
ENERGY DIPLOMACY OF CHINA AND RUSSIA: MUTUALLY BENEFICIAL COOPERATION OR COMPETITION?

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Annotation

This article provides an overview of collaboration in the energy sector between two influential states, namely China and Russia. The paper covers key aspects of energy diplomacy and its impact on global dynamics. Factors determining the nature of relations between Russia and China in the context of energy resources are analyzed. The article also assesses forecasts for the development of cooperation and potential challenges, offering a forward-looking perspective on the future energy interaction between these two countries.

Keywords: energy diplomacy, energy security, energy resources, energy strategy, partnership, threats, sustainable development.

In the modern world, energy plays a pivotal role in shaping global relations, with countries actively engaging to secure reliable energy sources for their development. Possessing extensive resources and influence, these two countries grapple with the question: is their energy interaction a source of mutual benefit, cohesion, and development, or does it tend towards confrontation, creating elements of global energy competition? This article explores the concept of energy diplomacy in the context of relations between Russia and China and analyzes the positive and negative aspects of this collaboration, taking into account energy-related factors.

Energy diplomacy is a specialized domain within the realm of diplomatic activities that concentrates on the strategic utilization of energy resources and policies to attain foreign policy objectives and uphold overall geopolitical stability. This diplomatic approach encompasses the nuanced interactions between states, taking into consideration their respective energy interests, influence over global energy markets, and the instrumental deployment of energy as a means of exerting leverage on other nations. According to Stanislav Zhiznin, energy diplomacy serves as an interdisciplinary nexus, amalgamating insights from economic, political, environmental, and technical sciences. It stands as an intricate intersection where researchers, particularly in political science and economics, actively engage. Energy diplomacy functions as a multidisciplinary field where experts strive to comprehend and steer the intricate

dynamics within the energy sector, recognizing its profound implications on political, economic, and environmental landscapes¹.

In the modern world, energy becomes a crucial strategic resource, playing a critical role in ensuring sustainable development and the security of nations.²

Cooperation in the energy sector helps states diversify energy sources, reducing risks associated with dependence on limited sources and vulnerability to crises. Joint energy projects strengthen diplomatic relations and establish a foundation for mutually beneficial collaboration, elevating the overall level of trust between states. Collaborative efforts in the energy sector contribute to the transition to sustainable energy sources, reducing environmental pressure and aligning with international climate standards. It is also worth noting that possession and control of energy resources enhance the geopolitical position of states, making them significant players on the global stage.

Energy cooperation between China and Russia is a timely and strategic topic with several key facets. Both countries, as geopolitical players, seek to strengthen their positions through control over energy resources, thereby ensuring economic stability and development. Energy collaboration also contributes to reinforcing interdependence, facilitating the exchange of resources and technologies. Furthermore, it is crucial for ensuring energy security and influencing global energy markets. Joint efforts can also promote mutual technological exchange and support international initiatives for sustainable development. Thus, investigating this subject becomes a vital factor in understanding the future interaction between the two nations and their impact on the global energy landscape.³

China is the world's largest consumer and producer of coal. This energy source constitutes a significant portion of China's energy balance. Additionally, China is a major importer of oil, and oil refining is a crucial component of the country's energy infrastructure. The consumption of natural gas in China is rapidly increasing. The country actively pursues domestic and international projects for gas exploration and transportation. China is also heavily investing in renewable energy sources, such as solar and wind power, as part of a strategy to reduce greenhouse gas emissions.⁴

Russia is one of the world's largest producers and exporters of oil and natural gas. These resources constitute a primary source of revenue for the Russian budget. Coal also plays a significant role in Russia's energy complex, especially in regions where oil and gas are not as readily available. Russia excels in nuclear energy, possessing a substantial

¹ Энергетическая дипломатия в современном мире: меньше экономики, больше геополитики (2019).

Интервью со Станиславом Захаровичем Жизниным, российским дипломатом, доктором экономических наук, профессором МГИМО, президентом Центра энергетической дипломатии и геополитики. Вестник Российского университета дружбы народов. Серия: Международные отношения, 19 (3), 472-479.

² Сендеров Сергей, & Рабчук Виктор (2022). ЭНЕРГЕТИЧЕСКАЯ БЕЗОПАСНОСТЬ СЕГОДНЯ И ОСНОВНЫЕ МЕТОДИКИ ЕЕ ОБЕСПЕЧЕНИЯ. Энергетическая политика, (11 (177)), 56-69.

³ Ли Ин (2021). МЕЖДУНАРОДНОЕ СОТРУДНИЧЕСТВО КНР И РФ В ЭНЕРГЕТИЧЕСКОЙ СФЕРЕ. Общество: политика, экономика, право, (2 (91)), 30-37.

