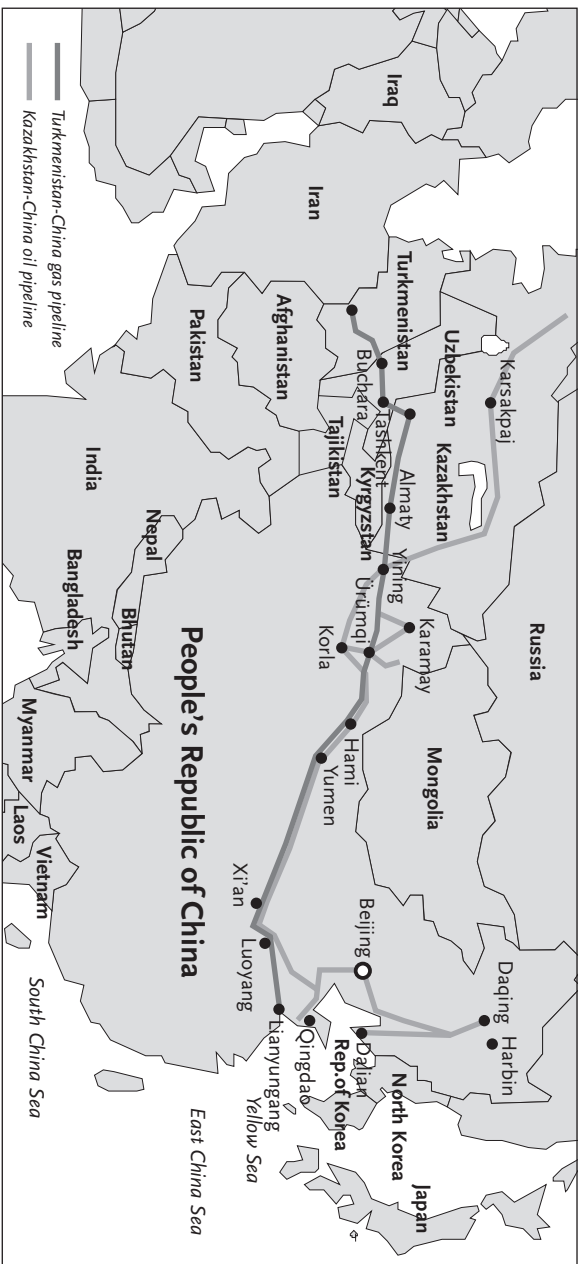


# Power and energy supply security

China has surpassed Japan to become the world's second largest oil and gas consumer. It already consumes more grain and meat, coal and steel - three out of the four basic food, energy and industrial commodities - than the US. Consuming more of the fourth, oil, is only a matter of time.



Mehdi Parvizi Amineh

China's economic growth has rapidly increased its energy needs. Coal accounts for three-quarters of its energy consumption, while oil and gas represent only one-fifth. But in 2003 total demand - 5.56 million barrels per day - far outpaced domestic production. China has been a net-importer of oil since 1993 and of crude oil since 1996. Although it is trying to increase domestic production, oil imports will grow by an estimated 960 per cent over the next two decades, comprising, by 2025, almost 70 per cent of the country's oil consumption.

How will China meet its energy needs? The world's largest oil and gas reserves are concentrated in two regions: the Persian Gulf contains approximately 65 per cent of known global oil reserves while the Caspian Sea region consisting of the five littoral states Azerbaijan, Kazakhstan, Turkmenistan, Iran and Russia hold approximately 45 per cent of known gas reserves. China will have to tap these sources further to secure an adequate energy supply.

Sixty per cent of China's oil imports already come from the Persian Gulf. Iran was China's second largest oil sup-

plier in 2003, providing 14 per cent of total imports, while China was Iran's main supplier of unconventional weaponry despite having signed international agreements prohibiting the proliferation of technologies that can be used for making nuclear, chemical and biological weapons. Oman and Yemen are also becoming important oil-based trading partners.

