Chapter II

Energy Imperialism and Politico- Strategic Scenario in South Asia: An Overview

2.1 Introduction

Energy independence is a new kind of freedom which is crucial for emerging economic power. Due to globalization, energy security has become a much discussing topic in policy making for maintaining economic growth. We cannot imagine the accomplishment of any productive service without the use of energy. We may substitute Aluminum for Iron, Plastic for wood, but there is no substitute for energy. Industry, agriculture, Transport, even standard of living or life style is directly link with energy consumption. But energy supply is not merely matter of supply and demand but it face power politics, balance of power as well as like price volatility, inventory build ups, spare capabilities, environmental issue and so on. South Asia is fine example of it.

2.2 Globalization and its Silence Features of Imperialism

We are living in the age of globalization, which is based on the concept of ‘global village’ which increases the scope and magnitude of human contact, interaction and interdependency in trade, commerce and information etc. Globalization is a promise of ‘interconnectedness’ that
means it is promoter of multidimensional, structural and functional changes. It is understood by economists as the cross-national movement of production mode (capital, goods, labor etc.) as well as of idea including technologies. Political scientists describe it as the diffusion of power through a web of international institutions.¹

Although, globalization is popular in economic context but its other effects, especially political and cultural are also very important. In the economic, sense it is related to cross border capital flow, trade liberalization, privatization of public sector, deregulation and requirement of economy open to foreign investments. Thus, in the economic sense, globalization is related with interconnected economies of the world. Transnational actors like- MNCs, NGOs etc, play an important role in economic affairs. So, Schulte argues that globalization is link to the growth of ‘supraterritorial’ relations, wherein the people’s increasing range of connectivity has a transworld character. For instance, trade of a country is not regulated only by government but it is regulated also by WTO, regional cooperation organization or mutual bilateral and multilateral compromises.

In the political context, globalization accepts the importance of international organization beyond the state sovereignty like - IMF, WTO, World Bank, UNO etc. In the cultural sense, globalization is the process where information, commodities, food, fashion and source of entertainment which have been produced in
one part of the world, enter into a global flow which tries to ‘flatten out’ cultural differences between individuals, regions and nations.

Thus, we can say that globalization implicates towards a situation in which ‘local and national are subordinate to the global’\(^2\). In this context, it is pertinent here to understand that “globalization has three significant interrelated factors- techniques (technological change and social organization) economic (market and capitalism) and politics (power, interests and institutions).” In theoretical perspective globalization is proposed as the tool of development which promotes mutual cooperation, avoid conflict where the mighty and average would work together to reap the benefits of interdependence, with the added onus to maintain a peaceful world order. “But realities of power politics behind globalization, is disgracing these ideals.”\(^3\)

Globalization is not at all a new phenomenon, but it is a ‘history bound’ concept. In many ways, the world economies in late 20\(^{th}\) century resemble the global world economy but it was not an abrupt process. Its process actually started since the colonial era of 19\(^{th}\) century. The fundamental attributes of globalization then and now, are the increasing degree of openness in most countries. The process of globalization did not begin with the so-called ‘end of history’\(^4\) nor its historical distortion across the globe. So, the roots of contemporary globalization must be found in the economic history of the last couple of centuries and the entire history in this
regard, which although gets separated into distinct phases, must be viewed as a montage.

Globalization has occurred in three distinct phases—the age of discovery (1450-1850), the European Empire (1850-1960), and the contemporary globalization (after 1980). First two phases of globalization mainly dominated by cultural flow but the contemporary phase is full of complexities in economic, cultural, political and strategic spheres. After the Second World War, unit economies have become inclined towards transforming into borderless economies for mutual gains. For example, BENELUX the (Organization of Belgium, Netherlands and Luxembourg) was established in 1948 for mutual trade and co-operation, EEC (European Economic Community) established in 1957, ‘inner six’ co-operation organization in Europe which is also known as’ European Common Market of six countries- France, Belgium, Netherlands, Luxembourg, Italy and West Germany. Others include, different regional co-operation organizations like ASEAN (1967), OECD (Organization for Economic Cooperation and Development, 1948), SAARC (1985), OPEC (1960), APEC (1989), NAFTA etc. All of this has tended to promote globalization flow. Each successive phase of this long historical process has left its trail of economic, political, social and humanitarian complexities in an interwoven web across the world with varied contemporary ramifications for different regimes. After 1980 the concept of
globalization is used to refer variously, to a process, a policy-making strategy and even as an ideology.

Thus, globalization has been termed as a slippery and elusive concept having a complex process, in the modern era. At the outset, globalization seems to have been ushered by the initiation of open door policy for global capital which was expected to lead the world economy towards stability, prosperity and democratic peace in which disputes would be solved multilaterally in a ‘zone of peace’. But the current countenance of globalization casts considerable doubt on such an optimistic kind of gain distribution policy.

This is primarily because Globalization wants more and more capital and technical skills, which is in turn fulfilled by state agencies. But their lies a clear asymmetry in so far as the capacity of different states to act as a competent agency to support the constant web and flow of globalization with unrestrained supply of capital and latest technical knowledge. So, globalization is not profitable to everyone. Globalization has helped the economically stronger powers in the process of operating the international order, through the control over supranational bodies. Besides, the process of operating the international order seems to be very controversial in the context of globalization. So it is called ‘after hegemony' because “such regimes are important not because they constitute the centralized quasi- government and decentralized enforcement of
agreements among government”7. International organizations are supposed to provide a mechanism in which states take concerted action without sacrificing their national sovereignty. But this is only in theory; in fact supranational bodies are able to impose their will on nation states.

In globalization, international corporations (TNCs) are key players in the global economy which accounts for 25-30% of the world’s output, 70% of world’s trade and 80% of investments.8 “A shrinking world implies that “sites of power and subject of power quit literally may be continents apart—under these conditions the local of power cannot be disclose simply by reference to local circumstances”.9 If we see the example of Iraq war (2003), the intervention was determined by the west and not by not local communities.

Now, let us come to a crucial question as to what imperialism is all about. It is a very twisted question. This question assumes supreme significance, especially when we are passing through an expanding era of globalization and when the process of democratization is approaching its fruition point. In simple terms ‘imperialism’ gives the idea of control by one country or group of people over others. ‘Control’ is always at the centre of imperialism, the basic question here is—who controls whom, who controls what and how the control is exercised. This means that we have to understand who imperializes to whom, way the process of
imperializing is done and its basic nature; all this have been transforming through the passage of time. Who is the dominant power in the world, what it actually refers when we speak of maximization of gains and, what the strategies are for maximize gains. In the past, it was the European countries, ‘which’ were in the pivotal position in the imperial project. But today, it may be referred to the P-5 members of the UN Security Council, ‘who’ are the front-runners in the global imperial race. The question of maximization of power however has not changed through the passage of time. Since, 'how’ is related to strategy, so it is netted in the time relativity. In past time, the question of ‘how’ was mainly related to coercion in the form of military strategy but it has changed in form of economic aid and investment, political and military support and coercion in form of economic restriction as well as humanitarian intervention.

Industrial revolution in the 18th century, forced the major capitalist economic powers to engage themselves in search for areas beyond their borders as colonies in order to market their finished products as well as explore sources of raw materials. In the course of their economic engagement with these colonies, the colonizing capitalist powers found that the local populous were not socially and politically developed. This under development marked by the lack of Govern mentality, allowed the colonizers to directly rule over these colonies. This kind of domination was a new form of
imperialism which was different from that of the ancient times and economic expansion became its prime basis. In the age of globalization however, imperialism has emerged in a disguised form and it exists “without colonies”. The poor countries are used as markets and a source of raw materials. Globalization in this sense, can be turned as ‘hegemonic’ because its influence manifests in the control and dominance by powerful individual, national and Multinational Corporation whose policies, plans and actions are threatening cultural and biological diversities and promoting the rise of global monoculturalism.

