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The Role of Chinese Regimes of Asian Infrastructure Investment Bank and the Belt and Road Initiative in the Transformation of Its Energy Diplomacy: Quest for Economic Sustainability

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Abstract: This paper offers a critical analysis of how the new regimes in the Asian Infrastructure Investment Bank (AIIB) and the Belt and Road Initiative (BRI) of China complement its energy diplomacy to ensure economic sustainability driven by an uninterrupted supply of overseas energy. Recognising the centrality of energy in its foreign policy, China's initiative in the AIIB and the BRI to complement its energy diplomacy is a subject of immense significance requiring extensive research. The present study investigates whether the transformations in China's energy diplomacy caused primarily by these new regimes in the AIIB and the BRI are a step toward economic internationalisation or consistency of its years-old mercantilist practices. It adopts a well-defined analytical methodology by utilising the "case-based" approach of John Gerring. This article argues that the new global institutions of China successfully complement the country's energy diplomacy, and its energy diplomacy towards Central Asia is predominantly neo-mercantilist. However, it shows a strong inclination to facilitate economic interdependence towards regions that carry some strategic weight in China's national interests. In contrast, countries enriched in energy resources but isolated, with little strategic worth, are put under sheer dependency on China.

Keywords: energy diplomacy; economic internationalisation; neo-mercantilism; economic sustainability; transformations; Belt and Road Initiative; Asian Infrastructure Investment Bank; Central Asia

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1. Introduction

Since the beginning of the twenty-first century, maintaining uninterrupted access to energy supplies has become an important aspect of China's foreign policy. This concern has been amplified due to the fact that China has become the world's largest oil and natural gas importer [1]. This growing reliance on energy imports is ultimately problematic for the Chinese leadership. Therefore, China's leadership has made conscious efforts to enhance energy security internally and externally by paying increasingly close attention to building a collaborative relationships with foreign energy suppliers. Energy diplomacy has long been a critical component of China's energy security policy and international energy cooperation initiatives. Since China became a net oil importer in the 1990s, diversifying energy supply channels and increasing energy imports have become essential for China's energy security strategy. In this context, China's energy diplomacy has become crucial in its quest for oil and gas in various regions, including Central Asia, Africa, and Latin America. In this regard, China's foreign ministry and Chinese National Oil Companies (NOCs) are working together to promote China's energy interests abroad. Analysts aver that China's energy diplomacy is vital to minimise external competitors' interference in accessing overseas energy resources

by investing in the neighbouring countries and regions and bringing their economic and political preferences within a Sino-centric order [2]. In this context, Beijing's decision to undertake the Belt and Road Initiative (BRI) signifies a crucial development.

Under the BRI, energy cooperation occupies an important place in China's energy diplomacy because it involves a wide-ranging infrastructure development program, diversification of overseas energy investments, and the development of energy governance. Official Chinese documents on the BRI have also frequently emphasised the importance of energy cooperation. Notably, in the 2015 "*Vision and Actions on jointly Building the Silk Road Economic Belt and the 21st Century Maritime Silk Road*," promoting energy cooperation has been identified as one of the most critical aspects of achieving the goals of BRI [3]. In 2016, the Chinese government included the BRI in its "13th Five-Year Plan for Economic and Social Development" and pledged that China would "strengthen international cooperation on energy and resources and production chains, and increase local processing and conversion" [4]. The "13th Five-Year Plan for Energy Development" further highlighted the importance of energy cooperation within the BRI, emphasising that through BRI-related energy projects, China would strengthen and improve the connectivity of the energy infrastructure in the Eurasian region, especially in Central Asia [5].

Since 2013, when Chinese President Xi Jinping revealed China's plan to build BRI, Beijing's energy diplomacy in Central Asia has become more dynamic and diversified. While the major focus of BRI is to enhance China's regional integration with Central Asia, South Asia, and onward to the Middle East and North Africa, analysts believe that China's involvement in Central Asia is primarily driven by its increasing appetite for Central Asian energy resources. In order to facilitate the implementation of the BRI, China established a state-run Silk Road Fund in December 2014. With a total capital of USD 40 billion and CNY 100 billion, the Silk Road Fund aims to provide investment and financing support for infrastructure development, including ports, railways, and energy pipelines, to increase economic growth, enhance energy cooperation, and regional trade and connectivity under the BRI framework. The Fund has four key shareholders: the State Administration of Foreign Exchange (65 per cent), the China Investment Corporation (15 per cent), the Export-Import Bank of China (15 per cent), and the China Development Bank (5 per cent) [6].

In January 2016, China launched the "Asian Infrastructure Investment Bank (AIIB)", claiming that it would improve interconnectivity and economic integration in Asia. At the time of its launch, the AIIB had 57 founding members representing every region except North America, with approximately USD 100 billion in pledged capital. As of July 2022, the AIIB membership has almost doubled, with the bank approving 105 members. Since China is the biggest shareholder, it possesses a significant share of the AIIB's voting rights (27 per cent) to influence the outcomes of decision-making and control institutional change [7]. China has a de facto veto power over the AIIB decisions requiring three-quarters approval, which generates the perception that the bank will function in the interest of the Chinese government. As a result, the AIIB is also called "China's World Bank" [8].

The existing literature on this topic highlights that securing access to overseas energy resources is the driving force behind China's energy diplomacy, especially concerning China's bilateral relations with energy-producing countries. This study area is heavily analysed; however, little work has been conducted to scrutinise the impact of China-led multilateral initiatives/institutions (BRI and AIIB) in transforming its energy diplomacy. This study attempts to fill this gap by analysing how these institutions are reshaping China's energy diplomacy in Central Asia and its worldwide energy dealings.

For the sake of investigating the transformations in Chinese energy diplomacy, this study employs a qualitative approach. The rationale behind opting for the qualitative over quantitative method is that a quantitative study on this subject will be easily objected to derive a statistically driven outcome on whether Chinese energy diplomacy seems to be moving towards increased economic interdependence or continuing with its old mercantilist practices. There is strong evidence that suggests that there is sufficient ambiguity to determine how the Chinese acquire

overseas energy resources. When considering this fact, it is expected that there might not simply be sufficient or reliable statistical proof for conducting a valid assessment. In order to research Chinese energy diplomacy, a case-based strategy employed by Gerring as a qualitative method of research best suits this study. It allows for extensive case analysis not only for individual countries but also for regions, which is quite necessary to understand the transformations in the energy diplomacy of China [9].

The research design of this study aims to outline a structure for addressing the problem statement of this proposed research. The study of the Chinese domestic energy sector is a prerequisite to determining China's present and future energy security demands. The objective of this section of the study is to demonstrate the impact of the developments in the Chinese domestic energy sector over its reliance on overseas energy resources. This part presents an overview of China's present energy demands and consumption and also tries to identify the pattern of recent changes in it. Further, this section aims to evaluate whether Chinese breakthroughs in non-fossil fuels would impact Chinese reliance on overseas energy supplies. In order to answer these queries, this study gathered data primarily from Chinese official documents on Chinese consumption of energy and from the US Energy Information Administration, etc. In addition, this study was also structured to answer two major questions, and how these queries will be addressed individually are analysed hereunder.

1.1. What Are the Characteristics of Chinese Energy Diplomacy, and What Are the Factors That Provoke Transformations?

The global energy order is going through transformations, which require countries, especially the major powers such as China, to adjust their energy-related policies. Against this backdrop, this study aims to explore the transformations in Chinese energy diplomacy by examining its characteristics and both the internal and external factors that provoke transformations. This part of the study sets the analytical basis for comprehending Chinese energy diplomacy. In order to address this question, an in-depth overview of the key factors that characterise Chinese energy diplomacy will be presented towards its four most significant destinations (Africa, Middle East, South America, and Central Asia) from which China acquires its energy supplies in general and Central Asia in particular. More than 90% of imported energy from China is acquired from these regions, so they provide strong justification to demonstrate the variations in Chinese energy diplomacy [10]. For this paper, the trade in energy between China and resource-rich countries within Central Asia is emphasised. Major countries from Central Asia exporting oil and gas to China were selected as a methodological choice to derive conclusions for the whole region. Oil and natural gas were taken as key resources and variables because China already has abundant domestic coal reserves. The major hypothesis of this study that Chinese energy diplomacy remained neo-mercantilist, at least for a short time in history, if not for long, is also tested here [11].

1.2. How Do the New Global Institutions—AIIB and BRI—Complement Chinese Transforming Energy Diplomacy?

The Chinese regimes strongly impact the global energy order that is in remaking in the BRI and the AIIB. In this case, this study seeks to explore the complementary or non-complementary role of the BRI and the AIIB towards Chinese energy diplomacy. This section of the study relies extensively on the neo-liberal institutionalist paradigm for analysing the complementary nature of the new Chinese regimes in the AIIB and the BRI toward Chinese energy diplomacy. The rationale behind selecting these new regimes is that they are the key global institutional schemes recently launched by China, and it is imperative to comprehend whether they complement Chinese energy diplomacy or not. The official objectives for these regimes are utilised to answer this query. For this purpose, the present study utilises both primary and secondary data sources to research Chinese energy diplomacy. The list of official sources includes Chinese White Papers, Chinese government reports, official objectives for its new regimes, and some similar resources. However, secondary sources, including scholarly peer-reviewed articles, are given preference over official sources for acquiring more critical ideas about Chinese energy diplomacy.