⁴ Клавдиенко, В. П. (2023). ВОЗОБНОВЛЯЕМАЯ ЭНЕРГЕТИКА КИТАЯ: ТЕНДЕНЦИИ, НОВАЦИИ, ПЕРСПЕКТИВЫ. Вестник Института экономики Российской академии наук, (4), 134-156. doi: 10.52180/2073-6487_2023_4_134_156

number of nuclear power plants that ensure stable electricity production. The country also demonstrates an interest in developing renewable energy sources, including solar and wind energy, as part of a diversification strategy.⁵

Energy policies and strategies for meeting energy needs play a crucial role in the economic development, geopolitical stability, and strategic security of both China and Russia. China is actively pursuing strategies to diversify energy sources, including the intensive use of coal, increasing the share of renewable sources (wind and solar energy), and expanding nuclear energy.⁶ Russia possesses extensive reserves of oil and natural gas, which constitute a significant portion of its exports. The country aims to strengthen its position in global energy markets. Russia is developing strategies to ensure its energy security, including diverse projects for coal, oil, and gas extraction in various regions of the country. Russia actively participates in international energy projects, such as "Nord Stream" and "Power of Siberia," with China and other countries, contributing to the fulfillment of both national and global market demands.⁷

Experts from Russia highlight the issue of a potential threat, wherein Russia could become an energy appendage to China's economy, particularly in the context of the oil and gas sectors. They believe that such a dynamic does not align with the interests of Russia's socio-economic development, while it benefits China. It is emphasized that the primary added value generated in the exploitation of oil and gas resources, as well as the increase in new job opportunities and the development of technological sectors, will occur in China, contributing to its economy.

According to Russian experts, this collaboration leads to Russia losing an increasing volume of capital, which, in turn, only contributes to the development of the Chinese economy. Additionally, the extensive export of Russian oil, natural gas, and other resources to other countries gradually weakens the sector of deep processing of energy resources in Russia.

Oil and gas resources are not solely utilized as fuel for various industrial sectors but also serve as raw materials for the production of diverse products. Such an approach to the development of the energy sector may diminish Russia's technological innovation potential, resulting in the country falling behind in critical areas such as energy engineering, organic synthesis, petrochemicals, the production of synthetic materials, and coal-based energy technologies, in comparison to China.⁸

The collaboration between Russia and China in the energy sector, aimed at ensuring the energy security of both nations, is reinforced by a robust regulatory framework. Looking ahead, China anticipates an increase in the need to secure a stable energy demand, with its dependence on energy imports expected to grow. While Russia will maintain its role

⁵ Энергетика России// URL <https://energoceti.ru/articles/energetika-rossii>

⁶ Чжао Ди (2020). Энергетическая политика Китая на современном этапе. StudNet, 3 (6), 111-119.

⁷ Энергетическая политика России: разворот на Восток// URL <https://energypolicy.ru/energeticheskaya-politika-rossii-razvorot-na-vostok/business/2023/14/08/>

⁸Ли Ин (2022) Проблемы и трудности в процессе энергетического сотрудничества КНР и РФ, (58-65)

as a significant global energy supplier, considering international competition, diversification of its energy resource exports may be required. In this context, energy cooperation between Russia and China proves mutually beneficial in terms of complementary advantages.

In the coming years, it is expected that Russia and China will actively develop high-tech collaboration in the energy field, seeking to strengthen the high level of economic and political interaction. The primary focus will be on strategic relationships and bilateral construction of energy infrastructure for the transportation of oil and gas in border regions, along with the development of storage and transportation sectors.

The primary strategic objective of cooperation between Russia and China is the transformation of political relations into practical outcomes in the economic and other spheres. Initiatives designed to achieve this goal include an updated version of practical collaboration, the advancement of major strategic energy projects, the reinforcement of cooperation across various sectors, and the comprehensive deepening of exchanges in the humanitarian domain. An essential aspect is also the establishment of a sustainable material and social foundation for the development of bilateral relations.⁹

In conclusion, the collaboration between Russia and China in the energy sector represents a strategically significant aspect of the foreign policy efforts of both nations. Both parties actively strive to ensure their energy security and contribute to sustainable development; however, there is a risk that Russia might evolve into an additional energy sphere for the Chinese economy, prompting concerns among experts regarding potential losses in technological potential and capital for Russia in the course of this collaboration. Nevertheless, there is mutual benefit in terms of complementarity, and both countries seek to strengthen their positions in the global energy markets. The development of high-tech cooperation, strategic relations, and exchanges across various domains underscores their commitment to deepening economic and political interactions. Thus, the article emphasizes not only the importance of energy collaboration but also the necessity for its sustainable development, considering diverse aspects, including technological diversification, economic benefits, and geopolitical factors.

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⁹ Проблемы и перспективы развития энергетического сотрудничества между Россией и Китаем // URL https://spravochnik.ru/mezhdunarodnye_otnosheniya/problemy_i_perspektivy_razvitiya_energeticheskogo_sotrudnicstva_mezhdu_rossiyey_i_kitaem/

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