The major drivers of globalization include: “the transnational and transcultural communication networks, global media corporations, global capital flow, advanced means of transportation, expanding trans-continental tourism, and increasing military and security alliances, all of which are generating new and unpredictable levels of interdependency,” which brings the situation of fear, doubt and suspicion. Western values such as individualism, materialism, hedonism, competition rapid change, profit, greed, commodification, consumerism, reductionism, privatization English-language etc. are plastering our values, by institutions and organizations with self-serving agendas. Advertising, a major driver of hegemonic’ globalization, confuses between “needs” and “wants.” It seems that celebrities are use to convince consumer to buy and prefer certain brand of beer,
cigarettes, automobiles, clothes and food which is a very strong apparatus of western domination in the cultural sense.

Globalization’s silent features include both conceptual and empirical dimensions. The current and earlier forms of internationalization has been characterized by flow of capital, technology transfer and trade in goods and services. This must be analyzed in context of difference between what is theoretically claimed by the protagonist of globalization and its actual status in practice. The promises of globalization supporters of the best outcome in the form of growth and human welfare. Globalization is creating conditions for capital accumulation in a manner as to facilitate the ushering of ‘a new post capital form of development.’\footnote{14} The realities of gain distribution is being revealed on the one hand in the trade deficits as TNCs are snatching decision-making powers from the state. On the other hand, NGOs are playing the role of establisher of legitimacy by proclaiming cultural value.

Owing to the debt crisis in mid 1980s, the World Bank and IMF prescribed ‘Structural Adjustment Programme’, which favored the persistence of the domination of powerful economic forces and it was based on the pro-business principle of 'one-dollar-one vote.'\footnote{15} This policy forced the third world nations to adopt the policy of LPG (liberalization, privatization and globalization). These involved the removal of barrier in the way of international
trade with adequate protection of worker’s rights relating to their pay and working conditions.

Although, World Bank and IMF are global organization but these institution nearly promote the interest of dominant powers. In case of World Bank’s share, USA holds 15.85%, Japan 6.84% and China 4.42%. While only 15% is required for veto. So, there is an axiom that World Bank will always be headed by an American and the IMF by a European. It seems that under the auspices of globalization hierarch economy is getting extended to new parts of the globe.

Thus, we can say that globalization has a silent role of a new kind of imperialism, where imperial sate (big economic powers) bails out those banks and investors who provide political pressure in favour of open market and liberalization. Thus, globalization covered the idea that power, where economic, political and cultural or military is increasingly organized and exercised from a distance. 16

80% of the Fortune's of the top 100 MNCs are based in USA and Europe. By virtue of this, they are playing an important role in controlling the world economy by means of FDI and technological tools. MNCs head quarters are based in their own countries, but their dealings exist through branches in many countries. So their strategy, decisions and trade policies are decided on the basis of the
priorities fixed by the head quarters located in their respective countries. So, the process of globalization is cyclical, rather than linear and creates new mechanisms for hegemony. So, William Tabb argues that globalization process is a powerful tool in the service of ‘status quo’. It has changed the policy of coercion as a means of domination and replaced it with commerce. Today free trade is preferred to that of weapons and armies for free markets for transnational companies.”

Economic aid and economic restrictions are more popular than that of the military option. Imperialism by force seems to have gone and it now has reappeared in a veiled manifestation, behind tools such as humanitarian intervention (like those in Iraq, Somalia, and Kosovo etc.) The role of international bodies in these interventions seems to be for the mere purpose of providing legitimacy to such imperialistic interventions. in such a way of ‘curtain politics’, what a major power like the five permanent members of the security council each with ability for veto in the context of their interest says, will determine the nature and direction of international politics. Hence, the entire idea of globalization seen is to be designed in a manner as to disguise and take away the attention from neo-imperial domination of world order. In fact, “ in the global system, power gets organized and exercised on transnational lines” which indicates the relative “denationalization of power and a shift from a trend towards
monopoly of power.’ Profit is not in itself evil, but when profits are accrued by greed and avarice, it simply becomes tantamount to violence. So, we need a globalization based on equity and ethics.

The current globalization trends obviously defer from the concept of internationalization and regionalization. The concept of internationalization is based on the ideals of peaceful co-existence and mutual gains. But, globalization has engendered mutually contradictory tendencies of conflict and co-operation, order and disorder, integration and fragmentation. Violence has always been central to globalization. Its history always reflects this phenomenon, whether in the form of the new imperialism of 1890s or the current ‘war on terror.’

Globalization which is characterized by time space compression is creating a ‘war of resources’. The concept of boundary less and distance less globalization, has drawn the economy towards a post industrial stage. The development scenario in the world is a reliable indictor of demand and supply of energy. Energy thus forms a critical component of economic growth, which in turn determines political and social stability of nations.

2.3 Energy Imperialism: Political and Strategic View

Simply, we can divide energy resources into two categories-commercial and non-commercial. Commercial sources of energy are of a trading nature which are bought and sold. It may include-
hydrocarbon, non-commercial type of energy sources are of the nature of waste materials and of renewable nature like wood, wind, solar energy. Commercial energy sources are the ‘spinal cord’ of economy. However, there is a clear imbalance between the production and consumption patterns when we speak in the context of energy.

OECD\textsuperscript{22} consume about 55% of world’s commercial energy resources, but their production is below 35%. So, great economic powers are looking elsewhere for energy supplies. When we look at the global energy consumption scenario, the picture becomes very clear that main energy consumption is based on fossil fuels, approximately accounting to 79.6%, (in which oil consumption is around 35.3%, Natural gas 2 1.1%, and coal 23.1%)\textsuperscript{23}. The top ten largest consumer countries are -U.S.A. (responsible for 1/3 of the energy consumption of the world) China, Japan, Russia, Germany, India, Canada, South Korea, Brazil, Mexico. Similarly, the top ten producer countries are Saudi Arabia, United States, Russia, Iran, Mexico, China, Norway, Canada, United Emirates and Venezuela. Besides, approximately 63% of world’s proven oil resources and 40% gas ;resources are concentrated in the Persian Gulf region.\textsuperscript{24} So, geographically energy resources are concentrated towards the east, but political and economic power is concentrated towards the west. This phenomenon ultimately creates “the politico-strategic aspect of energy game. “Geopolitics of energy is rooted in deep
fears of consumers about security of supplies, leading them to put strong pressures on policy makers to come up with effective ‘fixes’.”

It seems that the salient feature of imperialism in the form of globalization has pushed the idea of controlling the world economy by creating a strong control on the energy sector. One-third of the wars or tensions in the world have more or less been related to the fierce competition over the depleting energy resources with direct or indirect implications. ‘Energy imperialism’, is manifest today as the USA gears up for war with Iran and it has already intervened in Iraq and Afghanistan for the same purpose. Such a pattern of imperialism is nothing new. It is similar to the way in which Mossadegh (Iranian Prime minister) was toppled by USA. in 1953, Oman, Iran-Iraq war through out the 1980s and The United State’s persistent military aid worth billions of dollars to Israel and the countries of the African continent to enable them to act as regional policeman for over a period of 60 years. Oil and gas price always have been in netted in world politics.

Further, world energy consumption will increase to 49% in 2035 from what it has been in 2007. In spite of recession, energy consumption increased to 1.2% in 2008 and 2.2% in 2009. EIA has predicted that in 2035 the energy consumption of OCED will increase to 84%, as compare to an increase of mere 14% in non-OCED countries.
Most of the countries are utilizing some common reserves (Persian Gulf region, Africa and central Asia) for meeting their energy demands. To find a clear picture of 'energy imperialism', we can analyze three main regions responsible for 80% oil and gas trade.

1. West Asia (Persian Gulf/Middle East)
2. Caspian Sea (Central Asia)
3. West Africa (Gulf of Guinea)

The Persian Gulf region is a volatile and dynamic area that has been known for frequent political upheavals. Although, first oil well was discovered in 1859 in Pennsylvania in USA but energy game was started in the Middle-East region. The British had recognized the importance of the region’s oil wealth with Syket-Pikot Agreement (1916) with France which called for the division of Ottoman Empire which was ruled by French and the Britishers jointly. Oil tactics was officially used for the first time in San Remo Treaty (1920). The intermission between World War I and the eve of World War II, oil assumed a very important role in modernization of economies as well as in military strategy.

