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Lam-ya Mostaque

INDIA'S ENERGY DIPLOMACY AND GEOPOLITICS IN SOUTH ASIA

Abstract

India, with its rapid economic growth, has emerged as one of the most energy-hungry countries in the 21st century. The country is still dependent on energy imports to a large extent. Therefore, diplomacy in ensuring energy security plays an important role in its overall development, security, and power. On the other hand, in the era of the energy transition, countries are also using investment and technical know-how in clean energy to strengthen their strategic influence. In this background, the article raises the following questions: What is the nature of India's energy diplomacy? How is India's energy diplomacy navigating geopolitics in South Asia? The article finds that India is actively pursuing multiple goals in energy diplomacy, ensuring the meeting of its energy demands either through import or by building domestic capacity. It is also using cooperation in the energy sector to create bonds with other nations. In the South Asian energy scenario, India is faced with competition from China. The paper argues that India, being the giant power in South Asia and an advantageous position in the geopolitical game, needs to extend its hands of cooperation in the energy sector more. The other South Asian nations, on the other hand, have an opportunity to work with both of the rising powers for the betterment of their economies.

Keywords: Energy Diplomacy, India, Energy Security, Geopolitics, South Asia

1. Introduction

In the modern age, energy has become a primary issue of concern for both developed and developing nations, as it is considered to be as important as 'second only to national defense'.[1] India, is one of the fastest-growing economies in the world, has an energy demand that continues to grow at a humongous pace. It is estimated that India's energy demand will increase by 183 per cent in the case of gas, 121 per cent for oil, and 108 per cent for coal by 2035.[2]

Lam-ya Mostaque is Research Officer at Bangladesh Institute of International and Strategic Studies (BIISS). Her E-mail address is: lamya@biiss.org.

[1] L.H. Hamilton, "Foreword," in *Energy and Security: Toward a New Foreign Policy Strategy*, eds. J.H. Kalicki and D.L. Goldwyn (Washington: Woodrow Wilson Center Press, 2005), xxi.

[2] Girijesh Pant, "Introduction: India's Emerging Energy Relations: Issues and Challenges," in *India's Emerging Energy Relations Issues and Challenges,* ed. Girijesh Pant (Springer: New Delhi, 2015), 1.

However, India's present energy scenario poses several challenges. The country is yet to meet the current energy consumption demand, needing to import 34.41 per cent of its demand as per World Bank data in 2014, let alone the future one, estimated to increase by 95 per cent in 2030 in comparison to till date.[3] Despite having a huge reserve of coal and natural gas, its domestic energy production has been sluggish in responding to energy demand growth. Thus, energy imports are likely to continue rising. On the other hand, India has an ambitious plan for energy transition and is planning to increase the share of renewables in its energy mix. To face these challenges - finding newer energy sources, addressing environmental concerns over the use of traditional sources, and ensuring stable imports from existing sources, diplomacy is the key. Thus, it is no surprise that the diplomatic activities of India aimed at securing energy sources have been of great importance in recent years. India is looking at exploring different destinations, both new and existing, depending on different types of energy, i.e., Saudi Arabia and Iran for oil, Qatar for gas, Australia for coal, and Thailand for installation equipment for renewable energy.

In world politics, energy is seen as a powerful tool in maintaining political and economic relations among countries. Historically, global energy dynamics show that those who control this sector enjoy a strategic advantage. Therefore, countries have always been in a race to acquire control over it. States have been crafting their foreign policy to secure energy endowments across the globe to promote areas of influence.[4] Confrontations among countries in pursuit of energy resources are not uncommon. On the other hand, energy resources can also be used to influence strategic relations and gain allies.

While the world energy regime has been mostly dominated by the Western powers until recently; the emergence of China, India, and other rising economies as major consumers of energy and their pursuit of energy beyond their borders has caused a significant shift. As India looks for new and diversified energy sources and tries to ensure the security of energy transportation routes, competition and tension are bound to occur. South Asia, as India's home region, is also a hot space for the energy race. Its largely unexplored energy resources and important strategic location have attracted many extra-regional powers. On the other hand, countries with energy resources, investments, and technology are also taking notice of the region's overall increasing energy demand and using their assets to increase their influence. Therefore, both energy diplomacy and geopolitics are influencing each other. In

[3] Lindsay Hughes, "Meeting India's Energy Requirements in 2030," *Future Direction International*, accessed January 30, 2020, http://www.futuredirections.org.au/publication/meeting-india-s-energy-requirements-in-2030-1/

[4] Girijesh Pant, "Introduction: India's Emerging Energy Relations."

facing that reality, India wants to pursue proactive energy diplomacy to ensure its energy goals. At the same time, India wants to be advantageous in the geopolitical game, where it can use its energy resources and investment as leverage. Although there have been many studies on China's energy diplomacy and its impacts, studies on India's energy diplomacy, in particular, are limited.

Against this setting, this article explores how India's energy diplomacy and geopolitics influence each other in South Asia. To this end, the paper asks the following questions: What is the nature of India's energy diplomacy? How is India's energy diplomacy navigating geopolitics in South Asia? To answers the questions, the article uses a qualitative method. Books, journal articles, reports, and statistics from secondary sources have been used in the article. The paper also included Myanmar in some of its discussion as the country is closely related to South Asian geopolitics and energy routes. The article is mainly divided into five sections, including an introduction and conclusion. The second section discusses conceptual issues, while the third section assesses India's energy diplomacy. The fourth section appraises India's energy diplomacy and geopolitics in South Asia. The fifth section concludes the paper.

2. Conceptual Understanding

Energy issues continue to hold a central position in International Relations (IR) discussion. In the past, coal has had an essential role in shaping international relations, especially in the 18th and 19th centuries.[5] The concept of cross-border energy relations has been closely intertwined with that of energy security, with the Asia Pacific Energy Research Centre relating security of energy supply with factors such as the geopolitical availability and accessibility of energy sources, affordability of energy, and environmental acceptability.[6] Energy has also been one of the core issues of the international political economy.[7] Along with the traditional considerations of energy issues, new issues such as climate change and morality concerns have been included and made the topic more complex.[8] In the conceptual part, the issue of energy diplomacy and energy geopolitics are mainly discussed since these two core issues will help understand India's energy diplomacy better.