Saudi Arabia is China's largest oil supplier, while China is Saudi Arabia's biggest customer. Though Saudi Arabia will soon drop out of the top five as a US oil supplier according to the *Washington Times* (16 September 2004), its growing ties to China have increased tension between the Bush Administration and the Saudis, particularly since September 11. Aware they can no longer rely on the US alone to defend their regime, the Saudis want to diversify their security policy and China appears to be an interested partner. But Chinese arms trafficking to the Persian Gulf presents a potential threat to US security. In 2002, the U.S.-China Economic and Security Review Commission, established by Congress to monitor US-Chinese relations, warned arms trafficking to these regimes presents an increasing threat to U.S. security interests in the Middle

East. A key driver in China's relations with terrorist-sponsoring governments is its dependence on foreign oil to fuel its economic development. This dependency is expected to increase over the coming decade. China is aware that its short-term energy security depends on cooperation with the US. But Chinese policy-makers also realize that the US seeks a dominant position in the Persian Gulf and is trying to contain China's activities there. Persian Gulf access will join Taiwan, trade relations and human rights as the key issues in US-Chinese relations.

That is one reason why China is turning toward the Caspian Sea. It must gain access to the region's vast oil reserves to reduce its energy dependence on the Persian Gulf. And to do that, it must ensure political stability in the region's five Central Asian republics (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan) and counter US encroachment.

Geographically, the Caspian Sea is more accessible. Russia, Central Asia, and China share the Eurasian landmass, which makes overland oil and gas pipelines attractive options for energy transport. In 1997, under the govern-

ment's 'Go West' policy, the China National Petroleum Corporation promised to invest 9.5 billion USD in pipelines and oil fields. China's national oil companies have begun to invest in Kazakhstan, the only Central Asian country that exports oil to China, amounting to one per cent of total oil imports. Kazakh oil is transported by rail, but that will change after the completion of a 1,000-kilometer pipeline from Kazakhstan's central Karaganda region to western China. From there it will cross into the Aqtobe region to the Kenqiyaq oil field, where Beijing has invested about 1.3 billion USD and which China and the Kazakh state oil and gas company have been modernizing since 1997. From there the pipeline will continue to the Caspian Sea.

In 2002, China and Russia completed a feasibility study for a Sino-Russian pipeline from Angarsk to Daqing. Construction was to begin in July 2003; the Japanese were also interested and offered Russia 14.5 billion USD worth of 'subscriptions and gifts' and 8 billion to invest in the Russian Far East oil and gas projects Sakhalin 1 and 2. In June 2003, the Russian Transneft Open Joint Stock Oil Transporting Co. proposed an alternative pipeline from Angarsk to Nakhodka. The Russian Minister of Natural Resources, however, stated his preference for the Angarsk-Daqing route and President Vladimir Putin agreed, citing its strategic importance. In March 2004, Transneft proposed a new route from Taishet to Nakhodka that could be extended to Daqing.

## Future geopolitical scenario

Control of the production and transport of Persian Gulf and Caspian Sea oil and gas will determine the political and economic future not only of those two regions. Oil and gas have been the world's primary source of energy, and thus power, for decades and are expected to account for approximately 70 per cent of global energy supply through 2020. According to the United States Energy Information Administration (EIA), global oil consumption will rise

from 82 million barrels per day (bbl/d) in 2004 to 100 million bbl/d in 2015 to 120 million bbl/d in 2025. Experts are concerned that global oil production will be unable to meet this rapidly rising demand. Existing resources are decreasing while newly discovered ones disappearing. Major oil consumers will have to follow more aggressive policies to satisfy their oil needs and military intervention to safeguard oil production and export will become more likely. This will have enormous implications for global peace and security.

It is not yet clear whether the three main contending powers - the US, Russia and China - see each other as rivals, allies or as combinations of the two. Russia and China claim a common interest in the Caspian Sea but until now have not acted in common. The US will use political, economic, and perhaps military pressure to expand its influence and remove any obstacles to the safe flow of oil. Russia and China are unable to compete with the US military and will avoid a direct confrontation with Washington, but they will ally with local powers to defend their regional interests. The nightmare for all three powers is an alliance of the other two; the worst-case scenario for the world would be direct confrontation. <

## For further reading

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# Shi Yong Yearning

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**Father:** Look, our international prospects for the new century are bright  
**Mother:** We must show off our skill.  
**Grandmother:** It must be time to struggle.  
**Grandfather:** In the new century we must grasp after opportunity!  
**Son:** But the road is windy.