After Second World War, when it became impossible to prevent democratization, colonial powers stepped out of the region. But western powers created artificial states and boundaries (like Syria, Iraq, Kuwait, and Israel) or puppet regimes were maintained.
United States of America stepped in the region as the new power after World War II and by virtue of the power vacuum created by decolonization. Seven major western oil companies also known as ‘seven sisters’ - Standard oil company of New Jersey, Standard oil company of California, Saxony vacuum oil company, Gulf oil, Texas Royal, Dutch-Shell and British Petroleum; had established monopoly over the production, refining and marketing of oil in the region. United States policy towards this region, was well describe in the ‘US document (intelligence agencies letter between UK and US. 1953) “to keep the source of oil in the Middle East in American hands.”’

In the late 1950s, Saudi Arabia was granted the “Fifty-Fifty” profit sharing system, which was drafted by George McGhee, former US secretary of State for Middle East. It became a full-time job owing to the American oil companies wishes. “In fact it was major foreign policy decision disguise of democratic symbol.” President Truman wrote a letter to king ibn-Saudi (after signing Saudi Armco ‘fifty - fifty formula)- “I wish to renew to your majesty the assurances which have been made to you several times in the past, that the United States is interested in the preservation of integrity of Saudi Arabia. No threat to your Kingdom could occur which would not be a matter immediate concern to the United States”
The formation of Israel in this region started a new political and military process in the Middle East which was to endure until today. So, this unstable region became prey of cold war tension which leaded toward four major war (1948, 1956, 1967, 1973) and even today its process is continue in form of proxy. Western regimes drew the Cold War tension out of European boundary towards Asia mainly for protecting oil resources. Either Hind-Chin or Korean crisis was the result of the wishes of to maintain status quo (which was in favour of western power). 38° parallel lines in Korean crisis was the tool to contain China and Soviet regime within a limit of boundary. Eisenhower doctrine or Marshall plan, one hand containing Soviet regime towards Middle East reserves and other hand it could guarantee of the future need of America and Europe in energy supply context.

The US as well as western power continue supported feudal based society for their interest and prescribe the so-called policy the defence of Saudi Arabia is vital to defence of US’. Politics of ‘regime change’ was the result of such policy. A fine example, when democratically elected government of Mohammad Mossadeq, planned to nationalize Iran’s oil industry, western power and USA supported secretly coup against government.31,

The USA also followed British formula ‘divides and rule’. Washington promote relatively weak and divide the area and supply the arms both sides. United States itself aided and provokes
Saddam Hussein and his Ba’ath party, because Washington saw it as counter tool for Islamic fundamentalism and check Soviet expansion towards the Persian Gulf region.32

America used both dominant countries-Iran and Iraq in order to balance the power structure. The US backed the Shah of Iran and after he was overthrown, it backed Saddam Hussein’s Iraq. But when these balancing game failed, the US launch ‘Dual containment theory’ (by Anthony Lake). It’s main theme, the US policy must face reality of recalcitrant states and choose to remain outside the family of nations now committed to the pursuit of democratic institution the expansion of free market, peaceful settlement of conflict, and promotion of collective security33.

Mr. Lake had labeled ‘backlash states’ -Cuba, North Korea, Libya, Iraq and Iran, which were threatening American and western interest in the Persian Gulf. According to Lake “we seek to contain the influence of these states with the tool of” sometimes by isolation, sometimes through pressure, sometimes by diplomatic and economic measures.”34 Many factor supported Dual containment theory in 1990s, like end of cold war, balance of power, cooperation of Persian Gulf allies, positive regional strategic context etc.

However, systemic transitions in the global politico-strategic environment and the global political economy, has changed the
‘energy game’ not only of the world, but also of the west Asian region. Today, OPEC’s role in oil supply is not as important as it was in the past, because its supply today has declined to less than 40% of world’s oil production. In the 1970s, its supply accounted for more than 60% of world production. Now, Saudi Arabia controls only 13% of global oil supply (although it remains the largest oil producer). But, Iran which is the second largest producer in OPEC, is far out paced by Russia.\(^{35}\) This is mainly because non-OPEC countries like Mexico, countries of the Caspian region, Canada, Norway and the African continent are challenging OPEC.

New emerging global powers like Russia, China, India etc, also have involved in energy game, which creates many politico-strategic challenges for American hegemony in west Asia. In this scenario America’s ‘dual containment theory’ seems to have failed in establishing American hegemony in the Persian Gulf. In this context, Russia-China-Iran axis is the main challenge towards American policy makers.

Russia and China are expanding their relations with Persian Gulf countries, especially with Iran. China became the 8\(^{th}\) biggest trade partner of the Gulf Co-operation Council.\(^{36}\) In 2006; Iran supplied 12% of China’s oil demands\(^{37}\) and, became its (third largest oil supplier. In 2006, China imported 45% of its total oil from the Gulf region. Iranian nuclear issue is the fine example of the ‘newly emerging petro-politics’, wherein America’s
international influence, seems to have been eroded by the Chinese-Russian tangle. Russia is anxiously looking for economic interests in Iran and in this regard conventional weapon exports has emerged as the second main source of foreign-exchange earnings after hydrocarbon exports. In this context, Iran may prove to be a potentially lucrative option for Russia.\textsuperscript{38} Russia also seems to partner with Iran in the formation of an energy hub. Russia also appears to be in favour of high technological exports (like civil nuclear technology) to Iran in future. For Russia “Iran is an important geopolitical partner in its efforts to rollback the U.S. influence, not only in Central Asia but in Caucasus as well.”\textsuperscript{39}

China’s policy on Iranian nuclear issue is fashioned surreptitiously to suit the exigencies of its energy security. China and Russia are looking at the economic and political logic behind the axis of oil. Primarily because if the nuclear controversy gets exasperated, western international oil companies (IOCs) may withdraw their position from Iran which will provide opportunities for Russia and China to invest in Iran, as a result of political bargain that would end unfavorably for the west. The USA wants to promote Saudi Arabia as a balancer to Iran in Middle East by providing military and economic aid because its dual containment theory seems to fail in context of Iran.

Now, we come to another oil and gas region- the Caspian Basin which has drawn global attention in the past two decades-
both of its potential significance in oil and natural gas reserves for world market and as well as for the international competition for controlling sources of oil and natural gases. Although, this region was controlled by Soviet Union during the Cold War era, but SEATO and CENTO had proved to be strong framework that protected the interest of the west in the region. After the disintegration of Soviet rule, Caspian Basin has become associated with Russia, Kazakhstan, Turkmenistan and Azerbaijan. Geographically, this region is a landlocked area and its location is highly favourable to Russia for creating hegemony of interest in the context of oil supply. Thus, the Caspian region is a ‘non-OPEC’ reserve for energy supply. It is an important alternative to the Persian Gulf. So, a new kind of imperial game in the sphere of energy has begun among the powerful MNCs of the world. Abundant supplies from this region are affecting OPEC’s ability for using oil for the purpose of political blackmailing. The strategic position of Central Asia has created fierce rivalry among European powers, USA, Russia, Japan and the emerging China.  

Many gas and oil pipelines are proposed or currently exist in this region. They include -Nebucco Gas pipe line, Albanian -Macedonian-Bulgarian-Oil corporate line (AMBO), Burgas-Alexandroupolis crude oil pipeline, Trans Anatolian Crude oil pipe line, Caspian Pipe line consortium, Turkmenistan-China Gas Pipe line, South Stream Gas Pipeline, North Stream Gas pipeline etc. but
their future is mostly determined by Russian politico-economic and strategic interests. There are three main routes from where the west may explore the possibility of supply of oil from this region- from Azerbaijan-Armenia, from Iran-Turkey and from Russia. Armenia and Georgia are not secure for laying pipelines because of the security concern. Iranian option is also not feasible. So the West is left only with the Russian option. Russia alone provides about 40% natural gas to Europe and its figure is expected to rise to 60% by 2030.\textsuperscript{41} So, European countries are always in fear of Russian monopoly and its domination of the energy game.

