*International Journal of Eurasia Social Sciences*
*Vol: 10, Issue: 36, pp. (431-445).*

*Research Article*

*Received: 14.01.2019 Accepted: 26.06.2019*

# WILL RUSSIA BE A THREAT TO CHINA? SINO-RUSSIAN ENERGY RELATIONS VIA ENERGY WEAPON MODEL

***Anıl Çağlar ERKAN***
*Instructor, Burdur Mehmet Akif Ersoy University, acerkan@mehmetakif.edu.tr*
*ORCID: 0000-0001-9693-6556*

***Ahmet ATEŞ***
*Phd Candidate, University of Daleware, ates@udel.edu*
*ORCID: 0000-0001-5184-7701*

**ABSTRACT**

Beijing is one of the most prominent actors in international system regarding international economy. Several statistics, reports and academic studies are significant evidences for understanding the importance of People's Republic of China (China). Recent literature shows that there are many factors that affect the development of China. The stages and the results of this rising are important for the study together with the factors. Growing energy consumption might be one of the results and a factor related to the rise of China. However, growing energy consumption could also be a reason of many problems. Inadequate energy sources are one of the most important triggers of this problem since it forces states to supply the shortage of energy resources through importation which is the case for China as well. As literature points, China provides a significant part of its energy needs through imports. Therefore, it can be argued that Sino-Russian relations may led to significant energy security problems for China since it is not a self-sufficient country regarding energy resources. Russian Federation (Russia)'s energy-based policy implementations in the past are important evidence for this possibility. We disagree with this argument in the context of natural gas. We argue that, in terms of energy security, Russia will not be a full threat to China in the near future because of at least two reasons: Chinese-Russian mutual energy agreements and China's multidimensional energy policy understanding.

**Keywords:** China, rising powers, security, energy policy, Russia.

**INTRODUCTION**

Energy resources, as one of the most important basic inputs in human life, protect their importance for states. Today, this importance is addressed by the concept of energy security. According to the International Energy Agency (2018), energy security is the uninterrupted availability of energy sources at an affordable price. IEA also classifies the aspects of energy security into two domains: long-term energy security and short-term energy security (The International Energy Agency (International Energy Agency, 2018). It is also important to note that energy security is also strictly related to supply and demand. On the one hand, energy security is important on the basis of energy supply for some states. On the other hand, energy demand which is being affected by several factors' environmental factors, physical attacks, and price stability is more important for some other states such as Russia. Given the brief definition of the concept of energy security, it can be said that either related to duration or the effects of energy security, states are dealing with energy issues in some level.

The importance of energy sources is not same for all countries. Both on the demand and supply side, energy resources or the need of energy resources affected states' policies and their bilateral and multilateral relations. On the demand side, energy resources can be an instrument for policymaking in energy-rich countries. Russia has an upper hand with its relations the European Union or its neighbor countries as a result of the dependency of Russian energy resources of other actors. On the supply side, the need for significant amount of energy resources can affect a state's policy. For instance, because of its dramatic economic growth and consumption of energy, China started to expand its relations with African countries. In other words, energy security affects both Russia's and China's position in their bilateral or multilateral relations. While it strengthens the Russia's position, it may be a vulnerability for China.

Given Russia used its energy resources as a foreign policy instrument against the European Union (EU) and Ukraine[1], and Chinese increasing need for energy resources, current literature and conventional wisdom expect that Russia will also use its energy resources as a policy tool against China as well. We disagree. We argue that Russia is not capable of being a full threat to China regarding energy security at least for two reasons. These are Chinese-Russian mutual energy agreements and China's multidimensional energy policy.

This article proceeds as follows. First, we survey the current literature on Russian's energy weapon model to analyze whether Russia can be a threat to China. Second, we explore the rise of China and its growing energy consumptions. Then, we analyze Sino-Russian relations in the context of natural resources, specifically natural gas and Chinese energy policy. Last, we provide our conclusions on Russian-Chinese energy relations in the near future.

[1] For more information about Russian relations with the EU and Ukraine regarding energy security, please see Kaveshnikov, N. (2010). The issue of energy security in relations between Russia and the European Union. *European security*, *19*(4), 585-605.; Zehko, M. (October 6, 2016). A Literal Cold War: The EU-Russian Struggle Over Energy Security. *Council on Foreign Relations*.; Skalamera, M. (2015). Energy Security in the Wake of the Ukraine Crisis: Getting the Real Threats Right. *Global Policy Essay*.

**Energy as a Weapon?**

Several studies in the literature highlight the importance of energy security in international relations. Among others, Shaffer (2011) points that energy security became as a national security concern for states and its importance in policymaking has been rising. There are mainly two groups in the literature that covers energy security. The first group put a special emphasis on energy dependency and its theoretical framework (Balmaceda, 2013; Mišík & Prachárová, 2016). Several scholars analyze energy dependency through domestic institutions or regime type. While other energy exporter countries such as OPEC countries are important for these studies, there is a specific focus on Russia regarding energy dependency and security. This literature stresses how Russia is an important actor for the global energy market and how its energy resources affect its bilateral and multilateral relations. The second group of the relevant literature mostly focus on Russian policymaking in the context of energy security. There are two focus points regarding Russian energy relations. On the one hand, these studies analyze Russian-European energy relations. Casier (2011) systematically analyzes the Russian-European energy relations and stresses the role of energy in Russian policymaking towards to the EU. Likewise, Högselius (2012) points the European officials' concerns regarding Russia's reliability as an energy partner. On the other hand, other studies evaluate Russia's energy relations with its neighbor countries. Mišík and Prachárová (2016) inspect Russian-Lithuanian energy relations and points Russia's pressure on Lithuania. Similarly, Stulberg (2015) examines Russian-Ukrainian energy relations and uncovers the role of energy in Russian diplomacy during the Ukraine Crisis in 2013. As it is briefly shown above, Russia has a special place in energy security studies. Also, the relevant literature considers the role of energy in Russian policymaking as an energy weapon concept. Stegen (2011) thoroughly examines this energy weapon concept. Per Stegen (2011), for a state to use its energy resources as a weapon, at least three conditions must be satisfied: 1) state's consolidation of the country's energy resources, 2) state's control on transit routes, and 3) state's use of energy resources to further its political agenda (Stegen: 2011: 6506-6507). We argue that Russia fulfilled the criteria. The comparison of Stegen's model and Russian practices can be seen below.