2. Literature Review

This part of the study extensively reviews the relevant literature on the topic, and after identifying the limitations, it strives to fill that gap by expanding its own perspective based on the analysis made in this study. This topic is thoroughly researched, which creates both opportunities and challenges for researchers in this field. On the one hand, it makes it easier to make a comparative analysis; moreover, it makes it highly critical to have a unique and timely contribution, on the other hand.

"Second only to national defence" energy has become part and parcel of modern life, and China is no exception in this regard. Energy is considered one of the most basic elements for the sustainable economic development of any country. Due to the uneven distribution of this energy resource, energy has emerged as a vital agenda at all the diplomatic, political, economic, and military levels. However, the security of energy has assumed a vital position in the foreign policies of countries deficient in domestic energy resources. Diplomacy is deemed one of the most effective tools to protect energy interests.

Scholars have written extensively about Chinese energy diplomacy. Gueldry and Liang [12] believe that it is neither moving towards enhanced economic internationalisation nor sticking with its neo-mercantilist practices. Instead, they believe that the Chinese are just striving hard to achieve a satisfactory level of a pragmatic approach to ensure their energy security for uninterrupted economic growth.

Janet Xuanli Liao [13] and Yang et al. [3,14] vigorously explored China's energy diplomacy towards Central Asia and analysed whether it complements or contradicts China's BRI. He [13] views that China's massive energy investments in Central Asia in the 1990s were not driven by the concerns of rising energy demands or geopolitical ambitions; rather, it was due to the protection of its western boundaries. However, after decades' long engagement with Central Asia, China has become a major geopolitical actor in this region. He reviewed Chinese energy diplomacy toward Central Asia through a geopolitical lens. He believes that the geopolitical standing of China in Central Asia has been amplified through the BRI, but it has invited criticism from around the world, including "debt-trap" and "governance-related" problems. In order to redress these issues, there is a dire need to revisit diplomacy by China by adopting a more liberal approach aimed at accommodating various political perspectives [13]. This study is an attempt to fill this research gap by exploring whether the new regimes of China in the AIIB and the BRI complements its energy diplomacy.

The economic diplomacy of China toward the Central and Southeast Asian regions has been thoroughly researched by Tom Miller [15]. He explored new Chinese global regimes' roles and capabilities to help advance Chinese regional goals. He argued to highlight the reasons behind Chinese diplomatic setbacks in these regions, which is one of the biggest hurdles to achieving its regional objectives, in addition to the trust deficit with the regional states. They are sceptical of China's "win-win" enterprises launched through the BRI, which is a significant hindrance to realise the true potential of BRI [15].

Thomas Stephan Eder [16] analysed the nature of the Sino-Russian energy partnership towards Central Asia and explored the challenges faced by both states. It is a fact that Central Asia remained under strong Russian influence for a long time. Even after emerging as sovereign independent states on the map of the world, Central Asian states remained highly dependent on Russia both economically and politically. The economic slump of 2008 provided China with an opportunity to establish its grip over the affairs of the region, as Russia's economy was badly hit and could not support Central Asian economies. He explained how the Chinese succeeded in reducing Russia's influence in Central Asia and contends that despite inviting displeasure from the Russians, it has caused little harm to their bilateral partnership due to the enhancing trade relations between Russia and China.

Chia-Yi Lee [17] explored trends in Chinese energy demands security. By keeping in view the rising demands for energy, the Chinese are more inclined to establish their ties with energy-producing nations in different parts of the world. He argued that Chinese foreign policy is shaped by their energy security concerns, emphasising three key tools of

foreign policy such as partnerships, aid, and high-level visits. Furthermore, he analysed the impacts of energy production on these indicators.

Lind and Press [18], Amineh and Yang [19], Alon et al., and Tsafos [20] put extensive effort into discovering how the Chinese secure their energy supplies from overseas markets. By referring to the British mercantilist energy policies of the past, they argued that the Chinese are following the British's footprints. According to Jonathan Krishner, "energy insecurity is a myth", and the Chinese, like most of the other countries, are mistaken to think that having equity rights or ownership rights increases their energy security [21]. Hartley and Medlock [22] and Amineh and Yang [19] argued that National Oil Companies (NOCs) seek wider objectives than profit maximisation. Lind and Press, and Amineh and Yang place a huge emphasis on the players and geopolitics than Tsafos and Alon et al. [20]. They [21,22] argued that Chinese NOCs are guided by its state in its state-led globalisation for securing overseas energy resources (fossil fuels) by establishing control over its major suppliers, which is determined as a kind of "energy mercantilism" by Lind and Press.

Shakeel Ahmad Ramay [23] tried to expose the campaign of the West against China by writing extensively on Chinese diplomacy of debt relief. He argued that the West, particularly the US, has strived hard to damage Chinese prestige by creating confusion about Chinese investments worldwide. The Western media have employed the "debt trap" terminology to defame China [23]. He tried to decode "debt trap" terminology by making a comparative analysis of the understandings of both the US and China regarding international relations. He seems to agree with Zhao Tingyang that Chinese philosophy toward international relations emphasises the "ontology of relations" while the US focuses on the "ontology of thing/interests" [24]. He argues that the Western media campaign to malign China as a "debt trap" is basically an attempt to hide its own debt trap.

Thus, the existing literature on this topic demonstrates that this is one of the areas under constant evolution, and it is affected by the changes in global geopolitics. This study adds to the existing body of literature as it analyses the role of Chinese global regimes through the AIIB and the BRI to see whether it complements Chinese energy diplomacy or not. There is no or very little academic discussion available on the Chinese perspective in this regard due to the fact that these institutions were in their very early development phases and likely to leave geopolitical impressions gradually. Therefore, the present study covers these responses from the Chinese side through their institutional reforms.

3. Theoretical Framework

Under this part of the study, theories adopted for this study are elaborated, and inquiries are made to seek justification for adopted theories over other alternative paradigms. This study utilises a triangulatory theoretical framework that involves neo-mercantilism, neo-liberal institutionalism, and C.M. Dent's framework for energy diplomacy analysis.

For a comprehensive understanding of neo-mercantilism, which is basically an economic theory, it is imperative to present the fundamental notions of realism. Among the various branches of the realist school of thought, the ideas presented by Morgenthau in "Politics Among Nations" are considered very significant for comprehending neo-mercantilism. From Morgenthau's conception of realism, there is a similarity between state and human behaviour as both of them seek self-interest, which drives them for power maximisation. In power categorisation, he divides states into three types such as "status-quo", "revisionist", and "prestige-seeking" [25]. The states in support of the status quo do not want the world's power structure to be changed, while the revisionist states like it to be modified. Meanwhile, the states seeking prestige try to display their power potential. This very notion of prestige-seeking presented by Morgenthau is adopted in this study as a means for analysing whether Chinese new global regimes can help them win prestige and influence worldwide.

Regarding the criterion to measure power, differences exist between Morgenthau, Waltz, and Mearsheimer. Morgenthau's ideas of power do not rest only on the states' military capabilities, as is the case with Waltz and Mearsheimer. Instead, it concentrates on

the political, economic, military, industrial, and resource potentials of the state. In addition to that, the effective utilisation of diplomacy by the state as an instrument of bargaining is of immense significance for measuring the power of a state [25]. The definition of power given by Morgenthau is thoroughly employed in this study as it lessens the significance of military capabilities. Therefore, while accessing the power potential of China, this study places more emphasis on the economic and diplomatic abilities of China than on its military potential.

Nonetheless, neo-realist ideas of the world shared by Waltz and Mearsheimer are also significant for this study as they push states towards a self-help system. Waltz's ideas of polarity (uni, bi, and multi) also carry some significance for this study. Hence, it seeks to examine the role and effectiveness of Chinese diplomacy in transforming its energy sector by keeping an eye on its relative enhancing power in the international community of states [26]. The notion of energy security is usually invested with strategic intent, particularly when it is associated with narratives of hard security and geopolitical contests. It is clearly reflected in the scholarship of the US, where the paradigm of neo-structuralism for the analysis of energy security prevails, i.e., the aggressive quest of China for oil [27–32]. China's Maritime Silk Road, or its so-called "String of Pearls' Strategy", is presented as China challenging the status quo by challenging the US-led geo-strategic order in the region. Regarding the strategic thinking of China, "energy-military-security" nexus is quite evident. Though military agencies' role in strategising resource diplomacy has generated a "hard" security mentality about how global energy ties should be evolved, the decision-making mechanism in energy diplomacy is usually very extensive involving multiple agency processes.