Russian export goes through two routes-one is from Belarus-Poland (Yamal, 20%) and the other from Ukraine (80%). In January 2010, Russia had asked reduced Belarus to make tax exemptions worth $192 million for oil trade through the country. But Belarus declined to do so, resulting in Russia cutting down around 15% of oil trade through this route. Russia seems to be angry not only with the ‘Unified Customs Rule, but also the sheltering of dismissed Kyrgyz president Kumanbeg by Belarus. Russian energy game was so clear in 2009, when Russia cut the European supply through Ukraine.

Thus, energy game has not only emerged as a significant source of revenue for tycoons and speculators but it has also transformed into a vital issue of strategic importance.\textsuperscript{42} Russia is
bargaining for better revenue from Ukraine, Armenia, Moldavia and Georgia for putting pipelines through Russia for oil transport.

Russian security interests in this region, deny the proposal of Azerbaijan, Turkmenistan and Uzbekistan that the Caspian region be divided into ‘national sectors’ and freedom for development of their regional capacity be ensured. Kazakhstan and Azerbaijan are attempting to establish export routes for their new oil projects, as an alternative to the Russian option. Hence, alternative routes in this region is not only commercially urgent but also a strategic necessity.

Russian foreign policy of weaponization of energy seems to manifest in its invasion of Georgia in 2008 over the issue of BTC (Baku-Tbilisi-Ceyhan) pipeline that by-passes Russian control, cutting gas and oil supplies to former Soviet Republics and dividing new Europe and old Europe by way of bilateral energy deals with Germany (e.g. North Stream) and Italy (e.g., South Stream) to undermine Nabucco) and at the expense of Ukraine, Poland, Czech Republic, Belarus etc.

Russia seems to follow a policy of ‘divide and conquer’ as a strategy to check European Union common energy policy and the increasing energy diversification. To control European Union’s energy supply, Russia is building two pipelines with top importers Germany in the North Stream and Italy in the South Stream.
Russia has increased military presence in the Baltic region, to act as a security provider to these pipelines which may be a threat to the regional NATO members.

China and Russia tend to emphasize SCO (Shanghai Co-operation organization) interests over that of the United Nations Security Council’s interest. They have consistently watered down UN security counsel’s sanctions against Iran and North Korea on their nuclear issue. Iran is an observer member of SCO and is trying to secure its full fledged membership to counter international isolation. Iran’s proposal for SCO currency and SCO bank, will not only undermine western influence but SCO’s defence agreement with commonwealth of Independent states (CIS) may also challenge NATO in future. Russia, has adopted more aggressive policy in territorial claims, for example Arctic region (2007), Sergei’s Courtyard (2008) and invasion in Georgia (2008) etc.

When it was supposed that Russia would work with the U.S and other western powers to ensure the isolation of Iran by UN security council in 2008, Russia Iran Friendship called for the establishment of a gas cartel between Gazprom and Iran’s NIOC. Not only Iran, Russia seems to consolidate its control in other areas which are the sources of oil like the Middle East and North Africa. On the One side, Russia is lending its helping hand to Turkey for developing Iran’s South Par gas field and on the other side; it is looking to control Libyan gas and southern Mediterranean transit
route. Moreover, Russia is also engaging in talks to pipe Nigerian gas to Europe across the Sahara Desert. These steps of Russia may be a tool for political and strategic blackmailing of European countries as well as the US.

Russian Co-operation is not only with Iran, but also the traditional US allies in the Middle East, especially Saudi Arabia and Gulf Co-operation council (GCC). In 2007, arms deal worth $4 billion was signed between Russia and Saudi Arabia. In January 2009, Russia announced the development of navy bases in Syria, Libya and Yemen. Russia has established military bases in Kyrgyzstan and Tajikistan which may encourage Uzbekistan to evict U.S. military personnel from the Karshi-Kanabad air base. Kyrgyzstan may also have to decide upon closing the Manas airbase, under Russian pressures.

Thus, Russia is the biggest hurdle before the US and western powers for transportations of oil and gas from Caspian region. Decision on long term oil export will have major strategic, political and economic complexities because Shanghai co-operation organization and Russia-China-Iran-Turkmenistan connection may create a new challenge for the western interest in Central Asia. For checking Russian influence in the Central Asia, America seems to interfere in the internal affairs of Central Asian nations; for example America interfered in the civil war in Central Asian nations like Tulip Revolution in Kyrgyzstan in 2005 and other past
revolution such as Rose Revolution in Georgia and Orange Revolution in Ukraine were brought under the gesture of America. America has tried to build intimate relationship with the five former Soviet Union members Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and Turkmenistan by its sponsored program of ‘Partnership for Peace Member’. America wants to stay in Kyrgyzstan at any rate. Its fine example is the American Manas military airbase. America has made three fold increases in the rent of Manas airbase when Kyrgyzstani government gave warning to close it. America thinks that Russia and China are the key competitors for the US in so far as energy interest is concern. It has old policy of America for strategic control to maintain strategic control over world wide resources. America is also controlled of this region through its policy of taking advantage of politico-strategic instabilities in the region.

It is claimed that the main globalistic objective of the US-led NATO’s intervention in Kosovo (1999) and its presence in Afghanistan and Iraq and expansion of NATO is a policy directed towards securing energy supply route from the Caspian to Europe. In this context, it may be noted here that it has been proved by Chilcot Commission (set up by the British Government for investigation of Iraq’s intervention in 2003) that there was no evidence of weapons of mass destruction (WMD) which was the key pretext for the invasion.
Further, China’s energy needs became just double within ten years and China has been forced to set close towards this region. It scrambled for ‘Pan Asian Global Energy Bridge\textsuperscript{54}, which tried to establish Turkmenistan, Kazakhstan, Russia and Iran Pipeline network for securing its energy demand. China’s contemplated pipeline network has the potential to bring about a significant strategic realignment in the region. Contrarily, Russia wanted to secure a pipeline which goes through troubled Dagestan and Chechnya as a result of the NATO intervention of Kosovo.

NATO’s intervention in Afghanistan (2001) seems to be a tactic to control Caspian region. Afghanistan’s geographic location is like a ‘check post’ to control the energy route from west Asia and Caspian region to South Asia or other parts of the world. Afghanistan joins the Pakistani coast on Arabian Sea, which reduce US dependency on OPEC. It seems that NATO’s intervention in Iraq (2003) and Afghanistan (2001), in post Cold War era is an attempt to construct a new enemy in the name of anti terrorism policy which has replaced ‘anti- communism’ policy during Cold War era. This seems to be designed for securing energy resources.

Today Russia, has emerged as a great energy player and seems to be forming an energy club’ with its neighbors. Today Russia - China relation has become very cordial- arms sale, settlement of border disputes, military training, trade investment and major energy deals, are some examples of this. Interests of both
countries seem to be coterminous. In 2001, both countries signed a deal for setting up an oil pipeline worth $1.7 billion, spanning around 2400Km), which would deliver 30 million tons of Russian oil to China by late 2010. With a great strategy Russia launched a new pipe line in Jan 2010 that connected Eastern Siberia to the Pacific Ocean (ESPO)\(^5\), mainly to counter ‘energy NATO’ policy which is trying to counter Russian hegemony in the supply of gas to European Union. It seems that Russia wants to bargain with Europe and great Asian consumers in the field of energy supply. Today, more than 90% of Russian oil and gas exports go to Europe and only 3% to Asia. But ESPO is not only able to ship oil to west Europe, but also towards Asia. Although, ESPO is not touching Chinese territory but China may be gaining more profits than any other country. Russia and Iran are trying to buy gas from Azerbaijan, which may be dangerous for the US supported Nebucco pipeline to Europe.