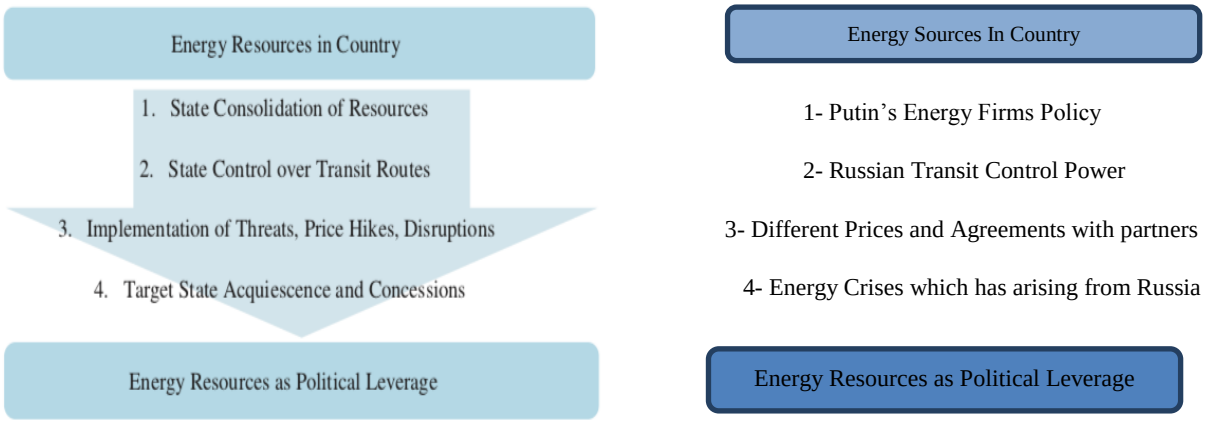


**Figure 1.** Energy Weapon Model and Russian Practices

**Source:** Stegen, 2011.

As the relevant literature shows, energy sources are important factors that shaped Russian policymaking. In other words, Russia has been using its energy resources as a weapon. Consequently, conventional wisdom expects that Russia will behave according to energy weapon concept with its relations to China. However, we disagree. Instead, we argue that Russia will not implement energy weapon policy towards China at least for two reasons: Russia's financial dependency to China and Chinese multidimensional energy policy. To explain our argument thoroughly, we provide a) Chinese economic development and its growing energy consumption b) an analysis of Sino-Russian relations in the context of natural resources, and c) Chinese multidimensional energy policy in the following sections of the article.

**The Rise of Beijing and Its Growing Energy Consumption**

After the death of Mao Zedung, China started to experience a significant transition which took place in different but interrelated areas such as economy, industry and innovation. That process strengthened the China's position in the international arena. As Xuetong (2011) puts, China is a rising power that potentially be a superpower in the international system. It is fair to argue that Beijing's rise in the international system is strictly related to its economic growth. Even though China may not be a superpower in the global arena, it is already a global economic power (Wadhva, 2006: 1; Miller, 2016). Hence, it is important to for us to show briefly the economic growth of China to explain its need for energy resources thoroughly.

China launched its evolutionary economic reforms in 1978[2] under the leadership of Deng Xiaoping (Tisdell, 2009). Statistical data confirms the positive affect of these reforms to Chinese economic growth. To show the economic growth of Chinese economy, we use its gross national product (GND) and gross domestic product (GDP). In the first-thirty-year period (1978-2008), China's GNP grew an average of 9.82 percent per year (Curado, 2015: 88). Furthermore, China's GNP increased 128 percent in spite of the Asian economic crisis that severely affected the global economy (Soylu, 2006: 2). Likewise, China's GDP illuminates the rise of Beijing. Per CIA's World Factbook (2018), China's GDP (real growth rate) in 2015 is 6,9 percent, is 6,7 percent in 2016 and is 6,9 percent in 2017. Similarly, China's purchasing power parity (PPP) is in the first rank in 2015 with 20,3 trillion American Dollar (USD), in 2016 with 21,5 trillion USD and in 2017 with 23,16 trillion USD. As it can be seen in the data, China's economy has been rapidly growing after the Chinese economic reforms.

The rise of Beijing based on mass production and requires a considerable amount of energy consumption. The more economic growth means the more energy needs in the case of China. The proportional value of the worldwide increase in energy consumption is around 2.2 percent for developed countries while it is 1 percent for rising economies (Sandıklı, 2010: 54). However, for China, it is more than 4.5[3] percent (British Petrol, 2018:

[2] This year could be termed as "*take off*" year for China (Doğru, 2016: 2).
[3] British Petrol's (BP) report this rate is 3,1 percent in 2017 and 4,4 percent term of 2006-2017 (British Petrol, 2018: 8). BP noted that this statistic is for primarily energy consumption.

