

CHAPTER 4

ROLE OF SCO IN ENERGY SECURITY

The energy has been considered as the ‘oxygen of economies’ as it has been said that “Without heat, light, and power you cannot build or run the factories and cities that provide goods, jobs, and homes, nor enjoy the amenities that make life more comfortable and enjoyable”²⁵ and Roberto Bocca (World Economic Forum). Energy has been the engine of growth for the development or formation of any industry or goods in a country. The energy has been the backbone of a country without which it cannot sustain its development pace. It has been the crucial ingredient of agricultural and industrial activities which has been the main economic function of developing countries like India and China and hence when these activities increase the energy demand also increases. The energy has been the input to all activities and it is non-substitutable. Energy plays a vital role in employment. The energy sectors provide employments in two ways firstly by extraction, transformation, and distribution of energy services in a country and the second all the machinery or equipment’s relies heavily on energy for its working hence, when there is a shortage of energy the pace of development of countries also decreases. The energy sector has been an employment multiplier as it has been calculated that if one job is created in the energy sector it provides three jobs in other sectors. The energy sector provides jobs in several ways. Initially, it provides direct jobs directly where the individuals are contracted directly to extract or produce energy. Secondly, in this sector, the energy transportation and supply result in indirect jobs and thirdly it led to induced jobs where the beneficiary of these two sectors invest for other goods and services which generates jobs in other sectors hence, it has been the chief component of an economy.

²⁵ Yergin, D. (2012). How is energy remaking the world? *Foreign Policy*, (194), 60.

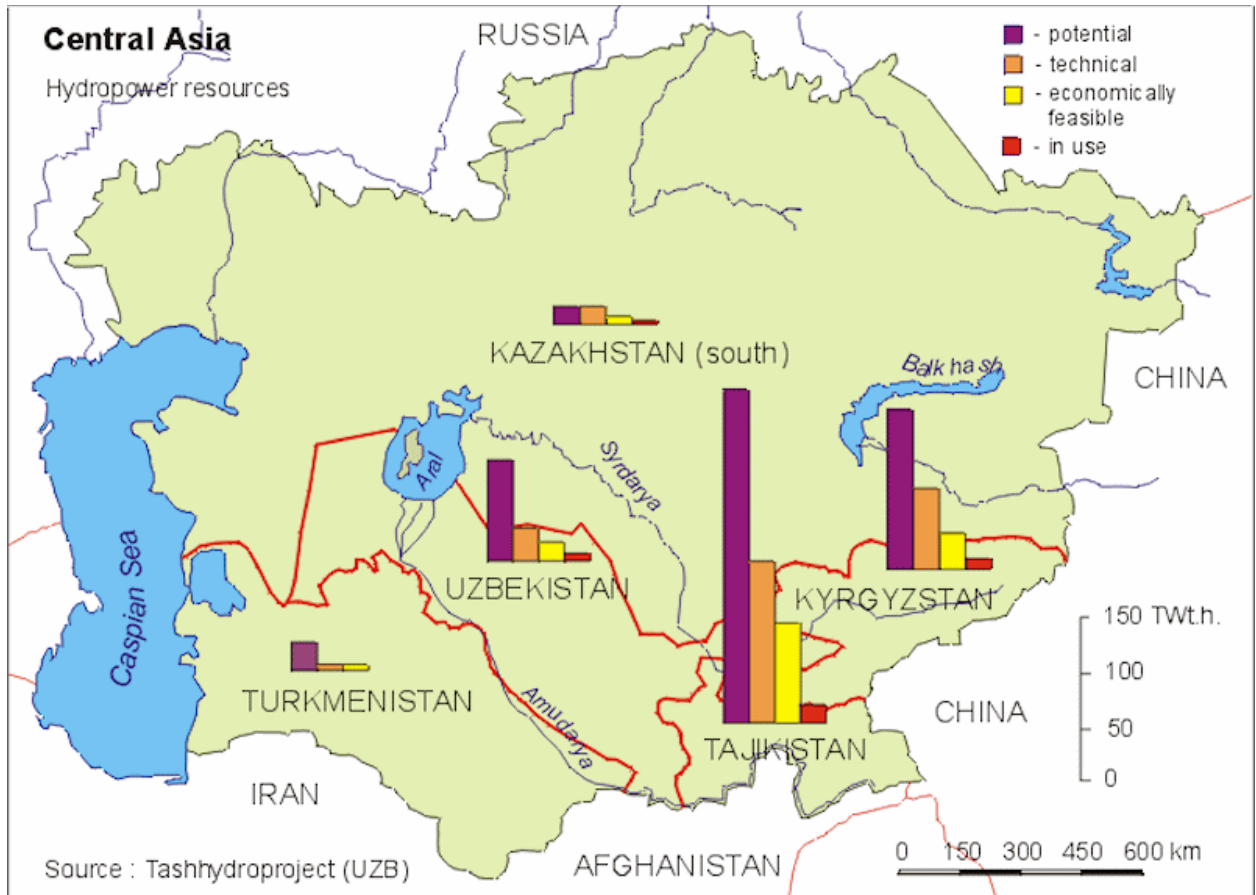
The first and foremost thing, which we have to understand, is what does energy security is? energy security has been defined as ‘adequacy of energy supply at a reasonable price’. The adequacy and reasonable price of energy are a paradox in nature due to increased energy demand and depleting oil and gas reserves. The energy supply and demand are highly inelastic due to no alternative to energy, particularly non-renewable resources. The developing countries' demand has increased exponentially in past decades, which includes India and China. Though countries are focusing on alternatives to renewable resources, the heavy demand and non-replaceable nature of traditional sources have led the countries to make ties and agreements with other countries for their energy security. The supplier countries have been lacking in providing energy supplies timely due to lack of investment in the energy sector and political disruption in their policies making. The problem, which consumer nations face, is the use of energy supply by supplier groups as a political weapon in dealing with these countries.