Robert Keohane's ideas of Neo-Liberal Institutionalism are an extension of "liberalism". It emphasises the effectiveness and capabilities of global institutions as a facilitator of forging cooperation, enhancing economic interdependency, and brokering mutual interests among the states of the world [33]. Employing classical liberalism, however, might not serve well for investigating the true potential of collaboration between the Chinese and the states from which they obtain their supplies of energy. However, the paradigms of classical liberalism might fall short of explaining all the aspects of how the Chinese utilise their new global regimes to complement their energy diplomacy. The paradigm of Neo-Liberal Institutionalism seems quite fit and reasonable for this research as it accounts for the state's self-interests and attempts to analyse how Chinese global institutes can help to mitigate the possible conflicts that emerge from the situations when two states' interests come into conflict with each other. This aspect is significant for this study as it strives to examine whether new Chinese global institutions could be taken as sub-streams of its energy diplomacy to facilitate their own national interests chiefly or if these regimes are designed to help procure enhanced collaboration and economic internationalisation. In the context of energy security analysis, contrary to neo-realists, neo-liberal institutionalists emphasise the energy interdependencies in the global community of states, thereby forging strong international cooperation based on common energy security threats/challenges. From this idea, national energy independence or self-sufficiency of a country is a mirage: whilst craving for enhanced self-sufficiency of energy became a prime objective for several countries in the West, especially after the Arab–Israel crisis in the 1970s. Energy industries and relations have assumed international connotations and have become globalised, hence impacting and reflecting almost all the contemporary social, political, and economic aspects. Due to its globalised nature, disruption in one part affects several countries, societies, and organisations [34]. It is beautifully summarised by Chester in the following words that access to the current century's sources of energy is thoroughly dependent on an intricate web of international markets, extensive cross-border transportation infrastructure, existence of energy suppliers, and element of interdependency with capital markets and high-tecnology [35]. However, managing multiple interdependent energy ties is the reality that is being confronted by almost all the states in the system and other global energy actors/players.

Most of the politico-economic discussions on energy security are focussed on state-market relationships, hence affecting the actions and interpretations of the practice of energy diplomacy [36]. Liberal democracies, however, should formulate policies addressing energy security issues through "market-oriented" approaches [37]. Two different market approaches, Pure Walrasian and Market Institutionalist, are presented by Chester [35]. Under the first approach, resources are allocated for optimal welfare and effective demand and supply outcomes, hence avoiding the need for market corrections. According to the second approach, market developments occur within an institutional order, states play an active role in the nurturing of market frameworks, and markets often fall short of producing optimal welfare outcomes necessitating the need for occasional corrections. The ones proscribing to the first approach are of the opinion that there is not much difference between market-institutionalist and mercantilist approaches to the security of energy whereby market is considered to be controlled or supplanted by the state regarding supply, allocation, and price matters.

C.M. Dent's scheme for the analysis of diplomacy of energy has been adopted to explore the mechanism of how states formulate their energy diplomacy strategies and actions. Dent's framework for energy diplomacy analysis is comprised of the following elements:

1. Empirical view and general task-oriented terminologies;
2. Agential affects on the creation and management of the practice of energy diplomacy;
3. Energy-development nexus;
4. Mechanisms of transactions [38].

The first element of Dent's scheme explores the holistic picture of diplomacy in general and energy diplomacy in particular. Diplomacy is deemed as a strategy of political communication that entails the management of inter-state ties and relations between state and non-state actors, whereby the problems that arise among states are through peaceful and mutually agreed-on means [39–42]. From the state perspective, diplomacy involves the operationalisation and implementation of the state's foreign policy. Its scope has expanded many folds, primarily due to globalisation and integrational processes around the globe. Dent is of the opinion that setting neat and clear empirical domains for a specific diplomacy sector (energy) is very difficult and controversial. By keeping in view its parameters, it could be easily postulated that almost every single dimension of diplomacy is somehow energy-related. This very argument is seconded by Ciuta, who stated that there is hardly any aspect of diplomacy that falls beyond the ambit of energy security [43]. However, setting rigid boundaries to study energy diplomacy is not only possible but also not advisable. Thus, the energy diplomacy of a state may empirically be visualised through the lens of the following parameters:

1. Strategising energy diplomacy;
2. Representation of energy security interests of a state against other states and non-states actor's interests;
3. Management of different platforms of global energy cooperation and conflict resolution;
4. Negotiating different forms of energy pacts with overseas partners;
5. Modifying international rules, if required, of normative and regulatory matters over energy-related issues [38].

The second element in Dent's framework for energy diplomacy analysis, which is "agential influences in energy diplomacy practice", elaborates on three-level game dynamics. Keeping in view the increasing role of non-state actors in diplomacy, the governments in states still operate as key players in energy diplomacy on frequent occasions. Nonetheless, the enhanced interaction between the domains of domestic and external policy, increasing effects of "issue-linkage", and trans-nationalisation of energy security relationships have left the state's diplomatic corps with no option but to become increasingly involved with three-level game dynamics [44]. A country's energy diplomats must reconcile the interests of both the domestic level (local business, civil society) and global energy players. Pressures are applied by some of these players both at the "foreign" (other state governments) and

trans-national (IOCs) levels. The method adopted by states to manage energy diplomacy, in particular, is, to a great extent, determined by the nature of the state's polity. For instance, in democracies, the public will is more likely to be incorporated into policy-making than in countries with strong state control systems, such as China. Due to the increasing significance of energy as a strategic commodity, the role and involvement of national security agencies have come to the fore in both energy-related decision-making and strategising, thereby shutting off the doors for incorporation of domestic public consultation in energy diplomacy decision-making mechanisms.

The "energy-development nexus" is the third major element in Dent's framework for energy diplomacy analysis. He contends that country's level of domestic development usually helps determine the vital objectives of energy diplomacy. Thus, the growing demand for China's overseas energy and the consequent diversification of its energy diplomacy is a clear reflection of this aforementioned argument of Dent. Technological advancement and ideological perspectives on development and their linkage with the security of energy are other significant and relevant aspects of the energy-development nexus. The concerned nations' energy resource outlook also significantly helps shape their energy diplomacy as far as its relationship to development objectives is concerned. In East Asia, of which China is a part, there is a growing realisation that the role of energy in raising the socio-economic welfare of the people must be in harmony with the sustainable development objective of the country.

The last element in Dent's scheme for energy diplomacy analysis is the "transaction mechanisms". As far as the general conception of transaction mechanisms is concerned, they are involved in energy diplomacy to realise the objectives of energy security. It refers to the different ways of facilitating all kinds of interaction and exchanges taking place under energy diplomacy between relevant players. It provides not only further conceptual clarity on earlier mentioned generic tasks but also adds functional specificity to the practices of energy diplomacy. Transaction mechanisms are of diverse nature. Some are more economic-centric, i.e., energy spot market purchases, while others are political, technological, and physical or environmental in nature. By keeping in view ideological objectives and polity-type considerations, countries with a system of liberal democracies usually prefer market-based methods, while countries with strong state-controlled system resort to government-based agreements and energy mercantilism [38].

4. Discussion and Analysis

4.1. Overview of China's Energy Transition and Vulnerabilities

In this section, the authors provide an empirical analysis of the energy security landscape of China. This part of the study attempts to figure out what China has acquired from its transition from coal-induced energy consumption to one based on fossil and non-fossil fuels along with coal. This section also derives the link between China's energy transition and its dependence on overseas fossil fuels. Furthermore, it explores China's futuristic plan for energy sector development, thus, assessing the impacts left by this transition not only on China's energy security but also on its energy diplomacy.

As far as Chinese energy composition is concerned, coal has long been and still is the dominant part of China's primary energy. Due to the recent shift towards cleaner and environment-friendly fuels, the Chinese government is projecting not only to diversify but also to reduce the proportion of coal in its primary energy mix slowly and gradually. Figure 1 reflects a trend toward decreasing the level of coal and petroleum and other liquids in the primary energy mix of China. While the proportion of natural gas, hydroelectricity, nuclear and other renewables is slightly rising, as shown in Figure 1.