8). It is important to note that China is not a rich country in terms of strategic energy source reserves[4] and its production[5] comparing to its consumption.[6] China's primary energy consumption is around 3132,2 million tons oil equivalent in 2017 and it is 23,2 percent of the world primary energy consumption. It would be useful to compare China's energy consumption to other actors' energy consumption to understand the phenomenon comprehensively. For instance, the US's consumption rate is 16,5 percent and the Continental Europe's rate is 14,6 percent while the total of the North America's rate is 20,5 percent (British Petrol, 2018: 8). As it can be seen in the examples, China has significant energy needs to sustain its economic growth.

The significant amount of need for energy requires political initiatives which was not the case in the previous decades for China. It did not need an international energy policy from 1949 to 1978 since it was a self-sufficient country regarding energy resources. In 1995, for instance, there was a balance for energy consumption and production for China (Karaca, 2012: 94). However, today's scenario is different for China. It definitely is not a self-sufficient country regarding energy and its energy needs has been considerably growing. For instance, the International Energy Agency predicts that China's oil demand will be in 10.1 million barrels and its oil import will be 8 million barrels per a day in 2020 which increase Chinese import dependency to 80 percent (Karaca, 2012: 98). Similarly, Chen (2017) argues that Chinese energy needs will be a peak in 2040. Considering China's oil import was roughly 8.5 million barrels per a day (CEIC, 2018), these predictions may even be optimistic about Chinese growing energy needs.

A thorough examination of China's energy consumption and production rates shows that China's energy need is not limited to oil. In that manner, another important energy source for China is natural gas and its derivatives. China has its natural gas reserves, but these reserves are not enough to Chinese energy consumption considering its natural gas reserves are 5.5 trillion cubic and China needed to import 32.2 billion cubic meters natural gas in 2017 (British Petrol, 2018: 28-29). In similar to Chinese oil needs, its natural gas needs tend to increase in the near future. In that manner, China may face serious problems regarding energy security since providing energy sources via importing from different countries and regions generally triggers security problems. Moreover, one can expect that Russia's tendency of using its energy resources as a weapon can threaten Chinese energy security. However, Russia's current position in the international arena and Chinese investments in Russian energy sector will decrease the likelihood of energy weapon model.

[4] For the end of 2017, China's total proved reserves are 3,5 thousand million tonnes oil and 1,5 percent share of world total reserves, 5,5 trillion cubic metres 2,8 percent share of world total reserves, 138819 million tonnes coal and 13,4 percent share of world total reserves (British Petrol, 2018: 12-36).

[5] At the end of 2017, China's energy sources productions are 191,5 million tonnes oil and 4,4 percent share of world total production, 149,2 billion cubic metres 4,1 percent share of world total production, 1747,2 million tonnes oil equivalent coal and 46,4 percent share of world total production (British Petrol, 2018: 16-38).

[6] By fuel, China's primary energy consumptions are as an oil 608,4 million tonnes oil equivalent, 206,7 million tonnes oil equivalent natural gas, 1892,6 million tonnes oil equivalent coal, 56,2 million tonnes oil equivalent nuclear energy, 262,5 hydro-electricity and 106,7 million tonnes oil equivalent renewables (British Petrol, 2018: 9).

**Russia and China's Energy Security**

Bilateral energy relations affect both countries. Cooperation in the energy arena may have spillover effect and improve the bilateral relations among countries. However, it may not necessarily be the case. During the regional conflicts or crisis, energy resources can be used in policymaking as regulatory tools by exporter countries. Russia's previous records revealed that Russia used its energy resources as a policy tool/weapon in many times. However, we argue that Russia will not be able to use its energy resources as a weapon against China for several reasons. These are Russia's domestic and international issues, the level of importance of Russian natural gas for China, Chinese-Russian collaboration in energy projects, and Chinese multidimensional energy policy.

A thorough examination of previous Russian energy relations indicates that Russia is not a reliable partner as an energy exporter. As we show briefly above, Russia used its energy resources as a weapon against the European Union, Ukraine, and Lithuania. Consequently, one can expect that Russia will continue to employ energy weapon strategy. However, domestic and international pressures may coerce Russia to do otherwise. Currently, Russia has been experiencing the effects of two vital and interrelated issues: one domestic and one international. After the annexation of Crimea in 2014, the Western countries, the United States, the European Union countries, Canada and several NATO allies, Russia enacted economic sanctions against Russia which severely affected Russian energy and finance sectors (NATO, 2015; Gould-Davies, 2018). As a result of these sanctions, the value of the ruble significantly and Russia's GDP decreased around three percent (NATO, 2015). International economic sanctions led to a domestic issue: an economic crisis that affect Kremlin's policy choices. In other words, the international sanctions and Russian economy's worse condition may deter Russia to using energy weapon strategy against China. Main international sanctions against Russia can be seen in the table below.

**Table 1.** Main International Sanctions Against Russia

| Main EU and US Economic Sanctions Against Russia | | |
|---|---|---|
| **Ban On Equipment For Oil İndustry** | **Financial Ban On Oil And Gas Companies** | **Financial Ban On Banks** |
| Deep Water | Gazprom | Bank of Moscow |
| Offshore Arctic | Gazpromneft | Gazprombank |
| Shale Oil Production | Lukoil | InvestCapital Bank |
| | Rosneft | JSB Sobinbank |
| | Sakhatrans | Sosselkhozbank |
| | SGM Pipeline Construction | Sberbank |
| | Stroitransgaz | SMP Bank |
| | Surgutbeftegaz | Vneshekonombank |
| | Transneft | VTB Bank |
| | Transoil | |

**Source:** Overland and Kubayeva, 2018.

These sanctions brought Russia and China closer, particularly financially. Since the sanctions restricts Russian-state owned enterprises' access to Western financial markets and services (NATO, 2015), Chinese financial services started to play a bigger role in Russian economy. In sum, Russia's worsen economic condition and

improved relations between Russia and China should deter Russia regarding implementing energy weapon strategy against China since it will affect Russia more than China.