In the 21st century, energy security has become the central theme of energy security of a country. *“Energy security is the most important concern in international energy politics, in that energy is crucial for both industrialized and developing countries, while there is a huge inequality in the allocation, technology, and capital of energy resources among nations and there is also a lack of a centralized body capable of allocating resources in the international political structure”*.The energy security of a country is highly influenced by several factors. Firstly, it has also been seen that the emergence of new power in international politics led to a change in the energy supplies to the rest of the world. The second factor has been the geographical proximity to the energy supplier country. Thirdly, the presence of militant groups around its energy supply route and attack on infrastructure. Lastly, the political unrest which has been the chief concern (Middle East Asia) countries hampers the energy security of several nations.

Hence, from the above discussion, it has been clear that in this century the energy security plays a key role in international politics. The foreign policy of a country is highly influenced by energy security and it even plays a key role in the bilateral ties among the nations due to the high demand for energy at the global level several war and conflicts

had taken place in past decades. So, every country is trying to get access to its energy needs by strengthening ties with supplier countries. The countries have been heavily investing in energy resource-rich countries to get access to their natural resources.

Figure 3: Resources of Central Asian States



4.1 ENERGY RESOURCES IN CENTRAL ASIA:

The competition between great powers in the 21st century had been at another level in the central Asian region. The reason for this competition has been due to the presence of a vast amount of energy resources in this region. The central Asian region which consists of Tajikistan, Kazakhstan, Uzbekistan, Turkmenistan, and Kyrgyzstan has been geographically situated around the natural gas and the oil-rich Caspian Sea. "According,