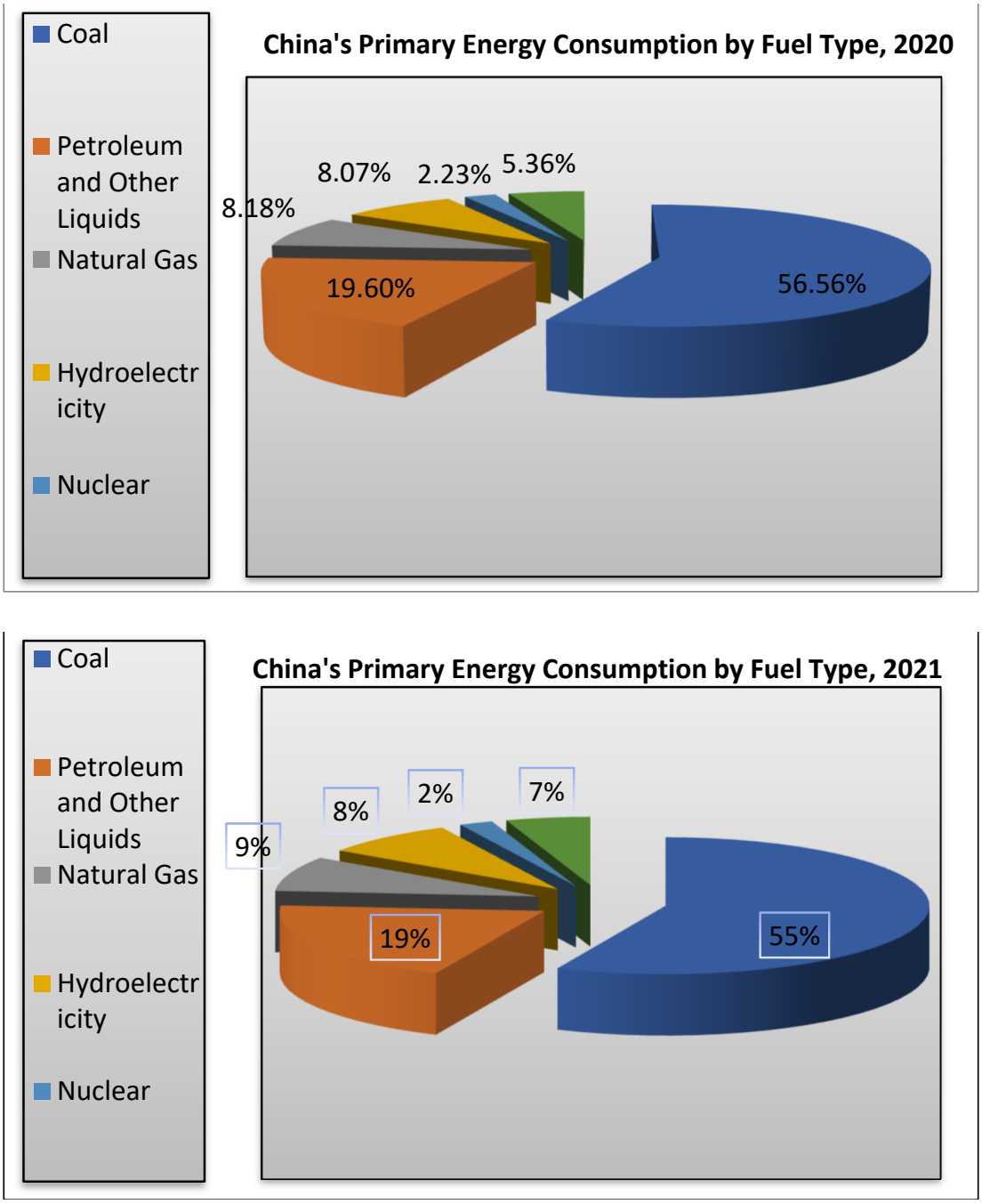

Figure 1. China's primary energy consumption by fuel type, 2020–2021 [45].

The Chinese share of coal has been gradually declining in its primary energy mix [45]. Figure 2 highlights a downward trend in coal production from 2013, and consumption kept increasing until 2014 and then gradually declined until 2016, when it gradually started increasing again. Coal that is utilised for centralised consumption accounts for more than 50 per cent of its energy consumption, while the remaining is mostly unregulated and decentralised. It could lead to overwhelming air pollution and inefficiency of energy. Even after diversifying energy supplies and replacing coal and oil with relatively minimal but growing amounts of cleaner and environment-friendly fuels, Beijing set the target of keeping coal concentration in its primary energy mix under 58 per cent for 2020 [46]. China's consumption of coal for 2019, 2020, and 2021 falls well within its set targets [47].

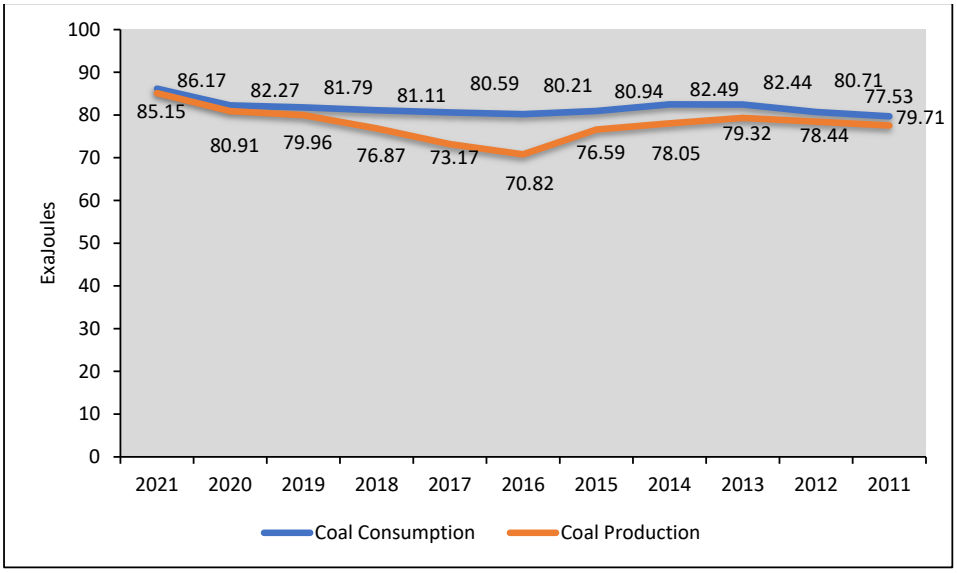

Figure 2. China's coal consumption and production (2011–2021) [45].

A gradual increase has been recorded in coal consumption from 2016 to 2020 after many years of decline, as shown in Figure 2. As far as coal production in China is concerned, a huge increase was observed from 2016 to 2020 ranging from 70 and 82 to 80 and 91, as reflected in Figure 2. In 2018, the highest usage of coal was recorded for the power sector, which is almost 60 per cent, while the remaining came from industry and residential heating [48]. As far as future Chinese demand for coal is concerned, it is likely to be determined by various factors such as the aftermath of the COVID-19 pandemic and government policies towards problems of air quality and diversification and replacement in the primary energy mix. The shift in government policies towards cleaner fuels, a less energy-intensive economy, and an ongoing trade war between the US and China will likely decrease the demand for coal in the years to come. However, coal is still expected to be the major fuel in the primary energy mix of China due to the excessive demand from the power sector and the government's plan of enhanced utilisation of clean coal technology.

After coal, petroleum and other liquids meet the second major proportion of Chinese primary energy. Although ranked fifth in petroleum production in 2019, most of its production came from legacy fields [46]. After a nominal decline in production for three years, China recorded its production in petroleum at 7.99 Exajoules in 2019, as shown in Figure 3. While making a comparison of China's oil production and consumption, a huge gap can be observed from the figure given below, which is widening gradually.

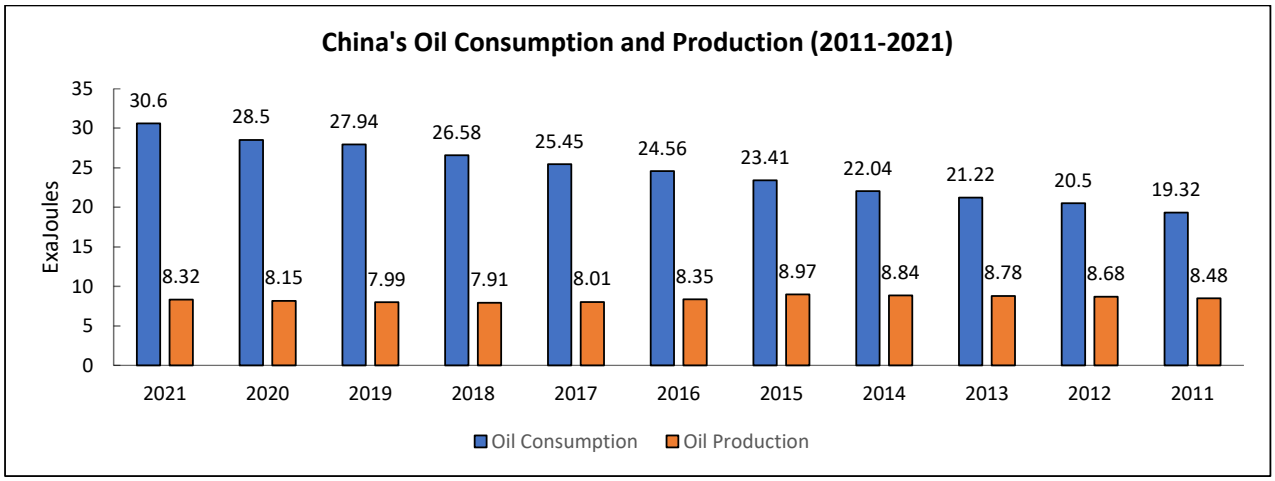

Figure 3. China's oil consumption and production (2011–2021) [45].

As shown in Figure 3, China's oil consumption is more than three times its production, and the rest of its oil demands are met by oil imports from different regions of the world. Responding to increasing Chinese consumption of overseas oil, Beijing started emphasising and requiring the energy state-owned enterprises to raise levels of oil production domestically in 2018 [46]. The upward trend in oil pricing that started in 2016 made it possible and profitable for China to develop technically challenging fields that were quite costly earlier to develop [45]. Due to these factors, 30 and 23 per cent increase in joint upstream investment was made by major state-owned energy enterprises of China in 2018 and 2019, respectively [49]. The downward trend in oil prices worldwide because of the COVID-19 pandemic poses a serious threat to the upstream investments made by Chinese National Oil Corporations and domestic oil production levels in the years to come. Therefore, imports of crude oil, until the oil prices are reversed, are likely to increase in the future for China.

Natural gas only accounts for about 9 per cent of China's primary energy consumption, but it is heavily emphasised in the energy mix as a clean and environment-friendly fuel. The shift towards green energy requires the incorporation of cleaner fuels such as natural gas, and to fulfil this growing demand, natural gas production has been on the rise in China for the last many years (as shown in Figure 4); it also presents that natural gas that is produced by Chinese NOCs in 2020 is recorded at 6.98 Exajoules. Figure 4 illustrates that there is a substantial gap between natural gas production and consumption in China that leaves China to depend on overseas natural gas supplies for the years to come. As far as natural gas production from unconventional sources is concerned, such as shale gas, it is increasing substantially with every passing year.