In order to implement an energy weapon strategy, a specific energy resource from a specific exporter state should be crucial to importer state. Even though, Chinese need for natural gas tend to increase, Russian natural gas is not a crucial energy source for China. Natural gas is in the third place (roughly five percent of total consumption) as a primary commercial energy source for China after oil and coal. Chinese natural gas consumption was 141 billion cubic meters in 2011 (Wu, 2014: 5) while it increased 186.2 billion cubic meters in 2015 and 229.6 billion cubic meters in 2017 (CIA, 2018). Even though total consumption of natural gas has been increasing, China's natural gas imports from Russia is around only one percent of the total consumption[7] (British Petrol, 2018: 34). In other words, even though Chinese need for natural gas increase, Russia's contribution to Chinese consumption is far away from being crucial. Hence, it would be pointless to Russia to employ energy weapon model against China in the context of natural gas since China has access other natural gas exporter states. Therefore, it is less likely that Russia will employ energy weapon strategy against China.

Another factor that may affect Russia's decision to employ an energy weapon strategy is increasing Russian-Chinese collaboration in global energy projects. These energy projects have three aspects that are more important. These are current energy projects, China's shares in these mutual projects, and Chinese investments.

There are several joint energy projects that will have effect on future Sino-Russian relations. Among others the Power of Siberia project, Power of Siberia 2 project, and Sakhalin Projects are vital. Russia and China reached a deal on the Power of Siberia natural gas pipeline project, which its value is estimated 400 billion USD, in 2014 (Overland and Kubayeva, 2018: 96). This thirty-year-deal between China (China National Petroleum Company – CNPC) and Russia (Gazprom) aims to provide 38 billion cubic meters natural gas beginning in 2018 (Luhn and Macalister, 2014). Per Divergente LLC report;

> "*the Power of Siberia will be essential to solve future gas shortages in north of the country and as present 1,629 kilometers of the pipeline are built, or 75,5 percent is complete*[8]*, Gazprom said, adding that Russia would start supplying China's CNPC with natural gas as planned, on December 20, 2019*" (Paraskova, 2018).

The Power of Siberia pipeline project, which is also known as Eastern Route, is the largest natural gas transmission system in Russia's east (Gazprom, 2018) that Gazprom invested in 2.3 billion USD in 2017 and invested 3.2 billion USD in 2018 (RT News, 2018).

The Power of Siberia 2 project, which is also known as Western Route, expanded Russian-Chinese energy collaboration further. Per RT News (2018), Russia and China plan to build another natural gas pipeline that will deliver 30 billion cubic meters natural gas from Russia to China.

[7] China's main LNG trade partners are Australia (23,7 bcm) and Qatar (10,3 bcm) (British Petrol, 2018: 34).
[8] Per RT News (September 6, 2018) it is one of the world's longest gas pipelines and is now 93 percent complete.

In addition to the Power of Siberia projects, Sakhalin projects also play an important role in Russian-Chinese energy collaboration. After the inauguration of the LNG plant in Sakhalin Island in 2009, Russia started to export natural gas to China even it is a minor amount (Shadrina, 2014: 61). Russian-Chinese collaboration on Sakhalin project improved afterwards. Particularly, Sakhalin III project is important. One of the most important energy firms of China, Sinopec, has 25.1 percent of total shares of this project that will build a LNG plant in Iljinsky Port (Shadrina, 2014: 63). The effects of these projects in future Russian-Chinese relations can be seen in the table below.

**Table 2.** Russia's Actual and Projected Gas Exports to China

| **Russia's Actual and Projected Gas Exports to China, bcm/y (Shidrina, 2014: 64)** | | | | |
|---|---|---|---|---|
| **Projects** | **2012** | **2017** | **By 2020** | **By 2030** |
| **Sakhalin II LNG Plant** | 0,53 | 0,5 | 0,5 | 0,5 |
| **Yamal LNG** | | 4,14 | 4,14 | 4,14 |
| **Vladivostok LNG** | | | 6,9- "X" | 14,2- "X"/ 20,7- "X" |
| **Sakhalin II LNG Plant, 3rd Train** | | | 6,9- "X" | 6,9- "X" |
| **RN LNG Plant in Sakhalin** | | | (6,9, all contracted to Japan) | 13- "X" |
| **Power of Siberia Pipeline** | | | 38 | 61 |
| **Altai Pipeline** | | | | 30 |
| **Total** | 0,5 | 4,5 | 42,5 + (13,8 -3 –"X") | 95,5 +35- 3-"X"<br>95,5 + (41- 3 "X") |
| Source: Shidrina states that "*composed by author based on various sources*". | | | | |
| Note: "X" – a dummy, denotes unknown/undecided quantities of Russia gas supply beyond China. | | | | |

**Source:** Shadrina, 2014.

As it can be seen in current and future mutual projects, both Russia and China invested in mutual energy projects. These investments require financial obligations for both parties that also affect policymaking. In addition to these mutual projects, China's shares in these joint projects and Chinese loans and investments to Russia are also important.

