CENTRAL ASIA AND THE CAUCASUS Volume 15 Issue 2 2014

ENERGY POLICY

CENTRAL ASIA-SOUTH ASIA ENERGY COOPERATION: QUEST FOR ENERGY SECURITY AS A DEPENDENCY VARIABLE

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ABSTRACT

This article focuses on India's energy security demands, as well as the energy security scenario of its immediate neighbors, mainly Pakistan and Afghanistan, and of its strategic neighborhood, i.e. the Central Asian countries. It attempts to concentrate on the factor of energy interdependence among these countries and argues that the possibility of an interregional energy cooperation mechanism is essential for energy security, and ultimately, stability in the wider region. A concept of interregional cooperation based on interdependence is vital for security in the broad sense of the term. These two neighboring regions do enjoy energy interdependence. The wider region has all three ingredients of the energy supply chain—the Central Asian countries as producers, Afghanistan and Pakistan as both transit and market states, and India as the market to make this cooperation feasible. But there has scarcely been any serious effort to put this energy chain into a meaningful dependency variable. For both regions, the other always seems too distant, either as a source or as a market. The continuing insecurity in Afghanistan and bilateral distrust between India and Pakistan are two of the major factors that always put energy relations between Central and South Asia on the backburner. But future prospects may not be so bleak, since the changing security scenario in Afghanistan calls for greater regional economic cooperation, which will be beneficial

for Afghan economic reconstruction. More important, it will make the regional states shareholders not only in the Afghan reconstruction process, but also in ensuring greater interregional cooperative mechanisms as well. It is widely believed that energy as a product is a factor of geopolitical and geo-economic conflicts the world over, and there is also plenty of supporting evidence. This article, on the other hand, focuses on the potential of using energy as a vector of alliance in the regional and interregional context.

KEYWORDS: ***energy security, India, Pakistan, Afghanistan, Central Asia, interregional cooperation.***

Introduction

Energy security as a functional concept depends on mutual three-way interdependence—energy producers, transit states, and market states. The producers search for a viable market, the market states base their search for secure supply on viable interactions between the producers and the transit states, while the transit states are looking for economic benefits from transit fees, which is essential for their economic development. The interdependence among the three is essential for this supply chain to function successfully. And it is essential to forge a cooperative environment to ensure energy security for each component of this chain.

It is a known fact that in the post-Cold War, post-disintegration era, the single most important trademark (or may we take the liberty of using a commercial term, the USP) of the Central Asian region is its energy resources. Energy is one of the most vital components of sustainable economic development in today's world, and so energy is one of the most precious marketable commodities. There is geo-economics and there is geopolitics concerning energy as a product, as a marketable commodity, and as the driving force behind economic growth the world over. The yet untapped energy resources of the Central Asian region (it is estimated that the total proven oil reserves of the CARs amount to 40,900 million barrels or 3.4% of global oil reserves; and proven gas reserves are 7.73 trillion cubic meters or 4.3% of global gas reserves),[1] its landlocked position, the need for the post-Soviet energy-producing states to reach out to the wider global market for energy revenues to restructure their economies, and the growing global demand for energy as the driving force for economic growth are all factors that have enhanced the significance of this region for global energy security. Pipelines are the carriers of this energy from the producer states to the markets across transit territories, initiating a complex and intertwined process of competition, as well as cooperation, both countering and balancing. The virgin newness of the proven, possible, and probable energy resources of Central Asia has catapulted the region into the center of these geostrategic activities.

Energy pipelines become geopolitical fault lines, as they put geopolitical pressure on the transit states, aside from the transit fees they receive. The choice of routes and the participants of any pipeline project in the post-Cold War world involve an interesting compromise formula of geopolitics and geo-economics. There are quite a few interesting examples in India's broader and strategic neighborhood. This is quite evident in the Baku-Tbilisi-Ceyhan project, which bypasses both Russia and Iran to provide the Central Asian states with an alternative route, the Russo-German Nord Stream project, which bypasses Belarus, Poland, and the Baltic republics to lessen Russia's dependence on non-

[1] See: *BP Statistical Review of World Energy*, June 2007.