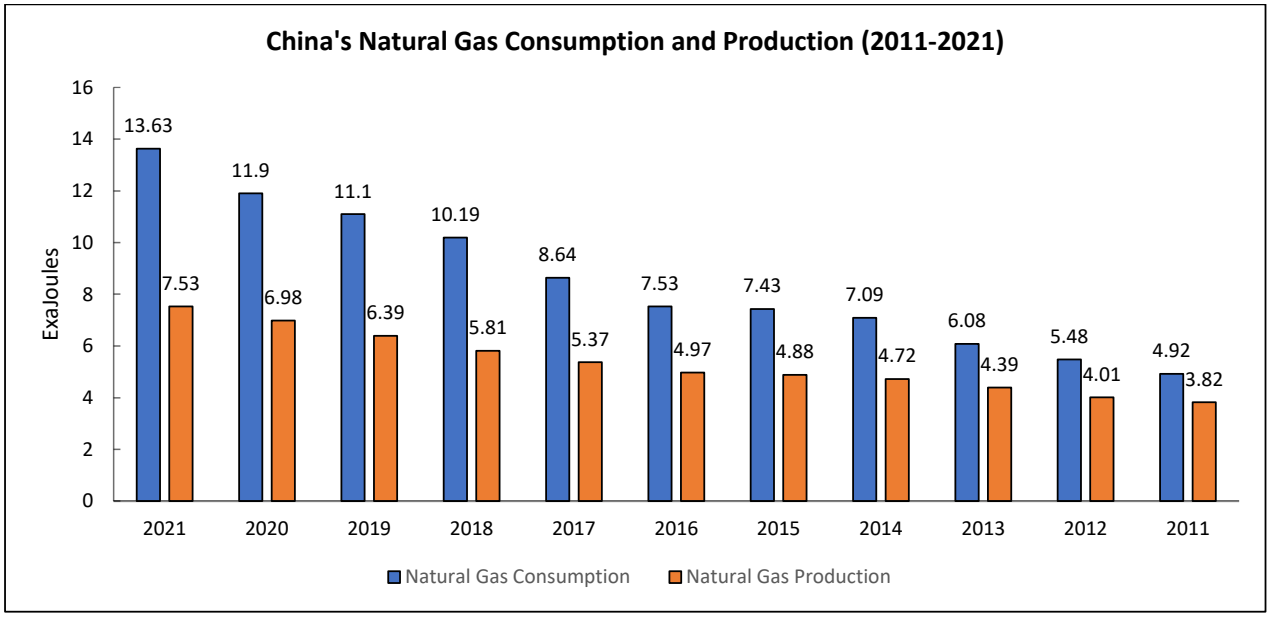

Figure 4. China's natural gas consumption and production (2011–2021) [45].

In order to alleviate the level of pollution caused by the excessive use of coal, the Chinese government is projecting to increase the share of natural gas in its primary energy consumption from 10 per cent in 2020 to 14 per cent in 2030 [50]. Although it accounts for a small proportion of China's energy mix, it is projected to be a significant fuel source. A consistent and substantial increase has been observed in China's natural gas consumption in the last decade, by about 13 per cent every year, making China the third-largest consumer of natural gas in the world behind the US and the Russian Federation [51]. The main factors contributing to growing natural gas consumption include air pollution caused by excessive coal use, low prices, and the growing use in the transportation industry. In order to bridge the gap between natural gas consumption and production, it seems likely for China to keep importing natural gas in the near future by taking into consideration the limited domestic

production of natural gas. Central Asia is one of the regions that supply China with huge amounts of natural gas [52].

China is ranked first not only in energy consumption but also in environment polluter regarding CO_2 emissions [45]. This is the case mostly because of the excessive use of coal, which emits huge amounts of CO_2 into the environment. After China, the US and India are other major CO_2 emitters [46]. Given the environmental challenges facing China in particular and the world in general, it has become an urgent matter of business for China to bring the CO_2 emissions to a certain level to provide its citizens with a healthy environment, and that requires replacing coal with environment-friendly fuels gradually. A huge gap can be witnessed between the US and China in terms of CO_2 emissions, as presented in below Figure 5. It shows that there is a consistent increase in Chinese CO_2 emissions from 2016 to 2020, while the CO_2 emissions from the US are declining consistently from 2018 onward. Therefore, in order to keep the CO_2 emissions level well under stipulated targets, it is imperative for China to keep importing huge amounts of natural gas, as its domestic production of natural gas is quite limited.

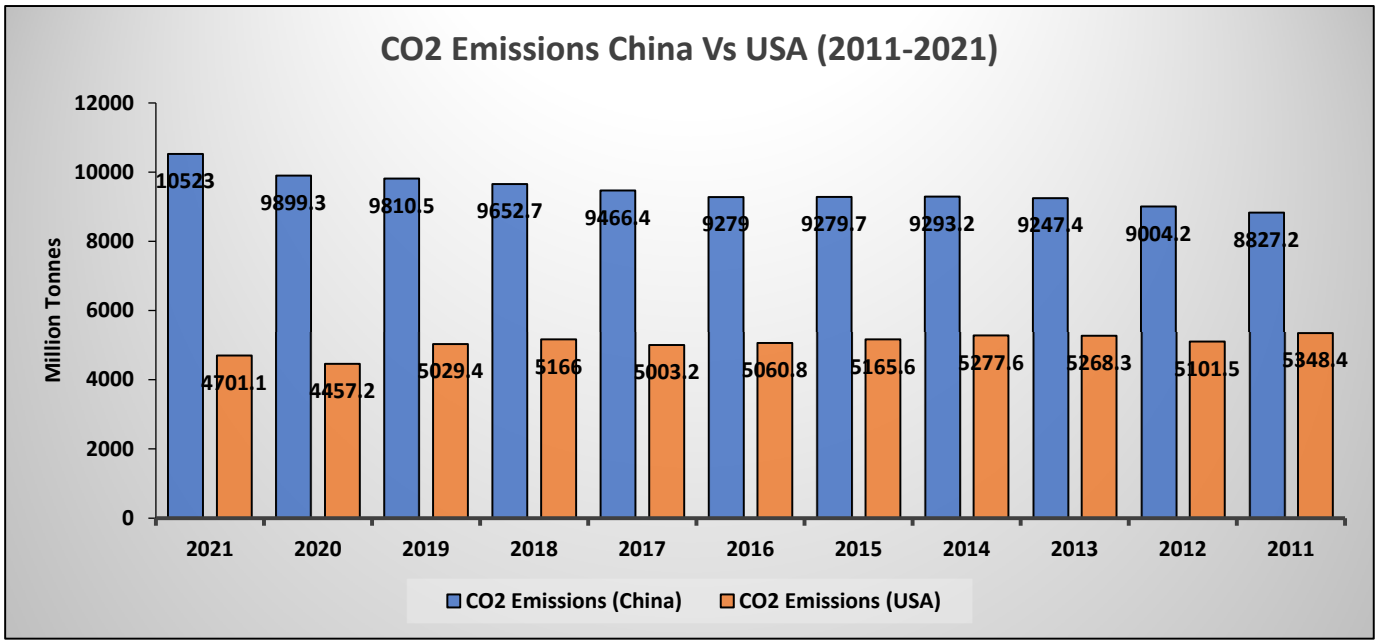

Figure 5. CO_2 emissions; China vs. USA (2011–2021) [45].

Huge energy demand was recorded by China in 2020, primarily because of the rapid economic recovery from the COVID-19 pandemic. China is among the fewest countries that experienced huge energy demand last year after the pandemic hit the entire world economy very hard [46]. The renewables consumption growth of China accounts for slightly over a third of world growth in renewables consumption last year. Figure 6 below shows that the primary energy mix of China is continually moving towards a greener one, replacing coal with clean fuels slowly and gradually.

Regarding the generation of renewable energy by source, Figure 7 presents the proportion of renewable energy generated by solar, wind, and other renewable sources. China's wind power generation reached 656.6 Terawatt-hours in 2021 against 446.5 Terawatt-hours in 2020. Moreover, solar power generation in China was recorded at 327 Terawatt-hours in 2021 against 261.1 in 2020, as reflected in Figure 7.

