

India's Emerging Energy Foreign Policy: an Analysis

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Abstract: This Paper endeavours to selectively present some of the new 'Challenges and threats' that India's energy foreign policy faced in Twenty-First Century. There are many challenges before Indian foreign policy like, Sustainability of energy imports and sustain cordial relations with crude oil export countries. The first section includes trends behind India energy demand before 1990s challenge for Indian foreign policy and new trends. The next section embraces challenges faced by India to sustain its relation with energy exporting countries especially The Middle East and Central Asia. Another section embrace obstacles in the way of importing energy and last section include overall strategy of Indian foreign policy makers to overcome these problems.

Keywords: Foreign Policy, Challenge, threat, Controversies, embrace and soft power.

I. INTRODUCTION

'Developing India' is the most popular theme informing a wide array of discourses among academics, policy-makers and the intelligent lay public. India is mounting its influence, both within the region and in the global arena. In the early years of independence India's foreign makers hosted the Asian relations conference. Indian Prime Minister Jawaharlal Nehru tried to foster solidarity among Asian nations, the base of which is the common cause of anti-colonialism. But Southeast Asia and East Asia found it impossible to share a common cause in international politics [1]. The end of cold war generated new challenges and created many options for foreign policy makers of India. With this dramatic turn to economic liberalization in 1991, India started to strengthening ties with East Asia and Southeast Asia under the clear direction of strengthen ties with Asia under clear directions of Prime Minister P.V Narasimaha Rao. India established a framework of Ministerial Level joint committees" with the Southeast Asian countries'. Bilateral relationships with those countries were prioritized in India's attempt to link itself with the economic growth of the Asia-Pacific region [2]. Since that period India become a global player in world politics especially in economic and Political manners. India is growing at a very high rate of 6 to 8 per cent per annum is amazing for the world. Indian policy makers face a major challenge to keep India economic growth sustain. After the cold war Indian policy makers were willing to diversify and expand its economic, technological, cultural and educational relation with many countries [3]. But 21st century Indian policy makers' ideology to develop Indian foreign policy according to protect its energy demand which is important to sustain its economic growth [4].

India is the fifth largest consumer of energy in the world, accounting near about 3.7 percent of the world's consumption. Its total main energy demand is expected to almost double by 2030. Its primary commercial energy consumption in 2004 stood at 375.8 mtoe and involved coal, gas, oil, and electricity generated from nuclear, hydroelectricity, and renewable source. India's commercial energy consumption is expected to more than double to 812 mtoe in 2030) [5]. While coal provides the largest share near about 54%, Oil 32%, Gas 8%, Hydroelectricity 5% and Nuclear energy 1%. But the oil demand has increase tremendous rate in the past few years. Despite, Oil energy has a second share in the energy consumption of India but its demand rises very high speed. for example,

India's Projected oil Demand and Domestic Supply

year	Consumption of Oil per day/ million barrels	Domestic oil supply	Import oil supply
2002	2.5	.9	1.6
2010	3.4	.8	2.6
2013	3.8	.7	3.8
2020	4.6	.6	4
2030	5.7	.5	5.3

Source: World Energy outlook 2014

There is widening the gap between India's consumption and production of oil and consumption worries Indian policy makers about sustainability of oil supply. India has only 30% of total oil which are produced in India and rest 70% of oil is imported from the rest of countries shown below in the table.

India's Oil import from different countries

Countries	Saudi Arabia	Iraq	Iran	Venezuela	Nigeria	Other The Middle East	Other Africa	Other western hemisphere	Other countries
percentage	20	14	6	12	8	22	8	7	3

Source: US-Energy Information Administration Global 2014

The major challenge before the Indian foreign policy is to sustain its oil routs and its supply. Because most of the oil is imported from The Middle East countries which are vulnerable since last two decades. The rising extremism and terrorism in these countries is a major challenge before Indian foreign policy [6].

Rising Islamic fundamentalism is a major concern for India in the way to land route transport from the Middle East and central Asian countries. Taliban in Afghanistan and its roots in The Middle East and Central Asian countries is a major hindrance. On the other hand, rivalry with Pakistan and Pakistani origin Taliban is a major barrier in the TAPI and other major Oil pipelines coming from The Middle East and Central Asia. China is considered as another hindrance in this way because third oil importing country and a major player in Asian region.