Russian Baltic ports and on other transit states, and the EU's Nabucco project, which bypasses Russia to take Caspian gas to Europe via Turkey.

Energy pipelines are also said to be the region's economic lifeline, given the energy-dependence of the involved states—producers, transit states, and market states. And this factor is supposed to create a bond of intra- or interregional interdependence among these states.

Central Asia: The Alternative in Global Energy Geopolitics?

It must be clarified that this article does not argue that the Central Asian region is the one and only alternative source of energy for global energy needs, but it does argue that each and every power involved find its own reasons to structure and pursue alternative strategies regarding the energy geopolitics centered round Central Asia. This search for alternative strategies is a vital part of their overall energy policy. These alternative strategies are now competitive, now cooperative. The energy policy pursued by the external states provides ample proof of the region's geo-economic significance. Again, the involvement of not only Russian, but also other international companies in the extraction and development of oil and natural gas in the area, the choice of pipeline routes, and the fact that other external countries prefer non-Russian pipelines show that this is not just a geo-economic exercise based on purely economic logic. The geopolitics of energy is the most important point, since each country wants to use energy as a lever to gain a foothold in the region and outbid the other nations in the process. The pipeline routes initiated by the EU and the U.S. bypass Russian territory and, in most cases, geopolitics prevails over geo-economics. For instance, even though establishing the BTC route as the alternative route through Iran made more sense economically, it was not politically feasible because of the U.S.-Iran hostilities.

The Russian Context

For Russia, control over Central Asian energy resources is vital as it is mostly Central Asian energy that Russia exports to the EU market. Russia is just as dependent on the EU as a market—78% of all Russian oil export and over 90% of all Russian gas exports go to the EU states. There are a number of pipelines that currently supply energy to Europe from Russia—Druzhba, Yamal-Europe, and two proposed pipelines, Nord Stream (its first branch is operating) and South Stream. Interestingly, Russia buys Central Asian gas at prices much lower than the international market price and uses this for domestic use, exporting Russian gas at higher prices to the EU market. Central Asian energy is a crucial alternative for Russia to gain control over the EU energy market.

Chinese Involvement

China has various imperatives for establishing energy relations with Central Asia. China's search for alternative energy sources, apart from the traditional ones, such as Saudi Arabia, Iran, Oman, Yemen, etc., and the need to avoid single-supplier dependence as in 2006 led to China import-

ing nearly 46% of its oil requirements from the Middle-East. The political volatility and instability in the Middle East during and after the U.S.-led Operation Iraqi Freedom and the need to reduce its dependence on U.S. naval protection of critical maritime routes like the Strait of Hormuz and the Strait of Malacca to import energy are other pressing reasons for China to opt for energy supplies from Central Asia. The projected energy resources of the South China Sea islands of Spratlys, Paracel, Scarborough Shoal, and others, as well as the national claims and counterclaims to them by China and the neighboring countries of Vietnam, Philippines, Thailand, and Indonesia show a brewing trouble spot in China's energy security scenario.

Two notable Chinese pipeline projects in Central Asia are the Atasu-Alashankou pipeline with Kazakhstan and the China-Turkmen pipeline, which also involves contributions from Kazakhstan and Uzbekistan. Vitaly Kozyrev[2] noted that "the energy potential of China's 'northern backyard' (meaning Russia and Central Asia) provides it with additional options to advance its energy security interests." It also enables China to further its geopolitical influence in Central Asia, which is considered a "geo-economic extension" of its territory. In other words, China's growing relations with the energy-producing states of Central Asia "reflect its perceived 'energy vulnerabilities' and a desire to ensure energy security by diversifying supply away from Middle Eastern sources."[3] And this strategy is in perfect harmony with its so-called Grand West Development program.