[5] Shanjida Shahab Uddin, "Belt and Road Initiative and the Geopolitics of Energy," *BIISS Journal* 40, no. 2 (April 2019): 207.
[6] Asia Pacific Energy Research Centre, "A Quest for Energy Security in the 21st Century: Resources and Constraints," Institute of Energy Economics, Japan, 2007.
[7] Andreas Goldthau and Nick Sitter, "Conceptualizing the energy nexus in global public policy and international political economy," in *Handbook of the International Political Economy of Energy and Natural Resources*, eds. Andreas Goldthau, Michael F. Keating and Caroline Kuzemko (Massachusetts: Edward Elgar Publishing, 2018), 23.
[8] Andreas Goldthau and Nick Sitter, "Conceptualizing the energy nexus."

2.1 *Energy Diplomacy*

Diplomacy is one of the most important foreign policy tools that can be leveraged to support a country's energy interests.[9] However, the study of energy policy and foreign affairs is age-old. The term energy diplomacy itself is relatively new addition. It has not yet been defined in a universally but a few scholars have defined the term. Andreas Goldthau, for example, defines energy diplomacy as "the use of foreign policy to secure access to energy supplies abroad and to promote (mostly bilateral, that is, government to government) cooperation in the energy sector."[10] On the other hand, another definition states that energy diplomacy pertains to government-related foreign activities that aim to ensure a country's energy security while also promoting business opportunities related to the energy sector.[11] Mariët Druif states that energy diplomacy is "not only used to gain access to energy supplies but it is also used to develop sustainable production and use of energy as well."[12] Most of these definitions are, nonetheless, state-centric and do not put much emphasis on the other actors of the energy market. The study of energy diplomacy is also characterized by an interdisciplinary approach.

The goal of energy diplomacy is distinct for each country. For countries with energy abundance such as the United States (US), the focus of energy diplomacy has been on what role energy could play in advancing strategic interests abroad.[13] Securing access to energy supplies can also be done with use of threats, economic sanctions, or force, making use of hard power.[14] Pascual has outlined how hard power tactics can work in energy markets via his 'Rules of Six' framework and applied his framework to a selected set of countries and regions.[15] Griffith, on the other hand, opines that while countries with sufficient resources may succeed by exercising 'hard

[9] Adnan Z. Amin, "The Age of Renewable Energy Diplomacy, EDA Reflection," Emirates Diplomacy Academy (EDA), updated on November 2017, https://eda.ac.ae/docs/default-source/Publications/eda_reflection_age_of_renewable_energy_en.pdf?sfvrsn=2.

[10] Andreas Goldthau, "Energy Diplomacy in Trade and Investment of Oil and Gas," in *Global Energy Governance: The new rules of the game*, eds. Andreas Goldthau and Jan Martin Witte (Washington, DC: Brookings Press, 2010), 25-48.

[11] K.H. Yu, "From Energy Diplomacy to Global Governance? A Case Study on China's Energy Security in the 21st Century," *European and International Studies* (King's College: London, United Kingdom, 2015), 270; H. Zhao, "Energy Diplomacy: from "Bilateral Diplomacy" to "Global Energy Governance," *The Economics and Politics of China's Energy Security Transition* (Academic Press, 2019), 121–149.

[12] Mariët Druif, "Energy Diplomacy as a Form of Soft Power: The Rise and Fall of Brazil's Ethanol Diplomacy in Africa," Universitat Leiden, updated on November 13, 2017, https://core.ac.uk/download/pdf/141518959.pdf.

[13] Tim Boersma and Corey Johnson, "U.S. Energy Diplomacy," Center On Global Energy Policy, Columbia University.

[14] F. Kruse, *Oil Politics: The West and its desire for energy security since 1950* (Hamburg: Anchor Academic Publishing, 2014).

[15] Carlos Pascual, "The New Geopolitics of Energy," *The Center on Global Energy Policy*, September 2015, accessed March 20, 2020, https://www.eenews.net/assets/2015/09/15/document_cw_01.pdf.

power' tactics of coercion and/or payment,[16] most countries lack the physical and/or financial resources to implement a hard power approach in energy policy.[17] Thus, both Griffith and Druif believe that to achieve the energy goals, energy diplomacy focuses on cooperation instead of using threats of force. Energy diplomacy is also seen as a soft power approach, where the effectiveness of diplomatic relations in supporting a country's energy interests depends on the power or influence that a country can establish with its counterparts.[18] In global politics, the US has been known to use more coercive approaches, and the European Union (EU) has taken a more multilateralist, economic incentive oriented approach to the problem of energy security, possibly since it lacks military power and has a common foreign policy.

When it comes to theoretical approaches, Roman O. Reinhardt and Sergei V. Pronichkin[19] opine that the realist paradigm of International Relations provides the most concise understanding of contemporary energy diplomacy. In line with the key doctrines of the realist theory, the main actors in international energy relations are states, with the nature of these relations defined by self-help in an anarchic world with no supreme power. Although the realists acknowledge the existence of international organizations and other international political actors playing an increasing role, they argue that the actions of international organizations are restricted by a number of formal and informal factors.

