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FACULTY OF SOCIAL SCIENCES AND
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**China and the EU: Competition and Cooperation in the
Caspian Region**



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Abstract

This thesis aims to study the ways in which China and the EU operate to get access to the hydrocarbon resources of the Caspian region. Comparing the access-strategies of China and the EU opens the door to find out the potential for their cooperation in achieving energy supply security from this part of the world.

The theoretical frameworks of this work come from geo-politics, lateral pressure theory and power-cycle theory. Empirical data used in the work are drawn from websites of government and energy corporations.

In the European Union policy competence in the energy sector is shifting from member states to EU competence. The assignment of the Lisbon Treaty has accelerated this trend. In addition, the US is changing the trajectory of its military power projection from North-Western Europe to Southern Europe and the Black Sea region in its Caspian Guard Initiative. Russia also claims to be the former Central Asian parts of the Soviet Union to be its 'near abroad'. The EU and China are not militarily active in the Black Sea region. Due to NATO (North Atlantic Treaty Organization) expansion into Eastern Europe, the EU is under cross pressures. Despite sharing peaceful access strategies, the EU and China differ in that the EU has a trade-investment approach, extending WTO regulation to the energy sector. In the Caspian region the EU pursues that objective via partnership, strengthening local energy markets and promotion of regional integration. China, on the other hand, follows a direct access approach of buying from host governments exploitation rights in oil stocks through long-term contracts for Chinese state-owned energy companies.