The Western Choice

One of the most important reasons for the prominence of the Central Asian region in the Western perception, after the disintegration of the Soviet Union, is that the energy resources of Central Asia offer a viable alternative to the Middle East and Russia.

For the U.S., the Baku-Tbilisi-Ceyhan (BTC) pipeline has been the first opportunity to put Central Asian energy to use. The BTC pipeline project is a crucial part of U.S. global energy diplomacy. The Report[4] by the U.S. National Energy Policy Development Group placed the emphasis on securing more energy from diversified foreign sources in order to support U.S. economic growth and maintain energy security interdependence among America, Europe, and Japan. This pipeline was expected to lessen U.S. dependence on OPEC oil. Most significantly, this pipeline represents the Multiple Export Pipeline concept of the U.S. government, or the so-called anti-monopoly concept. This concept aims at preventing Russia from having a unilateral advantage over the transportation of the region's energy resources to the external market, thereby gaining geo-economic, as well as geopolitical clout over both the producing states in the region and the global market. So, to quote Svante Cornell, the BTC pipeline "is clearly the most strategic project that America has supported outside the security sector in the former Soviet space."[5] Oktav also commented that the Baku-Ceyhan project "is essentially, from Washington's perspective, a matter of geo-strategic and political significance

[2] V. Kozyrev, "China's Continental Energy Strategy: Russia and Central Asia," in: *China's Energy Strategy: The Impact on Beijing's Maritime Policies*, ed. by G.B. Collins, A.S. Erickson, *et al*., Naval Institute Press, Annapolis, 2008.

[3] G. Xuetang, "The Energy Security in Central Eurasia: The Geopolitical Implications to China's Energy Strategy," *China and Eurasia Forum Quarterly,* No. 4 (4), 2006.

[4] Quoted from: Ö.Z. Oktav, "American Policies Toward the Caspian Sea and the Baku-Tbilisi-Ceyhan Pipeline," *Perceptions,* Spring 2005.

[5] S. Cornell, M. Tsereteli, V. Socor, "Geostrategic Implications of the Baku-Tbilisi-Ceyhan Pipeline," in: The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West, ed. by S. F Starr, S.E. Cornell, Central Asia-Caucasus Institute & Silk Road Studies Program, Johns Hopkins University-SAIS, Washington, D.C., 2005, available at [www.silkroadstudies.org], 20 May 2007.

rather than an economic one."[6] Stanislav Zhiznin stated that at the 1998 Ankara Summit, the "BTC pipeline was regarded as a strategic pipeline and political factors played a leading role in the declaration."[7] The emphasis on the strategic aspect of the BTC project points to another angle of these energy alliances—there is much more than just geo-economics involved in their formation and operation. The Energy Corridor, of which this project is an integral part, is aimed at reducing the "strategic dependence" of the EU on Russian gas. As forecasts for 2020 suggest, the EU's dependence on gas imports will increase from 40% at present to 70-80%, while Russian gas exports to the EU in the same period will increase from 26% to 40-50%.