Simon Xu Hui Shen,[20] on the other hand, acknowledges that states are seeking to maximize their energy and security interests. He, however, believes that the realist paradigm alone is not enough to justify energy diplomacy efforts. She argues that in the current world, encroaching on overseas energy resources without values or ideological logic might be seen as a violation of the new norms of peace and conservation, leading to the countries facing backlash domestically and internationally. Thus, states add a qualitative dimension, such as values, or ideologies, to rationalize their hunt for resources in 'seemingly' non-interest-driven terms. To explain this phenomenon, Simon uses the term 'Qualitative Energy Diplomacy (QED)', which, in her opinion, falls under the constructivist school of IR. The quest for energy is defined by ideology and values, and non-cooperative nations are also

[16] Joseph S. Nye, "Get Smart: Combining Hard and Soft Power," *Foreign Affairs* 88 (2009): 160–163.
[17] Steven Griffiths, "Energy Diplomacy in a Time of Energy Transition," *Energy Strategy Reviews* 26 (2019): 55-69.
[18] Steven Griffiths, "Energy Diplomacy in a Time of Energy Transition."
[19] Roman O. Reinhardt and Sergei V. Pronichkin, "The Realist Paradigm of Energy Diplomacy in the Russian Scientific Tradition and its Practical Applicability," *MGIMO Review of International Relations* 58, no. 1 (2018): 97-99.
[20] Simon Xu Hui Shen, "Qualitative Energy Diplomacy in Central Asia: A Comparative Analysis of The Policies of The United States, Russia, And China", Working paper by CEAP visiting fellows, *The Brookings Institution,* accessed 23 March 2020, https://www.brookings.edu/research/qualitative-energy-diplomacy-in-central-asia-a-comparative-analysis-of-the-policies-of-the-united-states-russia-and-china/.

more likely to be denounced in moralistic terms by nations. While efforts spent by different powers on QED are different, generally, the more domestically pluralistic are more likely to take their values seriously on the diplomatic front.

2.2 *Energy Geopolitics*

Geopolitics denotes the study of relations between geography and international politics. Traditionally, it is concerned with rivalry between countries to advance their territorial influence and related military tactics to gain strategic upper hands. With time, geopolitics has become broader and includes more issues. It is now more concerned with the influence that geographical location has on states' power and international relations in general, with focus diverted towards the importance of natural resources; on their locations and transportation routes as well as chokepoints.[21] Due to the limited quantity of energy resources, gaining access to energy with favourable terms is extremely important, and can influence the relationship between and among competing consumer countries.[22] Therefore, a considerable amount of attention has been given by IR academia to the state's attempt to preserve energy security through resource accumulation and influence over major transportation routes.

The study to find the link between geopolitics and energy can be traced back to the 1970s and 1980s. Melvin A. Conant and Fern Gold, in one of the earliest works of energy geopolitics, argued that the ability to obtain energy commodities is dependent on geographical factors and the political decision-making of governments.[23] Many scholars used geopolitics as a theoretical tool to analyze energy politics and energy security. Ian Skeet, in his 1996 article, defined the geopolitics of energy as the 'effect of the location of resources on the politics of states'.[24] Ioannis Vidakis and Georgis Baltos came up with the concept of 'geoenergia'; a concept that tries to understand the effects of energy resources on political and economic systems as well as on international relations.[25] Energy geopolitics is aimed at studying interrelations between geopolitical analysis and energy problems.[26] Discussion of energy and geopolitics mainly revolves around the effects of dependency of the

[21] Indra Overland, "The geopolitics of renewable energy: debunking four emerging myths," *Energy Research & Social Science* 49 (2019): 36–40.
[22] Jianhua Yu and Yichen Dai, "Energy Politics and Security Concepts from Multidimensional Perspectives," *Journal of Middle Eastern and Islamic Studies* 6, no. 4 (2012).
[23] Melvin A. Conant and Fern Gold, *The Geopolitics of Energy*, (Boulder Colorado: Westview Press, 1978).
[24] Ian Skeet, "Geopolitics of Energy," *Energy Exploration & Exploitation* 14, no. 3/4 (1996): 265–272.
[25] Ioannis Vidakis and Georgios Baltos, "Security Aspects of 'Geoenergia' and the Significance of Energy Resources Management in International Politics," *Geopolitics of Energy* 37, no. 3 (2015): 2-16.
[26] Ken Koyama, "Energy Security and Energy Politics," *IEEJ Outlook*, March 2019, accessed July 21, 2021, https://eneken.ieej.or.jp/data/8373.pdf

energy producers and consumers on each other. This relation, nonetheless, is not static. Rather, it changes with advances in technology, the shifting demand for raw materials, changes in domestic and international political goals and changes in the international system itself. Since most countries are energy-hungry and depend on energy imports, securing energy resources is the central theme of energy geopolitics. In addition, energy exploration and development, transportation, energy supply, and demand are also studied in energy geopolitics.[27] It also includes discussions of international energy regimes and energy market politics.

Traditionally, energy geopolitics focused on fossil fuels such as oil and coal and their supply chain. In this regard, the energy-rich countries have had an advantage in the game. For example, as a major energy producer, the US has used its energy resources to support its international objectives in the past.[28] In the current system, Russia's monopoly over the European gas supply also provides it with a certain amount of leverage. There is also extensive competition between the great powers over the control of strategic chokepoints of energy transport, such as the Strait of Hormuz. Ensuring the safety of natural gas pipelines is also deemed extremely important. In that line, energy geopolitics has been concerned with energy-rich regions such as the Middle East, Africa, and Latin America and the influence of the Organization of the Petroleum Exporting Countries (OPEC). Discussions on the growth of rising powers such as India and China and their growing energy needs are also common. Some studies also look into how natural resource endowment in developing countries is used/exploited by developed countries.

With growing acknowledgment of the impact of climate change, the discussion of energy geopolitics has become more complex. With climate change movements worldwide, there is a public demand and international pressure on countries to cut down on fossil fuels. As a result, new dimensions have been added to the discussion of energy and geopolitics in the past decades. Countries, on the one hand, are trying to ensure that they secure hydrocarbon resources. On the other hand, there are steps to ensure their carbon footprints are also kept in check. In this regard, countries are now looking into ways to reduce their emissions and looking for alternative options apart from traditional fossil fuels. Importantly, more and more countries are now looking into clean energy solutions.