Lastly, we come towards the third greatest oil reserves of the world that is African continent. The curse of energy imperialism has impacted the region in the form of political control and encouragement for the emergence of authoritarian regimes.\(^5\) West Africa where the new discoveries are under way and production has been on the rise resulting in the flaring up of the competition. As the result, political instability has become very common in this region. For example, Nigeria, Sudan, Chad, Gabon, Mauritania,
Tihsia etc, are always in capture of dictatorships. MNCs play an important role in the domestic politics of these countries. For example oil MNC’s ElF and Total used this strategies in Cango (1999), against opponent oil MNC’s Pascal Lissouba with the political power of President Denis Sassou N’ Guezzo. So, African states have fallen under the same net of energy resources boundary, as that of the Persian Gulf states.

Gulf of Guinea has turned into a pleonastic battle field of energy imperialism. European powers, USA, China, etc. are playing the same game which exist in Central Asia and the Persian gulf region. French military troops for protecting president Bongo in 1991, maintain the presidency of Indriss Deby in Chad, in 2006, and Chadian crisis in 2008, are example of this. Africa has assumed great importance in US and Chinese foreign policy since 1990. The US wants to add another gulf, for securing its diversification of energy supplies.

The US is consuming over 25% of world total oil production with more than half of it imported. So, US has extended the war on terror policy into Africa, particularly to check rising rival powers, especially China. China which is, today the fastest growing economy of the world (10.6% GDP growth) cannot undermine the Gulf of Guinea. As the region’s affairs have directly affected the interest of both countries, it is creating global strategic challenges. As the result of these competitions, the democratic norms in the
region have been undermined and it creates grave security challenge through militarization. Thus, the larger question for Africa is “how the dominant and rising power can adjust each other in a global scenario”.

Before World War II, Africa had been under the clasp of western colonial powers. After World War II and in the Cold War era, Africa became a battle ground as Soviet imperialism began contending western imperialism. As a result, Angola, Mozambique, Ethiopia, Somalia, Congo and many other cold war theatres of war coloured the region. At the end of cold war, private companies offered to provide military and police services so as to preserve the legacy of the colonial state in return for resources. Foreign political and military support served the joint interests of foreign firms and weakened the rulers of those states to mere puppets. As a result of which most of them transformed into ‘failed states’.

Arms supplies, especially American and Chinese are weakening the agencies of the state which leads to the emergence of failed states. Failed states may be safe haven for terror networks, drug mafia and rampant political instability. These states cannot provide security for their citizens, who easily become prey to external interference. This continent had been under the European Command (EUCOM), Pacific Command (PACOM) and Central Command (CENTCOM). It was only meant for increasing the strategic geo-political and economic significance of the African

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region. Besides, America induced an exclusive Unified Command US Africa command in 2007\textsuperscript{61}. The reality behind the curtain seems to be American need to secure access to and procurement of oil from the region. The aim here is also to counter China’s growing influence towards oil and mineral resources in the continent. America has established a military base in Djibouti (Somalia) and intends to institute 12 such bases by 2010\textsuperscript{62}. These bases may project the US interest in the oil rich Nigeria, Equatorial Guinea, Angola and Gabon. America imports 33\% of the total oil produced in Africa which needs protection and guaranty of future supplies.

‘The war on terror’ policy of the US seems to have existed in Africa before 9/11. It began in Sudan in the 1990s, where Osama bin Laden launched an attack against Egyptian president Hosni Mubarak. This policy focused on mainly oil-richer countries (Sudan, Algeria, Nigeria, Congo, Gabon and Angola) or, those countries which from the oil route especially Horn of Africa. The Horn of Africa includes (Somalia, Eritrea, Djibouti) acts as a bridge for Middle East and acting as a check point of the oil route through (Strait of Bab-al-Mandab). Since 2002, United States has established ‘Combined Joint Task force for the Horn of Africa (CJTF-HOA) with 18000 troops. In 2006, America gave backing in the form of intelligence and material support to an Ethiopian invention of Somalia to dislodge a radical Islamic Government that
has captured power in the capital.\textsuperscript{63} Kenya and Ethiopia seems to be reliable junior partners of the US in its war on terror policy.

Since 1993, China has become oil exporting country, with a fastest growing economy it is today second largest consumer only after the US. Its primary energy consumption now stands at the fifth of the OECD total and the tenth of the world’s\textsuperscript{64}. So owing to all this, China moved into Africa for its energy needs.

China’s connection with Africa is multidimensional that contains economic, political and military aspects. It receives from Africa, about one third of its oil imports which is to the tune of around (9% of the total African oil exports). China’s 85% oil imports from Africa come primarily from five states- Angola, Equatorial Guinea, Nigeria, the Republic of Congo and Sudan. China supplies not only weapons but also political and liberal economic aids in exchange of oil. According to UN Report (2006), 3% of China’s total foreign direct investment [FDI] was pumped in Africa. During 2003-2004, China’s arms sales to countries like (Sudan, Ethiopia, Eritrea, Burundi Tanzania and Zimbabwe)\textsuperscript{65} was about 15.4% of all the conventional arms transfer to the continent. China’s view on weapons sales is that, it surveys as a means of "enhancing its status as an international political power and increasing its ability to obtain access to significant natural resources, especially oil."

China has also provided military training to its African counterparts. China is also involved in many

China’s step in Africa is creating new challenges to western regimes. Its investments on the ground in Africa, brings interference in the host countries’ domestic affairs. For example, China made an obnoxious participation in Zambia’s 2006 elections with many foreign firms getting directly involved in it. Most astonishingly, China’s ambassador even went to the extent of suggesting that Chinese companies might withdraw their investments should opposition candidate Michael Sata win.67

Exploitative investment practices, is going on time to time in many countries of Africa- Libya, Zimbabwe, Namibia, Sudan, Nigeria, Angola etc., civil war, military dictatorship and puppet governments has become the permanent destiny of the continent. Its reality only seems to be the war for resources’, in disguise of security, and development.

Moreover, globalization has clearly changed the energy game. ‘Seven Sister Cartel’ of western tool of controlling energy supply, is replaced by National owned oil companies like Gazprom
(Russia), Petrobras (Bolivia), Saudi Aramaco (Saudi Arabia) etc. Now, new players (especially China, India, South Korea) and new region (Africa, Caspian region) attracting our attention. The world’s fastest growing markets are in Asia, as a result of which energy imports is increasing rapidly. These emerging economies have virtually stormed the global energy scenario. IEA (World Energy Outlook 2008) estimated that roughly 43% of the total increase in global oil demand till 2030 would come from China and 19% of it from India. These economies are competing for influence in Middle East, Central Asia and oil producing parts of Africa, where western economies were already playing the energy game.

China, India and South Korea have invested too much money for energy supplies in resources rich countries which have netted Western companies. So, national passion for rivalry over resources undermines the rational international behaviour. For example USA rejected Chinese bid in 2007 for California based oil company Unocal.68

New ‘petro-politics’ of Russia, China and Iran, has emerged as a counterweight to American hegemony in the Persian Gulf. China has pursued the “going out” strategy in a wide range of oil producing regions, including the Central Asian region, West Asia, Africa and Latin America. This Chinese strategy of competing for access to hydrocarbon resources seems to challenge the rules based
international order for trade and investment in energy supply that the United States has long championed.

China’s presence creates complexities where America faces grave challenges. It stepped in Central Asia in 1997 with great game of pipeline politics, after the Americans entered the region. China involved in the Central Asian region not only for political reasons, but also for energy supplies. China is also trying through the means of Shanghai Cooperation to not only check Islamic fundamentalism at its northwestern borders, but also to get gains of energy grid from Caspian Sea. China sold ballistic missiles, sea and land based anti-ship cruise missiles to Iran. It also used ‘weapons policy’ with Pakistan and other African partners of America to frustrate its policy makers. This became very apparent after UN sanctions against the Taliban regime in Afghanistan (after 9/11), when China demanded evidence from the US Government that could prove Al-Qaeda’s involvement in the terror attacks. So, energy supply is not merely matter of supply and demand but it face power politics, balance of power as well as like price volatility, inventory build ups, spare capabilities, environmental issue and so on.