The urge to ensure supply security prompted the EU Council to launch the Energy Policy for Europe initiative. It identified three main challenges—a common external policy approach, diversification of energy sources, transit routes, and resources, and common crisis management "based on solidity and subsidiarity." For the EU, the option of a diversified energy source, apart from Russia, consists of Norway, the Middle East, and North Africa. But more relevant to this discussion is the EU's attempts to exploit the energy resources of the Caspian states. The first attempt to institutionalize the EU's interest in the region was the Interstate Oil and Gas Transport to Europe or the INOGATE Program of 1995. This Program was initiated to facilitate the construction of regional pipeline systems to transport energy to Europe. In 2004, another program, the Baku Initiative, was established by the European Commission and the Caspian Sea and Black Sea littoral states. The basic objective of the Baku Initiative is to establish cooperation among these countries in the following spheres in order to enhance energy security for the entire region: convergence of energy markets, taking into account the particular features of each state; addressing the issues of energy exports/imports supply diversification and energy demand; transparency and capacity-building in the governance of the energy sector; support of rehabilitation of the existing and construction of new projects of common and regional interest, as well as building a regional electricity transport network; development of comprehensive action programs to promote energy saving, energy efficiency, and renewable energy to meet commitments under the Kyoto Protocol; facilitation of the Global Energy Efficiency and Renewable Fund Initiative, and support of a new Caspian Sea-Black Sea-EU Energy Corridor. Significantly, Georgia, Azerbaijan, Ukraine, Kazakhstan, Lithuania, and Poland initiated the Concept of the Caspian Sea-Black Sea-Baltic Energy Transit Space (at two Energy Summits—in Krakow in May 2007 and in Vilnius in October 2007). The primary goal of this Corridor project is to create a Single Energy Space among the interested countries of the region, as well as form and develop mechanisms to secure production, transit, and delivery of hydrocarbons from the Caspian region to the European and international markets, "while providing for a mutually beneficial balance of interests among producers, consumers, and transit countries," according to the provisions of the Energy Charter Treaty.[8]

But the most important point is that within this international structure of diverse energy options, it is the dependency factor between a particular producer and a particular market that counts. The option of diversity restricts the unilateral advantage of monopolistic sellers and monopolistic buyers. It hardly allows any state, in any position in the supply chain, to act in such an irresponsible manner that it affects a large section of the population. The Russian decisions to stop gas supplies to Belarus and Ukraine were based on a blend of political and economic calculations, and Russia was successful in gaining increased rates for its energy supplies from these states. On the other hand, Russia's moves, which affected a growing percentage of the EU population during the cold winter months on each such occasion, prompted the EU to search for alternative energy transit corridors

[6] Ö.Z. Oktav, op. cit.

[7] S. Zhiznin, "Fundamentals of Energy Diplomacy," 2003 (quoted from: G. Xuetang, op. cit.).

[8] See: P. Belkin, *The European Union's Energy Security Challenges*, CRS Report for the Congress, 2008.

and, in this connection, the Nabucco pipeline became a seriously considered option. The Nabucco Summit was held in Budapest in January 2009 and the intergovernmental agreement was signed in Ankara in July 2009. This 3,300 km long gas pipeline from Turkey to Austria is to pass through Bulgaria, Rumania, and Hungary. There are also plans to connect it with the Tabriz-Erzurum pipeline and the South Caucasus pipeline to make it a part of the ambitious plans for a Trans-Caspian gas pipeline project in the future. The significance of this project lies in the fact that it represents a totally non-Russian alternative. The source of gas supply will mainly be the second phase of the Shah Deniz gas field in Azerbaijan, with Kazakhstan remaining as a future source; and the route bypasses Russian territory entirely.

Central Asian Response

The Central Asian states have two strategic levers to use in the ongoing complex geopolitical interactions: first, its energy resources, and second, its advantageous location. Central Asia is surrounded by or located not so far from states (except for the U.S.) that are viable market options for its resources—Russia, China, and the EU countries. Both the sheer number of diverse pipeline routes, as well as the involvement of different international energy companies in the development of the energy fields and pipelines suggest that the Central Asian states are willing participants in this scenario, where the concept of alternatives rules the game. Although Russia still enjoys its traditional near-monopoly over the pipeline routes and energy fields of the region, Central Asia is not totally dependent on Russia as the only market or the only transportation alternative to lucrative external markets, such as China and the EU. This makes South Asia (particularly India, along with Pakistan and Afghanistan) a viable market option for Central Asian energy resources. Notably, it represents an interesting scenario, since for South Asia, Central Asia remains an alternative, although yet untapped, source for energy, in addition to its traditional sources, such as the Middle East, North Africa, and Latin America; for Central Asia, South Asia is also a highly promising virgin market yet to be cultivated.

