



## Sigur Center for Asian Studies

THE GEORGE WASHINGTON UNIVERSITY

### **Energy Security in Asia and Eurasia: Are States Choosing Nationalism or Globalism?**

Asia's need for energy resources has sparked new debates involving energy security within rising powers in the region. Increased economic development has pushed these countries to consider new strategies for energy procurement in the 21st century. Key Asian nations have invested in renewable energy sources in an effort to diversify their energy assets as well as to fuel their expansion in the coming years. But traditional sources for energy, mainly petroleum, are still tremendously important. Some analysts fear energy conflicts could develop out of countries' desires to lock down supplies of petroleum outside of Asia.

[Experts in the fields of energy, political economy, and Asian security recently met](#) to discuss their new book, [Energy Security in Asia and Eurasia](#), co-edited by Mike Mochizuki and Deepa Ollapally (Routledge, 2017), which provides case studies on the major players in Asian energy security. The book delivers analysis on the trends of aspiring and rising powers in Asia to satisfy their energy needs, and whether these demands will mold into nationalist, realist, or market oriented globalist policies towards energy security in the future.

### **Political Economy**

Tackling the political economy realm of energy security, Robert J. Weiner began by addressing energy procurement in a market setting. He explained the extent to which nations rely on the market in addressing their energy needs: if nations lose faith in the global market, they may turn to nationalist resource policies to protect

themselves. This issue is particularly pertinent in Asian resource-poor nations (i.e., those countries that consume more energy than they produce domestically) like China. In 2014, China surpassed the United States as the largest oil importer. Weiner explained that to secure their need for oil, China has purchased overseas oil fields, a practice common in the global market.

The practice of buying petroleum fields, not just barrels of oil, raises questions for those interpreting China's energy security, namely if countries like China are competing unfairly when buying overseas petroleum. Although this strategy is not revolutionary, it is relatively new in Asian countries like China. However, Weiner's extensive analysis of transactions and purchases of oil fields, laid out in the book, revealed little evidence of China competing unfairly in this marketplace.

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## **Domestic Factors in China**

Robert Sutter analyzed the domestic debate and factors leading to China's energy security policy in 2017. He made note of the relative adolescence of China's procurement strategy, having only become a net importer of oil in the 1990's. Previous policies under Deng Xiaoping emphasized developing light industry and kept China from becoming heavily dependent on oil. China's more recent expansion into the heavy industry sectors has at times left China starving for increased energy inputs. This led to 2004 brownouts in many Chinese cities, and manifested an internal debate on the direction of China's energy security, Sutter explained. Some questioned China's lack of a central energy ministry and the administrative organization of China's energy sector (senior oil officials belong to China's Communist Party ranks). A later debate focused on China's energy conservation and efficiency which led to an increased stake in renewable energy. But perhaps the most serious issue facing China's energy security in the 21st century is its vulnerabilities in importing oil from overseas. Debates arose over how to secure the Malacca Straits energy transit, the main artery for Chinese seaward petroleum imports. Due to their location near the contested waters in the South China Sea, Chinese officials understand the necessity of protecting the Straits from potential adversaries, including the United States. These concerns influenced

an expansion strategy for the Chinese navy and investments in trans-Asian pipelines. Sutter also highlighted that although there is potential for petroleum extraction in the South China Sea, this is trumped by acquisition and reinforcement of islands for security purposes. Sutter concluded that the urgency of the energy debate within China has become less serious than in the early part of the century, and has largely aligned with pragmatic approaches to energy procurement. These include investments in pipelines, doing business with isolated countries like Iran and Sudan, and even importing oil from the United States.

## India's Strategy

Deepa Ollapally next explained India's strategy for solving its 21st century energy security and the internal debates at play. Over the last decade, Indian energy security is being labeled as a national security issue, highlighting the level of concern placed on energy for the national government. Many of the factors influencing Indian energy security involve China, Ollapally noted. The idea that India

*Indian energy security is being labeled as a national security issue, highlighting the level of concern*

has to compete for resources with a far stronger and more decisive China has accentuated the sense of India's energy vulnerability and insecurity. This is played out most in New Delhi's drive for overseas oil acquisitions and India's maritime outlook in the Indian Ocean. This has created a sizeable nationalist energy security "camp" within Indian policy circles, which lobbies for a strong military. Often times, these debates are not necessarily focused on energy, rather, it blends with India's ambition to play a bigger geopolitical role as a major rising power. These arguments are reinforced by what India sees as

Chinese encroachments along the Sino-Indian border as well as China's own military and naval investments in the region.