Today, Russia-China relations have reached a ‘honeymoon period’. This includes a set of agreements on political, trade and commerce, defence as well as border issues. The treaty of good-Neighbourliness, Friendship and co-operation\textsuperscript{70}, signed by both countries on July 16, 2001, has become a crucial land mark in their
relations. In 2002, for the First time in history, mutual trade reached $12 billion and continues to gain momentum, with an emphasis upon establishing oil and gas pipelines. An agreement to pipe 700 million tones of oil for 30 years (2005-2035) already exists and in 2010, ESPO pipeline further tended to promotes the economic ties.

Moreover, China is playing a great game to consolidate the support of not only Central Asian countries but also smaller countries like Sri Lanka, Myanmar, Bangladesh, African countries and the countries of Latin America, in its favour, through political, military and economic support. These supports create a kind of ‘block politics’ between the leaderships of China and America. Emerging China’s ‘peaceful development’ policy seems to remind the terrible notion of cold war. These competitions have significant implications upon the politico-strategic concerns of developing countries.

2.4 Energy Imperialism and its Politico-Strategic Scenario in South Asia

The question energy supply is more critical, than as to where its source is actually located. Today, the biggest strategic issue is neither related to the production of oil and natural gas nor is concerned with its high prices. Rather, the key issue is the politico-strategic challenge posed by both winners and losers, which tends
to have change the global oil and gas markets, especially the control of resources by national oil companies.\textsuperscript{71} Energy supply is a ‘zero sum game’, wherein every barrel of oil that one country gains is one barrel loss for another. This state centered perspective seems to have undermined the norms and ideals of international relations. The balancing of energy supply and demand is a complicated source of geopolitical tension not only in the regions of its supply, but other regions also become vulnerable to the threats of the politico- strategic instability. South Asia is one fine example of this.

South Asia is not only the player of energy game but also has become its prey. On the one hand, India’s economy is competing with the western or other Asian economies, but on the other hand its geopolitics is facing many political and strategic challenges thrown up by the energy supply game. Mainly, four factors are responsible for these challenges fast growing economies, geographic location, huge markets and the fact that major routes of trade and energy commerce pass through the Indian Ocean.

South Asian region is the second fastest growing region in the world after East Asia and the Pacific. GDP growth in 2007 touched 7.5% and in 2008 remained at 7% and this upward swing is expected to continue in 2010 at the rate of about 7% and contemplated growth of nearly 8.1% in 2011.\textsuperscript{72} This growth makes obligatory the competition for energy supply. South Asia is a
problematic area in the context of primary energy resources. South Asia region i.e. India, Pakistan, Nepal, Bhutan, Sri Lanka, Bangladesh, the Maldives and with Afghanistan, is a rapidly developing area. It is home to a quarter of the world’s population with the demographic strength of about more than 22% of world that is nearly 1.6 billion. This fact compels massive demand for energy.

South Asia contains only 0.5% of the world’s total oil and gas reserves. It accounts for nearly 4% of the total global commercial energy consumption. These commercial energy consumption pattern in 2000, consisted of 44% coal, 34% petroleum, 13% natural gas, 7% hydroelectricity, 1% nuclear energy and 0.1% others. However, there are important variations in the energy consumption pattern among this region’s economies. This will become apparent if we visualize the statistics for the year 2000. For instance, Bangladesh was dominated by natural gas consumption of about (68%), India relied heavily on coal approximately (53%), Sri Lanka on petroleum (78%), Pakistan on natural gas (45%), Maldives on petroleum (100%), Nepal and Bhutan on Hydro electric power.

Coal accounts for 44% of South Asia’s, energy consumption but its reserves is merely 15% of the world total and concentrated mainly in India. Indian economy has emerged as a major consumer of energy (second fastest growing economy of the world with 7.6% GDP growth in 2009). India is now trying to catch up with the pace
of the growth of Chinese economy and hence, for this it must also match the energy consumption pattern of China.

Much of the South Asian crude oil comes from the Middle East (63% world total oil reserves and gas from Central Asia. Although South Asia is having the privilege of being surrounded by an oil rich neighbourhood that consists of the Persian Gulf and the Caspian region, as well as Russia and ASEAN. But, owing to internal strife emanating by a divided home’ which breeds external interference from the major powers, these opportunities have become pointless. The politico-strategic environment is dominated by myriad of internal and external conflicts among the countries of the region. If Pakistan, Bangladesh and Afghanistan are facing perennial threats of Islamic fundamentalism, India is facing the burning internal security crisis generated by naxalite movement, whereas Nepal is facing the dormant perils of Maoism. It has become the curse of the region that one country’s internal problem tend to become the external problem of the other with both feeding upon each other in a vicious cycle. Besides, the region is flooded by territorial and border disputes, as well as fierce political and military competition. Above all, India centric character has resulted in the region always becoming prey to the balance of power politics. Many energy supply plans- Iran Pakistan India (IPI) Pipeline, Turkmenistan- Afghanistan-Pakistan-India (TAPI)
Pipeline, and from Myanmar (Myanmar-India Bangladesh) have been interrupted by mutual conflict.

So, South Asian nations are facing grave challenges for meeting their energy demands, not only from the resource rich regions but, also at home. Nuclear energy may be an option but it has become totally a matter of power politics which may inflict perilous repercussions for the security and stability of the region.

South Asia has been a witness to a unique character of interstate rivalries, competition and balancing. They have manifested in wars, state sponsored insurgencies and separatist movements. Due to all this, globalization flow has not been happening properly in this region. There is much of asymmetry in terms of size, population, economic and military strength among the members of the region which creates feelings of insecurity among the smaller countries. The smaller South Asian nations are always engulfed in the fear of the ‘big brother syndrome’ in the context of India. It is reflected in their approach of hostility, mistrust and suspicion towards India which opens the gate for extra regional powers to play the role of a balancer. For the major powers, there are clear geo-strategic, geopolitical and geo-economic interests that impel them to interfere in the internal affairs of the region.
South Asia is a long way from becoming a unified and coherent region. There are a very few connections among the region’s countries except for SAARC. Although, SAARC celebrated sixteen summits as well as ‘Silver Jubilee’ in Thimpu, the capital of Bhutan on 28-29 April 2010, with the declaration 'Towards a green and Happy south Asia' but the reality is not very rosy. The hostilities emanating out of the vexed Indo-Pak dyadic contest seems to be the main problem. But, the role of external powers in exasperating the morass cannot be undermined.

After the end of Cold War, the west does not really intend to treat South Asia as a coherent entity and has attempted at cleaving the region into two geo-strategic, economic regions. First is Western South Asia with Afghanistan Pakistan and India and second is Eastern South Asia with Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka. Today, the west is intensely focused especially on Western Asia. The global war on terror policy with prospects for creating an inherent safe route for Caspian region’s energy supply, India’ significance magnified by an attractive economic growth, the accomplishment of the task of balancing China and the strategic importance of the area making it the priority for the west. So, the countries of Eastern South Asia are being consolidated by China by its 'string pearls policy’ with the goal of countering the western and Indian influence in the region; which creates the security concern in the region.
South Asian geography affects the interest of major powers. South Asia can be well defined as a distinct geographical region consisting of the Karakoram, Hindukush and Himalayan ranges in north, Chagai Mountain in west and Himalayan range in east, and a long coast line in south. It is bounded also in the north by China, Tajikistan, Uzbekistan and Turkmenistan, and Afghanistan on the west lies Iran and east by Myanmar.

Thus, South Asia lies on the junction between South East Asia, the Middle East and Central Asia. These are always sensitive and strategic regions of the world. It also provides access to the Persian Gulf as well as the south eastern side. It further provides an access to Malkka Strait. It is a region that lies between the sea route of Indian Ocean (Persian Gulf and Asia pacific) and the land routes of Central Asia, connecting Europe to east. So, this region is always in the clasp of the notorious ‘balance of power game’ and 'divide and rule’ policy. It is a large reservoir of natural and human resources, making it a prime destination for finance capital and a lucrative market for trade and source of cheap raw materials. Copper, manganese, cotton, tea etc., make the region an attractive destination in the age of globalization.