to the BP Statistical Review of World Energy (2004), proven oil reserves of the five Caspian littoral states total 216.4 billion barrels, while total gas reserves are estimated at 2819.2 trillion cubic feet. In terms of percentages, the five Caspian littoral states have about 18.8 percent of the world's total proven oil reserves and 45 percent of the world's total proven gas reserves". The hydrocarbon reserves of the region are significant. Proven oil reserves are pegged at between 15 billion to 31 billion barrels, about 2.7% of total world proven oil reserves. Proven natural gas reserves of 230 to 360 trillion cubic feet represent about 7% of the total world proved gas reserves. "By comparison, proven oil reserves of the Middle East represent 55% of world proven reserves while South America equals 8%. Some geologists assert that proven reserve numbers for Central Asia and the Caucasus, commonly referred to as the Caspian Basin, are misleadingly low because huge areas of the region have not been explored. Future exploration may confirm that the region potentially holds between 60 billion to 140 billion barrels of oil²⁶". The central Asian energy resource can not only play a significant role in diversifying the energy needs of the countries, but it can provide alternatives to the unstable middle east. The central Asian states can also provide stability to the world economy by the share of central Asian states in the global energy sector has been increasing at an enormous pace due to the high demand for energy in the world and instability in other oil and natural gas-producing states. The race to increase their influence in the central Asian region has taken place in the 21st century. All the countries are trying to increase their influence politically or economically.

4.2 Implications of Geopolitics in Central Asia:

Before the disintegration of the central Asian region, the USSR has the monopoly of the region but after the disintegration of the USSR and the rediscovery of energy resources of the Caspian Sea. The geopolitics of the region took a twist where Russia tried to sustain its dominance while china tried to enlarge its economic ties with newly independent states. China did not want to involve in the rivalry between Russia and the US but want to

²⁶ Jaffe, A. M. (1998). Unlocking the Assets: Energy and the Future of Central Asia and the Caucasus: Main Study.

fulfill its economic aspirations and it had been much interested in the 'peaceful rise'. In the 1990s, the china was neither capable nor interested in dominating the region but to get access to energy resources of the Central Asian region. Though it had been claimed that before the formation of newly independent states china had not much interest in the natural resources of central Asia, as it had a sufficient amount of coal and natural gas supply from its natural resources, However, as the development pace of china increased and demand of energy increased it started finding alternatives to its energy demand. China viewed the Central Asian region as a huge market for its energy supply and its cheap products. China had some serious concerns regarding the rise of extremism and terrorism in the region after the disintegration of the USSR. China had perceived that the rise of extremism and terrorism in the region would lead to instability in its northwestern province hence it tried to economically tie the province with other central Asian neighbors so that through which it can stabilize its Xinjiang province and get excess to the Middle East and European region. The Xinjiang province had been the chief concern for the political and economic stability of china. The Xinjiang stability has been seen through central Asia by China due to its religious and cultural connection with its neighbors.

The implication, which aroused in the region, is due to the interference and influence of several countries in the region. For China, the cooperation and competition with Russia had raised serious concerns for the region as Russia always want to be the sole dominant in the region but in the last two decades both the countries have invested heavily and provided high-end technology to the regional countries, but the problem faced is the fact that the cooperation is done to prevent any other power in the region like US, EU, Turkey or Iran. The problem is that the cooperation between Russia and China lacks confidence and the fears of the Central Asian states that it can become a new battleground for both the regional powers.

The US was more interested in the 1990s to control the weapons of mass destruction in the region, to contain Russia from its neo-imperial agenda in Central Asia and challenging the monopoly of Russia over oil and gas resources of Central Asia. The US

wanted to continue the supply of gas and oil of the Central Asian region to Europe and other parts of the world by-passing Russia. The US viewed the formation of Central Asian states as the victory of western ideals and values. The US also considered the event, as it would emerge as the global hegemon in the world but the formation of newly independent states formation and assumptions made regarding the region gone wrong as it was regarded by the western countries that after independence the countries would act independently with a minimal influence of Russia. The other factor which western countries considered was that the region would a homogenous block of Islamic nations. The other misconception was that after disintegration a new political leadership would come to power. However, after the formation of the former secretaries of the communist party of the USSR became the president of their countries except for Kyrgyzstan.