II. INDIA'S ENERGY SECURITY POLICY

Energy security is a phrase that is heard increasingly often in India. A formal official noted that the discussions that in the 1990s would have been about energy are now about energy security. India was imported just 17.8% of commercial energy before the liberalization of economic system in 1991-today it imports more than 30% and the share of imports is steadily growing. It has been estimated that the energy demand reached around 7 million barrels per day in 2030 growing annually at about 4%. In past few years India has signed several long-term gas and oil delivery contracts with neighbouring world like, Central Asia and The Middle East [7]. India foreign policy has faced major challenges to maintain cordial relations and securing routs with these countries because the rising extremism and terrorism in these countries.

III. MAJOR CHALLENGES OF ENERGY SECURITY FOR INDIA

Volatile Gulf: The major countries of the World are looming as important regional players in The Middle East. The main reason for the growing footprints is petroleum and natural gas. The world's most oil rich region has been labelled as turmoil or turbulence. Yet the fact remains that despite episodes of war and conflict, the region has been able to meet its obligations. Besides it would not be fair to ascribe the burden of perceived uncertainty in the region alone. Extra regional factors to have their share to contribute. However, since September 11, the regional dynamics are undergoing qualitative changes. The Gulf countries are finding their domestic and foreign policy interests increasingly at odds with US strategic deliberations, especially in the light of rising Al-Qaeda and other terrorist groups. A continued trend towards anti-Americanism could affect the energy area. Moreover, the policy of pre-emptive regime change through diplomatic efforts as well as stronger energy link-ups in the form of gross investment in refineries and natural gas. There is significant

potential for growing competition between China and India for Gulf oil and gas supplies along with the diplomatic influence [8]. According to Dr. Pradhan (Research Fellow of Institute of Defence Studies and analysis) Indian navy has played a significant role in the form of naval diplomacy. He said the naval diplomacy entails the use of naval force in the support of foreign policy objectives to build bridges of friendship and strengthen international cooperation on one hand, and to signal capabilities and intent to deter potential adversaries on the other. He also said naval cooperation is also a significant area of military to military cooperation in its capacity to secure Sea Line of Communication (SLOC) and build ties through maritime bonding. There are many objectives before Indian foreign policy like collaboration against depredation, Safety of Sea Line of communication, securing choke points in the western Indian Ocean, Dealing with China in Indian Ocean, Curt ling Pakistan's influence in the Gulf. Building security cooperation with GCC countries and Strengthening India's strategic Interests in the Gulf Region. India's first priority is to guarantee continued access to energy resources in the Gulf region.

IV. CHINA AND US INVOLVEMENT IN GULF

During the opening decade of the twenty-first century, the Gulf states emerged as increasingly visible global actors. Using their practical energy resources and capital built-up during the oil price boom between 2002 and 2008 as an influence, Qatar, the UEA, and Saudi Arabia became more active in global issues. The uprisings and political changes in the Arab world challenge many of assumption that has long informed US policy makers while the wave of unrest-often doubled the "Arab Spring" or Arab Awakening" Changes the arena in which US policy plays out [9].

As we know many Americans see China as strategic rival and frequently doesn't side with the US on foreign policy. Signs of tensions are known when Beijing has asked for assurances that Washington will maintain security in the Persian Gulf region. Chinese officials have sought to ensure US commitment to the region isn't wavering particularly as the Obamas administration has pledged to re-balance some of its strategic focus toward The Middle East. Oil supply transportation from the Gulf Region to both of them goes through the Strait. At present, one of China's strategist weaknesses in the region is its dependence on US naval protection for its oil tankers at this crucial point [10].