Energy is the most important sector in the Russia that is regulated and operated through state-owned enterprises such as Gazprom and Lukoil. Therefore, it would be fair to argue that Russian energy companies should not be considered as autonomous companies. They are strictly related to Russian bureaucracy and policymakers. In other words, they tend to operate in parallel to Russian policies. Thus, Russian companies tend to not give a share to other foreign company in energy projects. However, it approved the shareholding partnership to Chinese energy companies in these energy projects. On the one and, it contradicts the tradition of Russian energy policy (Roseth, 2017: 25). On the other hand, it gives the China the upper hand in any future conflict. Chinese shares in these projects and energy deals can be seen in the table below.

**Table 3**. Chinese Shares in Mutual Energy Deals

| Year | Month | Investor | Quantity in Millions | Share Size | Transaction Party | Sector | Subsector | Country |
|---|---|---|---|---|---|---|---|---|
| 2006 | June | Sinopec | $3.490 | 49% | Rosneft | Energy | | Russian Federation |
| 2006 | July | CNPC | $500 | | Rosneft | Energy | | Russian Federation |
| 2009 | October | CIC | $300 | 45% | Nobel Holdings | Energy | Oil | Russian Federation |
| 2010 | September | Huadian | $360 | 51% | JSC Territorial | Energy | | Russian Federation |
| 2010 | December | Three Gorges | $170 | | EuroSibEnergo | Energy | | Russian Federation |
| 2011 | June | Three Gorges | $2.290 | 50% | EuroSibEnergo | Energy | | Russian Federation |
| 2012 | June | Huadian | $590 | 100% | | Energy | | Russian Federation |
| 2013 | March | State Grid | $1.140 | | Sintez | Energy | | Russian Federation |
| 2013 | June | CNPC | $940 | 20% | Novatek | Energy | Gas | Russian Federation |
| 2013 | October | CNPC | $620 | 49% | Rosneft | Energy | Oil | Russian Federation |
| 2013 | December | Shenhua | $460 | 50% | En+ | Energy | Coal | Russian Federation |
| 2014 | September | CNPC | $990 | 10% | Vankorneft | Energy | Oil | Russian Federation |
| 2014 | November | Power Construction Corp | $1.460 | 49% | RusHydro | Energy | Hydro | Russian Federation |
| 2014 | November | Harbin Electric | $450 | 100% | | Energy | Alternative | Russian Federation |
| 2015 | September | SAFE | $1.210 | 10% | Novatek | Energy | Gas | Russian Federation |
| 2015 | December | Sinopec | $1.340 | 10% | Sibur | Energy | Gas | Russian Federation |
| 2016 | November | Beijing Enterprises | $1.080 | 20% | Verkhnechonskneftegaz | Energy | Gas | Russian Federation |
| 2016 | December | SAFE | $1.150 | 10% | Sibur | Energy | Gas | Russian Federation |
| 2017 | October | CEFC | $500 | | | Energy | | Russian Federation |

**Source:** ChinaPower, 2018; Roseth, 2017.

Loans play a vital role in Russian-Chinese relations. International economic sanctions against Russia after the annexation of Crimea in 2014, severely affected oil prices and therefore Russian economy. Golovnin and Zubkov (2015) stress the importance of energy sector in Russian economy;

> *"It is a common wisdom that oil price dynamics effect Russian economy. It is based on the role of energy sector in Russian economy and external trade. Though oil and gas extraction and oil-refining accounted for 10 per cent of GDP in 2013, oil and gas export was equal to 67 per cent of total export in 2013 and 65 per cent in 2014, and oil and gas relating state revenues amounted for 10.5 per cent of GDP, or more than 51 per cent of total revenues of federal budget. Periods of abrupt fall of oil prices (1998, 2008 and 2014) corresponded with economic crises in Russian economy. Thus, significant impact of oil prices and oil export dynamics on key Russian macroeconomic variables should be expected"* (Golavnin and Zubkov, 2015: 199).

As a result of Russian economic recession, it started to require more foreign loans and investments. Consequently, China's loans and investment on Russia expanded significantly. Per Twenty Top Recipients of Chinese Energy Finance 2005-2017 report, Russia is the top recipient of Chinese loans with 42.7 billion USD (Gallagher, Kamal, Jin, Chen and Ma, 2018: 317). Chinese loans and investments to Russia, also growing Chinese influence on Russian economy, can be seen in Figure 2 and Figure 3 below. Furthermore, Chinese investments on Russian energy sector can be seen in Figure 4.