“Washington’s long term objectives in Central Asia were established at the beginning of the 1990s, and have not changed significantly since then: avert the return of Russian domination, prevent the emergence of a new hegemonic power in the region (Iran or china), promote energy and strategic partnerships that turn the region towards South Asia or the West, and contribute to political and economic reforms²⁷”. The “Trans-Caspian and Nabucco pipelines” had been some deep interests in its laying as it serves many interests. The core idea behind laying pipeline was to get connectivity to the natural and energy resource rich central Asia, which has abundance of hydrocarbons, and natural gas whereas the world had been relying majorly on the instable Middle East and the condition in Persian Gulf had been worsening day by day. The US had not only been trying to establish and strengthen relations with central Asia, but it was also well aware that the region could play major role in the stabilization process of Afghanistan.

The 9/11 terrorist attacks caused a major shift in U.S. foreign policy in the C.A., now the main consideration is to eradicate terrorism from Afghanistan and ensure security. Over the past decade, the CAS has been instrumental in helping the U.S. build law enforcement, intelligence, drug trafficking, and counter-terrorism mechanisms. Provided

²⁷ Laruelle,M and Peyrouse,S(2013), ‘*Globalizing Central Asia-Geopolitics and Challenges of Economic development*’, Armonk, NY: M.E. Sharpe.

significant assistance. In 2010, its assistance to the region totaled \$ 6,436.3 million, a significant increase from the \$ 72 million allocated to CAS in 1996. The United States has also stationed troops in the CAS, particularly Tajikistan, which borders Turkmenistan, Uzbekistan, and Afghanistan. Furthermore, it has largely used CAS as fly-over zones, bases for counter-terrorism exercises, and U.S. operations inside and outside Afghanistan. Has successfully lobbied to transport cargo from its territory. The policy of US regarding the central Asia had been full of compromise as the Turkmenistan refused to comply with the goals of the Northern Distribution Network in 2009 irrespective of it it continued to use the logistic support from the country In the fight against terrorism.

“However, there are other factors also affecting U.S foreign policies in the region, the first one is growing Chinese presence in the region²⁸”. As the SCO started becoming mature and influential in central Asia and the initiatives and interest shown by the Iran in becoming the permanent member of SCO has raised concern for the US. The change in dynamics and politics in central Asian region also forced the US to shift its policy towards the region and as a result it started focusing in sidelining the Iran and Russia in the region by laying trade routes which bypasses the two countries. The central Asia provides huge amount of energy resources as well as jobs due to the fact that US has been invested heavily on extraction of energy resources around Caspian Sea .it also provides a way for installation and initiation of democratic and pro-western regimes in the region.

At the commercial level, *“U.S lags far behind China, Russia, and the EU, but also behind South Korea and Ukraine. During the Obama administration, the ledger of U.S activity in the region remains paradoxical. Some objective was not reached (as Moscow again become a major player in the region, and China’s economic penetration was more rapid*

²⁸ Cohen, A (February3, 2006), *‘After the G-8 summit: China and the Shanghai Cooperation Organisation’*, The china and Eurasia forum Quaterly, vol.4, No.3.

*than predicted), while others were obtained but to the detriment of Central Asian economic development (the marginalization of Iran as a regional actor)”.*²⁹

The U.S for its academic and political establishment have adopted a geo-economic plan that would further encourage the country to stay in the Central Asian neighborhood the “New Silk Road” initiative, “the hub of transport and trade”³⁰, which is supposed to direct American investment in Central and South Asia to promote regional trade and social and economic development among Afghanistan and its neighbors.³¹ The U.S. has been constantly trying to install pro democratic regimes in the region since formation of newly independent states but till now due to the autocratic and authoritarian regimes suppression of democratic voices had made the efforts of US futile.

America’s power of attraction and prestige is now negatively impacted by what C. Elites interpret as U.S failure in Afghanistan. The region remains only of secondary concern for U.S foreign policy, compared to U.S interest in the Asia-Pacific and the Middle East. Central Asia is not at the top of American priority or is there by default due to its proximity to Afghanistan, C. Status is subject to change in the foreign policy of leading world powers, sometimes appearing in limelight, sometimes forgotten or relegated to subordinate state.