It has been analysed China is overtaking the US as a buyer of The Middle East oil, adding fuel to diplomatic tension between the nations over security in the region. The turnabout has added to tensions because it leaves the US military securing China's growing oil shipments in the region. The most of countries are benefited with US involvement in The Middle East. US spent billions of dollars a year to police checkpoints like the Strait of Hormuz and other volatile parts of the Middle East to ensure oil flowed around the globe. China will soon import more from the Persian Gulf than the U.S. did at its 2001 peak, according to EIA and Chinese customs data. China's rise as a dominant buyer of The Middle East oil presents a puzzle for it and the U.S. For China, it means its economy depends upon The Middle East oil imports the region dominated by the U.S. military. When tankers depart Persian Gulf terminals for China, they rely in significant part of the U.S. Fifth Fleet policing the area. The Middle East countries look for a counterweight to the US, Chinese approaches to energy security export markets and military ties have an important impact on global diplomacy. China imports more oil from the Middle East than any other region of the world [11]. In 2011, China imported 2.9 million barrels per day of the Middle Eastern oil, which accounted for 60% of China's oil import. But in 2013 it reaches 3.7 million barrels a day. China's largest crude oil supplier is Saudi Arabia, which provided China with one-fifth of its crude oil imports - almost 1.1 million b/d - last year. Saudi Arabia has been China's top crude oil supplier for the past decade. The Kingdom has established itself as a very reliable supplier in both word and deed. Saudi officials have repeatedly reassured the Chinese that they can count on Saudi Arabia to provide China with the oil it needs for continued economic growth. Iran is the fourth largest supplier in 2012 and the third largest supplier from the last decade have recently declined probably as a result of US sanctions aimed at reducing Iran's revenue from crude oil exports. China's import of Iranian crude have fallen from 555,000 b/d in 2011 to 439,000 b/d in 2012 to 402,000 b/d during the period January-April 2013. These reductions earned China exemptions in June and December 2012 and June 2013 [11]. China imports oil from most of The Middle East countries. Economies of China and India are booming and their increasing energy demand is not only transforming the world's energy markets but also changing the geopolitical setting. China is overtaking the US as a buyer of The Middle East Oil, adding fuel to diplomatic tension between the nations over the security in the region. However, China is going to diversify its oil supply to Central Asia is a major concern for India and US.

China's growth in Central Asia seems unstoppable known as a major player in economic and energy fields. In the 21st century China needs lots of resources for industries and need new markets for their industrial goods. Since 2009-2010

China has become the main trade partner of Central Asia states. Trade between China and five central Asian countries is worth US\$ 23-25 billion in 2009, up from US\$ 527 million in 1992. Furthermore, the success of the Sino-Central Asian energy cooperation clearly reflects Beijing's growing influence in the region. The upgrading of the strategic partnership with oil-rich Kazakhstan in 2011 is one of the big successes of China's strategy, because it is based on relevant issues such as nuclear and energy cooperation. Moreover, China is adopting a "soft power" strategy based on cultural exchanges, language training, and higher education in order to better promote its image in Central Asia: the opening of several Confucius Institutes in those capitals (aimed to teach Mandarin language) is the "soft power" card that the Chinese government handily played [13]

V. INDIA SECURES INTERESTS IN THE MIDDLE EAST

India and The Middle East had good historical relations since 1950 the period of Indian independence mostly with Arabs. India usually adopted pro-Arab Policy regarding the Arab-Israeli conflict in order to counteract the Pakistani influence in the Middle East region. In the first decade of independence India establish good relation with Islamic countries and develop mutually beneficial economic exchanges with a number of Islamic countries, particularly Iran, Iraq, Saudi Arabia, and the other Persian Gulf states. The strength of India's economic ties enabled it to build strong relationships with Iran and Iraq, which helped India whether the displeasure of Islamic countries stemming from India's war with Pakistan in 1971. India and The Middle Eastern relation further solidified in Arab-Israeli war of 1967 to 1971 because India support Arab and by Indian support for the fourfold oil price rise in 1973 by the Organization of the Petroleum Exporting Countries (OPEC). Closer ties with The Middle Eastern countries were dictated by India's dependency on petroleum imports. Oil represented 8 percent of India's total imports in 1971; 42 percent in 1981; and 28 percent in 1991. India purchased oil from Iran, Iraq, Saudi Arabia, the United Arab Emirates, and Kuwait and, in return, provided engineering services, manufactured goods, and labour. The 1980-88 Iran-Iraq War forced India to shift its oil purchases from Iran and Iraq to Saudi Arabia and the Persian Gulf states. Saudi Arabia and the Gulf states also have received large numbers of Indian workers and manufactures and have become the regional base for Indian business operations [14].

Two events in 1978 and 1979- Ayatollah Sayyid Ruhollah Musavi Islamic regime in Iran and the Soviet invasion of Afghanistan complicates India's relations with The Middle East countries. From the Indian perspective, these two events and the Iran-Iraq War changed the balance of power in West Asia by weakening Iran as a regional power and a potential supporter of Pakistan, a situation favourable to India. At the same time proxy superpower competition in Afghanistan strengthened the hand of India's adversary Pakistan by virtue of the military support Pakistan received from the United States, China, and Arab states led by Saudi Arabia [15]. In the 1980s, India performed a delicate diplomatic balancing act. During the Iran-Iraq war India adopted neutrality and maintained warm ties with Bagdad and Tehran. India managed to improve relations with The Middle Eastern countries that provided support to the Afghan *mujahedeen* and Pakistan by redirecting Indian petroleum purchases to Saudi Arabia and the Persian Gulf countries [14].

