

The global politics of energy can no longer be ignored. In late 2011 the State Department created a Bureau of Energy Resources to focus exclusively on energy, a sign of the growing importance of energy issues to US foreign policy and national security. India's External Affairs Ministry has appointed the same. Other countries are no doubt doing the same. And yet we have not made progress in developing an international system to manage the global competition for energy resources, to match the system for global geopolitics that we have built around the UN. - **Shashi Tharoor***

We live in a post-war world. Today shooting wars are the exception, and they look increasingly unlikely almost everywhere. But are we entering an era of 'resource wars' instead - intense competition over the control of energy, water, even food? Many observers think so. And energy is the principal resource over which global competition is expected.

Consider the evidence. Emerging markets like China, India, Brazil and Turkey have voracious appetites for energy, and they are all in the race to acquire it. China is expected to account for one-third of the increase in oil demand in the next two decades. It is scrambling for oil and gas concessions in Africa, on land and offshore. It is intensifying its development of a blue-water navy to assert dominance in the South China Sea and beyond, not least to ensure that sea lanes of communication are kept open for its energy supplies. India is comparably active in the western half of the Indian Ocean. The geopolitics of energy are no longer merely about the US pursuing its security interests in the Gulf.

Everyone needs affordable, reliable energy, which is indispensable for economic growth. In a world where the notion of 'energy independence' is a fantasy, the quest for energy security is unavoidable. I addressed this issue in 2012 at the KazEnergy Conference in Kazakhstan's astonishing new capital of Astana. I recall from my days in the UN, the Kazakh president, Nursultan Nazarbayev, telling the General Assembly that his country was ranked

seventh in oil reserves in the world, sixth in gas reserves and second in coal reserves. And it also has uranium! Astana is less than four hours' flying time from New Delhi but we have not been giving it the importance it deserves.

The dominant source of energy in the world is fossil fuels: the combination of oil, gas and coal easily represents over 80 percent of the world total primary energy supply. Of course, alternative energy must and will be explored: wind power, solar energy, hydropower, geothermal heat, and biofuels are amongst the other sources of energy that are currently being developed around the world, but the vast global infrastructure of oil and gas will continue to supply the majority of world energy needs in the predictable future. Experts say that even by 2030, hydrocarbon will still account for over 80 percent of the world's energy.

There is insufficient global supply to meet demand. Global energy demand is expected to grow by 32 percent to 40 percent in the next two decades, as it did over the previous two. Increasing supply is therefore not the sole answer. Energy efficiencies, conservation, alternative energy and new oil and natural gas fields must be explored, but they will not be enough to meet the rising demands of our growing global economy. The development of renewable energies should go forward while recognizing that oil and natural gas are going to be around for decades.

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The global situation, despite the appearance of stability, offers uncertain prospects. The notion of "peak oil" is broadly discredited; new supplies continue to be found, and both Iraq and Iran have competitively raised their estimates of national oil reserves by some 25 percent from previous estimates. How much of this is real remains to be proven, and with sanctions on Iranian oil beginning to bite, less of it is entering the global supply chain. Further supply disruptions are not impossible as the pressure for decisive action against the Iranian nuclear programme mounts in some quarters.

Meeting increasing global demand, according to the expert Daniel Yergin, means an increasing share of oil will be from challenging environments such as ultra-deep offshore wells, the Arctic and the Canadian oil sands. North America has flourished: Yergin pointed out that in 2011, the US registered the largest increase in oil production of any country outside of OPEC, and the output of Canadian oil sands had tripled since 2000 (it is now greater than Libya's output before its civil war began in 2011).

Meanwhile, the natural gas market has been transformed by the rapid expansion of shale gas amounted to only about 2 percent of the US production. Today, it is 39 percent and rising. Future US power plants could be run on gas, which has the merit of being cleaner and more environmentally-friendly than the alternatives, As recently as 2006, the US was expected to become a net natural gas importer, but now it has enough supply for more than 100 years of consumption.

So much for the supply side. On the demand side, curbs are working. the improving gasoline efficiency of cars will help reduce oil demand. Strikingly, the oil and natural gas industry in the US itself invested \$71 billion in greenhouse gas- reducing technologies from 2000-2010 - nearly twice as much as the federal government. President Obama's stimulus bill allocated another \$100 billion towards energy efficiency and alternative energy. the United Nations declared 2012 the Year of Sustainable Energy, proclaiming the goals of universal access to energy, doubling the rate of improvement in energy efficiency and doubling the share of renewable energy in the global energy mix. Fulfilling these targets will not be easy.

In our post-war world, conflict over such issues as unnecessary and avoidable. there is enough for all, provided we pursue these common goals co-operatively. Then we can embrace the future with confidence.



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