



**Andrew Champion.** *Geopolitics of Red Oil: Constructing the China Threat through Energy Security.* Abingdon, Oxon: Routledge Press, 2016. 206 pp. \$160.00 (cloth), ISBN 978-1-138-95568-4.



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## China's Oil

To the modern nation-state, energy security is a legitimate national aspiration and a worthy policy objective, as unexceptionable as motherhood or apple pie. But more often than not, it is also a useful tool to push through less legitimate or contested agendas. Energy security was a useful ally in clinching the Indo-US nuclear deal of 2005 in the teeth of widespread opposition both in India and the United States. More than a decade later, the deal has not added a single megawatt of nuclear power to India's installed power-generation capacity to make any difference to the country's energy security. Nor is it likely to anytime soon. In the last two decades, Indian and Chinese national oil companies have been buying up oil and gas assets all over the world in the name of energy security, but whether these assets will come to the rescue of these two import-dependent countries in the event of a global oil supply disruption is yet to be tested. Meanwhile, energy security has become a versatile and useful goal for governments to pursue.

Andrew Philip Champion's well-researched book examines how, in the United States, that Mecca of mar-

ket capitalism, the national discourse on energy security (energy security discourse, or ESD) was co-opted by the China threat discourse (CTD) to scupper what would otherwise be a routine business transaction. The failure of the China National Overseas Oil Corporation (CNOOC) to acquire Unocal, a mid-sized American oil company, has been subject to intense scrutiny by scholars as well as the popular media; reams have been written on it. Yet, as the book points out, most of this scrutiny within the United States has been based on a priori assumptions about China being a threat to US national security. Champion's contribution lies in systematically unraveling the processes by which the ideational and perceptual aspects of the CTD intersected with ESD, contributing to the 'othering' of China, thereby impacting American foreign policy choices. The author uses a poststructuralist prism to throw light on the various discourses that shaped the final outcome in the Unocal takeover bid.

Chapter 2 examines the evolution of the China discourse in the West—from admiration and respect in the days of Marco Polo to subsequent feminization and

infantilization—until it transforms completely into the China threat discourse in the contemporary American context. The contemporary CTD is an agglomeration of diverse perceptions and fears working in concert to reinforce the China threat factor. These range from the stereotypical Yellow Peril discourse centered on Western racial prejudices based on skin color to the Red Menace discourse stemming from China's communist ideology posing a threat to democratic freedoms everywhere in the world. The latter, reinforced by the Tiananmen massacre of June 1989, highlighted the unbridgeable ideological gulf between the United States and China. China threat discourse post-Tiananmen reaffirmed perceptions that China was not a responsible stakeholder in an international system shaped by Western values. China's political and economic engagement in what the West views as failed or rogue states such as Sudan or Iran further contributed to mistrust of China.

An integral component of CTD, of course, is China's military ascendancy, to which Campion devotes considerable attention. The book examines the volume of China's military expenditure and the range of weapons acquired, all of which buttress the popular perception of China as threat. While China might label them "counter-invention" measures, implying weapons for self-defense, the West saw it differently. Weapons acquired by China comprised "short and medium range conventional ballistic missiles, land attack and anti-ship cruise missiles, counter space weapons and military cyberspace capabilities" that, according to a Department of Defense report to the US Congress, could enable anti-access and area-denial (A2/AD) capabilities (p. 55). This was read as proof of China's less than pacific intentions. Further, with its newly developed blue-water fleet, China's dependence on the US navy to protect its access routes would diminish, reducing US leverage over China. Even in the absence of specific threats, China's growing economic power exacerbated the threat perceptions of the West. Security concerns hitherto viewed through realist optics now got magnified when conflated with military might: "China's rise impacted uniquely on the sole superpower of the United States whose hegemonic status has become challenged by China" (p. 58).

Chapter 3 deals with the energy security discourse (ESD) within the United States. Unlike CTD, which is based on arguments and perceptions, ESD, according to the author, is presented as one based on material facts and empirically observable data such as depletion rates, production quantities, et cetera. Campion argues that this ostensibly fact-based discourse is just as discursive as

CTD and belabors the point with fine distinctions between negative and positive security expounded by the Copenhagen and Welsh schools, respectively. A key point in this chapter is that the energy security discourse is inexorably linked to nonrenewable resources. Building on this observation, the author goes on to enlist support from several documents, both official and unofficial, which define energy security in terms of continued access to fossil fuels, especially globally traded hydrocarbons. The chapter also contains brief analyses of US energy policies through the decades, from the Nixon to the Obama administration, to buttress his main point that ESD has always privileged fossil fuels: "Although ES strategies have differed between administrations, official US conceptions of ES all share some core concepts which include an emphasis on securing the supply of imported energy (with a focus on oil) in order to maintain the economic health of the country and ensure national security" (p. 82).

