Energy and Environment in China and the European Union: Introduction to the Special Issue

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This special issue, to which eight scholars have contributed, is the result of the second phase of the joint research program between the Institute of West Asian & African Studies of the Chinese Academy of Social Sciences and the Energy Program Asia of the International Institute for Asian Studies (2007-2017). We are pleased to be able to publish a selection of articles on the geopolitical economy of energy and environment in the Journal African and Asian Studies. As program director of the above mentioned joint research program, I am grateful to the Royal Netherlands Academy of Arts and Sciences (KNAW), Amsterdam, as well as the Chinese Academy of Social Sciences (CASS), Beijing, for providing us with the opportunity to publish the second part of the results of our joint research program (2013-2017).

This special issue of African and Asian Studies covers three distinct but interconnected themes:

(a) China’s energy security policies, with a focus on the transnational activities of China’s National Oil Companies (NOCs) in selected resource-rich countries.

(b) China’s dilemma in expanding fossil fuel production and consumption (mainly coal and oil) to meet the energy needs of its massive urbanizing, developing society, while at the same time reducing the level of pollution in major cities and reaching agreement with its partners on international efforts to limit climate change, accompanied by possibilities for the development and implementation of alternative and renewable energy sources.

(c) The energy security challenges of the European Union, and its energy-security policies in countries and regions of supply, in particular the Middle East, North Africa, and the Caspian Region. The member states
of the European Union (EU) simultaneously face the need to fuel their high-income economies – each with a high level of per capita energy consumption – and to secure energy supply security and sustainability. As this volume will clarify, both China and the EU, the world's largest energy importers, are cooperating to escape the fossil fuel trap by developing clean energy sources.

China's transition to an urban-industrial society relies, first of all, on its abundant domestic coal supplies, and secondly, on an increase in oil – and gas imports. For this reason, China's strategic investments in the oil and gas industries of resource-rich, energy-exporting countries have vastly increased. Because of high levels of import-dependency, the domestic power-wealth structures of both China and the EU rely on uninterrupted supplies from beyond state borders. To ensure supply security, import-dependent major actors have two options. One is to reduce dependency by, for instance, increasing energy efficiency. Another option is to increase the security of energy imports. This requires improving supply security from resource-rich oil – and gas-exporting countries – and regions.

China's external relations, with a focus on energy supply security, consist not only of bilateral, but also of transnational relations. The cross-border activities of Chinese National Oil Companies (NOCs) serve as the key tools for the access to resources and markets of resource-rich countries as well as the main actors in the international energy market. Their complex relations with host-governments, local communities and other stakeholders lie at the center of the research program. In our previous and current research and publications, we investigated the activities of the Three Majors (China National Petroleum Company, Sinopec, China National Offshore Oil Company) in Ghana, Nigeria, Kenya, Venezuela, Ecuador, Brazil, Saudi-Arabia, Iraq, Iran, Kazakhstan, Turkmenistan, and Russia. After analyzing the involvement of Chinese National Oil Companies in these countries, we found that package deals dominate China's access strategy. As part of this strategy, the oil trade and investments in both the upstream and downstream parts of the industry are combined with political and financial support for wider strategic economic cooperation. We consider the growing international and transnational activities of China's State-Owned Enterprises (SOEs) to be part and parcel of the economic globalization processes.

In establishing energy-supply security, state-led economic activities have the potential advantage of including long-term policy objectives, such as energy security, in the energy supply process. However, given man's limited ability to control the future, the question remains to what extent China and the EU