With those changes, there is now more discussion on the geopolitics of renewable energy and energy transition. Renewables are more or less available in every country in one or multiple forms, they cannot (as of yet) be stored in large

[27] Jianhua Yu & Yichen Dai, "Energy Politics and Security Concepts from Multidimensional Perspectives," *Journal of Middle Eastern and Islamic Studies* 6, no.4 (2012): 93-94.
[28] Pascual, "The New Geopolitics of Energy."

capacities. This means, unlike fossil fuel, resource stock and transportation become less important.[29] Mostly, the discussion on renewable energy has mirrored the discussion on fossil fuel energy discussions, with the focus being shifted towards how states would compete for critical resources necessary for building renewable infrastructures (such as solar and wind) and also for materials needed for batteries. Additionally, which countries will emerge as winners and losers of the energy transition and whether this transition will promote more conflict or peace[30] are some of the issues being considered in the existing discussion. The technology for renewable energy is also new and is developing, and not every country can invest in research and development. Therefore, major powers in the global energy sector have an opportunity to use their knowledge and resources of renewable energy to advance their sphere of influence. On the other hand, as more countries look into the nuclear sector as a clean energy alternative, it will raise the challenge of ensuring nuclear non-proliferation. Therefore, it has been predicted that this transition may change the existing map of energy geopolitics which has been dominant in the past century, revising states' position in the global energy scenario and adding new powers to the mix.

For this article, energy diplomacy is conceived in an all incorporating manner. Energy diplomacy is defined as a tool of foreign policy to forward the national interest in terms of energy security. That national interest may be ensuring energy supply from overseas, sustainable energy cooperation with other nations, or securing better terms to advance national agenda. It also limits itself to the state-centric view, as it will focus on the actions of India as a singular unit rather than various components of the state that also plays a role in the energy sector. Energy diplomacy and geopolitics have a complex relationship, where one influences the other. The geopolitical implication of both fossil fuel and renewable energy will be considered. It will include a discussion on energy transition and geopolitics as well.

3. India's Energy Diplomacy

Though energy has been one of the important aspects of a country's foreign policy for a long time, it is only in recent years that the term energy diplomacy has come into play. This section, explores the history, goals, actions, and underlying philosophy of India's energy diplomacy.

In India, international energy cooperation, both bilateral and multilateral, has always been a matter of copious significance. This can be looked into by the

[29] IRENA, "A New World: The Geopolitics of the Energy Transformation," January 2019.
[30] Roman Vakulchuk, Indra Overland and Daniel Scholten, "Renewable energy and geopolitics: A review," *Renewable and Sustainable Energy Reviews* 122 (2020), https://doi.org/10.1016/j.rser.2019.109547.

Indian administration as well. In addition to the Ministry of External Affairs, the Ministry of Petroleum and Natural Gas (MoPNG) and the Ministry of New and Renewable Energy also work with different governments/organizations and sign MoU for cooperation in their respective fields. In September 2007, the Ministry of External Affairs of India established an energy security division.[31] In later years, the division was merged with the Investment & Technology Promotion (ITP) Division. The division's task is to coordinate with relevant ministries and support their international engagement through appropriate diplomatic interventions, including maintaining coordination with energy-related companies, forums, and think tanks.

India's energy policy strategy since its independence in 1947 has veered around meeting the growing energy demand. However, how that deficit can and should be fulfilled has had a curious impact on Indian energy policy, and in extension, on its energy diplomacy. Historically, India's national ideology since its independence has been focused on self-sufficiency. As a result, the country focused mainly on coal-based energy resources for the longest time. The Indian government has made numerous efforts, not always successfully, to increase supply and manage its energy demand domestically. The same logic has, in recent times, led to an increased focus on developing alternative sources of energy, particularly nuclear, solar, and wind energy (as coal continues to lose appeal due to high emissions).

On the other hand, India also realizes that her energy crisis is set to deepen with a fall in domestic production of oil, gas, or coal. This has led to the narrative that India's energy security can be guaranteed by buying of oil, gas, and coal assets overseas. This narrative argues that importing energy from abroad will provide both securities of supply and fuel price stability while easing India's chronic balance of payments problems. Expansion abroad will help India diversify its portfolio and can also help increase international competitiveness through the development of new capabilities in areas such as extraction of shale oil and gas or ultra-deep-water drilling.[32] Thus, despite the amplified risk of supply disruption and increasing the country's trade deficit significantly, India has been increasing its energy imports.[33] This policy has been further strengthened by China's more aggressive quest for foreign resources.

Currently, India's energy diplomacy shows a mixture of those philosophies. It has multidimensional and complex goals that aim to gain resources, partnerships,

[31] "New Division of Energy Security," Ministry of External Affairs, Government of India, updated September 06, 2007, http://pib.nic.in/release/release.asp?relid=30972.
[32] Pramit Pal Chaudhuri, "Fragmented and Fitful: India's Energy Diplomacy," Rhodium Group, updated on March 13, 2015, https://rhg.com/research/fragmented-and-fitful-indias-energy-diplomacy/.
[33] Ashok Sreenivas and Prayas Energy Group, "India's energy policy future: Here be dragons," *Futures* 56 (2014), 55.

and technology simultaneously. On the one hand, it is taking multiple steps to ensure energy supply at a favourable term. It has been encouraging Indian companies to acquire assets such as foreign oil and gas blocks and stakes in exploration and production (E&P) companies abroad.[34] At present, it has offshore gas and oil projects/ assets in 26 countries and is planning to increase that number in a significant manner. India has constantly been looking forward to participating in transnational natural gas pipeline projects, including the Iran-Pakistan-India pipeline, the Turkmenistan–Afghanistan–Pakistan–India Pipeline (TAPI), and the Myanmar-Bangladesh-India pipeline. It is also looking to diversify its network of liquefied natural gas (LNG) contracts and using diplomacy to ensure the supply of additional quantities from its traditional sellers: Saudi Arabia and the UAE.[35] On the other hand, the Indian domestic capacity, as well as the energy market, have received ample attention. The government is also exploring using foreign policy to reform longstanding distortions in India's energy system. For example, India has sought to shift from the Japan Crude Cocktail (JCC) price for its natural gas imports and adopt Henry Hub prices, which will be cheaper.