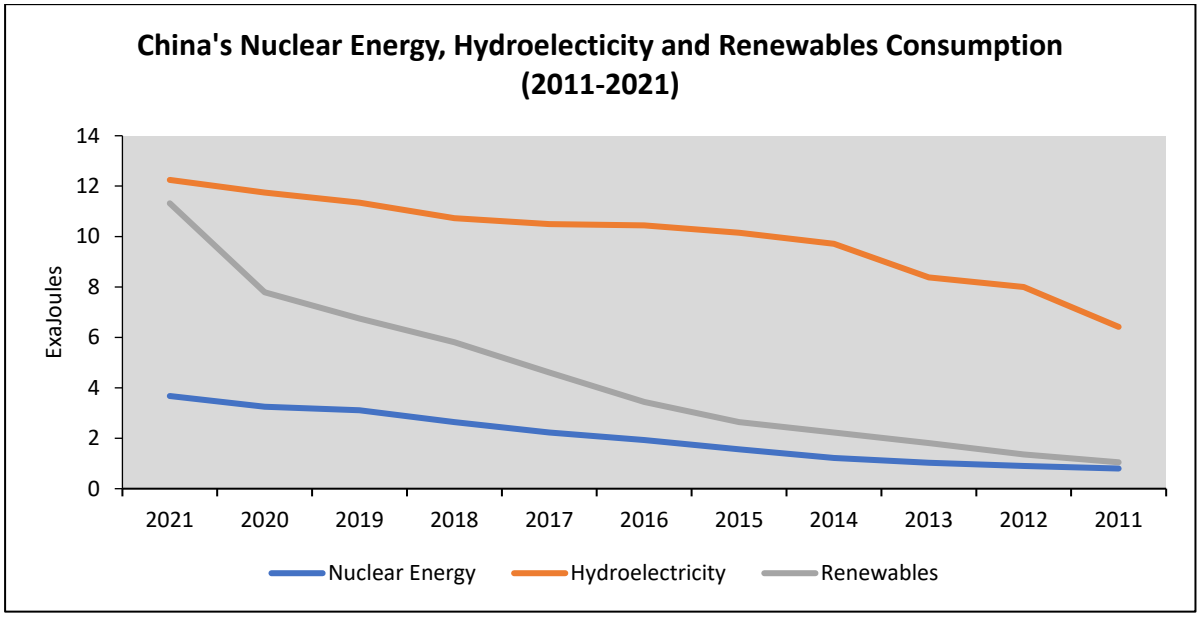

Figure 6. China's nuclear energy, hydroelectricity, and renewables consumption (2011–2021) [45].

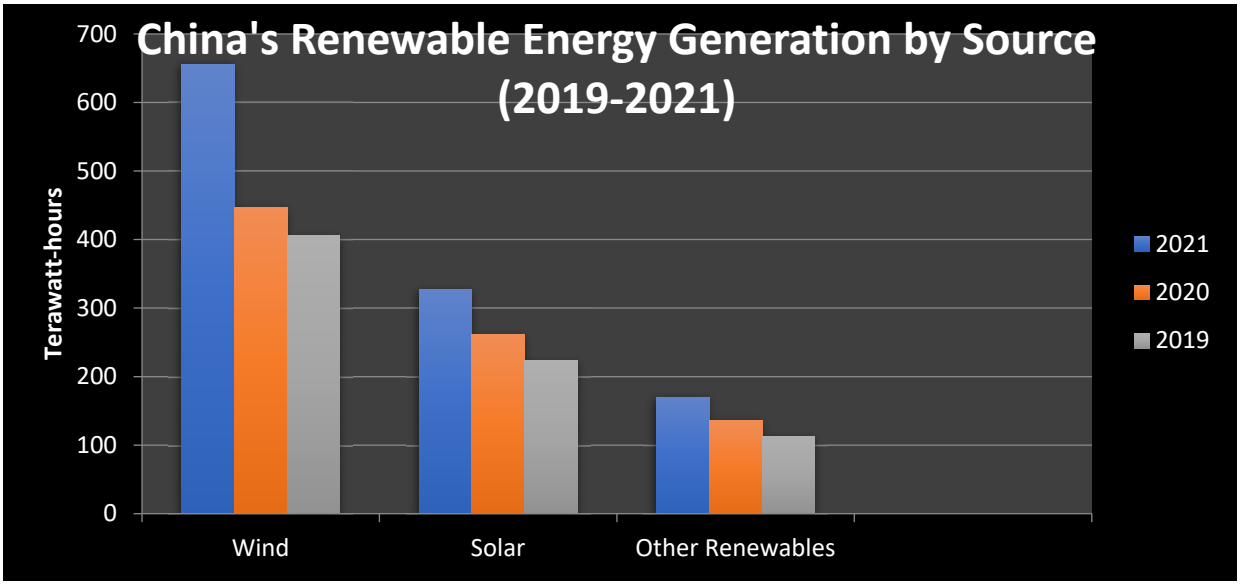

Figure 7. China's renewable energy generation by source (2019–2021) [45].

The data presented in Figure 7 above reflect Beijing's commitment to bringing reforms to its energy industry. However, non-fossil fuels represent only 15 per cent of the overall energy consumption in China, as reflected in Figure 1. It seems quite challenging for China to sustain this growth rate in a renewable generation because it might result in compromising economic growth targets, a reduction in manpower, and rising costs of social welfare. The shift in the primary energy mix from fossil to non-fossil fuels, particularly from coal to renewables, will be gradual and slow to maintain the levels of economic growth. Therefore, dependency on fossil fuel imports will remain certain for years to come for China, and diversifying regions of energy imports is inevitable to manage the Malacca Strait dilemma for China.

From the statistics presented in China National Renewable Energy Centre reports about Chinese renewable energy, the government has set the target of coal consumption at 47 per cent for 2030, far less than 64 per cent in 2015 [53]. This demonstrates that China will keep relying on coal resources to ensure its energy security for many years to come.

However, its reliance on coal is still quite extensive, and its domestic coal reserves are depleting with great speed. From the current rate of coal consumption of national reserves, they are projected to be gone by 2050 [53]. This presents China with two scenarios: either Chinese imports of oil and natural gas dependency will be increased, or they will become dependent on imports of coal as well as their national coal reserves will be depleted.

Regarding China's strength and ambitious plans regarding renewable energy (RE), President Xi made an ambitious and surprise pledge at the UN general assembly session of 2020 to achieve carbon neutrality by 2060, where RE would contribute 80% to China's primary energy mix [54]. The ongoing trade war between the US and China and a recent rift over Nancy Pelosi's visit to Taiwan, which resulted in the suspension of cooperation with the US over climate change, makes the prospects of achieving these ambitious RE targets by 2050 more bleak and gloomy. Similar apprehensions have also been expressed by Cory Combs, senior analyst at Beijing-based consultancy Trivium China in the following words: "at present, we see no real chance of Beijing targeting 100 per cent renewables by 2050—and without that target, it is unlikely China could reach that milestone by market forces alone" [54]. Keeping in view the aforementioned limitations to shifting from fossil to non-fossil fuels without compromising economic development, this ambitious plan of achieving carbon neutrality by 2050 in China seems improbable and unrealistic.

Even with the introduction of huge investments into the energy sector and the government's commitment and political will toward green reforms, and the reduction in fossil fuels into the primary energy mix, the Chinese system of energy consumption might still not change much and will keep heavily dependent on fossil fuels. Resultantly, China will keep relying on its fossil fuel imports to maintain its economic growth. When it comes to meeting its voluntary commitments made in Paris Agreement 2015—even though China fulfills its commitments to bring fossil-fuels proportion less than 20 per cent of its overall energy mix by 2030—it would just account for 6 per cent decrease in the current accumulative usage of fossil fuels. Moreover, the Chinese government is interested in reducing coal consumption, and that 6 per cent decrease in fossil fuels will certainly come from coal; hence, China will keep relying on imports of oil and natural gas.

4.2. What Are the Characteristics of Chinese Energy Diplomacy, and What Are the Factors That Provoke Transformations?

The global energy order is going through transformations, which require countries, especially the major powers such as China, to adjust their energy-related policies. Against this backdrop, this study aims to explore the transformations in Chinese energy diplomacy by examining its characteristics and both the internal and external factors that provoke transformations. This section of the study analyses Chinese energy diplomacy toward the Central Asian region. It also explores the ways and means through which the Chinese have secured their access to the energy resources of Central Asia and secured their modern energy demands. Moreover, it seeks to evaluate the major hypothesis of this study that Chinese energy diplomacy remains neo-mercantilist for most of its history, if not for long. In addition, it analyses the strategic relevance of Central Asia for Chinese energy security.

Starting in the 21st century, the energy imports of China raised, and eventually, it had to look to overseas energy resources to meet its increasing energy demands. Therefore, China, along with its state-owned energy firms, started looking toward various regions replete with energy resources. Moreover, deep-rooted diplomatic ties of China with Russia were emphasised to acquire more oil and gas deals. By the closing of the 20th century, Chinese energy enterprises started looking for countries to invest in the energy sector, and China is still obtaining huge supplies of energy from those countries. These countries include Sudan (Africa), Iraq, Iran (the Middle East), and Venezuela (Latin America) [55].

Regarding the energy policies of China, the official narrative reflected through the Chinese White Paper asserts that China, being a major international player in the global energy market, is playing a crucial role in diversifying and expanding international access

to resources of energy, enhancing international energy supplies, diversifying routes of energy supplies, and stabilisation of energy price at the global energy market [56].

Furthermore, overseas investments in energy made by the Chinese are illustrated in the Chinese White Paper as the energy companies of China are increasingly engaged with international energy firms to develop an infrastructure of energy. They are also collaborating in expanding cooperation in the domain of engineering and services, hence strengthening and diversifying supply mechanism in the international energy market [56].

The White Paper describes Chinese energy diplomacy as a "positive force." It describes the task of attaining "self-growth" as a complementary factor facilitating economic interdependence, international energy collaboration, and economic prosperity. However, it remains silent on the global criticism that is leveled against Chinese energy diplomacy for being neo-mercantilist.