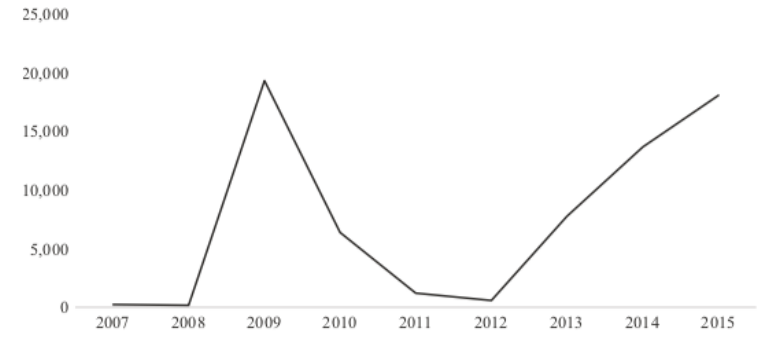


**Figure 2.** Loans of Russian non-bank entities from China, million USD
**Source:** Overland and Kubayeva, 2018.

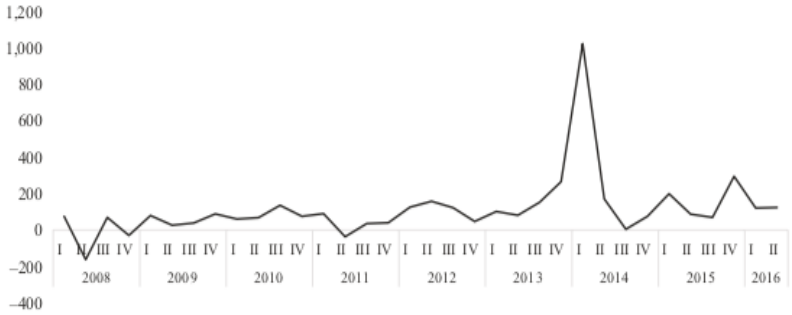


**Figure 3**. Chinese Foreign Direct Investments to Russia, Million USD.
**Source:** Overland and Kubayeva, 2018.


**Figure 4.** Chinese Investments to Russian Energy Sector, Million USD
**Source**: ChinaPower,2018.

As we provide above, there are several factors that may deter Russia's implementation of energy strategy against China. First, Russia has been experiencing an economic recession since 2014 that increased Russia's financial dependency to China. In a possible conflict, Russia will be likely to be affected more than China as a result of this financial dependency. Hence, it would not be wise to employ energy weapon strategy for Russia against China. Second, Russian natural gas is not a crucial source for Chinese economy since China has access to other major exporters. Given that current Russian natural gas import is equivalent to only one percent of Chinese total natural gas consumption, we argue that Russia will not use energy weapon strategy against China since it will not be able to gain any political gains. Last, growing Russian-Chinese collaboration in energy projects and Chinese influence on Russian economy will deter Russia to employ energy weapon model against China. On the one hand, current and future mutual projects will have positive effects on Russian economy that Russia will not afford to lose. On the other hand, Russia' financial dependency to China as a result of Chinese loans and investments will likely to deter Russia to implement an energy weapon strategy. In other words, Russia has more to lose than win if it implements this strategy.

In addition to factors above that related to Russia's capability influence China, there is one more factor that Russia has no room to influence. It is Chinese multidimensional energy policy. In its simplest form, China's multidimensional energy policy means diversification of energy resources, supplier countries and regions. On the one hand, China has been cooperating different supplier countries and has been importing natural gas from several countries. For instance, China imported 39,4 billion cubic meters natural gas from Kazakhstan, Turkmenistan, Uzbekistan, and Myanmar via pipelines and it imported 52,6 billion cubic meters liquefied natural gas (LNG) from United States of America (US), Peru, Trinidad & Tobago, Norway, Russia, Oman, Qatar, Algeria, Angola, Egypt, Equatorial Guinea, Nigeria, Australia, Brunei, Indonesia, Malaysia, Papua New Guinea and other Asia-Pacific and European countries in 2017 (British Petrol, 2018: 34). On the other hand, China has been expanding its supplier countries and regions through investments. It invested in energy projects in more than thirty countries from Africa, Asia, North America, and the Middle East. The total Chinese investment between 2000 and 2017 is around 225.75 billion USD (Gallagher, Kamal, Jin, Chen and Ma, 2018: 315). To show the magnitude of Chinese investments, we compare it to the World Bank investments. This comparison can be seen in the table below.

**Table 4.** The Comparison of Chinese and the World Bank Investments (2007-2017)

| **Geographical Distribution of Chinese and World Bank Energy Finance 2007-2017 (USD in billion)** | | |
|---|---|---|
| | **China Banks** | **World Bank** |
| **Africa** | 32,937 | 22,819 |
| **Middle East &North Africa** | 4147 | 6869 |
| **South Asia** | 38,496 | 17,250 |
| **Latin America & Caribbean** | 61,885 | 10,622 |
| **Europe & Central Asia** | 65,650 | 19,162 |
| **East Asia & Pacific** | 20,435 | 16,246 |
| **Total** | **223,550** | **92,998** |

