conclusion is similar to existing studies on Hong Kong’s residual welfare model, the book throws more light on the role of the business sector in the government’s mismanagement. However, the evidence provided is insufficient to support this thought-provoking argument convincingly. The author cites a remarkable number of public records and government publications to make his point, showing engagement with a variety of sources. His interpretation of these materials may be right, but it appears deterministic. Still, the book is highly recommended reading for those interested in social development in post-handover Hong Kong. It also provides rich local material to those interested in the political economy of welfare states.


Reviewed by: Eva Sternfeld, Technical University Berlin, Germany

The Chinese economic miracle of the early 21st century has been accompanied by an unprecedented growth of demand for energy. Since 2009 China has overtaken the United States as the world’s leading energy consumer. In Security and Profit in China’s Energy Policy Øystein Tunsjø illustrates the impressive dynamics of the Chinese energy sector: between 2005 and 2010, China’s production of electricity doubled; in other words ‘the country built in just half a decade a new electricity system of identical size to the system in place in 2005’ (p. 46). The economic success story so far underpins the power of the Chinese Communist Party. Energy security is therefore among the top concerns of Chinese policymakers.

The Western media as well as some academic publications have repeatedly argued that China’s growing hunger for energy feeds its military ambitions. In this atmosphere of tension and growing competition for energy resources, Tunsjø’s book offers a more differentiated perspective. Tunsjø investigates China’s complex mix of strategic and market approaches in the energy sector. Focusing on oil supply, he proves that China’s energy strategy has far more cards up its sleeve than most Western analysts realize. The concept of hedging is introduced as a theoretical framework. Tunsjø defines it as a strategy between policy and market which is characterized by minimizing and avoiding risk rather than by striving for maximum profit.

Looking at the challenges to energy security, the author proves that self-reliance, which was the state doctrine in Maoist times, remains a fundamental feature of the Chinese energy policy to this day. Despite the rapid growth in energy demand, China has managed to maintain a high level of self-reliance in energy supply, due to the use of its abundant coal reserves and also at the cost of severe environmental pollution and climate change impacts. Therefore, recent internal strategies have strived to improve energy efficiency and promote clean energy, namely renewable and nuclear energy. Tunsjø shows that the implementation of energy security strategies has successfully followed a long-term roadmap that was incorporated for the first time in the Tenth Five-Year Plan (2001–5), more specifically the Special Energy Development Plan (2002). The plans call for the diversification of petroleum supply, promotion of natural gas development,
building of strategic petroleum reserves and setting up of three flagship oil companies. The strengthening of the domestic oil industry as well as their international activities is closely linked to the national oil companies that grew out of the former Ministry of Petroleum. These oil companies are on a par with state-owned companies, and the CEOs of these oil companies enjoy the status of a vice-minister.

In the early 21st century the Chinese government encouraged the national oil companies ‘to go abroad’. Supported by government loans, subsidies and foreign diplomacy, Chinese national oil companies are currently active in more than 50 countries worldwide, including ‘pariah states’ such as Sudan and Iran, where the commercial interests of these oil companies sometimes clash with the Chinese government’s efforts to present China as a responsible member of the international community.

By following the going abroad strategy, China has managed to diversify sources, routes and the quality of petroleum supplies. An examination of the seaborne transportation routes shows that energy security is one driver to modernize the Chinese navy, but probably not the most important one. Since China’s seaborne oil supply represents less than 10 per cent of the country’s total energy consumption, the often-cited ‘Malacca dilemma’ – China’s dependency on oil transports through the Straits of Malacca and the danger of a blockade in military conflict – is probably overestimated. To guarantee more control of seaborne oil transportation, China has launched an ambitious programme to increase the volume of oil transported on Chinese-owned tankers. At present, China only owns 10–15 of the world’s 600 tankers but it has announced plans to build 160 new tankers in the coming years. This development has already had an impact on the shipping industry worldwide.

In order to diversify transportation routes, China has been involved in a number of pipeline projects serving its neighbouring countries. As Tunsjø shows, pipelines are not a sufficient alternative to seaborne transport since they are vulnerable to terrorist attacks, theft, and leakage and technical problems which cause environmental pollution. However, in the short term they can provide a hedge against price risks as preferential prices are always part of the deal with the delivering countries. Furthermore, pipelines help to promote local provincial economic development as is the case for the Myanmar pipeline which receives strong support from the Yunnan provincial government.

In conclusion, this book is a very helpful resource to understand the rationale of Chinese energy policies which are characterized by hedging strategies. Tunsjø shows how China’s policy successfully combines strategic approaches of the government with market approaches of Chinese national oil companies in the international oil business.


Reviewed by: Gunjan Singh, Institute for Defence Studies and Analyses, India

Social protests have become an inseparable part of Chinese society in the last few decades. The primary factor which has given rise to these protests is the increasing pace of economic development which was introduced by Deng Xiaoping in 1978. The high pace