**Son:** The new century after all belongs to our generation, the burden is heavy!  
**Grandfather:** Back then, when I was about your age, I was already a red soldier.  
**Mother:** Talk about your experiences, inflate him.  
**Father:** Certainly there are obstacles on the road to the new century. But Grandfather, father, didn't they all come through turmoil to get here? Son, do not lose heart!  
**Grandmother:** All these years, your grandmother has been thinking of struggle.



# The new Chineseness: great leap forward or backward?

Looking backward is a major trend in Chinese fiction today - writers often set their novels in the past to reflect on Chinese history and culture. Most such novels take place sometime between the 1840s and the 1970s, when China suffered defeat, humiliation, coup d'état, warlordism, civil war, invasion, again civil war, and revolution. In this genre, Mo Yan's *Sandalwood Impalement* (Tanxiang Xing) is not only a commercial but an ideological hit, praised by critics as a 'masterpiece' of 'historical importance' that shows China can overcome Western influence thanks to 'Chinese tradition, Chinese reality, and Chinese mentality' as opposed to vapid 'universalism' and 'humanism'.

Yue Tao

they can afford to be because they feel strong now.

Mo Yan (Don't Speak, a pen name) was born in Gaomi County, Shandong province. He quit primary school and became a farmer during the Cultural Revolution, after which he joined the People's Liberation Army and began his writing career. He gained fame by the late 1980s for his 'lavish', 'wild', 'backward' style. The filmmaker Zhang Yimo based his prize-winning movies *Red Sorghum* (1987) and *Ju Dou* (1990) on Mo Yan's novels, making the author well-known internationally as well as a bestseller at home. *Big Breasts, Wide Hips* (Fengru Feitun), translated into several foreign languages, won the highest national literary prize. In *Sandalwood Impalement* (2001), Mo Yan not only develops his style to the utmost, but also declares his return to Chinese tradition.

The main characters all depend on and interfere with each other. Their interwoven family conflicts are typically Chinese; the logic is transparent to native readers. Mei Niang, the heroine, is a beautiful young woman who runs a dog

meat eatery; her nickname is 'Dog Meat Beauty'. She is ambivalent toward her father, Sun Bing, a leading cat tone (maoqiang) opera singer and womanizer. Her mother died when she was little, so she was brought up by her father. Due to his negligence, however, her feet were never bound, and because of her 'big' feet (she envies women with bound feet) she has to marry Xiao Jia, a sim-pleminded butcher she does not even like. Sun Bing hits and accidentally kills a German railway technician he sees sexually harassing his young second wife. In response, German soldiers kill his wife, children, and neighbours, so he organizes 'boxer' rebels to retaliate. He dresses up like the Song general Yue Fei (1103-1142) and believes he is possessed by Yue's spirit, making him invulnerable to blades and bullets.

Mei Niang's lover, Qian Ding, is a local bureaucrat - an elegant, learned, married man. She is passionately in love with him because he gives her every-thing - sex, respect, culture, psycholog-ical support, and expensive presents. Her husband tolerates (even encour-ages) Mei Niang's extramarital affair because it augments the family income. Qian Ding, under orders from the cen-tral government to arrest Sun Bing, does what he is told in order to keep his job. One day a stranger who claims to be Xiao Jia's father comes to Mei Niang's home. Xiao Jia adores his 'father', Zhao Jia, China's chief executioner sent by the Dowager Empress and General Yuan Shikai to devise a cruel and unusual punishment for Sun Bing, who has to suffer five days and nights and the dur-ing the opening ceremony when the first German train rolls through.