4.3 Role of SCO in Energy Security:

Since security was the main aim of the organization for its inception, However, as the growth of the organization took place it started focusing on other dimensions of cooperation. Before the 21st century, the Central Asian Region was seen as a region of instability and under-development. Nevertheless, as the energy demand increased in the

²⁹ Olcott, Brill (Feb 10, 2010), ‘*A New Direction for U.S. Policy*’, [//http.carnegieendowment.org/files/us_caspian_policy.pdf](http://http.carnegieendowment.org/files/us_caspian_policy.pdf).

³⁰ Starr, S.F and Cornell, S.E(2005),(eds.), ‘*Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West*’, Uppsala: Silk road Studies Program.

³¹ Nichol, Jim (May 31, 2012), ‘*Central Asia: Regional developments and Implications for U.S Interests*’ Washington DC: Congressional Research Service report.

world and the fast depletion of energy resources in other countries moved the attention of all the powers in central Asia. The question that arises is that since all the countries are signing energy deals bilaterally, then why SCO is important for the countries, and how it can be a win-win situation for all the member states. The main demand for cooperation between all the states is the fact that all the countries would get benefits through the SCO framework since SCO has been working in stabilizing the Central Asian region. The SCO mechanism of countering terrorism, extremism, and separatism had opened new opportunities between member states. We will discuss all three aspects and how they had led to the transformation of SCO from tackling 'Three evils' to energy security.

The total area of the organization's member countries is five - thirds of Eurasia, with a population of 1.5 billion. Their total GDP is equal to a quarter of the world's total (\$ 12.4 trillion). The territory of the SCO member countries has 25% of the world's oil reserves, over 50% of its gas reserves, 35% of its coal reserves, and half of the world's uranium reserves. Large oil and gas pipelines have been laid or are being built here. (SCO Energy Club: The structure is ready for international interaction, not the Shanghai Six Elite Club).

The SCO had started focusing on cooperation in the economic sphere in the 2003 summit, where it was agreed to draft a framework agreement in the economic sphere. However, these objectives were not implemented due to a lack of consensus. In 2004 by the approval, the plan is executed, and measures are taken for its implementation. The year 2005 was most crucial for SCO, where it clearly showed its potential by demanding a timeframe for the withdrawal of NATO forces from Afghanistan. The summit also became crucial as the Uzbekistan which had been considered as closer to the US had shifted its stance by demanding the vacation of the Karshi -Khanabad air base from US troops. These events showed that in regional politics the SCO has been the vital component in framing the economic and political framework of the region. The event 2005 summit also showed the willingness of member states to cooperate with regional players. In the same year, China and Kazakhstan signed a deal, in which the Chinese petroleum company acquired Petro Kazakhstan for 4.4bn dollars. Both the countries also

agreed to link a pipeline of 1000 km, which would connect China to Kazakhstan. They also agreed to further cooperate in connecting the pipeline from Turkmenistan to china, which passes through Kazakhstan. In the same year the Russia, Kazakhstan, and Turkmenistan agreed for laying another pipeline in the north of Kazakhstan. During Kazakhstan's president's visit to Washington in 2006 made serious concern for the hegemony of Russia in the region, where they agreed to form a pipeline from Turkmenistan to India through Afghanistan and Pakistan. Hence, Russia became more cautious regarding securing the central Asian assets from foreign influence. In 2007 the Russia, Iran, and Uzbekistan proposed a club similar to OPEC where they can counterweight the western countries. As Iran and Russia were number one and two at natural gas production this was seen as a game-changer for dealing with western countries. Taking into consideration that SCO members do control around 23 percent of the world's oil and 55 percent of natural gas reserves, with Russia accounting for the single largest gas reserves on the globe, the ability of SCO-coordinated activities to move markets would seem considerable³². However, until 2013 no consensus was made for the formation of the 'Energy club' due to several reasons between the states. The reason for the formation of the 'Energy club' is initially was to increase the transportation and telecommunication connectivity between the member states. The other perception of formation was to minimize or defuse the tension between the members as SCO consists mainly of three types of members. Firstly, oil-producing countries are Russia, Uzbekistan, and Kazakhstan. The other countries which are energy consumers like India, China, and Pakistan.