4.3. Role/Case Study of Central Asia

Central Asia's attraction for countries worldwide, especially Russia and China, is mostly because of the energy reserves. Both of them have shown great interest in Central Asia. However, Central Asian republics became concerned about Russia due to its monopoly over the region's pipeline infrastructure, which Russia has previously exploited for political objectives. Russia has always tried hard to restrict any other country from influencing the affairs of the Central Asian region [16]. Russia has a history of exploiting Central Asian energy resources for both its domestic use and exports to Europe because of their economic aspects [57]. Therefore, restricting Central Asian energy to have access to the international market best serves Russian interest; therefore, it is a matter of national importance for Russia to refrain other countries from having access to the energy reserves of Central Asia and restrict the Russian monopoly over the pipeline infrastructure of the region by establishing alternate pipeline network to bypass Russian monopoly [16].

It was until the financial crunch of 2008 that Russia was able to restrict rising Chinese influence in Central Asia. The world's economies struggled because of the economic slump of 2008, and Russia and China were no exceptions in this regard, and both of them needed capital fusion badly [58]. However, the Chinese were of those few countries that not only recovered quickly from that but also made incredible breakthroughs in economic development. Resultantly, the Chinese had significant leverage over other countries, and they utilised it to reshape the power balance in their favour by employing neo-mercantilist methods. The huge investments made by the Chinese in the region through their state-owned firms, loans for energy contracts, and status-seeking development schemes helped them extend their influence in Central Asia [58]. Eventually, the energy projects and pipelines that could not be materialised for years were completed. The multibillion-dollar loan acquired by Kazakhstan from China helped it extend its current influence in Kazakhstan [16]. Despite Kazakhstan's attempts to maintain its grip over the domestic energy market, the Chinese purchased huge shares of Kazakh's oil and gas firms in 2009. For instance, only in 2010, the Chinese bought 50–100% of shares of fifteen of Kazakhstan's energy enterprises. Chinese hold on the oil sector of Kazakhstan could be witnessed through the amount of oil that was shipped to China in 2010, which was 26 million tons out of its overall production of 80 million tons [58]. The Western concerns and campaign to malign China through the "debt-trap" philosophy have been exposed by Ramay in the following words: "the Western campaign of the debt trap is actually an effort to hide the Western debt trap" [23].

Turkmenistan is the richest country in the region in terms of natural gas reserves, and China was the first country that succeeds in transhipping gas from Turkmenistan to China by constructing a pipeline bypassing the Russian pipeline infrastructure in 2009. That newly constructed pipeline delivered 40 million cubic metres of natural gas on a daily basis in 2009. That was the highest quantity of Central Asian natural gas exports that did not utilise the Russian pipeline network. Such development might not have been possible without the neo-mercantilist policies of China, as 4 billion US dollars were lent

by the Chinese government for pipeline construction and the other 3 billion for gas site development to the Turkmen government [16].

Furthermore, though nuclear energy was regarded as significant and given priority to the Chinese, it was also imperative for the Chinese to maintain a stronghold in Central Asia. Keeping in mind uranium reserves, Kazakhstan holds 12 per cent of global uranium reserves. Another significant fact is that it is the biggest producer of uranium in the world, and 20 per cent of its production in uranium was imported by the Chinese in 2011 [16]. That uranium export to China went up to 55 per cent in 2014 [59].

However, Central Asia carries immense weight in the Chinese scheme of interest. Russians are hesitant to let the Chinese dominate the affair in Central Asia. Russia is also concerned about the increasing economic presence of China in the region. Chinese presence and influence in Central Asia do not go unattended by Central Asians as they are suspicious of Chinese intentions in the region. They are sceptical of whether China is truly interested in the region's economic development or simply extracting energy resources is its only priority [60]. Chinese practices in Kazakhstan, i.e., regarding the employment of locals in various projects, have been criticised and regarded as discriminatory and unfair [61].

Chinese deep-rooted interests and penetration in Central Asia can also be visualised through the lens of politics, with the establishment of their new international regimes. Beijing projects these new regimes as novel economic opportunities for the region by diversifying its connectivity with Europe and Asia through interconnected infrastructure. They also provide China with an opportunity to present itself as a responsible major player in Central Asia, rendering China end up with easy access to the natural riches of the region [17].

Moving the traditional alliances in the region closer to itself and away from Russia is another way of enhancing its influence in Central Asia. Chinese regimes can effectively help to increase their hold in Central Asia by employing strategies to ensure enhanced access, greater legitimacy, and an increasing level of prestige, which would ultimately provide China with greater leverage for negotiating more equity contracts for resources of energy. This would result in marginalising the hold of Russia in Central Asia further [26]. From the neo-mercantilist paradigm, Chinese and Russian presence in the region can be categorised as a "zero-sum" game. One's gains in terms of territory and influence in the region will be the other's losses, which might result in a conflict between them in the future. This is an ongoing phenomenon in Central Asia that is described as a "new great game". With analysis through the lens of neo-liberal institutionalism, the activities of China in the Central Asian region might be seen as detrimental to Russian interests in the region by Kremlin. However, it is perhaps imperative for China to revise and coordinate its policy not to harm Russian interests in the region to the extent of conflict with Russia in the years to come. China arguably feels at ease as long as the Middle Eastern energy market remains stable. It also provides greater leverage to China to address its conflict with Russia through dialogue and negotiations [62].

Concluding the analysis, Chinese policies and practices toward the Central Asian region can be categorised as neo-mercantilist. The economic anxiety in Central Asian republics caused by the economic slump of 2008 was exploited by China to secure access to the Central Asian energy reserves by providing loans for pipeline construction and energy site development. China is a country that has established a new pipeline infrastructure in the region, which reduced the Russian monopoly over the Central Asian energy market. This has helped China secure cheaper energy deals on the one hand and hurt Russian interests in the region on the other hand.

Nonetheless, the element of economic interdependence does find its presence in Central Asia. The interests of all these three players, such as Russia, China, and Central Asian republics, align pretty well where Central Asian republics lack energy importers and China has abundant needs for energy in the future. Furthermore, for China, strong ties with the region mean security against the volatile situation of the Middle East. By keeping in view the rising demand for gas for China's future use, it might prioritise facilitating increased economic interdependence in

the region. Chinese projected increase in gas demands from 193 billion cubic meters in 2015 to 510 bcm in 2030 speaks for increased economic interdependence [63]. In order to avoid too much dependency on Russia for its gas supplies, China is very likely to keep its presence in the region as an alternative to the disruption of gas supplies from Russia. Resultantly, continuing with enhanced economic interdependence in Central Asia, China might end up building more prestige and repute for itself as a responsible and reliable player, which ensures everlasting energy security for China.

By analyzing Central Asia through the lens of Dent's framework for energy diplomacy analysis, China's energy diplomacy towards Central Asia seems more inclined towards neo-mercantilism but also shows increasing signs of economic internationalisation trends. Firstly, due to China's developmental statist and its tradition of socialist-market, there has been an inclination towards mercantilist practices in its energy diplomacy in general, whereby states' governments try to extend their control as far as possible over overseas energy supplies by employing specific transaction mechanisms. The aforementioned presence of China's state-owned energy enterprises in Central Asia to secure energy deals is a glaring example of "political" transaction mechanisms for securing overseas energy resources. The predilection for this approach may be illustrated by the acute energy import dependency experienced by China for years, along with other factors where near-absolute reliance on global energy markets is not without great risks to national security.

Secondly, as a result of the phenomenon of issue-linkage in energy diplomacy, a good number of agential actors have become thoroughly engaged with the strategising and decision-making process of energy diplomacy now. For instance, the inclusion of environmental agencies has a strong impact on energy diplomacy practice as both energy and environmental diplomacy conflate to a great extent. In addition, this process usually ends up drawing more competing stakeholders, which helps shape energy diplomacy formation, making the three-level game dynamics increasingly intricate.

Finally, an increasing trend towards multilateral energy cooperation can be found in China's energy diplomacy practices. Regardless of the resilience shown by the interests of national security in the scheme of strategising energy diplomacy, China has become increasingly involved in both regional and international energy-related platforms and organisations. This particular development could help ease China's mercantilist impulses of only serving its own national interests. However, it is still not an assured outcome. Additionally, the growing dependence on sourcing overseas energy will end up making it excessively dependent on relatively stable global energy markets.

4.4. How Do the New Global Institutions—AIIB and BRI—Complement Chinese Transforming Energy Diplomacy?

The global energy order that is in remaking is strongly impacted by the Chinese regimes in the BRI and the AIIB. In this case, this study seeks to explore the complementary or non-complementary role of the BRI and the AIIB towards Chinese energy diplomacy. This section analyses the role of new Chinese regimes, whether they complement their energy diplomacy or not. Starting with the BRI, the objective is to establish land and maritime infrastructure to enhance inter-regional connectivity [64]. Its goal, as identified in the official policy report, is "common development and mutual prosperity" [64]. Regarding energy infrastructure development, the policy report states that cooperation should be sought for greater connectivity of infrastructure of energy, and security of pipelines and routes for energy transportation should be ensured [64]. However, the following aspects have been highlighted by critics to comprehend BRI's importance for China.

Firstly, it tries to open up new avenues for trade and economic development not only for China but for all the participants involved in the project. Central Asia is given special treatment by the Chinese due to its untapped energy resources. It is also emphasised because it helps to enhance its connectivity to comparatively less-developed western regions of China [65].