India's energy diplomacy is also preparing for a post-fossil fuel future and the Modi government's ambitious energy transition plan. Indian Prime Minister has sought to use foreign policy to attract more aid or subsidized loans and other forms of overseas capital and technology in the power sector. During the visits of the Indian Prime Minister to Japan and the USA, investment, technological assistance, and financial help in solar energy were a core part of joint statements.[36] In April 2021, Prime Minister Modi and President Joseph Biden agreed to, the 'India-US Climate and Clean Energy Agenda 2030 Partnership',[37] which also focuses on mobilizing finance for fast clean energy deployment and innovative technologies. The Bharatiya Janata Party (BJP)'s election manifesto emphasized building the strategic nuclear energy programme. Therefore, building India's nuclear energy has been a major part of Narendra Modi's foreign policy.[38] As of the latest data, India has civil nuclear arrangements with 14 countries and is the only country outside the Nuclear Non-Proliferation Treaty (NPT) that allowed to trade nuclear material. The

[34] Tanvi Madan, "India's Global Search For Energy," in *Foreign Addiction: Assessing India's Energy Security Strategy, Asia Program Special Report 142,* ed. Michael Kugelman (Woodrow Wilson Center: Washington, DC, 2008), 7-8.

[35] Ministry of Petroleum and Natural Gas, Government of India, accessed June 20, 2021, https://mopng.gov.in/en/international-cooperation/energy-diplomacy,

[36] Pramit Pal Chaudhuri, "Fragmented and Fitful."

[37] Ministry of External Affairs, Government of India, accessed May 23, 2021, https://mea.gov.in/bilateraldocuments.htm?dtl/33821/IndiaUS+Joint+Statement+on+Launching+the+IndiaUS+Climate+and+Clean+Energy+Agenda+2030+Partnership.

[38] Amitendu Palit, "Modi's Foreign Economic Policy," in *Modi and The World: (Re) Constructing Indian Foreign Policy*, ed. Sinderpal Singh (Singapore: World Scientific, 2017), 151.

Indian Prime Minister has relentlessly followed the continuity of nuclear diplomacy, prioritizing India's membership in multilateral forums.[39]

In the international forums, India's increasing energy demand and its success in renewable energy have put it at the centre of the energy scene. This position is being used by India to expand its image as a rising power globally. It has also been trying to play a more proactive role, as demonstrated by holding the 16th International Energy Forum Ministerial[40] on 10-12 April 2018. The country has also agreed to arrange the 9th Asian Ministerial Energy Roundtable of the International Energy Forum (IEF) in 2022. Under its Ministry of New and Renewable Energy, India has been facilitating specialized training programmes for African and other developing countries in the fields of Solar Energy and Wind Energy.[41] With such programmes, India is using its clean energy capacities to build partnerships with other nations.

Indian approaches to securing energy supplies, particularly its oil supplies, can be termed as 'mercantile' and 'realist'.[42] India has employed political tools to forge closer bilateral ties with energy-rich countries. It has also not shied away from working with the countries considered pariahs even by its close allies. This explains why countries under US sanctions, such as Iran and Venezuela, have been India's top energy exporting countries. The imposition of sanctions on Iran was seen as an opportunity for India, as the former had a limited number of countries willing to import energy resources from this country.[43] The same can be said about its dealing with Russia during the Ukraine crisis. However, India has also managed to leverage its robust Middle Eastern ties for oil imports from countries such as Saudi Arabia, Kuwait, and the UAE, which are also long-term exporters of oil to India. The government has actively pursued a strategy of diversification[44] due to the fear of natural gas and oil supply disruptions, continuing geopolitical uncertainty, supply disruptions, and/or price volatility.

On the other hand, despite India's close relations with the US, it has maintained good relations with Russia in the energy sector. India's decision to import LNG has not only diversified its gas exporter country list but also secured an assured investment of US$ 13 billion from a Russian company to purchase a

[39] Rajesh Rajagopalan, "Modi sticks to India's nuclear path," *International Politics*, 2021, accessed June 24, 2021, https://doi.org/10.1057/s41311-021-00315-2.
[40] "IEF16 Ministerial", International Energy Forum, accessed 02 June 2020, https://www.ief.org/events/ief16-ministerial.
[41] Ministry of New and Renewable Energy, Government of India, accessed June 23, 2021, http://164.100.94.214/international-cooperation.
[42] Sunjoy Joshi and Lydia Powell, "India: Energy geo-politics", *ORF Occasional Paper 173*, October 2018.
[43] Ajeya Bandyopadhyay, "Energy Diplomacy to Secure India's Energy Future," *Financial Chronicle*, May 08, 2016.
[44] Ministry of Petroleum and Natural Gas, Government of India, accessed June 04, 2021, https://mopng.gov.in/en/international-cooperation/about-international-cooperation.

20-million-ton refinery and a network of petrol pumps.[45] It has also been working closely with Russia on nuclear cooperation. India is even willing to work with China to benefit in the energy sector. In recent years, India and China have come to a proposed agreement to form a buyers block to bargain collectively with the oil supplies, setting up a joint working group on energy. Such structural arrangements have come in the backdrop of tightening the US sanctions against Iran and Venezuela and are also expected to curb the OPEC countries' influence on the global pricing of oil led by Saudi Arabia, the biggest exporter of oil to both countries. However, both the countries are expecting Japan and South Korea to join the forum being the 2nd and 4th global energy importers, respectively.[46]

Analysts have stated that India's foreign policy is set within a Realist understanding of global contradictions and is following the path of realist nationalism.[47] The former President of India, A. P. J. Abul Kalam had stated that his efforts to make nuclear weapons for India was "to tell the several- million mass of India, to never feel small or helpless".[48] That line, in some manner, also sums up Indian foreign policy in terms of energy politics.

India's ambition to establish itself as a major power and its quest for self-sufficiency has been the defining characteristic of its energy diplomacy. However, qualitative energy diplomacy holds value in explaining India's energy diplomacy. India's energy diplomacy is driven by realist considerations, but they are also justified by the nationalist ideology that India should and will do what it can to achieve its goals in world politics. This includes using diplomacy to ensure its energy security and energy resources and technology to further its agenda. Therefore, the essence of India's energy diplomacy is tailoring itself according to the situation: importing and exporting energy resources and technology and competing and cooperating with other actors when and how it considers fit.

4. India in South Asian Energy Sector and Geopolitical Competition

The South Asian region has been seen by India as its domain of influence. It has always been susceptible to intervention in the region by external powers, and

[45] "India begins importing LNG from Russia,", *The Economic Times*, June 04, 2018.