**Source:** Gallagher, Kamal, Jin, Chen and Ma, 2018.

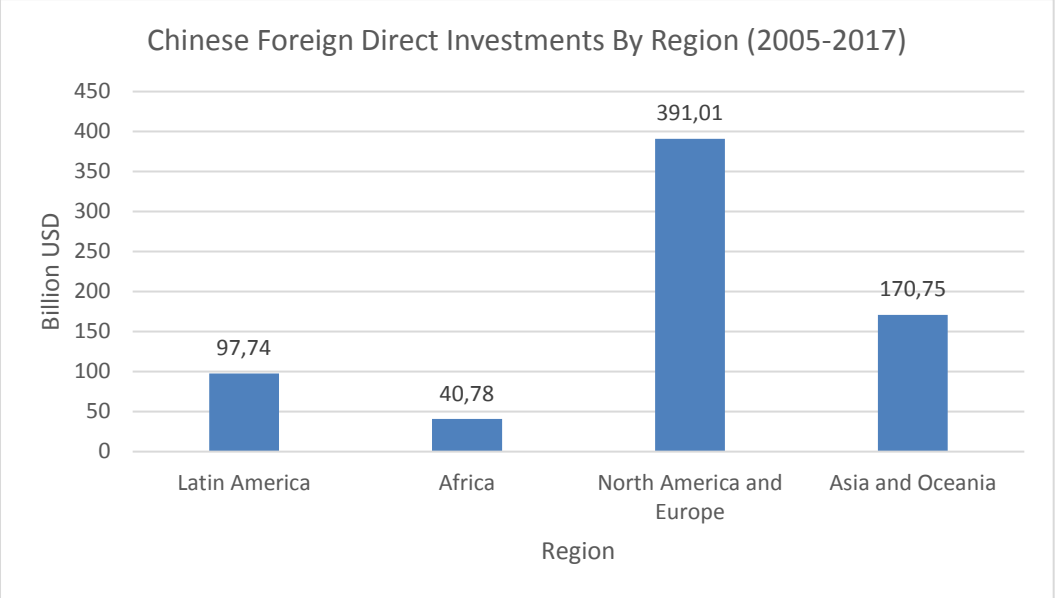


**Figure 5.** Chinese Foreign Direct Investments by Region
**Source:** ChinaPower, 2018.

As it can be seen in the table and figure above, China has been investing different regions and countries to secure its energy supply. It has diverse suppler countries around the world. Hence, even if Russia employs energy weapon strategy against China, it would not hurt Chinese energy supply chain. Therefore, it would be pointless for Russia to implement an energy weapon strategy against China.

**CONCLUSION**

We argue that Russia will not be a threat to Chinese energy security in the near future and it will not likely employ energy weapon strategy against China. We show that Russia's current domestic and international issues, the level of importance of Russian natural gas for China, Chinese-Russian collaboration in energy projects, and Chinese multidimensional energy policy are the main factors that support our argument.

Russia has been experiencing a financial recession since 2014 as a result of international economic sanctions. Russian economy, which is strictly bounded to energy sector, will not likely overcome its current crisis in the near future. Therefore, it will require more Chinese financial support. Further, China is the most important partner of Russia in several global energy projects such as the Power of Siberia and Sakhalin III. Beyond partnership, Chinese companies have significant number of shares of Russian energy projects. In addition to Russia's financial dependency to China, Russia is not a crucial actor regarding Chinese energy demand. Russian natural gas is only equivalent to one percent of total Chinese natural gas consumption. Furthermore, Chinese multidimensional energy policy and diverse energy supply chain will not allow Russia to be a crucial energy supplier in the future. As a consequence of these factors, in contrary to conventional wisdom and current literature, Russia will not employ energy weapon strategy against China.

We provide practical reasons that will likely deter Russia to employ an energy weapon strategy above. It is important to note that Russia may choose to do otherwise. However, even Russia will choose to employ energy weapon strategy, it will not be accomplished according to the theory, energy weapon model. Per model, there are four criteria for employing energy weapon strategy: state consolidation of resources, state control of transit routes, implementation of threats, price hikes, disruptions and target state acquiescence and concessions (Stegen, 2011). Even Russia met the first criteria, it will not likely meet the second, the third, and the last criteria. As a result of Chinese investment in transit pipeline projects, Russia cannot have control on routes. As a result of Chinese multidimensional energy policy, Russia cannot threat China with energy prices and cannot receive concessions from China. In sum, both in theoretical and practical terms, Russia will not likely to implement energy weapon strategy against China.

**REFERENCES**

Balmaceda, M. M. (2013). *The Politics of Energy Dependency: Ukraine, Belarus, and Lithuania Between Domestic Oligarchs and Russian Pressure*. Toronto: University of Toronto Press.

British Petrol. (2018). *BP Statistical Review of World Energy 2018*.

Casier, T. (2011). The Rise of Energy To The Top Of The EU-Russia Agenda: From Interdependence To Dependence?. *Geopolitics*, 536-552.

CEIC. (2018, June 12). *China Crude Oil: Imports*. [https://www.ceicdata.com/en/indicator/china/crude-oil-imports (Accessed 8 Nov. 2018).

Central Intelligence Agency (CIA). (2018, October 29). *CIA The World Factbook*. https://www.cia.gov/library/publications/the-world-factbook/geos/ch.html (Accessed 7 Nov. 2018).

Chen, A. (2017, August 16). *China's Energy Demand to Peak in 2040 as Transportation Demand Grows: CNPC*, https://www.reuters.com/article/us-china-cnpc-outlook/chinas-energy-demand-to-peak-in-2040-as-transportation-demand-grows-cnpc-idUSKCN1AW0DF (Accessed 3 Dec. 2018).

ChinaPower. (2018). *Does China Dominate Global Investment?* https://chinapower.csis.org/china-foreign-direct-investment/ [Accessed 3 Dec. 2018].

Curado, M. (2015). "China Rising Threats and Opportunities for Brazil" (Ed.) A. Hernandez, *Latin American Perspective, XLII*(6), 88-104.

Doğru, B. (2016). "Çin'in Ekonomik Büyüme Reçetesi". (Ed.) Doğru, B. *Çin Ekonomisi Bir Sosyalist Piyasa Tahlili,* Ankara: Akademisyen Yayınevi.

Gallagher, K. P., Kamal, R., Jin, J., Chen, Y. & Ma, X. (2018). Energizing Development Finance? The Benefits and Risks of China's Development Finance in Global Energy Sector. *Energy Policy*(128), 313-321.

Gazprom. (2018, November 29). *Sakhalin III*. http://www.gazprom.com/projects/sakhalin3/, (Accessed 29 Nov. 2018)

Gazprom. (n.d.). *Power of Siberia*. http://www.gazprom.com/projects/power-of-siberia/ (Accessed 12 Nov. 2018).

Golovnin, M., and Zubkov, V. (2015). Oil Price Dynamics' Impact on Russian Economy. *Management International Conference*. Portoroz: MIC.

Gould-Davies, N. (2018, August 22). *Sanctions On Russia Are Working: Why It's Important To Keep Up The Pressure*. https://www.foreignaffairs.com/articles/russian-federation/2018-08-22/sanctions-russia-are-working (Accessed 3 Dec. 2018).

