

Prospects of Pipeline Projects for South Asian Energy Security



Surendra Kumar

Guest Faculty,
Deptt. of Defence & Strategic Studies
S.P.M. Government Degree College,
University of Allahabad, Allahabad

Abstract

In the Modern era, life is inextricably linked to natural resources. Stable and continued availability of energy resources are the lifeline of developing economics. Sustained and advanced regional initiatives and innovative economic approaches can protect the environment and promote regional peace and prosperity. The subject of energy resources for regional cooperation runs into several questions aimed at understanding the changing nature, scope and dynamics of regional relations.

Ever since the emergence of energy resources as a strategic factor in global politics or the access to and for the control of energy resources has become a major factor not only in acquiring national power but also international authority as it is a major component of economic growth. Therefore, it is energy security that has triumphed over the national security of socio-economic aspirations of the people. It is energy security that is affecting the overall mutual relations at bilateral, regional and global fronts by guiding all geo-political, geo-strategical and geo-economical activities with forces on 'Energy Security'.

Keywords: Energy Security, Geo-Economical, Socio-Economic

Introduction

In the Modern era, life is inextricably linked to natural resources. Stable and continued availability of energy resources are the lifeline of developing economics. Sustained and advanced regional initiatives and innovative economic approaches can protect the environment and promote regional peace and prosperity.¹The subject of energy resources for regional cooperation runs into several questions aimed at understanding the changing nature, scope and dynamics of regional relations.

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Aim of the Study

In the modern era of globalization and on going geo-economic and geo-political activities the whole South Asian States have some common vulnerable interest that must be protected, preserved and promoted with common effort for the peace, prosperity vulnerable national interest that has socio-economic and political impact as well is 'Energy Security'

In the modern era of globalization and on going geo-economic and geo-political activities the whole South Asian States have some common vulnerable interest that must be protected, preserved and promoted with common effort for the peace, prosperity vulnerable national interest that has socio-economic and political impact as well is 'Energy Security'. In the wide sense there are many aspects of energy security. Firstly, it involved security from the vulnerability to oil supply disruptions. Secondly, it pertains to the proper functioning of the international energy system to ensure supplies to at reasonable prices in order to meet the rising demands. Thirdly, the productions and use of energy resources must be environment friendly and promote sustainable development. Finally, the security emanates from the real military and terrorist threats. Thus, aspect having direct bearing on 'Energy Security' are:

1. Geopolitics and supply/market availability.
2. Price which should be reasonable to both exporter importer.
3. Environmental issues limiting carbon emission through efficient

& choice of environment friendly fuels”³

4. Real military and terrorist threats.

As per the above aspects of Energy Security, some important questions arise-

1. Given the current dynamics and composite dialogue between India and Pakistan, how can regional leadership except a win-win geo-economics?
2. What is the role of energy resources for regional economic cooperation?
3. What are the prospects and implications of regional energy projects?
4. Give the various security threats haunting the region and the presence of extra regional power, how easy and efficient energy exporter importer arrangements, i.e. energy transfer routes be drawn up and finalized?

As per the above to ensure the energy security as “India being presently the sixth largest consumer of oil and gas and with its enhanced rate of economic growth of 7 to 8 percent will require more energy to maintain its economy in the growing path and for over all economic stability in the country.”⁴ Therefore, India will have to develop a comprehensive policy for energy security of its own as well as of the whole South Asia. This South Asia region do not have sufficient oil and gas reserves to fully meet its energy requirements, so we have to look towards regions abundant in energy resources like Middle East, Control Asia, Russia, South East Asia especially Myanmar etc. that are adjacent to the South Asia.

Thus we have again rely on Nehruvian concept of extended neighbourhood. To quote Nehru again “India is very curiously place in Asia, and her history has been influenced a great deal by the geographic factor plus other factors. Whichever problem in Asia you may take up, some how or the other India comes into the picture.....She cannot be ignored also because of her actual or potential power or resources.”⁵

This geo strategic central position of India in South Asia had been consolidated by British during their colonial rule. Recently, the energy security compulsions have give a fresh approach towards its extended neighbourhood in South Asia. Therefore, a shift in the bilateral as well as the regional relationship has been started from conflict to cooperation as a part of new geo-strategic and geo-economic vision for better opportunities of peace, prosperity and security in the region.