[46] Utpal Bhaskar, "India, China set to form a working group on energy," *Live Mint*, accessed June 23, 2020, https://www.livemint.com/news/india/india-china-set-to-form-a-working-group-on-energy/amp-1556472590562.html.

[47] Hemant Krishan Singh and Arun Sahgal, "Indian Foreign Policy: Assessing the Agenda in 2020," *The Diplomat*, Updated on January 28, 2020, https://thediplomat.com/2020/01/indian-foreign-policy-assessing-the-agenda-in-2020/.

[48] Avul Pakir Jainulabdeen Abdul Kalam and Arun Tiwari, "Preface", *Wings of Fire* (Universities Press: New Delhi, 1999).

the energy sector is no exception. Though the region largely depends on imports for traditional energy resources such as oil and natural gas, the region's potentials in the energy sector (especially in renewables) have remained largely under-utilized. On the other hand, the region is also geographically situated at the important junction of the Indo-Pacific region, therefore important for having secure energy supply routes. Moreover, the region is home to several energy-hungry nations, making it an important clean energy market. Therefore, despite not being one of the energy-rich countries in the world, the South Asian region holds certain importance for India and other major world powers.

For India, there are three energy issues related to its geopolitical interest in South Asia. These are i) Ensuring energy supply from outside of the regions through secured energy routes; ii) Harnessing energy potential inside the region; and iii) Using energy cooperation to dilute the influence of extra-regional powers, such as China. However, different parts of South Asia present different challenges for India, all of which are complex and come with loads of historical legacy of confrontation. The following discussion will look into how India is working on those issues.

4.1 *Ensuring Energy Supply from Outside the Region*

When it comes to importing energy from outside of the region, there are two main energy routes to India. One is through the western part of South Asia via Afghanistan and Pakistan, which can connect India to two major energy-rich regions- the Middle East and Central Asia. The other is through the eastern part of South Asia through Myanmar, connecting the Southeast Asian region.

The opportunities for energy supply available from the western part of South Asia have been largely inaccessible to India due to its long-standing problems with Pakistan and the volatile political situation in Afghanistan. India has participated in two major pipeline projects for energy supply, both of them, regrettably, have been unsuccessful. In addition to the deadlock on the Iran-Pakistan-India (IPI) pipeline, India is also concerned about the TAPI gas pipeline, which enters India through the Afghanistan-Pakistan border and remains highly vulnerable to terrorist attacks and regional wars.[49] Pakistan's close ties with China and Pakistan's vow to finish the completion of the China-Pakistan Economic Corridor (CPEC) adds to India's worries and further complicates access to energy through western routes. India has long protested to China over the CPEC as it is being laid through Pakistan-occupied Kashmir.[50] In addition, as the CPEC connects Pakistan's Gwadar Port in Baluchistan

[49] Ashok Sreenivas and Prayas Energy Group, "India's energy policy future."
[50] "Pakistan will complete CPEC at all costs, says Imran Khan," *The Hindu*, July 04, 2020.

with China; it also increases India's worries that China will gain access to important sea routes used for energy transportation.

On the eastern front, India had to abandon the plans to build a transnational pipeline from Myanmar to India through Bangladesh due to various political backlash. China, on the other hand, takes almost 80 per cent of Myanmar's gas. Through the parallel oil and gas pipelines that connect Myanmar's port to Kunming, China already has a great route in Myanmar that allows it to bypass the Malacca Straits, whose infamous waters are infested with pirates.[51] This also puts China in a slightly advantageous position against India, whose navy has capabilities near the Malacca Strait, the central shipping passage between the Indian and Pacific oceans. Despite that, Myanmar is an important partner for India to ensure energy supply in the Northeast. India is working on building LNG terminals in Ennore, Vizag/ Kakinada, and Dhamra on the east coast.[52] It has been supplying diesel to Myanmar from the Numaligarh refinery in Assam. India is also seriously considering building an LNG terminal in Sittwe, Myanmar, that would be used to provide energy products to the latter, and, once the Kaladan multi-modal transport project is completed, it can also be used to supply LNG to Mizoram.

4.2 *Harnessing Energy Potential Inside the Region*

In the mountainous region of the Northeastern part of the South Asian region, there are huge untapped potentials for hydropower. Not surprisingly, India's most elaborate energy initiatives in South Asia are with Bhutan and Nepal. Here, the geopolitics of energy transition is in play as India is investing mostly in renewable energy. India's hydropower imports constitute a key element of its foreign policy strategy with its regional neighbours. India has invested in developing energy infrastructure for hydroelectric power in Bhutan and buying back the power since 2008. With assistance from India, Nepal has implemented several hydroelectric schemes.[53] The countries have also signed an agreement to build a 900 MW plant on the Arun River worth US$ 1.04 billion. India is also providing US$100 million as a loan to Sri Lanka for solar energy projects.[54]

[51] Eric Meyer, "With Oil And Gas Pipelines, China Takes A Shortcut Through Myanmar," *Forbes Asia*, accessed May 12, 2020, https://www.forbes.com/sites/ericrmeyer/2015/02/09/oil-and-gas-china-takes-a-shortcut/#48cfaba7aff0.

[52] "India is Working on Energy Relationship with Neighbours to Leverage India's Position," *Times of India*, May 17, 2018.

[53] "Interconnection with neighbouring countries," Ministry of Energy, Government of India, accessed May 12, 2020, https://powermin.nic.in/en/content/interconnection-neighbouring-countries,

[54] "India extends USD 100 million Line of Credit to Sri Lanka for solar energy projects," *Economic Times*, June 17, 2021.