The author's core hypothesis, namely, that CTD and ESD, two distinctly different discourses, intersected not intimately but discursively (and therefore, by implication, opportunistically) to justify government interference in the working of markets is the subject matter of chapter 4. The author delves into the central discourses on the CNOOC-Unocal debate, citing copiously from views expressed by congressmen, analysts, oil industry professionals, and scholarly studies, to make his point. Additionally, he painstakingly chronicles the various oil industry mergers that took place during the period spanning 1990 to mid-2000 to show how the Unocal issue was an exception to the general trend and that this exception occurred because of the conflation of CTD with ESD. This was a period of shakeout for oil companies during which the seven sisters merged to become three: Chevron-Texaco, Exxon-Mobil, and BP-Amoco-Shell. There were other mergers too, riding on the perceived synergies of integration. Against this backdrop, CNOOC's failure to acquire Unocal was egregious.

In 2005, CNOOC, the smallest of China's three national oil companies, had made an open offer of \$18.5 billion (higher than Chevron's bid of \$16.5 billion) to acquire Unocal, which was then a relatively less-known American oil company. It is noteworthy that most of Unocal's assets were in Asia and the oil produced by these assets was also destined for Asian markets. CNOOC had even pledged to honor existing commitments of Unocal post-takeover. In the normal course, the deal should have gone through. But, because it was made by a Chinese company, the offer created much controversy. Ar-

guments were raised about the China wanting to lock up energy supplies by acquiring American oil assets. Some observers believed that the Chinese company had access to low-cost finance from the Chinese government and hence an unfair advantage leading to market distortions. Others worried about the long arm of China's communist government exercising control over its national oil companies. The bid also evoked visions of an expansionist China with designs on South China Sea.

The author uses the context to delve into the US national security strategy, expound on distinctions between national security and national interest, and examine the views of the members of the US Congress and the influential American oil industry to take us through the process which culminated in Resolution 344 of the 109th Congress. This resolution authorizes the president to suspend any merger or foreign acquisition of a US corporation that threatens the national security of the United States. (The appendix to the book reproduces the resolution.) Campion points out how Resolution 344 was deliberately left vague enough to enable US authorities to interfere in the markets on grounds of threat to national security. The adoption of the resolution by Congress was enough for CNOOC to back off from the deal.

This book is a valuable addition to scholarly works on energy security, national security, and foreign policy. Using the Unocal decision as a case study, the author has skilfully woven various arguments surrounding the failed bid to demonstrate how CTD made common cause with ESD to frustrate a legitimate market transaction. Informative and exhaustive, it expounds in depth on various allied themes—energy security, national security,

national interest, the China threat, foreign policy, and many more—to corroborate the author's central thesis. In that sense, even this book uses a discursive analysis to make a point that is obvious to even casual observers of the global oil market, namely, that energy security is a versatile tool which governments wield to suit their own purposes.

This book could have developed its core thesis further to expound on another crucial but linked question that has dominated energy security discourses worldwide, namely, is energy too strategic to be left entirely to markets? This is especially relevant in the case of hydrocarbons where more than 70 percent of global oil reserves are held by national oil companies.

The author has also invested much effort to belabor the point that the energy security discourse invariably privileges nonrenewables, especially imported hydrocarbons. Since CTD has foreign policy implications, and becomes relevant in relation to imports, the focus on nonrenewables in any ESD is inevitable. Renewable energy, on the other hand, being localized, has less import for foreign policy choices. Besides, while alternative discourses on integrating renewable energy into the energy security debate might be of academic interest, in the real world, policy decisions are shaped by business-as-usual scenarios, not futuristic or desirable outcomes. The Unocal takeover would not have been permitted even with the expectation that the United States would one day switch to renewables and hence need not concern itself with the deal. Energy transformations occur incrementally whereas policy decisions must address immediate concerns.

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