The macro picture of whole S.A. shows that the economic growth, especially of India, Pakistan, Srilanka & Bangladesh are emerging and the implications for energy decisions extending several decades into the future. The momentum that higher rates of economics growth have created since liberalization and globalizations began in 1990s will ensure that the demand for energy in the future will grow faster than anticipated. Economic growth will be critically dependent on adequate supply of energy and energy security issues would be come to the fore as our security issues would come to the fore as our dependence on energy imports grow to alarming level.⁶

More over, the Compulsions of sustainable development and the Qyota Protocol 1997, reveals

that in the years ahead we have to cut the consumption oil and coal that emit much carbon in the atmosphere. Therefore the S.A. will not only need more energy resources but also such resources that emit less carbon in the atmosphere and are and competent price against coal and oil, one such source is ‘Natural Gas’.

Natural Gas is more cleaner and environment friendly fuel and is commercially viable, cost effective and easy substitute of coal and oil. This projection shows that it will be used extensively in the nearest two decades especially in Power sector and fertilize.

Negotiation over possibilities of various pipelines projects had already came under consideration in S.A. Some Important Projects are :

1. Turkmenistan Afghanistan Pakistan (TAP).
2. Iran-Pakistan India.
3. Myanmar-Bangladesh India.

Interestingly the Pakistan is in a geo-strategically important location in the first two projects. Its proposed pipeline on land by BHP of Australia and underwater by Gazprom of Russia transit through Pakistan’s territory And Pakistan will be not only benefited with transit fees \$ 600 billion but also receive cheap gas. Moreover, the three prime reservoirs of oil and gas viz. Apsheran trend oil and Gas filed, Dauletaba Gas Field and South Pars field with these proposed gas pipeline would able to fulfill the needed of South Asia for a good 30 to 40 years.⁷

Geographically TAP is the earliest, down through western Afghanistan and Pakistan into South Asia. Politically the Iranian pipeline is the simplest because there is no turbulent Afghanistan in between and we will also dealing with one less country. Similarly, The Myanmar Bangladesh India Gas pipeline will being South East Asian gas to South Asian giant India whose gas demands are increasing fastly. His gas line has been termed a ‘win-win-win’ opportunity for all concerned, with Myanmar gaining access to new markets. Bangladesh earning transit fees and India quenching its ever-increasing thirst for energy.⁸

While Myanmar is estimated to have abundant natural gas reserves, India is already facing a massive shortfall in supply the gas in question would be transported from the off shore shwe fields in the Arakhan provience of Myanmar. The route of the pipeline to be decide on the principle of “ensuring adequate access maximum security and optional economic utilization mould most likely pass through the Indian states of Mizoram and Tripura entering Bangladesh at Brahmanbaria and crossing over into West Bengal through Rajshai border.⁹

Further, over Iran-Pakistan India, Pipeline projects all concerned countries have been debating on various issues and came with various memorandum of understanding. This pipeline will be 2500 km. Long and will run 1000 km in Iranian territory, 800 km over Pakistan and 700 km in india.¹⁰ With this project including Pakistan and India, directly or indirectly whole S.A. will be benefited. India will get “annual supplies of five million tones for a good period of 25 years.”¹¹ Recently an agreement has already been signed between Iran and Pakistan with this Pakistan will get gas at Iran Pakistan border at

cheaper rates \$ 4.93 per cubic meter. However, for India when it will reach to Indian borders it will become expensive approximately \$ 6.5 per cubic meter.¹² Indian foreign minister Mr. Pranab Mukherjee has visited Iran and discussed this issue so that gas prices for India may be bring down up to 30% because it is a long period (25 years) agreement. Although it is an unaecomplived project but hopes are positive with this foreign delegation visit of course there are restraints and constraints in the may of these dream projects to come to reality, the prominent one are:

