Abstract: It is already well known that China’s demand for energy imports is increasing rapidly, but less attention is paid to another rising Asian giant: India. India’s energy needs are also soaring, and since many of its fossil fuel sources are identical to China’s, some might say that competition and even conflict looms.

However, India’s geopolitical considerations are somewhat different from China’s. Using an analytical framework derived from Doran’s power cycle theory, and with reference to critical geopolitics, the chapter considers India and China’s energy requirements, the domestic considerations that drive them, and their relations with energy suppliers—particularly Iran. It looks to India’s role and foreign policy in the context of Chinese and US interests in the regional environment, and examines ways in which India’s energy security strategy conflicts with or complements China’s—hypothesizing that although India’s energy demands pose a headache for China, it is one that Beijing can deal with.¹

Keywords: India, China, Energy Security, Challenges

1. Introduction

Much has been written about the apparent economic miracle in Asia,² but—global economic turmoil notwithstanding—its continued success is by no means assured. If the industrial boom is to last and the new middle classes are to remain satisfied, more and more fossil fuels must burn. So, as China ‘rises’ and India ‘shines,’ their demand for imported energy will only increase.

¹ Please note that the analysis and views in this chapter are those of the author alone, and not those of the UN, UNV or any associated departments and agencies.
² Popular journals such as Time and Newsweek regularly devote special editions to the theme: see, for example, cover stories by Fareed Zakaria [“Does the Future belong to China?,” Newsweek, May 9, 2005 and “India Rising,” Newsweek, March 6, 2006] or Michael Elliot [“India Awakens,” Time, June 18, 2006 and “China Takes on the World,” Time, January 11, 2006].
Though their main concern is internal development, since the founding of the modern Republic of India and People’s Republic of China (PRC) both have been engaged in a long-running security dilemma fuelled by Cold War politics, regional alliances, and territorial disputes. Both also have nationalist aspirations drawn from historical ideas of their cultural and political predominance over their neighbors (Garver 2001: 3–15). Even before we factor in potential disputes over energy, we can observe a slow-burning conflict of interests. Fearing ‘strategic encirclement,’ India wishes to reduce Chinese influence over its neighbors (such as Pakistan) while China is dead-set against Indian aspirations to regional hegemony (Garver 2001: 16–18, 31).

There can be little doubt that the rapid industrialization and economic ascendancy of India and China are already having significant effects on the international system, too, and that they will continue to do so. Both are still growing fast and their shares in the system are rapidly increasing (Doran 2004: 21). In this context, the foreign policy roles of China and India, within both the Asian region and the international system, are certainly affected by each other.

At present, both obtain high proportions of their imported fossil fuels from the Persian Gulf. Both look like they will depend on Gulf energy for the foreseeable future and must therefore firm up their foreign policies towards these suppliers, while also looking to develop secure new routes, perhaps through third-party countries.

As demand for the same limited pool of Gulf resources increases from both China and India, logic dictates that sooner or later there won’t be enough for both of them, let alone other consumers that rely on the same reserves. Iran’s major oil and gas reserves, its geographical location, and its prickly relations with an America that, despite a decline, still has major influence on international affairs make it a particularly interesting supplier. India certainly seeks to take its share of Iran’s resource pool, particularly with regard to its growing need for natural gas—a situation that rings alarm bells in Washington and perhaps Beijing too. This entails an evolution of each country’s foreign policy position and role within the international system. How can the nascent Asian powers ensure their supply security, and what geopolitical challenges might India’s energy needs pose to China? Will the dynamic tend to cooperation or competition, or a more complex interaction of these factors with complementarity and competitiveness, as described by Charles F. Doran?