4.4 Energy Club:

The idea of an energy club is not new Since, it had been proposed by Russia in the 2006's SCO summit where Russia proposed an internal cooperative energy body under an organization. Russia tried to form an energy club much earlier, but it became successful

³² Raith, M., & Weldon, P. (2008). Energy Cooperation and the Shanghai Cooperation Organization: Much Ado about Nothing?. *Eurasianet.org*, 25.

in 2013. The main objective of the energy club was to provide energy security to its member states. The formation of the energy club was welcomed by all the members including dialogue partners and observer members which includes Russia, China, Kazakhstan, Tajikistan, Uzbekistan, and Kyrgyzstan. The observer states at that time were India, Mongolia, Pakistan, and Iran. The dialogue partners included Sri Lanka, Belarus, Afghanistan, and Turkey.

The energy club had some objectives in working collectively for the energy security of all the members of the club. The core issues to be solved through the energy club were coordinating among member states over energy security for long term partnership in SCO. The formation of policies which are following the collective energy security of all members. It has also emphasized on development of a collective mechanism of economic cooperation with member states. The club emphasized controlling the investment race aroused in the central Asian region. The energy club also stressed the information sharing about the action taken by them in the global energy market. The formation of the energy club had been a win-win situation for most of the countries, since the club comprises of biggest producers of natural gas and oil which comprises of Russia, Kazakhstan, Iran, and Uzbekistan, and energy consumers which include India, China, Pakistan, Tajikistan, and Afghanistan. The club could be a boon for Afghanistan as it would be the main juncture for interaction between suppliers and producers. The energy club would provide opportunities to not only eight member states but to several other countries of the region. Due to its significant natural resources, the organization is now ready to interact with other regional organizations and other business communities. The framework of the energy club will also provide opportunities to its member states in investment according to their own need.

The energy club provided the freedom to its members that it had not been obligatory to be a part of 'energy club'. The reason for this issue was as since 2006 several attempts had failed due to a lack of consensus among the member states. Since the SCO, charter clearly states that it has been mandatory for members to implement the policies without any contradiction. Hence, to bypass this obligation Russia superseded this law by not

making it obligatory to be a member of the 'energy club'. Article 16 of SCO charter states "In case one or other member states are not interested in the implementation of individual co-operation projects that are of interest for other member states, these member states refusal to participate does not prevent the interested member states from cooperation and at the same time does not prevent the specified member states from joining such projects later". The club also provides an opportunity for interaction between other international organizations.

The framework of 'energy club' shows some optimism but on grass root level it has to face several problems due to dominance of national interest over regional interest however we would discuss the reasons for joining energy club by different countries. The energy club has to redefine its trajectory of development as it has to implement several projects which are needed to be addressed for the proper functioning of the club. The main concern for all the energy-producing states is to modernize the existing generation capacity and power grids. The other problem which the region faces is the lack of infrastructure for the supply of energy resources and overdependence over Russia for supply. Hence, infrastructure has been the chief concern for the club. The other factor which influences the working of the club is the formation of jointly administered routes for electricity supply and its market. The club also demands a modernized approach in oil and gas extraction. Hence, the 'Energy club' would act as the game-changer for regional and international politics if all the Member's participation will be genuine.

4.5 Incentives for the Member States in Energy Club:

1. Russia

Russia views the energy club as a platform through which it can monopolize the gas market and can use it to bargain with other international players. The formation of the club will provide a cooperative approach with china, which has been aggressively

investing in the Central Asian region. Russia would give a stern message to Europe that it has the potential to supply its energy resources outside the European Union. It will also get the opportunity to show its might in the energy sector through counterbalancing NATO. Russia also wants to warn that if western countries would not stop their mischief in the central Asian region it had the potential to convert the energy club as 'OPEC of the east'. Russia has several other motives regarding energy club as through energy club Russia can attract and control India that has been drifting towards the US in recent times. Since India requires a great amount of energy for development that can play a key role in its quest for the energy security of India.