Major Powers, especially USA, China and Soviet Union (Russia) are always present directly or indirectly in this region. This created many challenges in the region, like arms race, military alliance, nuclearisation, security concerns etc. Since independence,
South Asian nations had been caught in cold war politics and Indo-Pak wrestling tended to promote it. Pakistan, which is always a trans-national security state, easily became prey of the American regime. Pakistan adopted a military approach supported by the US to counter India. It was attached with US sponsored military alliances of SEATO and CENTO, in the pretext of checking communism.

The ‘Mutual Defence Assistance Agreement’ (1959), between US and Pakistan, was the first major and dangerous step of America towards militarizing the region. India which followed a policy of non-alignment, always tried to balance its relations with America and Soviet Union. But at the end of 1950s it was challenge by the heightening of Indo-China tensions. “The 1960s altered the situation in the aftermath of Sino-India war (1962), changing the US policies towards the region, aggravating the perceived fear of joint US and USSR encirclement. Besides, China came to look upon Pakistan as an only reliable partner in South Asian region’”77 China played the ‘India card’ policy dexterously and Pakistan took little time to follow the opportunity. As a result, the Karakoram Highway (1963) was built by China in Kashmir to link its territory. In the 1960s, the relationship between China and Soviet Union had turned into bitterness. Soviet Union followed the policy of encirclement of China by promoting close relations with India, Iran, Vietnam and
Afghanistan. It also proposed the formulation of an ‘Asian defense pact’ (1969) to counter US hegemony.

Soviet Union supplied arms to Pakistan (1968) with the intention of breaking Pak-China-US axis. As a result of this, there emerged the China- Pak-US alliance to counter Soviet ascendancy. Pakistan played a major role in the evolution of China-US relations. Pakistani president, General Yakub Khan, facilitated President Richard Nixon’s 1972 visit to Beijing. The 1971 war between India and Pakistan was mainly the product of the balance of power game because China, US and Soviet Union, rendered open support to their respective allies.

When Soviet armies crossed the Amu Darya (Oxus River) and entered Afghanistan (1979), Pakistan became a favourite regional surrogate for the US. The United States, supported Pakistan, when General Zia-ul-Haq introduced Islamic Sharia law; encouraged the development of Madrassa (school with religious teachings) and Islamized the Pak army and ISI. The US, heavily equipped the mujahidin, which ultimately helped them to force Soviet Union’s withdraw from Afghanistan. Many of these well armed and religiously inspired mujahidin get involved with the Islamist Jihadists of today, which have Taliban and Al Qaeda associations.

China supported Pakistan with advance weapons as well as nuclear technology, as a result of which nuclearisation of South Asia has been fostered. China started many provocative steps to
counter India’s influence in the region. These included: arms supply to India’s neighbors like (Nepal, Sri Lanka, Maldives, Bangladesh, Myanmar), rendered political support to anti-Indian regimes (especially in Nepal, Bangladesh), and helped them develop other infrastructures which created security threats to India, for instance, Kathmandu- Lhasa Highway, Karakorum Highway etc.

When the cold war ended, major powers gingerly and slowly began to experiment with their new South Asian policy. American hegemony has dominated the region but the developments in the 1990s such as the nuclear test by both India and Pakistan, rapid expansion of the economies of India and China, massive upsurge of different forms of terrorism etc.), changed the tone of American hegemony. The rising Chinese power and strengthening Sino-Russian relations tended to create threat to American interest not only world wide, but in this region also.

Now, America’s strategy seems to focus on promoting India as a ‘balancer’ against Russia and China. In this context, we can take into cognizance many American steps like -‘Defense Policy Group’ (1995), ‘Next Step in Strategic Partnership’ (1995), Malabar exercise and recently 123 Agreement. India’s security concerns have also been amplified due to the Chinese activities in the region. After Kargil crisis (1999), The US is not supporting Pakistan to counter India. Rather, it is attempting to counteract
Chinese influence in this region which seems to be clearly anti-Indian. China has always feared that India continuously attempts at ally with major powers to counter China. In the Cold War era, it allied with Soviet Union and now it is allying with the United States. So, China has accepted India as a rival.

According to the US Strategic Institute report, Pakistan remains one of the major importers of Chinese weapons. Both countries have signed ‘memorandum of understanding’ to institutionalize their annual security talks. China seeks to maintain relation with countries rather than regime, so its relation with Pakistan, Bangladesh and Sri Lanka always has charged as tension to India which believes in democratic and humanitarian norms. China follows the policy to oppose hegemony in any form, power politics and interference in its internal matters. It also draws the attention of smaller states of South Asia to forge closer ties with it.

China is one of the few countries which supported (with arms and economic aid) those countries which are facing international isolation due to their poor human rights records and which are having military rule or authoritarian government. It further wants to improve relations with its neighboring countries with an aim to produce and international environment that would protect China’s long term modernization and security interests. In this connection, West Asia, South Asia and East Asia are its major concerns.
In contrast to China, America wants to protect its interest by ‘war on terror’ and indulgence in the balance of power politics. So, both major countries of the region, Pakistan and India are of prime importance for America, Pakistan for ‘war on terror’ and India for creating a strategic balance in the region. For Pakistan, United States is like a handy milch-cow which can be episodically milked to extract billions of dollars of aid and advanced military equipment. The latest instance being the Kerry-Lugar Bill (2010), that seeks to provide an aid worth $ 1.5 billion under the category of non military assistance per year for five years. In addition, military assistance will be $ 3 billion per year for the next five year\(^7\). But Pakistan is not very sincere towards America’s aim of destroying Taliban and the Al-Qaeda. So, America wants to withdraw from Afghanistan as soon as possible. America is trying to conceal its failures in Afghanistan by fabricating a difference between the Good and Bad Taliban. In London International Conference on Afghanistan 2010, which was held by Lancaster House, welcome to Taliban in participation in government, in this way, $ 1.5 billion proposal prescribe. Pakistan’s role in this bargaining ‘as a mediator’ is an interesting issue of debate. Website ‘wiki leaks’ reveals the reality of Taliban’s re-emergence in Afghanistan. On 26 July 2010, with the title ‘War Longs’, the website clearly announced that Pakistan and Iran are supporting the Taliban and America seems to be helpless in checking this.
This American helplessness is the same as its helplessness to Iran’s nuclear issue. Pakistan’s policy is gradually becoming China-centric not only because of the India factor, but also to balance its fear of extreme coercion by the United States.\(^79\)

Today, Sino-Indian relations present a complex picture of competition and co-operation. On the one hand, their bilateral trade is nearing about $ 60 billion dollar with close economic ties, but on the other hand their unresolved boundary dispute (4000 km north border, 43000 sq km of Jammu and Kashmir territory, 90000 sq km other territory of India with the whole state of Arunachal Pradesh)\(^80\) and an inherent hostile relations with India’s neighbours (Sri Lanka, Pakistan, Bangladesh, Myanmar) to contain India; creates a temporary relation.

As we know, South Asia is situated at the shore of Indian Ocean, the world’s third largest body of water which already forms center stage for the trade and energy route. The Indian Ocean region encompasses the entire arc of Islam—India, Bangladesh, Malaysia, Indonesia as well as Somalia, Yemen, Iran and Pakistan—constituting a network of dynamic trade as well as a network of global terrorism, piracy and drug smuggling. It provides the route from Indian Ocean to Pacific Ocean and links with Arabian Sea. Thus, it combines the centrality of Islam with global energy politics. The energy trade from the Persian Gulf, Central Asia and even the Gulf of Guinea, mainly depends on the Indian
Ocean. For non-littoral powers, the Indian Ocean has always been an important transit point: Russia wants maritime transit between Europe and Eastern Siberia as well as energy supply towards East Asian powers, especially China and Japan. (See the map for strategic importance and trade route).

*Strategic View of Indian Ocean*
For Europe and the US, it provides not only trade route but a strategic back door in the Persian Gulf. The Yemen crisis (1975), Iraq-Iran crisis (1979-81), and operation Iraq Freedom (2003) etc. have proved the importance of Indian Ocean and indicated that there is no alternative to this route.