During the 1990-91 Persian Gulf War, Indian policy makers was torn between adopting a traditional nonaligned policy sympathetic to Iraq or favouring the coalition of moderate Arab and Western countries that could benefit Indian security and economic interests. Prime Minister Narasimha Rao's September 1993 visit to Iran was hailed as "successful and useful" by the Indian media and seen as a vehicle for speeding up the improvement of bilateral relations. Key developments included discussions on the construction of a pipeline to supply Iranian natural gas to India and allowing India to develop transit facilities in Iran for Indian products destined for the landlocked Central Asian republics. When Iranian president Hashemi Rafsanjani visited India in April 1995 to sign a major trade accord (the accord also was signed by the minister of foreign affairs of Turkmenistan) and five bilateral agreements, India-Iranian relations could be seen to be on the upswing. Since 1995 India has good relations with Iran, Arab and other The Middle East countries. But the rising extremism in The Middle East countries and US sanctions on Iran worries India about its Oil supply. So that India adopt pro-Central Asia policy which helps India to sustain India's oil consumption in the future [1].

VI. INDIA'S ROLE IN CENTRAL ASIA

In the 21st century India has begun to recognize the strategic importance of central Asia to its national interests. India had good historical and cultural relations with Central Asia. When the Mughal Empire was established in Delhi. Its founder, Baber came from what is now being a convert to Islam. India's current popularity in Central Asia that prior to adoption of Islam in the eighth century, Hinduism was one of the dominant faiths in the region. But unfortunately the relationship

despite close historical and cultural contacts has not progressed to the desired extent. The unstable situation in Afghanistan and a highly problematic India-Pakistan relation have deprived India for the benefit of relations with Central Asia. The Turkmenistan-Afghanistan-Pakistan-India Pipeline (TAPI) would be a game-changer if it materializes. However, despite some positive developments like the signing of an inter-governmental agreement, realization of TAPI is still some distance away [16]. While India has proposed to invest US\$ 100 million dollars in the free trade zone in Chabahar. India knows the significance of Chabahar Port will become helpful for transition route to landlocked Afghanistan. Therefore, connectivity through the Chabahar port could become an important route linking India to Afghanistan and Central Asia and also provide an alternative route. On the basis of that Indian Policy makers drew a policy namely "Connect Central Asia Policy" in 2012, which includes elements such as high level visits, strategic partnerships, comprehensive economic engagement, partnership in the development of energy and natural resources. Development of potential in the medical field, education, e-networks, land connectivity etc. In spite of these developments and policies, India has faced many challenges in Central Asia to make its strong footprints in the region [17]. The main reasons behind India's weak positions in Central Asia is the involvement of major powers in the region like China, US, Japan, Turkey, Iran, Europe, Pakistan and Afghanistan. The deepening engagement with China is a relatively recent feature. China has built bilateral as well as multi-lateral relations with Central Asian countries. China conducts its relations both bilaterally and through the Shanghai Cooperation Organization (SCO). China's primary aim is to make use of vast Central Asian mineral resources for their economic development, dominate the Central Asian markets and protect itself against the threat of "separatism, extremism and terrorism" arising out of central Asian terrorism. Slowly, the Central Asian countries are developing a kind of dependency on China which may not be in their long-term interest.

VII. CONCLUSION

In the 21st century India emerged as a global power by its converging economic relations with all over the world. India's economy is growing at eight percent in a year. To sustain its growth India needs more and more energy resources which are available in India at affordable prices and need to sustain its relations with oil rich countries especially of the Middle East and Central Asian countries and the main objective of Indian foreign policy is to secure its transit routes. In the Middle East and Central Asia India faces many challenges at present mainly for its land connectivity policy. Volatile Afghanistan and Pakistan are becoming the major hindrance in the way to develop infrastructure and roads. The other challenge for India in the Middle East and Central Asia is the major power involvement in these regions. Rising China's involvement in the region, its relation with Pakistan and China's economic relations push these two regions dependent upon China.

The India foreign policy makers need to adopt policies which help to overcome these problems in the future. They also adopt soft power policy to establish cordial relations with energy rich countries and invest in Afghanistan and Iran to secure its energy transit routes. The policy makers need to develop cultural, educational and other types of relations which help them to counter Chinese policy in the two regions.

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