2. China

The energy club initiative provides a new opportunity to china as it can become significant in increasing connectivity in the Xinjiang province. It will also provide economic benefits to the Xinjiang province since the connectivity required for transport of oil and natural gas would pass through this region. The other factor has been the fact currently, china does not have a mighty navy that can protect the interest or supply of oil and natural gas through sea routes as china fears that in case of a tussle with India, china might not be able to get the supply of resource through Indian Ocean. The energy club will also help in fulfilling its most ambitious project of 'New Silk Road' through the trade routes of the energy club. China would get an advantage in dealing with South Asia, Europe, and the Middle East. The energy club has been also important for china in the view that it has provided several opportunities in the nuclear energy sector as china has been making several nuclear energy reactors in member countries. China has been the biggest emitter of carbon dioxide in the world, and Hence it can minimize the impact of emission by shifting to other clean sources of energy like natural gas and hydroelectricity.

However, no one can deny the fact that China has been the biggest investor in developing renewable energy like wind and solar energy.

3. Central Asian States:

All the central Asian states have vast potential for energy production. Kazakhstan and Uzbekistan are rich in hydrocarbon reserves while Tajikistan and Kyrgyzstan have a huge amount of water resources to develop cheap electricity. After having such potential in energy resources these countries lack behind in infrastructure, technology, connectivity, and investment. All these demands can be fulfilled through the energy club and hence, it can play a key role in the development of the energy sector in the Central Asian region.

The Kazakhstan energy supply chain was built to supply natural resources to Russia, hence initially Kazakhstan was solely dependent on Russia for the extraction and transportation of its energy resources to the world. Since the formation of the ‘energy club,’ Kazakhstan would be able to expand its supply chain. There are four main oil fields in Kazakhstan: Tengiz, Uzen, Karachaganak, and Kashagan. *“The Kashagan field has received much recent attention after preliminary drilling and exploration; however, the project has been delayed, due to complicated natural and geological conditions and estimated development costs of 29 billion dollars³³”*. The SCO club can help Kazakhstan to overcome investment crises from trusted partners. Kazakhstan would get the opportunity to bargain in the international energy market through different supply routes. Hence, it has been a win-win situation for Kazakhstan.

Kyrgyzstan has rich resources in producing hydroelectricity due to its geographical condition. The country also has a vast amount of coal but it has a minimal amount of oil and natural gas. The most important energy-producing capacity lies in hydropower where

³³ Azarkan, E. (2010). THE INTERESTS OF THE CENTRAL ASIAN STATES AND THE SHANGHAI COOPERATION ORGANIZATION. *Ege Academic Review*, 10(1).

the country produces two-thirds of its total energy. Through the energy club, Kyrgyzstan has the potential to supply electricity to Afghanistan, Pakistan, and India by developing infrastructure. The energy club can also help in the renovation of infrastructure, which has been decades old which led to heavy losses in electricity transmission. The energy club can help in energy security for Kyrgyzstan as 90 percent of its oil and natural gas are imported and the hydropower supply fluctuates in the country due to the seasonal effect of the river drainage system. The energy club would also help the country in the development of the renewable energy sector and power generation capacity by getting expertise from more advanced countries.

Tajikistan is 98 percent dependent on hydropower for its needs. Therefore, Kyrgyzstan currently produces 20bn kWh. However, it is capable of generating 300 bn kWh. Hydroelectric power plants on the Wax River generate most of Tajikistan's electricity, with a total capacity of 3,800 MW, and fourteen billion kilowatts annually. The largest of these is the Norak Hydroelectric Facility, at a rate of 3,000 MW. Rogun still has the largest facility, 335 meters high, and the world's tallest dam under construction, with a capacity of 3,600 MW.