As for Bangladesh, India is one of its leading partners in energy. There is a joint initiative by the Bangladesh Power Development Board (BPDB) and India's Reliance Power for a 3,000 MW LNG-based power plant in Bangladesh, starting with a 718 MW LNG-based power plant at Meghnaghat (Narayanganj district), and a floating storage and regasification unit (FSRU) terminal at Maheshkhali Island (Cox's Bazar district). India also has plans to help Bangladesh to sync its gas grids to supply diesel (to Parbatipur), building pipelines and gas-based power plants.[55]

4.3 *Using Energy Cooperation to Dilute the Influence of Extra-Regional Powers*

India's central location gives the country an advantage in the cross-border energy and electricity trade. India has cross-border electricity trade with most South Asian neighbours, namely Bhutan, Nepal, and Bangladesh. At present, Bhutan's energy export to India is about 1,000-1,200 MW. In addition, two 400kV D/C (quad) cross-border interconnection lines are under implementation, which, upon completion, will increase the total transfer capacity between the two countries to 4250MW.[56] India and Nepal share one of the main energy trade initiatives in South Asia, cross-border electricity transmission capacity between the two countries is about 1500MW. In the case of India and Maldives, both countries have an MoU on collaboration on energy efficiency and renewable energy.

In the era of the energy transition, India's increased efforts in the renewable energy sector have made India a partner of choice for South Asian countries. Since 2013, for example, India has been supplying electricity to Bangladesh, and it has been increased to 1,160 MW. On the other hand, Bangladesh is allowing India to use transit facilities and even its grid to supply to India's Northeast.[57]

Bangladesh signed MoU with the Indian Ministry of New and Renewable Energy in 2011 for technical cooperation in renewables. The signing of a tripartite agreement between India, Russia, and Bangladesh to work together on the Rooppur Nuclear Power plant in 2018 was seen as a step forward in ensuring global acceptance of India's nuclear capacities.[58]

[55] Indrani Bagchi, "Away from OBOR, India pushing for 'energy diplomacy' in neighbourhood," *The Economic Times*, May 15, 2017.
[56] "Interconnection with neighbouring countries," Ministry of Energy, Government of India, accessed May 12, 2020, https://powermin.nic.in/en/content/interconnection-neighbouring-countries.
[57] Lam-ya Mostaque, "Explaining Challenges of Energy Connectivity in South Asia", *BIISS Journal* 40, no. 2 (April 2019): 87.
[58] Pulkit Mohan and Pallav Agarwal, "India's Civil Nuclear Agreements: A New Dimension in India's Global Diplomacy," *ORF Issue Brief 320*, October 2019.

In the energy sector of South Asia, India has been mainly concerned with the growing influence of China's rise. In energy diplomacy, the goal is to either ensuring access to resources or securing transportation routes. Geopolitically, ensuring that countries remain within the sphere of influence by increasing cooperation in the energy sector is also important. Since there are few readily available energy resources for extraction in South Asia, the focus has been mainly on investment and cooperation in the energy sector to increase one's influence. Most countries in South Asia are working with both India and China in their energy sector. In this regard, there have been two major areas of attention: investment in the energy sector and renewable energy.

In the era of energy transformation, both India and China have emerged as winners.[59] China has been aiming to dominate the clean technology sector. When it comes to renewable energy, for South Asian countries, China is an option for clean technologies. Chinese companies are involved in either hydro or renewable energy project development in many South Asian countries, including Pakistan, Bangladesh, and even India.[60] An example of this sort of competition was in Sri Lanka, where a Chinese company won the contract for solar and wind projects near the Indian Tamil Nadu coast, erupting in strong protests from India.[61] Furthermore, several Chinese state-owned companies have a strong presence in the renewable energy infrastructure markets of South Asian countries such as Pakistan and Bangladesh.[62] Since 2014, China has also financed 12,622 MW of solar and wind power projects in South and Southeast Asia.[63]

India is also lagging behind China regarding overall investment in the energy sector. In 2019, Bangladesh received about US$ 600 million from China in the first half of the fiscal year, with major investment flowing into power generation, the number of Indian investments in the same period was about one-tenth of that of the Chinese investment.[64] India is assisting in some of Sri Lanka's upcoming energy

[59] Priyanshi Chauhan, "Cooperation Against Competition: India and China in the Energy Sector," South Asian Voices, Updated July 16, 2019, https://southasianvoices.org/cooperation-against-competition-india-china-energy-sector/

[60] IEA, "Chinese Companies Energy Activities in Emerging Asia," April 2019, accessed July 23, 2021, https://iea.blob.core.windows.net/assets/f165f18e-bc05-4cee-8c18-3941799c0a47/Chinese_Companies_Energy_Activities_in_Emerging_Asia.pdf

[61] "Chinese firm wins contract for Sri Lanka wind and solar energy projects near Tamil Nadu coast," *The Indian Express*, February 08, 2021.

[62] Tim Buckley and Simon Nicholas, "China's Global Renewable Energy Expansion", *Institute for Energy Economics and Financial Analysis*, Updated January 2017, https://ieefa.org/wp-content/uploads/2017/01/Chinas-Global-Renewable-Energy-Expansion_January-2017.pdf

[63] Charlie Campbell, "China is Bankrolling Green Energy Projects Around the World," Time, updated November 01, 2019.

[64] Abu Siddique, "Infrastructure and energy bind Bangladesh to China," The Third Pole, Updated May 13, 2019, accessed June 23, 2020, https://www.thethirdpole.net/bn/2019/05/13/infrastructure-and-energy-bind-

projects, but the country is also facing competition from the Chinese government and farms. So, it is clear that China has become a major provider of capital, construction services, and equipment to energy sectors for emerging countries in South Asia; for both traditional and renewable powers.[65]

An interesting example of geopolitical rivalry in the energy sector can be seen in Nepal. As a country sandwiched between India and China, Nepal is considered strategically important for both of them. Since its independence in 1923, Nepal has always been very close to its southern neighbour India. India and Nepal have been among the biggest partners in electricity cooperation in South Asia, and Nepal sells most of its hydropower to India. At the same time, Nepal also has strong cooperation with China in the energy sector, one of the biggest investors in today's world. When China recently sought to deepen its presence in the country, India showed dissatisfaction with those efforts. For instance, it is reported that Nepal and China had to cancel the 750-megawatt West Seti hydropower project due to the uncertainty about being able to export electricity to India.[66] Without the prospect of being able to sell electricity in India-Nepal's biggest market, Chinese companies were not interested in the project. While this project was scrapped, China's increasing investment in Nepal's energy sector has not halted. Rather, both China and Nepal have signed MoU for energy cooperation and increased collaboration in the fields of hydropower, wind power, solar power, biomass energy, as well as other kinds of new energy and grid system.[67] India, on the other hand, is also boosting its energy diplomacy in Nepal. In 2022, Nepal and India agreed to build new hydropower projects with joint investment by both countries. India also agreed to import more electricity from Nepal and even started a joint venture company with Nepalese authority.[68] All of these, nevertheless, can be interpreted as an attempt to balance China's efforts.