The South Asian Option

There are some potential projects to be considered. The first is the much talked about Turkmenistan-Afghanistan-Pakistan-India pipeline. The 1,680 km long TAPI pipeline, worth $7.6 billion (carrying 90 million standard cubic meters of gas per day), is to start from the Dauletabad gas field of Turkmenistan and cross Herat and Kandahar in Afghanistan and Quetta and Multan in Pakistan to reach Fazilka in India. This project was planned way back in 1995. At that time, it was called TAP (the Turkmenistan-Afghanistan-Pakistan pipeline) and was to be funded by UNOCAL (U.S.) as the principal sponsor. Later, Bridas (Argentina) also became involved in the project. The bombing of U.S. embassies in 1998, the prevalent insecure situation in Afghanistan, the rise in the anti-Taliban mood among U.S. government circles, and later the anti-Taliban operations carried out since 2001 by the U.S. and the ISAF following the 9/11 incident placed this project on the backburner. Some progress has been made with TAPI since India was formally invited to join the project in 2006. In 2008, India, Pakistan, and Afghanistan signed a framework agreement to buy gas from Turkmenistan. India will receive 38 mmcmd of gas from the pipeline. In early 2012, they agreed among themselves on the formula of a Uniform Transit Fee (50 cents per million British Thermal Units) for gas transport. The

four participant countries also signed a gas sale-purchase agreement. The TAPI pipeline, as was mentioned, has a planned capacity for transporting 90 million metric standard cubic meters of gas a day for the next 30 years.[9]

Natural gas constitutes the largest segment of Pakistan's energy consumption basket. And TAPI would be much more beneficial for the country, since it would receive transit fees of $0.50/MMbtu to be paid by India for the pipeline, while the 38 mmcmd of gas delivered via this pipeline would help address Pakistan's severe energy shortage. Afghanistan would receive 14 mmcmd of gas and would also benefit from the transit fee to be paid by India. The project would also be a critical source of employment generation in Afghanistan and, more important, contribute to Afghanistan's energy security.[10]

The TAPI pipeline has the great potential of becoming a project through which India, Pakistan, and Afghanistan can become stakeholders in the wider sense of the term. The context is also significant in view of the withdrawal of Western and U.S. forces from Afghanistan by 2014. Afghanistan is facing an uncertain future in terms of political stability and economic reorganization.

For Turkmenistan, the South Asian market will be a virgin one to explore, as well as an experimental cooperative venture that, if successful, may open up new vistas of energy cooperation involving other Central Asian states, such as Kazakhstan and Uzbekistan in the petro-energy and Tajikistan and Kyrgyzstan in the hydro-energy spheres.

The proposed India-Russia energy pipeline could offer another golden opportunity for this interregional energy cooperation scenario. The idea of bringing gas from Russia to India through a pipeline that passes through Kazakhstan, Uzbekistan, Afghanistan, and Pakistan is promoted by ONGC Videsh Limited (OVL). This idea was also discussed during the visit of Kazakhstan's foreign minister to New Delhi in March 2013 and later on the sidelines of the Heart of Asia Conference in Almaty. G. Sachdeva commented that the "India-Russia hydrocarbon corridor could become a game changer in regional geopolitics and economics. It would re-energize the India-Russia strategic partnership, create solid linkages between South Asia and the emerging Eurasian Economic Union, stabilize Afghanistan economically, and could create incentives for peace between India and Pakistan."[11] The completion of this project would provide India with another important energy source, i.e., Russia; whereas for Russia, the burgeoning Indian energy market would be more lucrative than that of the EU, which is facing economic stagnation. More important, the energy vector of Eurasia-South Asia cooperation would have greater opportunities to become viable, both economically and strategically.