During the Cold War, the Pacific and Indian Ocean both were like the US lakes. But, now the US feels that such hegemony will not last and it is necessary to seek to replace it with balance of power arrangements. The US military has been present in Diego Garcia since 1966, for helping to secure vital choke points in the Indian Ocean. CENTCOM has been the main presence in many military operations, like-The Persian Gulf war, Afghanistan War (2001), invasion in Iraq (2003) etc. Although the US imports only 22% of Oil from this route, but Indian Ocean is important for the US as a trade route. As China’s economy is expanding, it seems to pose a threat to the US for its interests in the Indian Ocean.

Indian Ocean is a matter of critical importance for Chinese supply route because China’s 60% oil comes from the Persian Gulf, with imports from ASEAN and African continent, its figure has reached more than 85%. So, it is the essential need for China to maintain not only supply but supply route also. For this, China on the one hand modernized its navy and on the other hand made hard encirclements of the critical choke points for the oil route. Chinese
threat perceptions in this regard are not merely from America or Japan, but also from India.

The US and China, seems to play the game of balance of power in the Indian Ocean. On the one side America is trying to check China’s hegemony with the help of close strategic relation with Australia, Japan, Singapore, South Korea, India, Pakistan and Afghanistan; and the US wants India to play the role of its junior partner and China wants to ally with, other smaller countries, like Pakistan, Bangladesh, Sri Lanka, Maldives and Myanmar. Emerging China in Asia seems to have become the challenger of the US as ‘world hegemon’. So gradually the US is feeling that India and not Pakistan is the power of future in Indian Ocean. So, according to it, only India has strength to balance China’s rise. The impact of the growing ties between China and Pakistan upon American interests seems to have force broad strategic relations with India. The civil nuclear co-operation (123 agreement) between India and the US, probably seems to be the immediate counter reaction by the US to Chinese offer of eight nuclear reactors to Pakistan within ten years.\textsuperscript{81} South China sea, which links China with the world and it is the centre of economic life of China; is the main tension between the US and China in Indian Ocean. The United States of America does not want China to dominate in China Sea. So, it is strengthen its strategic partnership with Vietnam in South China Sea and South Korea in yellow China Sea.
The US probably wants to prepare India as a great military power in the Indian Ocean. It may be the major factor behind the Indo-US nuclear deal, because without first bringing India ‘into a nuclear tent’ it was difficult for the US to support and build India as a major power in the Indian Ocean with ballistic missile technology, anti-ballistic missile and space technology. The US is also supporting indirectly in technologies transferred to India through Israel. Phalcon AWAC, ABM system, Arrow-2, Arrow-3 (both are ballistic missiles), Orion P-3C maritime reconnaissance aircraft are fine examples for this. The deepening military to military relationship is just as important as technology transfer with inter-operability and intelligence. Owing to the ten year defence agreement signed in 2005 between India and the US, quadrilateral (India, Austria, Japan, US) military exercise is going on in the Indian Ocean.

Indian concerns about the growing Chinese presence in the Indian Ocean are considerably promoting Indo-US strategic partnership. India seems to be feeling encircled by China not only on the land but also around the sea. China has adopted the 'string pearls policy' for the Indian Ocean, to set up a series of ports along the Indian Ocean’s northern seaboard with the help of friendly countries. In this regard, China is building the Gwadar Port in Pakistan, Hambantota in Sri Lanka and Chittagong in Bangladesh. China has succeeded in establishing telemetry (intelligence
networks) facilities in Myanmar’s, Great Coco Island and in Maldives. It is selling weapons to India’s neighbours Pakistan, Myanmar, Sri Lanka, Bangladesh and Maldives. China seems to be engaged in a war against India but not with weapons, rather, through arms transfer especially to Pakistan.

China’s view on India is similarly ambiguous to what India’s view is on China. China seems to fear the cutting of energy supplies, during the time of rising tension or actual war with India or the US.\(^{82}\) So, China sees itself as a possible long-term competitor to India in the Indian Ocean and it wants to protect the energy and trade route, in the best possible way. India’s naval base in Karwar in Goa and Andaman and Nicobar archipelago may stop the route during the time of tension. So, China has been compelled to go to Gwadar in Pakistan near the Strait of Hormuz. Gwadar port may provide an alternative strategic route through Karakoram Highway to China. The Karachi port may easily become the target of India during the time of tension, so China developed Gwadar as an alternate which would also survey the purpose of monitoring the traffic through the Strait of Hormuz. Through the Maldive, Myanmar and Bangladesh, China may monitor the US, India and other powers. It is also ambitious formatting up of a canal across the Isthmus of Kra, in Thailand to link Indian Ocean to China’s Pacific coast. Modernization of China’s navy and testing of the ‘anti-satellite missiles, creates new challenges for the region.
These activities of China seem to unnerve India. Threatened by China’s rise India also wanted to expand its naval presence that would span around Mozambique Channel in the west to South China Sea in the east. India has been establishing naval staging posts and listening stations on the island nations of Madagascar and Mauritius and even having military relationship with them. India wants to modernize Chhabahar port of Iran which may counter Gwadar port’s strategy of China-Pak, because it is only 72 km. away from Gwadar. This port will provide opportunities to India for establishing direct contact with Afghanistan and Central Asia. This port may end Pakistan’s option for getting connected to India and Central Asia. India already has developed Jarang-Delaram Highway which will link Chhabahar through Milak. Iran is developing Chhabar Milak link road with India’s economic support. If Gwadar provides the monitoring opportunity of Arabian Sea to China, Chhabahar may provide the same opportunity to India in the Arabian Sea. India is trying to establish close economic and military relation with Republic of Seychelles, for securing strategic position. India is giving priority to relation with whose countries which are threaten by emerging Chinese power. Through its look east policy, India is balancing China with the help of closed strategic and economic ties with Singapore, Japan, South Korea, Malaysia and Vietnam. So, India’s ‘look east policy’ should not only be analyzed on the basis of its economic dimension, but it
must also be viewed as an alternate of China’s 'string pearls policy’.

2.5 Conclusion

Thus, we can say that twentieth century ‘energy imperialism drama’ has not ended owing to the limits of time, rather, it has continuously persisted and globalization also seems to have provoked it. In the epoch of globalization, energy diplomacy has become more intrigue where friends and foes cannot easily be identified. Today, there is no one country that is capable which control energy tactics. In first ten ranking of oil companies, eight of them are nationalized. This means that in near future energy supply will no longer be under the control of IOCs, as like ‘7-sister’ control in past. Saudi Aramco (Saudi Arabia), PdVSA (Venezualla) Petrochina (China), NIOC (Iran), NIOC (Iraq), Gazprom (Russia), Petrobras (Brazil) and Petronas (Malasia) seems to act like new “8-sister”. African countries, Mexico, Central Asia, Russia, Venezuela, etc is emerging as a new supply regions and India, China, South Korea, etc. are emerging new player of energy game. Russian energy domination and Russia-China-Iran axis have changed the energy supply strategy. New power balancing allies seems to emerge in new scenario of energy game.

Today a politico-strategic factor, in the sphere of energy game, seems to create more dangerous form of imperialism. It
captures not only the supplier but the supplies route also. Political and military support seems to be used for oil and gas supplies which seem to veil human rights violations and authoritarian regimes. It appears that today dual containment policy or ‘isolation’ is not relevant. High militarization of the energy route can change the form of energy imperialism in times of tension or actual war period.

Weaponization of energy supply is creating new politico-strategic challenges in different parts of the world and South Asia is not an exception to this. The nature of South Asian geopolitics has made it an essential part of the energy game. This region seems to have become the prey of energy ‘imperialism both by invitation’ as well as a natural course of action. The pattern of energy supply in this region favours cooperation rather than competition. On the one hand, South Asian countries compete for energy supply in the supplies region and on the other hand also seem to become a prey of the balance of power game indulged in by the major powers. India, China and Pakistan all seem to be involved in balancing relationship in the region. Pakistan is looking towards China and India seems to be looking towards the USA. It is not only Japan, but India also seems to welcome the US in the Indian Ocean. Divided South Asia seems to be becoming a prey of the politico strategic challenges of energy imperialism.
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