Secondly, diversifying the energy transportation network through BRI in Central Asia and the Middle East would help reduce China's dependency on the Malacca Strait, which is prone to piracy, and reduces its vulnerability because 80 per cent of its energy imports are still carried out through this route [65].

Thirdly, the BRI presents China with an opportunity to manage its decreasing domestic infrastructure construction demand by exporting this industry overseas. The BRI is aimed at creating opportunities for China to relieve pressures on its overcapacity in steel caused by the lowering of domestic demand, which has the potential to slow down its economic growth [15]. Under the umbrella of BRI, energy cooperation assumes a vital position in the energy diplomacy of China because it involves a wide-ranging infrastructure development program, diversification of overseas energy investments, and the development of energy governance. Since the beginning of the BRI, Beijing's energy diplomacy towards Central Asia has become more dynamic and diversified. In order to facilitate the BRI implementation, a state-run Silk Road Fund was established by China in December 2014. Back in 2016, China came up with a new initiative to establish the "Asian Infrastructure Investment Bank", claiming that it would improve connectivity and economic integration in Asia. The AIIB was represented by 57 founding members at the time of its launch. Almost all the regions had their representation in it except North America. Within a time span of just six years, its membership almost became double, with the bank approving 105 members [66].

From the critics' remarks about the key functions of AIIB, it is to lend money to the countries involved or around China's "Silk Road Economic Belt" to facilitate the BRI. In order to materialise this objective, around 140 billion US dollars have been spared for AIIB only by the Chinese [65]. Another critical aspect of AIIB highlighted by critics is its significance in providing China with an opportunity to strengthen its institutional reach and improve its image, which has been damaged due to its neo-mercantilist practices in different regions of the world [15]. Therefore, for the success of BRI, it is imperative for China to make the world realise that it is a responsible lender and is concerned with the sustainable development of not only China but also the recipient countries.

Though China has secured a strong footing in the Central Asian region after the economic slump of 2008, it still could not win the trust of Central Asian republics as they are sceptical of being exploited by China. Therefore, AIIB is provided with the opportunity to improve Chinese prestige in Central Asia on the one hand, and BRI can be utilised as an instrument of economic bargaining for increasing energy access and equity contracts on the other hand. A critical approach towards BRI might claim that it can be viewed through the lens of new mercantilism that would end up providing China with enhanced access to energy-rich regions and establishing strategically relevant networks that would later turn into additional consumer markets of Chinese goods. An increasingly promising and liberal perspective would contend that BRI offers huge benefits for the region's one-dimensional economies, which remained dependent on Russia for driving their economies until the recent past. If Central Asian republics correctly capitalise on the opportunities offered by the BRI, it can change their fate. Nonetheless, it is highly challenging for Central Asian republics to achieve this goal as Central Asian products do not compete with Chinese goods both in pricing and innovation [13].

Even though Central Asian republics fail to take real benefit presented by the new infrastructure for exporting products, it might, at least, end up having increased connectivity for the energy exports of Central Asia not only to China but also to Europe and other regions, which is potentially capable of accelerating their economic development. Chinese novel global regimes in the BRI, however, can help facilitate not only economic interdependence but also to mutual interests of the concerned parties, even if the measures taken by China are inclined or close to neo-mercantilist practices that the Chinese can manipulate in their own favour more.

When it comes to strengthening collaboration over energy infrastructure, the figures indicate success for both AIIB and BRI. For instance, 14.5 billion US dollars were invested

by China in 2016 along the BRI, and the first "Belt and Road Forum for International Cooperation" was hosted by China in 2017, which was attended by 27 countries [67].

The completion of the first energy projects launched under BRI also speaks of the success of the BRI. Around 5 billion bcm of Central Asian natural gas will be supplied to China annually through the China–Kazakhstan gas pipeline, which was opened in April 2017. An oil pipeline was opened between China and Burma in 2017, which has the capacity to transport 22 million tons of oil annually [68]. Regarding the gas pipeline network, China has already stretched extensive infrastructure for gas transport in Burma, which transhipped 3.4 bcm of natural gas to China in 2016 [68]. Therefore, one can conclude that Chinese new global regimes have successfully facilitated cooperation in energy deals, trade agreements, and infrastructure contracts in Central Asia, among other regions. Moreover, though the parties involved in the projects under BRI might be of deep concern that BRI serves more the economic and geopolitical designs of China, the participant countries, most of the time, dare not or cannot afford to refuse to be part of the project. Nonetheless, for consistent success with these new global regimes, it is required by China to establish itself a repute as a responsible development model.

5. Conclusions

This study attempted to explore whether Chinese energy diplomacy is transforming towards increased economic internationalisation or continuing with old neo-mercantilist practices. The paradigms of neo-mercantilism, neo-liberal institutionalism, and Dent's framework for energy diplomacy were utilised to test the hypothesis of this study. A qualitative method was adopted as a methodological approach for analysing the four key energy destinations from which China imports huge amounts of energy. Central Asia, one of its four most significant destinations, succeeded in demonstrating the variations within Chinese energy diplomacy and how the novel global regimes of China can complement its energy diplomacy. However, this study is only limited to the case study of the Central Asian region to analyse variations in Chinese energy diplomacy.

Energy diplomacy has become a vital aspect of China's foreign policy and its international relations for the foreseeable future. This paper utilised a triangulatory theoretical framework comprising neo-mercantilism, neo-liberal institutionalism, and Dent's framework for energy diplomacy analysis. Dent's scheme that is comprised of: an empirical view and general task-oriented terminologies; agential effects on the creation and management of the practice of energy diplomacy; energy-development nexus; and mechanisms of transactions facilitate almost all kinds of interactions and exchanges that take place in energy diplomacy between relevant actors. By visualising China's energy diplomacy towards Central Asia through the lens of Dent's framework, the following conclusive arguments are made.

Firstly, China's energy diplomacy is deemed inclined towards mercantilist practices due to its long history of socialist-market traditions whereby state governments try to extend their influence over overseas supplies of energy by utilising particular mechanisms of transactions. The presence of Chinese NOCs in the Central Asian region for securing energy deals is a blatant example of "political" transaction mechanisms. The predilection for this strategy may be explained by the vehement energy import dependency experienced by China for decades. The near-absolute reliance of China on global energy markets poses great risks to its national security.

Secondly, as a consequence of issue-linkage in energy diplomacy, strategising and decision-making in energy diplomacy have become diverse with the engagement of agential actors. For example, the practice of energy diplomacy has been greatly impacted by the inclusion of environmental agencies, as both energy and environmental diplomacy conflate to a great extent. However, this whole process ends up drawing more competing stakeholders, which helps shape the formation of energy diplomacy, making the three-level game dynamics excessively intricate.

Finally, there is an increasing trend towards multilateral energy cooperation in its practices of energy diplomacy. Regardless of the resilience shown by the interests of national security in the scheme of strategising energy diplomacy, China has become increasingly involved in both regional and international energy-related platforms and organisations. This particular development could help ease China's mercantilist impulses of only serving its own national interests. However, it is not an assured outcome. Additionally, the growing dependence on sourcing overseas energy will end up making it excessively dependent on relatively stable global energy markets.

Dent's framework has been thoroughly incorporated by Wahyuni [69] to maintain Indonesia's energy security. The grand strategy adopted by the Indonesian government to achieve energy security contains most of the elements of Dent's framework for energy diplomacy analysis, such as strategising and mechanisms of transactions, etc.

This paper argues that China's energy diplomacy in Central Asia is driven by its policy to ensure the security of energy supplies by restructuring the existing regional energy order using the framework of the BRI and the AIIB. China has been investing Central Asian energy sector since the early 1990s. However, China's BRI-related investment in Central Asia is an attempt to create a Eurasian energy corridor to minimise external competitors' interference in accessing the region's energy resources by bringing their economic and political preferences within a Sino-centric order. Moreover, this research found that China's new multilateral regimes complement Chinese energy diplomacy through the legitimacy of institutions. Hence, the institutional framework that the BRI presents helps to create new opportunities for reaching deals in energy infrastructure and equity agreements, which would not only directly complement Chinese energy diplomacy but also facilitate economic interdependence. The AIIB, on the other hand, can indirectly be utilised to complement the BRI. It helps complement Chinese energy diplomacy by presenting China as a responsible and reliable player facilitating the cause of sustainable development, which is crucial for Chinese energy interests in the region.

Overall, this article argues that in the areas that are of immense strategic value to China, Chinese energy diplomacy is found to facilitate economic internationalisation to a great extent. Moreover, the continuity of neo-mercantilist practices is found in its energy diplomacy, which is supported by its novel global regimes for negotiating contracts that are favourable to Chinese national interests.

Policy Implications and Avenues for Further Research

This research contributes significantly to the existing body of literature by exploring new avenues of energy cooperation facilitated by the mega projects of the BRI and AIIB. The role of multilateral institutions such as AIIB has been explored extensively to support energy projects launched through BRI. This study is also innovative in a way that it explores the impact of multilateral institutions on shaping the global energy order and energy governance that is already in remaking. The findings of this study invite curiosity and open avenues for further research on this topic. There is a strong potential for extensive research to attempt to substantiate the results of this study with a quantitative method. It would try to seek a statistical correlation between Chinese energy diplomacy and its global regimes.

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