But Ollapally points out that there are other camps, namely realists and globalists that are also steering domestic discourse within India. Energy realists are reluctant to make energy security a military issue and see the value of working with China pragmatically to solve energy challenges. They want to ensure that India does not overpay for overseas oil assets and want to keep competition with China within bounds. Realists also argue India cannot just rely on the market or the U.S. for maritime transit security of its energy shipments. This was reinforced in the Indian Navy's 2007 Maritime

Military Strategy that linked the Navy to energy transit security, a position continued in subsequent doctrines. The globalist camp feeding public discourse in India falls in line on some issues with realists, arguing for India to integrate into the energy global supply chain. They argue that this would guarantee lower energy costs. They see naval investments wasteful in terms of procuring energy resources and not inextricably linked to energy security. India's success story of higher growth rates after international integration over the past two decades is giving globalist arguments, shared by many realists for their own reasons, more currency on energy issues. Prime Minister Narendra Modi's decision to turn around long standing policy and champion climate change activism during the Paris Climate talks in 2015 was followed by the launch of the International Solar Alliance in India in 2017. This has helped India invest in renewables, take a leadership role, and opened India to a more globalist approach to its energy security.

## Japan's Outlook

Mike Mochizuki presented on Japan's energy security needs and outlook. Mochizuki explained that, after the oil crises of the mid-1970's Japan has done well to diversify its energy input. The Japanese government invested in efforts to make Japan's energy grid more efficient, investing in resources such as nuclear, largely as solution to Japan's lack of abundant indigenous energy resources.

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Japan still has reason for concern, Mochizuki noted: nuclear energy has become unpopular following the 2011 Fukushima Disaster. In 2010, 29% of Japan's electric grid was fueled by nuclear power. Following the disaster all nuclear power was halted, but the government expects nuclear power to eventually accommodate 25% of Japan's energy needs, a figure that is optimistic, Mochizuki noted. One reason for the misplaced optimism is the strident local opposition to power plants.

Many Japanese, including the ruling LDP government, support investing in alternative forms of energy. There has been an increased demand for liquefied natural gas (LNG), for instance. Shipments for LNG are also free from maritime transit chokepoints (in contrast to oil shipments through the South China Sea that face security challenges). Regardless, Mochizuki analyzes that Japan remains confident that the United

States will maintain security transit for Japan's overseas shipments for however long the alliance remains strong. Like India, Japan worries about increased Chinese assertiveness, therefore Mochizuki mentions the potentials for Japan to develop new partnerships with Russia to lessen the concern about Chinese behavior.

## America's Influence

The book's final contributor, Charles L. Glaser, examined American influence and the role it plays in Asian and global energy security. Glaser began by explaining the shared international interest for a stabilized and productive global energy market. China's purchasing of oil fields can be seen as beneficial to the global consumer, since China will contribute to the global supply of petroleum and in effect lower prices. But Glaser did warn of increasing Chinese naval presence in the Pacific which could threaten American efforts to defend its allies maritime transit routes. During peacetime, Glaser argues, America does not face immediate challenges in ensuring security, but a theoretical war with China could see sea lanes being disrupted. Those most affected by sea lane disturbances would be those who rely on transit through the South China Sea, mainly Japan and South Korea. But currently the United States holds the advantage of being able to significantly restrict Chinese oil flows through the South China Sea and the Straits of Malacca in the event of war. Glaser added that China is privy to this threat to its own energy security, which is why the region has witnessed a large increase in Chinese naval assets and abilities in response. Glaser argues that the threat of conflict between the United States and China will be generational, i.e., a long term threat to United States security interests in the East and South China Seas.

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## Conclusion

Asia's continued fast pace development will be sure to challenge energy security concerns for the foreseeable future. The unexpected energy independence of the United States and its new role as an energy supplier is still evolving. These developments will have palpable effects on the ability of the United States and its allies and quasi-allies to procure energy needs and balance a rising and increasingly capable China. *Energy Security in*

*Asia and Eurasia* provides a holistic view on the ways in which energy will affect the rising powers of Asia, and whether countries will decide to pursue free market, globalist approaches to satisfy their energy needs or focus on self reliant, nationalist policies.

*By Justin Seledyn, Research Assistant, Rising Powers Initiative, Sigur Center for Asian Studies*

*The co-editors thank the Carnegie Corporation for support for this book project. We also acknowledge the MacArthur Foundation for supporting our research on maritime and energy security in the Indo-Pacific which contributed to this project.*

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### **About the Rising Powers Initiative and Sigur Center for Asian Studies**

The Sigur Center's Rising Powers Initiative examines how domestic political debates and identity issues affect international relations in Asia. The Policy Brief series is supported by a generous grant from the Carnegie Corporation of New York.

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The Sigur Center for Asian Studies is an international research center of The Elliott School of International Affairs at The George Washington University. Its mission is to increase the quality and broaden the scope of scholarly research and publications on Asian affairs, promote U.S.-Asian scholarly interaction and serve as the nexus for educating a new generation of students, scholars, analysts and policymakers. The Sigur Center houses the Rising Powers Initiative, a multi-year, multi-project research effort that studies the role of domestic identities and foreign policy debates of aspiring powers.

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