Energy and Security in Asia

Andrew Phillips
**INTRODUCTION**

The ongoing revolution in Asian energy consumption has interacted with shifting patterns of diplomatic alignment and a more fluid regional military balance to increase the risk of strategic competition between the region’s established and emerging Great Powers.

China’s and India’s emergence as energy super-consumers operating outside the US-dominated security architecture has raised regional tensions in both Northeast Asia and South Asia over energy security. These tensions are likely to accelerate over time unless a concerted effort is made to institutionalize more effective energy cooperation at the bilateral, regional, and global levels.

Asian – and especially Japanese – energy security concerns worked during much of the Cold War to reinforce existing patterns of strategic alignment, thereby enhancing rather than diminishing regional stability.

The post-Cold War period has witnessed the rise of the Asian energy “super-consumers,” which are not formally aligned with the US but have become increasingly dependent on access to imported energy supplies.

The emergence of these new Asian players in global energy politics has already raised regional tensions significantly. Substantial work is required at the bilateral, regional and global levels to realize more cooperative energy security policies and so avoid rising tensions in Asia.

**ASIAN ENERGY STABILITY, 1972–1991**

From the Shanghai communiqué through to the Soviet Union’s collapse, Asia was vastly more stable than it had been throughout the immediate postwar decades. From the Korean War onwards, a Sino-US contest for influence had roiled East Asia. The termination of this contest after 1972 through the rapprochement between America, the People’s Republic of China and Japan removed a major contributor to regional instability.

Following America’s renewed engagement with China, its alliance with Japan stabilized relations between all three countries. This American primacy provided a “double reassurance” to China and Japan, simultaneously muting their suspicions towards one another while enhancing the three countries’ anti-Soviet solidarity. US military power thereby provided East Asian states with the security necessary to pursue self-strengthening strategies predicated on their integration within a liberal global economic order.

Regional patterns of energy consumption and production further underwrote a more stable system. Central to Asia’s energy order was Japan’s status as the region’s only fully industrialized nation, which relied for its development on uninterrupted and affordable access to imported energy services.

The oil shocks and the macro-economic dislocations they precipitated initially threatened to derail Japan’s economic miracle, thereby potentially destabilizing an Asia that had become reliant on Japanese prosperity as both a stimulant of regional development and a guarantee against revived Japanese militarism. As it eventuated, however, post-oil shock energy concerns ultimately bound Japan more tightly into the regional order, thereby enhancing rather than diminishing strategic stability.

**THE EROSION OF STABILITY, 1991–TODAY**

The post–Cold War period, unfortunately, has seen the erosion of this fortuitous con-
stellation. The durability of the US-Sino-Japanese entente that underpinned regional order after 1972 is now increasingly uncertain. China’s rise has contrasted with two decades of Japanese stagnation.

In response, America has sought to reassure Japan and shore up its primacy through the augmentation of its existing alliances and the establishment of new “strategic partnerships” with countries such as India, Vietnam, and Indonesia. These moves have in turn aroused Beijing’s suspicions that America is seeking to contain China, prompting it to strengthen its security ties both with established allies (e.g. Pakistan and Myanmar) and with long-term American regional clients. Further, India’s growing economic clout has nurtured its own Great Power aspirations, yielding a heightened sensitivity to India’s relative position within the Asian order.

While the alignment pattern between established and emerging Great Powers in Asia is not yet entirely competitive, the reality of a more contested strategic environment cannot be denied. While China’s capacity to challenge America for regional dominance remains decades distant, its military modernization has already raised the costs of a prospective American military intervention in East Asia. Strategically destabilizing shifts in the regional military balance have also been evident within the Indian Ocean.

Compounding the tensions already canvassed, the security calculations of states are also being shaped by the fact that the Cold War configuration of Japanese energy hunger, Chinese energy abundance, and Indian poverty and marginality no longer obtains. Since the 1990s, the rise of China and India has yielded two additional energy super-consumers in Asia that are not the beneficiaries of American security guarantees. Both China and India lack indigenous energy reserves adequate to fuel their modernization, and have been forced to increase their energy imports to make good the ever-widening shortfall between domestic energy consumption and production.

**Harnessing Energy for Regional Cooperation**

The emerging nexus between expanding energy needs and escalating strategic rivalries is distressing precisely because it constitutes such an avoidable hazard. This is because the demand for energy security represents a common interest for the region’s Great Powers, and could potentially sustain cooperation that might in turn mitigate the rivalries now unsettling the region.

While the region’s leaders have demonstrated a cognizance of energy security as a growing challenge, what is required is a greater prioritization of energy security as an issue that remains intimately linked to the preservation of a stable regional order. Additionally, a corresponding coordination and expansion of existing mechanisms of cooperation is needed to ensure
that energy issues exert a more positive influence on regional security dynamics. Given the systemic character of energy issues in an ever more globalized economy, action is necessary at the bilateral, regional, and global levels if such a benign outcome is to be realized.

**BILATERAL**

The region already has a promising example of stabilizing bilateral cooperation. Since its establishment in 2009, the US–China Strategic and Economic Dialogue has provided both countries with an invaluable forum in which to discuss issues such as energy security. Such agreements hasten the crystallization of convergent expectations regarding states’ common interests; they also serve as mechanisms of diffuse reassurance, enabling participants to signal one another’s benign intentions.

**REGIONAL**

The 2000s saw the growth of a plethora of regional energy cooperation arrangements, including projects spearheaded by both APEC and ASEAN, as well as more narrowly focused initiatives. Regional energy cooperation should parallel its bilateral counterpart in focusing on the cultivation of joint action between potentially adversarial states if it is to yield the greatest dividends for strategic stability.

**GLOBAL**

A comprehensive solution to contemporary challenges must incorporate a global dimension. Further effort must be invested in drawing rising regional powers into global energy governance institutions. Today’s global institutions were largely forged out of the crucible of the oil shocks and still reflect the power relativities of this earlier era. For global energy governance institutions to retain their ability to nurture energy cooperation over energy competition in these more complex times, a sustained effort to socialize newly rising powers into acceptance of a predominantly market-based global energy order is essential.

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Dr Phillips was educated at Monash University, Australia, and Cornell University in the US. His research interests focus on the evolution of the global state system from 1500 to the present, and concentrate specifically on the challenges that ‘new’ security threats pose to the contemporary global state system. Prior to taking up his present position, Dr Phillips worked at The Australian National University. His recent book, *War, Religion and Empire: The Transformation of International Orders*, examines the evolution of international orders in Europe, East Asia, and the Islamic world.

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