Construction of Rogun began in 1976, and by 1996 over \$802 million had been invested. Completions of Rogun will require an additional \$2.2 billion (Zarifi, 2007). Tajikistan suffers from blackouts in the winter season due to heavy load on the electricity network. The main cause of electricity blackout has been the heavy use of electricity for heating purposes. The inefficient electrical types of equipment are a serious concern for Tajikistan in tackling energy security hence by collaborating with the 'energy club' Tajikistan would be able to get efficient equipment for electricity. The trade routes will also help in reducing blackouts during the winter season. The energy club will also help to increase energy production and energy storage in the country; Uzbekistan is the 11th largest producer of natural gas. It is the third biggest exporter and sixth largest producer of cotton. *"It is the seventh-largest producer of uranium and has 4 percent of the World's reserves. It has the World's fourth-largest gold reserves and is the seventh-largest producer. It has geological reserves of five billion tons of oil, and proven reserves of 100*

million tons³⁴”. Uzbekistan can benefit from the ‘Energy club’ as it will further expand its idea of a balanced approach in international affairs. It will help Uzbekistan to diversify its energy resource and would help in providing an integrated transit management system.

4. India:

India has been among the biggest importer of energy sources in the world. The current events in international politics have raised deep concern for the energy security of India. The gulf crises and conflict in the south china sea pose the biggest threat to Indian energy security, hence India needs to diversify its energy resource to continue the pace of development. The energy club can provide security to its energy needs as through energy club India would get access in the extraction of oil and natural resources of the Central Asian region. The energy club will enhance energy supply to India through collective security initiatives taken in the past like Turkmenistan, Afghanistan, Pakistan, and India (TAPI) pipeline project there are several other projects like Iran, Pakistan and India (IPI) project and central Asia South Asia (CASA) electricity project which will help in energy security of India. Through the energy club, India will get access to the central Asian region through Pakistan as Pakistan will never allow Indian bilateral projects with central Asian countries passing through its territory but under the energy club initiative, Pakistan will be consolidated by china and Russia. The energy club will also help in boosting the connectivity of India to central Asia. Which will result in the revival of historical ties between the Central Asian states and India. The central Asian states specifically Kazakhstan will provide uranium to India for civil nuclear use which would benefit India. The energy club will also help in ‘Connect Central Asia Policy’ which had been proposed by Dr. Manmohan Singh in 2012 however, no such development had been seen until 2015 when Indian Prime Minister Mr. Narendra Modi visited all the central Asian states and signed several MOUs between India and central Asian region. The connectivity of

³⁴ Xinbo, W. (2020). The China Challenge: Competitor or Order Transformer?. *The Washington Quarterly*, 43(3), 99-114.

the central Asian region through the energy club can also provide India a chance to compete against China in the energy sector.

5. Pakistan:

Pakistan knew that it has a significant role in the energy club due to its geostrategic location. As it has been the shortest route for the access to central Asian region it can become a gateway to Central Asian natural resources. Pakistan will get economic benefits to its deteriorating economic health. It will also give an opportunity in modernizing its port and trade routes to central Asia. Pakistan would also get help in countering terrorism in its territory, as the economic activities would increase. It will become a collective stake of all the regional players to secure the trade route. It can be clearly understood from the fact that after the formation of Gwadar port of the china has started investing heavily and provided financial as well as intelligence assistance for securing the trade route, hence if the participation of all the countries will increase in the region it would ultimately lead to an uplift in the economic condition of Pakistan. Pakistan will also get direct access to Europe and hot water ports in central Asia. The other factor is being that energy diplomacy may bring people to people connect throughout the SCO. Hence it can play a key role for Pakistan. The energy club will play a major role not only in regional politics but also in international politics too. The fast depletion of energy resources of every country and the gulf instability has provided vital importance to the region, but it seems there has been a lack of consensus between the countries as everyone has their interests to serve. Which are deviating from one another. However, if collective efforts would be taken it would be the game-changer for the energy security of all its members. The energy club has also proved the importance of the central Asian region. It might become the engine of development of the region if the trust deficit would be eliminated among the countries. However, it has traced a long path for its success due to its geostrategic

location in the region. The energy club might also initiate a new form of proxy war among international players in the region to gain access to the resources.