1. Security concerns
2. American pressure
3. Capital investment

India his serious security concerns with this pipeline because of its long time hostility mistrust and rivalry with Pakistan and latter's support to terrorist organizations against India. "There is sever mental block in India against being dependent in any manner on Pakistan and there is similar in Pakistan about India."¹³ India fearful, how could Pakistan be entrusted with a resource whose blockade would devastate a dependent Indian economy? What if Islamabad turned of the tap? Therefore India has put some conditions with these projects. India is demanding a transit rights that would enable speedy transfer of goods to Central Asia and Europe through a land corridor that could allow goods to transit through Pakistan-Afghanistan and Iran on the central Asia and Europe. India's another conditions is that Pakistan should grant Most Favoured Nation (MFN) Status, which India has already granted to Pakistan.

But Pakistan has rejected these preconditions. However, attitudes in Pakistan is softening, Pakistan's the then petroleum minister usman Aminuddin said, "Pakistan mill give security because the projects are beneficial for the entire region."¹⁴ Similarly, K. Subrahmanyam, Chief Security Advisor of India says", there should be no problem as ling as supplier is firm and Pakistan is told that if it interferes with the supply its own supply will also be stopped.¹⁵ Thus it would be appropriate for all concerned countries tom mount a track 2 initiative in studying the contractual, structural and institutions arrangements for a secure system that kinds all the stakeholders with these projects.

Another important constraints in the may of his project is the American oppositions and Chinese pressure. America has serious difference with Iran oner Nuclear Issue and in US perception such project would help Iran's economic difficulties. America is also cautions that if such projects succeeds it would not only reduce its access to the energy resources rich areas of central Asia Caspian sea belt but will also weaken its control over global energy market. The prime example of his might be the Baku ceyhan pipeline that has been constructed with spending millions of extra costs to avoid unfriendly Iranian terrain. This might be proved costly and unviable as against the cheap Iran-Pakistan India pipeline and TAP pipeline. This would greatly undermine us strategic leverage on energy politics.

It is alleged that India and Pakistan are under US pressure especially India after its nuclear deal with US. But with vital energy, trade

manufacturing and security interests connecting Iran and CA with S.A. giants Pakistan and India have an overhelining stake in resisting US pressure that seeks to inhabit these projects to become a reality. The US fear is also a misereation because the US has never taken any action against its allies including France, Italy, Japan who are already active in the oil and gas sector in Iran in various projects e.g. "Japan, Washington's trusted ally, has decided to put \$ 2 billion into developing Iran's Azdegan oil and gas fields."¹⁶

Capital investment and costs of these projects is another major constraints for financially meak S.A. countries. According to an assessment only Iran Pakistan India pipeline will require \$ 22 billion. Thus to meet such financial requirements and the capital investment S.A. countries must open up their energy. Sector for private sector investment to both home private sector and that from abroad. At present India private sector with the stream of modernization and globalization is growing and gaining confidence. The only hurdle in the way of capital and financial investment is an American law (Iran Libya Sanction Act) that require action against those who invest more than \$ 40 million in Iran gas fields.¹⁷ But in recent visit to Iran, Indian foreign minister Mr. Mukherjee reiterated that India is a sovereign country and India's relations with Iran and America should be looked separately. Thus, once the first tow constraints are overcome then the domestic as well as global players of energy sectors would come and take the financial, structural and technological challenges of these projects to make than reality because these projects are economically good and viable.

The proposed pipeline projects are of strategic and economic importance and will bring peace prosperity and security in S.A. region. These economically viable projects has the capability to redesign their mutual as well as regional relations from estranged to engaged economic relations with enhanced energy cooperation trade and commercial links. The constraints must be overcome through improving bilateral and mutual relations for people's benefit, prospective and security. The serious security concerns must be met out through creating mutual stake holding and proper arrangements of guarding etc., and all concerned countries must show strong political will and commitment for their common national and regional interests to face the US pressure and oppositions and make these projects become reality. The capital and structural problems could be met by inviting and cooperating with private companies of energy sector.

Conclusion

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