For its foreign policy strategy, India has maintained a close relationship of cooperation with neighbours to maintain a regional order that does not pose a strategic challenge to India. However, India's cooperation in the energy sector of South Asia is yet to reach its optimal level. There are ambitious plans for a pan South Asian regional power grid that has thus far yielded very slow progress. Due

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[65] IEA, *Chinese Companies Energy Activities*.

[66] Kamal Dev Bhattarai, "Between Two Giants: Why an India-China Dialogue Mechanism Benefits Nepal," South Asian Voices, Updated on November 13, 2018, https://southasianvoices.org/between-two-giants-india-china-dialogue-mechanism-benefits-nepal/

[67] "Joint Statement Between the People's Republic of China and Nepal," Ministry of Foreign Affairs, Republic of China, https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/201910/t20191013_679597.html

[68] "Nepal, India agree to build new projects by investing in energy sector," *The Business Standard*, February 22, 2022.

to its central location, India holds immense power in advancing regional energy cooperation, since every South Asian nation can only connect to the other via the Indian territory. However, India's preference for conducting business bi-laterally and lack of enthusiasm in completing multilateral initiatives has been frustrating for its neighbours. On the other hand, the Chinese offers for huge investment, in both traditional and renewable energy sectors, are seen as an opportunity for the South Asian nations who are aiming for rapid development.

For South Asian countries, both India and China are viable partners and options for cooperation in the energy sector. Most countries are working with both of them on different projects. If India wants to maintain a good relationship with its neighbours and curb increasing Chinese influence in the energy sector of South Asia, India will have to use its energy diplomacy to focus on the needs of its neighbours. It needs to respond with more purposeful engagement with its neighbours through regional organizations such as Bangladesh, Bhutan, India, Nepal (BBIN), and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) sub-regional cooperation. The 'neighbourhood first' policy is one of the striking features of the Modi government's diplomatic approach. However, for that approach to be successful, India needs to advance its image as a regional leader willing to offer common goods to others. It needs to be a leader who will look after its interest and make efforts for the greater good of the region. In recent years, there have been talks about allowing Nepal to export energy through Indian pipelines, and an MoU has already been signed between Nepal and Bangladesh to trade energy using the Indian transmission network.[69] These factors, undeniably, would add to India's image. India should also use the geopolitics of energy transition to its advantage and increase cooperation in hydropower and other renewables. For example, India's ambitious 'One Sun, One World, One Grid' initiative that hopes to connect 140 countries through a common grid for supplying solar power must provide benefits to its South Asian neighbours. Concurrently, India's leadership status in renewable energy production can be utilized by increasing diplomatic efforts toward drafting laws for technological standardization and making a more level playing field for green technology companies.[70] Otherwise, it will be hard for India to compete with China's growing influence in South Asia; achieved through cheaper renewable energy technology and large-scale investments.

[69] Udisha Saklania, Padmendra P. Shrestha, Aditi Mukherji, Christopher A. Scott, "Hydro-energy cooperation in South Asia: Prospects for transboundary energy and water security," *Environmental Science & Policy* 114 (December 2020): 26.

[70] Mayuri Banerjee, "Beijing's Lead in Renewable Energy: Why India Needs to Introspect?" IDSA Issue Briefs, Updated November 30, 2021, https://idsa.in/issuebrief/beijing-lead-in-renewable-energy-mbanerjee-301121

5. Concluding Remarks

Energy is one of the most critical and crucial components for the economic growth and welfare of a nation. India, as one of the fastest-growing economies, is facing huge challenges in keeping up with its rapid development. The Indian energy regime has to be conceived on the dynamic synergy of domestic and external supplies. Indian energy diplomacy has been marked by its quest for ensuring energy supply, diversifying the energy mix, and also finding favourable terms for solving energy problems in the domestic arena. India's energy diplomacy also shows complex nature, which on one hand, is looking to ensure energy supply abroad and on the other hand, is also looking to secure investment and cheap supply for the energy sector that will enable the country to be more self-reliant in the long-run. It is also willing to form bilateral relations with any countries with large energy reserves and even work with rivals to reach its energy goals. Indian energy diplomacy is, thus, characterized by its goal of achieving a major power role in world politics. The article finds that the concept of QED also holds water in explaining some of India's justification for the energy quest, especially in competing with China.

The quest for energy supply and the need for securing safe energy transportation routes is linked with geopolitical competitions and contentions. In its home region of South Asia, India's energy concern has multiple dimensions. On the one hand, it is about harnessing the existing energy reserves of the region and securing supply from extra-regional sources. On the other hand, it is also about using cooperation in the energy sector to strengthen ties with neighbours. The region, as a whole, is also home to several growing economies. Therefore, it is a growing market for new and renewable energies. India is faced with competition with its rival China in the energy sector in South Asia. China's close relationship with Pakistan has increased India's concern over accessing energy through the western part of South Asia. Most of the countries of South Asia are closely working with both India and China in the energy sector, and India is still not able to compete with the large amount of investment that China brings. So far, India has been taking a Realist approach in its energy diplomacy, which has failed some of the transboundary energy projects.[71] To secure its influence in South Asia, India needs to adopt more proactive energy diplomacy in South Asia. It is also in India's interest to take the role of regional leader seriously and work for the benefit of the whole region. India's central location in South Asia gives it a natural advantage over regional energy cooperation initiatives and India needs to use that positively to compete with China in the region.

[71] Mirza Sadaqat Huda, "The failure of energy diplomacy in South Asia: A post-mortem of the MBI pipeline," in *Energy Cooperation in South Asia: Utilizing Natural Resources for Peace and Sustainable Development* (New York: Routledge, 2020).