Högselius, P. (2012). *Red Gas: Russia And The Origins Of European Energy Dependence.* NewYork: Palgrave Macmillian.

Karaca, R. K. (2012). Çin'in Değişen Enerji Stratejisinin Dış Politikasına Etkileri (1990-2010). *Uluslararası İlişkiler Dergisi, IX*(33), 93-118.

Kaveshnikov, N. (2010). The Issue Of Energy Security In Relations Between Russia And The European Union. *European Security*, (4), 585-605.

Luhn, A., and Macalister, T. (2014). *Russia Signs 30-Year Deal Worth $400bn to Deliver Gas to China*. https://www.theguardian.com/world/2014/may/21/russia-30-year-400bn-gas-deal-china (Accessed 12 Nov. 2018).

Mišík, M., and Pracharova, V. (2016). Before 'Independence' Arrived: Interdependence In Energy Relations Between Lithuania and Russia. *Geopolitics*, 21(3), 579-604.

NATO. (2015). *Sanctions after Crimea: have they worked?* https://www.nato.int/docu/review/2015/russia/sanctions-after-crimea-have-they-worked/en/index.htm (Accessed 12 Nov. 2018).

Overland, I., and Kubayeva, G. (2018). Did China Bankroll Russia's Annexation of Crimea? The Role of Sino-Russian Energy Relations. (Ed.) Blakkisrud, H. & Rowe, E. W. *Russia's Turn To East: Domestic Policymaking and Regional Coorperation* Cham: Palgrave Pivot. 119-138.

Paraskova, T. (2018). *Gazprom's Power of Siberia Gas Link to China 75,5% Complete*.: https://oilprice.com/Latest-Energy-News/World-News/Gazproms-Power-Of-Siberia-Gas-Link-To-China-755-Complete.html (Accessed 12 Nov. 2018).

Roseth, T. (2017). Russia's Energy Relations with China: Passing the Strategic Threshold? *Eurasian Geography and Economics, LVIII*(1), 23-55.

RT News. (2018, September 6). *Power of Siberia: Russia's Mega Gas Pipeline to China Almost Complete*.: https://www.rt.com/business/437753-power-of-siberia-china/ (Accessed 12 Nov. 2018).

Sandıklı, A. (2010). China's Growing Need Of Energy abd Changing Balances. (Ed.) Sandıklı, A. *China A New Superpower? Dimensions of Power, Energy and Security* İstanbul: Bilgesam Publications. 54-64.

Shadrina, E. (2014, October). Russia's Dilemmas about China's Gas Market. *The Northeast Asian Economic Review, II*(2): 51-73.

Shaffer, B. (2011). *Energy politics.* Philadelphia: University of Pennsylvania Press.

Skalamera, M. (2015). Energy Security in the Wake of the Ukraine Crisis: Getting the Real Threats Right. *Global Policy Essay*.

Skalamera, M. (2019). Explaining the Emerging Sino-Russian Energy Partnership. (Ed.) Bekkevold, H. I.and Lo, B. *Sino-Russian Relations in the 21st Century.* Cham: Pelgrave Macmillan. 69-86.

Soylu, A. F. (2006). *Çin Bir Devin Uyanışı.* Adana: Nobel Kitapevi.

Stegen, K. S. (2011). Deconstructing The Energy Weapon: Russia's Threat to Europe As Case Study. *Energy Policy*(39), 6505-6513.

Stulberg, A. N. (2015). Out of gas?: Russia, Ukraine, Europe, And The Changing Geopolitics Of Natural Gas. *Problems of Post-Communism*, 62(2), 112-130.

The International Energy Agency (IEA). *Energy Security*. https://www.iea.org/topics/energysecurity/ (Accessed 27 Dec. 2018).

Tisdell, C. (2009, June). *Economic Reform and Openess in China: China's Development Policies in The Last 30 Years.* https://espace.library.uq.edu.au/data/UQ_275734/WP_55.pdf?Expires=1544332510&Signature=RA~gqLSbLqkKRb7keVoCXghbkEYn47ffNurp9A5T9XXR1nPKgzuULseLUaYkxwSz0hTBzHU0EaPtB~oMu5V-wTYxZUZgr3WjBpwNRMQz~n9o-PjfumM7ySZde3aqy-w0ZlezNARiiHS22O6wYpL-P6v-wO-hsCyx09LpzzVf (Accessed 4 Dec. 2018).

Wadhva, C. D. (2006, July-September). Management of Rising Power by China and India in the 21st Century: Scope for Strategic Partnership. *VIKALPA, XXXI*(3), 1-12.

Wu, K. (2014). China's Energy Security: Oil and Gas. *Energy Policy* (73), 4-11.

Xuetong, Y. (2011, December 30). *Bipolar Superpower System: The Future of the Global Power Dynamic*. https://carnegietsinghua.org/2011/12/30/from-unipolar-to-bipolar-superpower-system-future-of-global-power-dynamic-pub-47688 (Accessed 6 Dec. 2018).

Yamal LNG. (2018). *About The Project*. http://yamallng.ru/en/project/about/ (Accessed 1 Dec. 2018).

Yergin, D. (2006). Ensuring Energy Security. *Foreign Affairs, LXXXV*(2), 69-82.

Zehko, M. (2016). *A Literal Cold War: The EU-Russian Struggle Over Energy Security.* https://www.cfr.org/blog/literal-cold-war-eu-russian-struggle-over-energy-security [Accessed 6 Dec. 2018].