Trains and cat tone opera are the two pillars of the novel. The story turns on superstition about trains. When village people first saw trains, they thought they were monsters that could run without eating because they absorbed energy from the tracks laid on ancestral graves, disturbing *jiangshui*. They believed the Germans conscripted young boys, trimmed their tongues to make them speak an alien language, cut their queues to steal their souls, and buried the queues under the tracks to 'feed' the trains. They were also convinced that bad *jiangshui* and this theft of young souls caused poverty, disaster, war and misfortune. Cat tone (a local opera that mimicked cats yowling) was performed at funerals, weddings, and religious fes-tivities. It was unique to Mo Yan's home village and an integral part of local life

until the 1980s, when it died out because of modern entertainment. Mo Yan structures his novel like a cat tone opera, quoting opera lyrics and using cat tone sounds to signify strong emotions.

The novel resembles a folk opera: pas-sionate and sensual. It has vivid colors, sounds, images, even smells. The ex-ecution scenes are graphic - over ten thousand words describe decapitation, death by slicing, and impalement. Sounds are piercing: gossip, scolding, singing, trains roaring, cats yowling. One can smell not only the scent of cooked dog meat and rice wine, but also the stench of body odor, vomit, urine, and excrement. The language is pep-pered with dialect, slang, and old folk opera lyrics. Mo Yan's fictional world is the antithesis of refined Confucian soci-ety; it is also 'unpolluted' by Communist ideology or Western values. It is exactly this 'backwardness' that charms many Chinese. Without it, the novel would read like cliché anti-colonial class-struggle stories that often appear in Communist history textbooks.

Mo Yan spent five years writing *Sandalwood Impalement*, and the language and plot show the effort he invested. The effect, however, is strictly lowbrow. The roots of the Chinese novel lie in street storytelling and folk opera; Mo Yan deliberately returns to these roots. Chi-nese novels from before the New Cul-ture Movement of 1919 are almost all third-person narratives about conflict and intrigue - their main function is to entertain. *Sandalwood Impalement* is closer to traditional novels of three and four hundred years ago than to new nov-els since 1919. Mo Yan himself calls this book a great leap backward - it is a dec-laration of war on both highbrow intel-ligentsia writing that imitates Western fashion and consumerist yuppie writing that panders to a public eager for sen-sation. The great leap backward wins applause from Chinese readers and crit-

ics who are confident of their civilization and proud of its resurgence.

Critical acclaim for *Sandalwood Impal-ement* owes to cultural nationalism, not literary excellence. Ideology outweighs art. Despite being carefully plotted, structured, and written, the novel does not rise above artisanship. The urge to recreate an authentic China is detri-mental to creativity. Compared with Mo Yan's earlier novels, *Sandalwood Impal-ement* is contrived. It is a skilful imitation of folk opera - a splendid street per-formance full of sound and imagery, leaving nothing to the imagination.

Cultural nationalism does even more damage to literary criticism, supplant-ing aesthetic appreciation with moral judgment. Moralizing has always been a weakness of Chinese literary criticism. Today, when Chinese writers enjoy free-dom of expression, critics are conform-ist. They conform not to any official line, but to public opinion, which (if any-thing) is more chauvinist than the gov-ernment. Chinese readers have good reason to dislike highbrow intelligentsia writing that it is often a clumsy imita-tion of Western literature. They also have good reason to disdain con-sumerist yuppie writing that is often mawkish, affected, narcissistic, and sen-sational. But a return to folk tradition is no cure for bad writing. ◀

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**Son:** Your instruction has touched me deeply. Although the road is windy, I must only establish and maintain a correct philosophy, and in terms of strategy scoff at my enemy, while in terms of tactics respect my enemy, and I will have to worry about not being able to march in sync with the new century, or not connect with the international.



**Son:** I remember Mao said "the world is yours, and also ours, but in the end it is still yours..." He was right, we young people are like the morning sun of 8 or 9 a.m."  
**Father:** Very good, I have been waiting for you to speak these words.  
**Mother:** Hope is on your shoulders, we are all depending on you.  
**Grandfather:** There will be people to carry on international relations in the new century.  
**Grandmother:** Good work.



**Son:** Thank you for your praise, only when we stand on the shoulders of previous generations can we see far!  
**Grandfather:** You are modest like your grandfather.  
**Mother:** I so envy you; how I'd love to go ahead with you.  
**Father:** I am no longer alone.  
**Grandmother:** A good kid.