There is another project, CASAREM (Central Asia-South Asia Regional Electricity Market) or CASA1000, funded by the Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), the Islamic Development Bank (IsDB), the World Bank (WB), and the International Financial Corporation (IFC). This project involves Kyrgyzstan and Tajikistan (as exporters) and Afghanistan and Pakistan (as market states) to achieve the goal of a common electricity market among them.[12] Although this project was initiated in 2005, the vast and growing Indian energy market must be included in the scheme in order to ensure its success and market viability. To join the project, it is also imperative that India demonstrate its power as the largest energy market in the regional scenario.

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[9] See: G. Sachdeva, "Central Asia: India's New Strategic Neighbourhood," *Geopolitics*, No. III (V), October 2012.

[10] [www.the hindu.com.business/Economy/tapi-pipeline-gas-sale-agreement-signed], 25 May 2012, accessed on 19 May 2013.

[11] G. Sachdeva, "India's ONGC Plans to Bring Russian Hydrocarbons to South Asia," 15 May 2013, available at [www.cacaianalyst.org], 16 May 2013.

[12] See: N. Kravtsov, "Project CASAREM (CASA 1000) and Its Impact on Central Asian Countries," Perspectives from the Region, NGO Forum on ADB, 2009, available at [www.forum-adb.org/docs/BW2009Q3-4.pdf], 15 May 2013.

Two developments have made Central-South Asia energy cooperation even more meaningful in the present context: the first is the development of the SCO (Shanghai Cooperation Organization) into the SCO Energy Club to make it more economically viable. All the members of this Club—Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan—share the energy component strategically. They are constituents of the energy supply chain, either as producers or as market states. The proposal was first mooted at the 2006 Shanghai Summit by the Russian President Vladimir Putin to coordinate the energy policies of the member states and increase energy cooperation among them. It was endorsed at the Prime Ministerial Summit of the SCO in Tajikistan in late 2006. Before the 2007 SCO Summit in Bishkek, Kazakhstan presented a plan for an Asian Energy Strategy. It was followed by the formal signing of the SCO Energy Charter at the August 2007 Bishkek Summit to address energy cooperation among the members. Now there is the growing necessity for the Club to include both India and Pakistan, since both are observer states in the SCO and are also large emerging energy markets.[13] Such a move will make the energy dependence chain function more smoothly and profitably. The second development is the U.S. New Silk Road Initiative, which emphasizes making Afghanistan a transit hub of trade and transport corridors and also of energy pipelines between Central and South Asia. TAPI also plays an important role in this scenario.

There is a gaping void in terms of Central Asia-South Asia economic cooperative ventures in terms of trade, transport corridors, and energy projects. It is significant in the sense that the Central Asian region, and the whole of Eurasia for that matter, is now in the process of making connections with their other neighbors, such as the EU and China, through economic initiatives, transport corridors (like TRACECA), and energy pipelines. Prospective energy cooperation between these two regions may become the initiator of greater economic collaboration in the not-too-distant future.

Roadblocks

However, a good number of obstacles remain that could spoil interregional energy cooperation and prevent it from becoming viable enough to pursue. The first and foremost is the continuing insecurity in Afghanistan, which affects the security of the pipeline and so the stability of energy supply. A closely linked obstacle is the bilateral mistrust between India and Pakistan—historical baggage that does not allow the countries to cooperate in a meaningful way for future gains. The third factor is the continuing apathy of multinational energy companies in involving themselves in regional ventures since the first two factors offer little guarantee that the energy projects will be viable. Another notable factor is the repeated instances of India being prevented from gaining stakes in the energy fields of Central Asia (the latest being Kashagan in Kazakhstan in September 2013). This surely hampers the process of India-Central Asia energy cooperation, since here a strange combination of economic prowess and petty political gains rule the show.

