraq, Oman, Qatar, Saudi Arabia Natural gas: Australia, Malaysia, Qatar	Sub-Saharan Africa (Angola, Nigeria, South Sudan, Sudan, etc.): oil Smaller Latin America nations (not Argentina, Chile and Brazil): oil	Central Asia (oil and gas) Caspian Sea (oil and gas) Iran (oil and gas) Russia (oil and gas)	East China Sea (oil and gas) South China Sea (oil and gas)
Key economic and political practices	Open market conditions No military, arms or strategic cooperation with democratic nations Limited arms sales to some key U.S. allies (e.g. Saudi Arabia) at routine and minimum conditions (no political conditionality, no force projection, no military agreement, joint maneuvers, or bases, etc.)	Beijing Consensus Massive exports of Chinese workers, engineers, and bypassing of local companies and workers Arms transfer (low-end, low-technology) Sub-strategic military cooperation China blows hot and cold (arm transfers and participation to U.N. peace operation) ex.: South Sudan	Intense petropolitics and gas politics Strategic collaboration with Russia in Central Asia, with lingering mutual suspicion New Silk Road	Nationalistic claims over vast maritime bodies with substantial energy and maritime resources Traditional inter-state alliance games with heavy U.S. naval and political involvement Chinese 'brinksmanship' to push its claims vs. 'provocations'
Regional explanatory factors	China deals with politically and institutionally mature partners, either democratic or authoritarian China deals with strong U.S. allies (Australia, Iraq, Qatar, Saudi Arabia) or countries amicable to both (Indonesia, Oman)	China deals with politically and institutionally deficient partners (Africa) or developing Latin American countries (e.g. Ecuador)	Energy resources closer to China and free of U.S. maritime interference Convergence of authoritarian governments regarding the U.S. and democratic claims China and Russia seek to direct Central Asia away from European energy market and from U.S. political dominance Common front against the "three scourges" with Central Asian nations: extremism, terrorism, separatism	Competing historical claims and unresolved legacy of Japanese expansionism in east Asia (1870s–1945) China feels encircled, seeks strategic depth and control of vital sea lanes Chinese and other nations' domestic politics

Table 1 (continued)

	Market compliance and routine transactions	Strings attached	A mixed great game	Resource and geostrategic competition
			China provides Iran with alternative to global embargo, technology and reliable trade outlet, while Iran allows China to keep pro-American Gulf petromonarchies in check	
General explanatory factors	Insufficient domestic natural resources for oil and natural gas. Vast coal reserves but mediocre quality. Mediocre return on thermal investment for coal. Mediocre structures of production for coal industry. China seeks diversification away from polluting coal (*airpocalyspse*, climate change). Demographic pressure. Pressing needs for urbanization, infrastructure, job creation, etc. Model of Chinese development (China as global manufacturer, as pollution sink, as export-driven economy, etc.). High material intensity (low material efficiency). Bureaucratic pluralism, corporatism and fragmented authoritarianism. Electricity prices maintained artificially low (for social peace objectives), which discourages international investment. Strong bureaucratic and political hurdles to international investment in domestic Chinese energy industry.			

political-strategic system (like the European Union) or integrated defense organization (like NATO). Their meeting of minds remains largely limited to energy transaction, it carries partially to political areas without reaching the level of strategic partnership, as China is wary of Russia on many other fronts and several Central Asian actors resists alignment with either Beijing or Moscow. China knows to push the Americans only so far on sensitive Iranian issues. This seems to justify Friedberg's concerns about China's sub-strategic methods to serve its grand strategy. China chooses to walk a tightrope in Iran by refusing both Iranian and Russian calls for more anti-U.S. declarations or activities. And despites its strong energy relationship with Russia, China keeps encroaching on Russian historical linkages and current interest in Central Asia. In other words, their rapport is *economically hot and politically wary*—thus echoing the "economically hot, politically cold" relationship that China cultivates with the United States.

The PRC pushes the energy power politics envelope much further in the one region that it considers as a core national interest: East China Sea and South China Sea. Yet in this instance, energy alone can't account for the high-stake, high-drama game currently unfolding. State self-aggrandizement, which for John Mearsheimer is a key motivation behind challenges to the status quo, as well as resource security, a key motivation for resource realists, are not the only motivations here. In fact, in this region, China's quest for energy stands as only one explanatory element among a tangled complex of motives.

In sum, in its high-pressure quest for energy security, China mixes

- A sense of having been "wronged by empire" [6], accompanied by collective trauma, victimhood and entitlement, and a post / anti-imperialism stance with respect to sovereignty and status. Here, scholarship on the post-colonial order informs us on the deeper cultural factors that inspire China's challenge to the Western order.
- Constant pressure to deliver energy for economic growth for social stability and continuance of Communist party rule. Here, analyses of domestic politics and in particular of the domestic dynamics of authoritarian regimes help us understand the role played by domestic factors in China's international behavior. The quest for legitimacy on the part of the Communist Party, and the concepts of fragmented authoritarianism and bureaucratic pluralism help explain this constant preoccupation with "energy security through many means."
- An awareness of its strategic vulnerability, a general sense of urgency and anxiety, trepidation and defiance over said vulnerabilities, and over its latecomer position, over persistent Western dominance and U.S. capabilities and intentions,
- Skepticism toward the global market's capacity, when left to its own device, to meet its energy requirement, and the necessity to bring energy policy into the realm of statist action and high politics,
- Optimism and inclination to brashness about its economic and financial prowess and its rising geo-political clout,
- A Sino-specific form of energy neo-mercantilism in Africa, through a mix of Beijing consensus, win-win transaction, hard-nosed capitalistic maneuvering and clientelism with African partners,
- Pragmatism and "competitive cooperation" in dealing with 1) Russia both as a direct energy supplier and a regional competitor with respect to Central Asia, India and Pakistan, and 2) India as a major rising regional power,

- A dangerous mix of power politics and openness to brinkmanship tactics in the East and the South China Sea.

While the case for realism and resource realism is strong, New Zealand expert Nicholas Khoo identifies four additional answers when asking "what kind of an actor is China?": China as trading state, the prevalence of identity in international relations (China as the Middle power, central but not warring, whose hegemony brings stability), China modified by international regimes and institutions, and the weight of domestic factors in shaping its global posture ([35], 50–54). Indeed, our case study of China's global energy diplomacy shows that it combines complex interdependence, sui *generis* initiatives (e.g., Beijing consensus in Africa), limited arms transfer in Africa without military alignment or power projection, participation in U.N. peace operations, calculated and measured convergence with authoritarian regimes against American dominance, a general defensive realist posture, and offensive realism in close maritime territories. How new developments within China (new emphasis on domestic consumption, less reliance on international exports, renewed commitments to fight climate change, and especially generational changes among elite and ciitizenry) may alter this situation remains an open question. For now, this complex and pragmatic combination reflects the mixture of utilitarian internationalism and *Realpolitik* that underpins Chinese strategic thinking.

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