

Energy Security in South Asia: Can Interdependence Breed Stability?

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Key Points

South Asia is projected to play a major role in global energy markets over the next several decades, with India alone expected to become the world's third largest importer of petroleum by 2030. Satisfying the region's growing demands will require a heightened degree of energy interdependence among historically antagonistic states. Consequently, like it or not, regional leaders will face a tradeoff between traditional desires for energy self-sufficiency and the ambitious development targets that they have set for themselves. Achieving such growth, therefore, requires that India, Pakistan, and the other countries of South Asia first address the persistent international disputes that hamper cross-border energy trade, establish effective control over presently ungoverned areas, reorient the missions of military forces to some extent, and develop a better understanding of the effects that energy interdependence will have on broader relations with neighbors.

From the U.S. point of view, understanding the multifaceted causal connections that exist among economic development, energy supplies, and security and stability, and how these dynamics are likely to affect South Asian states' decisionmaking, may provide points of leverage with which policymakers can shape behavior on a wide range of issues affecting U.S. objectives in the region.

South Asia's Rise

Despite possessing nearly a quarter of the world's population, South Asia has long been a backwater in terms of global economic clout, accounting for less than 3 percent of worldwide gross domestic product (GDP). In the last two decades, however, the economic stagnation that has historically characterized the region has been overcome, thanks to significant policy shifts, so that the subcontinent is now the locus of some of the fastest growth in the world. India has led the way, averaging over 8 percent real growth over the last 5 years, but Pakistan, Bangladesh, and Sri Lanka have also been sustaining rates of 6 percent or more since 2005. The rise of South Asia in general and India in particular as a force on the economic scene is now almost universally recognized.

On the other hand, apart from the caution expressed by development economists about energy availability as a potential constraint on the continuation of these trends, there has been relatively little attention to the impact that the South Asian boom is likely to have on international energy markets. The dominant focus in global energy assessments has traditionally been on the major hydrocarbon suppliers—especially those in the Persian Gulf—and the developed countries that historically have accounted for the vast majority of energy consumption. More recently, China's role has been widely noted,¹ but South Asia has received considerably less attention. Yet South Asia will be an increasingly important player in this market. The International Energy Agency (IEA) projects that energy demand in the

subcontinent will grow at more than double the worldwide rate over the next several decades. India will probably be the world's third largest petroleum importer by 2030.²

As they come to account for a greater share of energy demand, the South Asian states will also likely play a greater role in the politics of global energy security. Conversely, energy security considerations will also begin to exert greater and more complex influence on political-military dynamics within the region. The impact of South Asia's energy future upon the region's politics, military relationships, and stability could be far-reaching and pose some basic choices for national leaderships.

Strategic Prisms

The issue we now call energy security has been a matter of concern to national security strategists for nearly 150 years. Over time, the prisms through which the subject is seen have become increasingly sophisticated as the role of energy in daily life has grown. It is possible to identify four such strategic prisms, differing from each other based on how energy resources are used: to support military forces, to support military industry, to support national civil economies, or to sustain the broader transnational economic system.

The narrowest way of thinking about energy security from a political-military perspective is in terms of energy requirements for *military forces themselves*. This was how energy first became a matter of interest to strategists, starting with the increasing predominance of steam-powered