Conclusion

It must be realized that the Central Asian region will not replace the Middle East or North Africa as the primary source of energy for South Asia in the immediate future. It should also be noted

[13] For more on SCO Energy Club, see: S. Ganguli, "The SCO: An Energy Alliance in the Making," in: *The Shanghai Cooperation Organization and Eurasian Geopolitics: New Directions, Perspectives and Challenges*, ed. by M. Fredholm, NIAS Press, Copenhagen, 2013.

that other geographical regions are being developed, such as the South China Sea region and the Arctic, although the viability of these regions to become energy sources for South Asia is still a debated issue. However, the significance of Central Asia as an energy-producing region lies in the fact that, in the post-disintegration period, it has become a geopolitical and geo-economic space where alternative energy strategies of various powers are at play. And it is imperative for South Asia to engage this region and cultivate this alternative energy space of Central Asia. In the energy market too, the diversity of supply sources ensures better energy security for the market countries, whereas diversified market access is essential for the energy producers. So Central Asia also needs an alternative market in its close neighborhood where the three growing energy markets of India, Pakistan, and Afghanistan are ready for energy access. More significant, these three South Asian states could at least attempt to see their shared age-old bilateral security problems through this small prism of interregional energy cooperation, viewing themselves less as inimical neighbors and more as joint stakeholders in a long-drawn-out peace process. Such cooperation could also be a key factor in fostering a better opportunity for these South Asian countries to engage themselves in more positive bonding, since each will be a stakeholder in the project for its own gains. A dedicated guard force for TAPI, established by these states along the lines of the Caspian guard for the BTC Pipeline, may provide a guarantee of security and, thus, viability of the project.

On the other hand, an interregional common energy market between Central and South Asia would ensure better financial gains, provide more opportunities to attract regional and international private investments, and ultimately offer more viable reasons for greater interregional economic integration. TAPI could become the first step toward realizing such a dream.

Since no country is self-sufficient in meeting its own energy needs, interdependence becomes the key component of any energy strategy to succeed on a long-term basis. Security in the nuclear era basically rested (until the new NMD or National Missile Defense concept was introduced in 2000) on the MAD or Mutually Assured Destruction concept. This concept worked on the assumption that each of the parties involved had a clear concept of the other's nuclear capability to inflict unacceptable destruction on it, and this mutually recognized fact assured security among them. Energy security as a concept in this energy-driven global economic structure rests on a different assumption that the dependency quotient among the producers, transit states, and market states guarantees energy and, in the larger context, economic security. Therefore, it may not be stretching the point to conclude that energy security as a functional concept is based on another interpretation of the MAD theory—Mutually Assured Dependence.[14]

This interdependence is a vital part of any energy geostrategy pursued by a country or by a region, and it is bound to be optimistic and futuristic. This is because for any strategy to be successful, it must keep in mind long-term planning and consequences, since the current geopolitical reality may not always be prevalent in the future. For example, TAPI was thought of as an entirely unviable project during the 1998-2001 era when the U.S. had a tough choice between supporting the Taliban regime to make the project a success and the global opinion against the anti-humanitarian policies adopted by the regime in Afghanistan. Even the successful Baku-Tbilisi-Ceyhan pipeline project was considered untenable at one point in time, because a number of green groups considered it environmentally dangerous. It was conceived to score geopolitical brownie points because it bypassed Russia, although the route through Iran would have been much more profitable.

This article attempts to focus on the point that energy is not only a commodity that incites international geopolitical rivalry, but is also a commodity around which international cooperation and alliances can be developed and sustained. The success of OPEC, GECF, and ASEAN Energy Cooperation suggests the institutionalization of energy as a vector of alliance. The logic of this article may

[14] See: S. Ganguli, "Introduction," in: Strategising Energy: An Asian Perspective, ed. by S. Ganguli, KW Publishers, New Delhi, 2014.

be considered as too optimistic and futuristic, since energy cooperation in this interregional context is still at the nascent stage. But there is certainly something beyond the considerations of today's critical insecure reality and interregional environment of suspicion and petty political gains, and that is the dream of a successful regional energy cooperation scenario in the future. If current reality is the only criterion for engaging in strategic planning for the future, the hope behind the establishment of the ECSC in 1951, against the background of post-World War II Europe, might also have been considered a far-fetched idea at the time the Organization was conceived.